

PROSPECTUS

مجموعة محمد المعجل MOHAMMAD AL-MOJIL GROUP MMG

Sale of 30,000,000 Shares Representing 30% of Mohammad Al-Mojil Group through an Initial Public Offering at an Offer Price of SAR 70 per Share
MOHAMMAD AL-MOJIL GROUP COMPANY

A Saudi Joint Stock Company in accordance with Ministerial Resolution Number 270
dated 29 Shawwal 1428H (corresponding to 10 November 2007G)

Offering Period: 27 Rabi Athani 1429H to 7 Jumada Alawal 1429H (corresponding to 3 May 2008G to 12 May 2008G)

Mohammad Al-Mojil Group Company (hereinafter referred to as the "Company", "MMG" or "Al-Mojil") was initially formed as a sole proprietorship owned by Mr. Mohammad Hamad Al-Mojil with Commercial Registration Number 2050003174, dated 3 Jumada Athani 1394H (corresponding to 24 June 1974G) and a share capital of SAR 4,400,000 divided into 4,400 shares with a nominal value of SAR 1,000 per share. On 15 Rabi Alawal 1428H (corresponding to 3 April 2007G), MMG was converted into a limited liability company and Mr. Mohammad Al-Mojil transferred 20% of his equity shares to new shareholders at the 1 January 2007 net book value of SAR 175,000,000 (the new shareholders along with Mr. Mohammad Al-Mojil are referred to hereinafter as the "Founding Shareholders"). The Founding Shareholders resolved concurrently to transfer SAR 870,600,000 from the shareholders' current account and increased the Company's share capital to SAR 875 million divided into 87.5 million shares with nominal value of SAR 10 per share. On 5 Jumada Alawal 1428H (corresponding to 22 May 2007G), the Founding Shareholders resolved to increase the paid up capital of the Company to SAR 1 billion divided into 100 million shares with a nominal value of SAR 10 per share by a transfer of SAR 118,968,904 from retained earnings and SAR 6,031,096 from shareholders' current account. The Company was converted from a limited liability into a joint stock company in accordance with the Resolution of the Minister of Commerce and Industry Number 270 dated 29 Shawwal 1428H (corresponding to 10 November 2007G), with a share capital of SAR 1 billion divided into 100 million shares with nominal value of SAR 10 per share. The Initial Public Offering (the "Offering") of 30,000,000 shares (the "Offer Shares") with a fully paid nominal value of SAR 10 and at a price of SAR 70 per share, and representing 30% of the issued share capital of Al-Mojil, is directed at and may be accepted by:

Tranche (A): Institutional investors including a number of institutions that have been contacted by the Lead Manager after discussions with the Company and the Selling Shareholder and based on predefined criteria set by the Capital Market Authority ("CMA" or the "Authority"). The number of offer shares allocated to institutional investors is 21,000,000 offer shares representing 70% of the Offering.

Tranche (B): Individual investors including individuals having the Saudi Arabian nationality and the minor children of Saudi female divorcees or widows from a marriage to a non-Saudi. The number of offer shares allocated to individual investors is 9,000,000 offer shares representing 30% of the Offering.

The Lead Manager reserves the right to reduce the number of offer shares allocated to institutional investors to 9,000,000 offer shares, or 30% of the Offering. The Lead Manager may exercise this right in the event that the number of individual investors exceeds 900,000 and subject to CMA's approval. In that case, the number of offer shares available to individual shareholders would increase by 12,000,000, and would amount to 21,000,000 offer shares.

The Offer Shares are being sold by Mr. Mohammad Hamad Al-Mojil (referred to hereinafter as the "Selling Shareholder"), who owned 80% of the Shares of the Company prior to the Offering. Upon completion of the Offering, the Selling Shareholder will own 50% of the Shares and will consequently retain along with the Founding Shareholders whose names appear on page (x) a controlling interest in the Company. The net proceeds from the Offering will be distributed to the Selling Shareholder and the Company will not receive any part of the proceeds from the Offering. The Offering is fully underwritten by the underwriters. (Refer to "Underwriting" section)

The Offering will commence on 27 Rabi Athani 1429H (corresponding to 3 May 2008G) and will remain open for a period of 10 days up to and including 7 Jumada Alawal 1429H (corresponding to 12 May 2008G) (the "Offering Period"). Subscription to the Offer Shares can be made through branches of the selling agents (the "Selling Agents") during the Offering Period. Institutional Investors may subscribe to the offered by applying to the Lead Manager during bookbuilding process that takes place prior to the public offering. The minimum number of shares to be applied for by Individual Investors is 10 Offer Shares. The minimum number of shares to be applied for by Institutional Investors is 100,000 Offer Shares. There is no maximum number of shares to be applied for by institutional investors whereas the maximum number of shares to be applied for by individual investors is 500,000 shares.

Each individual subscriber to the Offer Shares (the "Subscriber" and collectively referred to as the "Subscribers") must apply for a minimum of 10 Offer Shares. The minimum allocation per Subscriber is 10 Offer Shares, and the balance of the Offer Shares (if available) will be allocated on a pro-rata basis. In the event that the number of Subscribers exceeded 2,100,000, the Company will not guarantee the minimum allocation of 10 of the Offer Shares per Subscriber, and the Offer Shares will be allocated equally between all Subscribers. If the number of Subscribers exceeded the number of Offer Shares, the allocation will be determined at the discretion of the Authority. Excess of subscription monies, if any, will be refunded to Subscribers (institutional and individual) without any charge or withholding by the Selling Agents. Notification of the final allotment and refund of subscription monies, if any, will be made by Sunday 13 Jumada Alawal 1429H (corresponding to 18 May 2008G). (Refer to "Subscription Terms and Conditions" section)

Each Share entitles the holder to one vote and each shareholder (the "Shareholder") with at least 20 Shares has the right to attend and vote at the general assembly meeting (the "General Assembly Meeting"). The Offer Shares will be entitled to receive dividends declared by the Company from the date of commencement of the Offering Period and subsequent fiscal years. (Refer to "Dividend Record and Policy" section)

Prior to the Offering, there has been no public market for the Shares in Saudi Arabia or elsewhere. An application has been made to the CMA for the admission of the Shares to the Official List and all relevant approvals pertaining to this Prospectus and all other supporting documents requested by the CMA have been granted. Trading in the Shares is expected to commence on the Exchange soon after the final allocation of the Shares (Refer to "Key Dates for Investors" section). Subsequent to Shares commencing trading, Saudi and Gulf Cooperation Council ("GCC") member states nationals, non-Saudi nationals with valid residence permits (Iqama), companies, banks and funds will be permitted to trade in the Shares. The "Important Notice" and "Risk Factors" sections in this Prospectus should be considered carefully prior to making an investment decision in the Offer Shares hereby.

Financial Advisor, Lead Manager and Lead Underwriter

HSBC



Co-Underwriters

الرياض المالية
riyadh capital



Selling Agents

SABB ساب



samba سامبا



This Prospectus includes details given in compliance with the Listing Rules of the Capital Market Authority of Saudi Arabia. The Directors, whose names appear on page iii; collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Saudi Arabian Stock Exchange take no responsibility for the contents of this document, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document.

This Prospectus is dated 3 Rabi Athani 1429H (corresponding to 9 April 2008G)

English Translation of the Official Arabic Language Prospectus

Important Notice

This Prospectus provides full details of information relating to Al-Mojil and the Shares being offered. In applying for the Offer Shares, investors will be treated as applying on the basis of the information contained in the Prospectus, copies of which are available for collection from the Selling Agents or by visiting the websites of the Company (www.almojilgroup.com), the CMA (www.cma.org.sa), or the Lead Manager (www.hsbcsaudi.com).

HSBC Saudi Arabia Limited ("HSBC") has been appointed by the Company to act as the Lead Manager, Financial Advisor and the Lead Underwriter in relation to the Offer Shares described herein.

This Prospectus includes details given in compliance with the Listing Rules of the CMA. The Directors, whose names appear on page iii; collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

While the Company has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as at the date hereof, the market and industry information herein are derived from external sources, and While neither HSBC nor the Company's advisors has any reason to believe that any of the market and industry information is materially inaccurate, such information has not been independently verified and no representation is made with respect to the accuracy or completeness of any of this information.

The information contained in this Prospectus as at the date hereof is subject to change. In particular, the actual financial state of the Company and the value of the Shares may be adversely affected by future developments in inflation, interest rates, taxation, or other economic, political and other factors, over which the Company has no control. Neither the delivery of this Prospectus nor any oral, written or printed interaction in relation to the Offer Shares is intended to be, or should be construed as or relied upon in any way as, a promise or representation as to future earnings, results or events.

The Prospectus is not to be regarded as a recommendation on the part of Al-Mojil, the Selling Shareholder or any of their advisors to participate in the Offering. Moreover, information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice in relation to the Offering and for considering the appropriateness of the information herein, with regard to individual objectives, financial situations and needs.

The Offering is being made to, and is only capable of acceptance by, individual nationals of Saudi Arabia, and to Saudi female divorcee or widow who has children from a marriage to a non-Saudi can subscribe on behalf of those children to her account given that she provides proof of motherhood, in addition to funds, authorized persons. The distribution of this Prospectus and the sale of the Offer Shares to any other persons or in any jurisdiction are expressly prohibited. The Company, Selling Shareholder, and Lead Manager require recipients of this Prospectus to inform themselves about and to observe all such restrictions.

Financial Information

The audited financial statements as at and for the years ended 31 December 2007, 2006 and 2005 and the notes thereto, each of which are incorporated elsewhere in the Prospectus, have been prepared in conformity with the Saudi Organization for Certified Public Accountants ("SOCPA") Generally Accepted Accounting Principles. The Company publishes its financial statements in Saudi Arabian Riyals.

Forecasts and Forward Looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of certain stated assumptions. Future operating conditions may differ from the assumptions used and consequently no representation or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Certain statements in this Prospectus constitute "forward-looking-statements". Such statements can generally be identified by their use of forward-looking words such as "plans", "estimates", "believes", "expects", "anticipates", "may", "will", "should", "expected", "would be" or the negative or other variation of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events, and are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (Refer to "Risk Factors" section). Should any one or more of the risks or uncertainties materialize or any underlying assumptions prove to be inaccurate or incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated, planned or expected.

Subject to the requirements of the Listing Rules, Al-Mojil commits to submit a supplementary prospectus to the Authority if at any time after this prospectus has been approved by the Authority and before admission to the Official List, Al-Mojil becomes aware that (a) there has been a significant change in material matters contained in the prospectus or any document required by the Listing Rules; or (b) additional significant matters have become known which would have been required to be included in the prospectus. Except to the foregoing, the Company does not intend to update or otherwise revise any industry or market information or forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

Corporate Directory

Board of Directors

Title	Name	Nationality	Age	Shares	Ownership Post Offering	Type
Chairman	Mohammad Hamad Al-Mojil	Saudi	75	50 million	50.00%	Non Independent\ Non Executive
Vice Chairman	Adel Mohammad Al-Mojil	Saudi	43	5 million	5.00%	Non Independent\ Non Executive
Director	Fahad Ali Al-Raqtan	Saudi	46	-	-	Non Independent\ Executive
Director	Abdullah Mohammad Al-Hareky	Saudi	49	-	-	Non Independent\ Executive
Director	Zaki Mansour Abu AlSaud	Saudi	55	-	-	Independent\ Non Executive
Director	Jasem Bin Mohammed Al-Ansari	Saudi	60	-	-	Independent\ Non Executive
Director	Ahmed Nasser Al-Swaidan	Saudi	60	-	-	Independent\ Non Executive

Address and Representatives

مجموعة محمد المعجل
MOHAMMAD AL-MOJIL GROUP MMG

Mohammad Al-Mojil Group Company
King Fahad Bin Abdulaziz Road
P.O. Box 11, Dammam 31411, Saudi Arabia
Tel: +966 (3) 842 1111, Fax: +966 (3) 842 5079
www.almojilgroup.com

Company's Representative	Shareholders' Relations Officer	Board of Directors' Secretary
Fahad Ali Al-Raqtan Tel: +966 (3) 842 1111 Fax: +966 (3) 843 4886 Mobile: +966 50 590 3045 raqtan@almojilgroup.com	Mesaad Ibrahim Al-Madi Tel: +966 (3) 842 1111 Fax: +966 (3) 842 5079 Mobile: +966 55 880 0610 mesaad.almadi@almojilgroup.com	Mustafa Ibrahim Baiabi Tel: +966 (3) 842 1111 Fax: +966 (3) 842 5612 Mobile: +966 50 381 8927 mustafa.albaiabi@almojilgroup.com

Share Registrar

TADAWUL تداول

Tadawul
Abraj Attuwenya
700 King Fahad Road
P.O. Box 60612, Riyadh 11555, Saudi Arabia
Tel: +966 (1) 218 1200, Fax: +966 (1) 218 1260
Email: webinfo@tadawul.com.sa
www.tadawul.com.sa

Advisors

Financial Advisor and Lead Manager



HSBC Saudi Arabia Limited

King Abdullah Road
P.O. Box 9084
Riyadh 11413, Saudi Arabia
Tel: +966 (1) 470 3128
Fax: +966 (1) 470 6930

Legal Advisors to the Transaction

WHITE & CASE

Law Office of Mohammed Al-Sheikh in association with White & Case LLP

King Fahad Road
P.O. Box 17411
Riyadh 11484, Saudi Arabia
Tel: +966 (1) 464 4006
Fax: +966 (1) 464 1348

Registered Auditors



Deloitte & Touche Bakr Abulkhair & Co.

Olaya Street
P.O. Box 213
Riyadh 11411, Saudi Arabia
Tel: +966 (1) 463 0018
Fax: +966 (1) 463 0865

Market Research Consultant



Al-Amoudi for Financial Consultancy

Princess Sara Al-Sudairi Street
P.O. Box 69658
Riyadh 11557, Saudi Arabia
Tel: +966 (1) 472 5450
Fax: +966 (1) 206 5337

Underwriters Legal Counsel

Law Office of Abdulaziz H. Fahad

Jarir Plaza, Olaya Street

P.O. Box 15870

Riyadh 11454, Saudi Arabia

Tel: +966 (1) 464 8081

Fax: +966 (1) 462 4968

Public Relations and Marketing Consultant



ASDA'A Public Relations

Spectrum Building, Suite 212

P.O. Box 28063, Dubai, UAE

Tel: +971 (4) 334 4550

Fax: +971 (4) 334 4556

Notice:

The above advisors have given and not withdrawn their written consent to the publication of their names in the Prospectus; and do not themselves, or any of their relatives or affiliates have any shareholding or interest of any kind in the Company.

Lead Underwriter



HSBC Saudi Arabia Limited

King Abdullah Road
P.O. Box 9084
Riyadh 11413, Saudi Arabia
Tel: +966 (1) 470 3128
Fax: +966 (1) 470 6930

Co-Underwriters



Riyad Capital

P.O. Box 21116
Riyadh 11475, Saudi Arabia
Tel: +966 (1) 414 9730
Fax: +966 (1) 414 4858



NCB Capital

P.O. Box 222160
Riyadh 11495, Saudi Arabia
Tel: +966 (1) 273 3696
Fax: +966 (1) 273 3699

Selling Agents

SABB سبب

The Saudi British Bank

Prince Abdulaziz bin Musa'ed bin Jlawy Street
P.O. Box 9084, Riyadh 11413
Saudi Arabia
Tel: +966 (1) 405 0677
Fax: +966 (1) 405 0660

البنك السعودي الهولندي
Saudi Hollandi Bank

The Saudi Hollandi Bank

Prince Abdulaziz bin Musa'ed bin Jlawy Street
P.O. Box 1467, Riyadh 11431
Saudi Arabia
Tel: +966 (1) 401 0288
Fax: +966 (1) 403 1104

بنك الرياض
Riyad bank

Riyad Bank

King Abdulaziz Road
P.O. Box 22622, Riyadh 11614
Saudi Arabia
Tel: +966 (1) 401 3030
Tel: +966 (1) 404 2618

العربي
anb

Arab National Bank

King Faisal Street
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Saudi Arabia
Tel: +966 (1) 402 9000
Fax: +966 (1) 402 7747

NCB الأهلي

The National Commercial Bank

King Abdulaziz Road
P.O. Box 3555, Jeddah 21481
Saudi Arabia
Tel: +966 (2) 649 3333
Fax: +966 (2) 643 7426

البنك السعودي للاستثمار
The Saudi Investment Bank

The Saudi Investment Bank

Maathar Street
P. O. Box 3533, Riyadh 11431
Saudi Arabia
Tel: +966 (1) 478 6000
Fax: +966 (1) 477 6781

بنك البلقاء
BANK ALBILAD

Bank Albilad

Salahuddin Road
P.O. Box 140, Riyadh 11411
Saudi Arabia
Tel: +966 (1) 479 8888
Fax: +966 (1) 479 8898

البنك الفرنسي
Banque Saudi Fransi

Banque Saudi Fransi

Maathar Street
P.O. Box 56006, Riyadh 11554
Saudi Arabia
Tel: +966 (1) 404 2222
Fax: +966 (1) 404 2311

بنك الجزيرة
BANK ALJAZIRA

Bank Aljazira

Khalid bin Alwalid Street
P.O. Box 6277, Jeddah 21442
Saudi Arabia
Tel: +966 (2) 651 8070
Fax: +966 (2) 653 2478

samba سامبا

Samba Financial Group

King Abdulaziz Road
P.O. Box 833, Riyadh 11421
Saudi Arabia
Tel: +966 (1) 477 4770
Fax: +966 (1) 479 9402

Al Rajhi Bank مصرف الراجحي

Al Rajhi Bank

Olaya Road
P.O. Box 28, Riyadh 11411
Saudi Arabia
Tel: +966 (1) 462 9922
Fax: +966 (1) 462 4311

Issuer's Commercial Banks

SABB ساب

The Saudi British Bank

Prince Abdulaziz bin Musa'ed bin Jlawy Street
P.O. Box 9084, Riyadh 11413
Saudi Arabia
Tel: +966 (1) 405 0677
Fax: +966 (1) 405 0660

NCB الأهلي

The National Commercial Bank

King Abdulaziz Road
P.O. Box 3555, Jeddah 21481
Saudi Arabia
Tel: +966 (2) 649 3333
Fax: +966 (2) 643 7426

samba سامبا

Samba Financial Group

King Abdulaziz Road
P.O. Box 833, Riyadh 11421
Saudi Arabia
Tel: +966 (1) 477 4770
Fax: +966 (1) 479 9402

The Offering

The Company.....	Mohammad Al-Mojil Group, a Saudi Joint Stock Company under conversion in accordance with Ministerial Resolution Number 270 dated 29/10/1428H (corresponding to 10/11/2007G).
The Company's Activities.....	Al-Mojil is a licensed general contractor specialized in onshore and offshore oil & gas and petrochemical projects. The Company's core activity is the construction of onshore and offshore oil & gas and petrochemical facilities on a subcontract basis from the primary project contractor. Al-Mojil scope of work includes all construction activities involving civil, structural, mechanical, electrical, instrumental and maintenance.
Capital of the Company	SAR 1,000,000,000
Offer Price.....	SAR 70
Total number of Issued Shares	100,000,000 fully paid ordinary shares
Number of Offer Shares	30,000,000 fully paid ordinary shares
Percentage of Offer Shares	The Offer Shares represent 30% of the issued share capital of the Company
Nominal Value	SAR 10 per share
Total value of Offer Shares	SAR 2,100,000,000
Number of Offer Shares Available to Institutions.....	21,000,000
Number of Offer Shares Available to Individuals.....	9,000,000 ¹
Authorized Individual Subscribers.....	This Tranche consists of individuals having the Saudi Arabian nationality and the Saudi female divorcees or widows from a marriage to a non-Saudi can subscribe in the names of her minor children given that she provides proof of motherhood.
Subscription Method for Individual Subscribers	Subscription applications will be available during the Offering period at all SABBB and selling agents' branches. Subscription applications should be completed in accordance to the provided instructions within the "Subscription Terms and Conditions" section of this prospectus. Investors who have subscribed in previous initial offerings are able to subscribe through the internet, phone or ATM of any of the selling agents branches that offer such services to its customers.
Authorized Institutional Subscribers.....	Saudi investment funds, Saudi investment companies and authorized persons by the CMA.
Subscription Method for Institutional Investors	Institutional investors who have been approached by the Lead Manager have the right to subscribe in accordance to standards agreed with the Company and the selling shareholder. The Lead Manager will provide the subscription applications to the institutional investors.
Number of Offer Shares Underwritten	30,000,000 shares
Amount Underwritten.....	SAR 2,100,000,000
Minimum Number of Offer Shares to be applied for by Individuals.....	10 shares
Minimum subscription amount for Individuals	SAR 700

¹ The Lead Manager reserves the right to increase the number of offer shares allocated to individual investors to 21,000,000 offer shares, or 70% of the offering.

Maximum Number of Offer Shares to be

applied for by Individuals..... 500,000 shares

Maximum Subscription Amount for Individuals..... SAR 35,000,000

Minimum Number of Offer Shares to be Applied for

by Institutional Investors 100,000 shares

Minimum Subscription Amount for Institutional Investors..... SAR 7,000,000

Maximum Number of Offer Shares to be Applied for

by Institutional Investors No maximum

Maximum Subscription Amount for Institutional Investors..... No maximum

Founding Shareholders..... The Shareholders whose names and ownership in the Company is provided in the table below:

Founding Shareholders	Pre-Offering		Post-Offering	
	Shares	Percent	Shares	Percent
Mohammad Hamad Al-Mojil	80,000,000	80.00%	50,000,000	50.00%
Adel Mohammad Al-Mojil	5,000,000	5.00%	5,000,000	5.00%
Mohammad Hamad Al-Mojil International Company for Investments	5,000,000	5.00%	5,000,000	5.00%
Al-Mojil Investment Limited	5,000,000	5.00%	5,000,000	5.00%
Al-Mojil Holdings Limited	5,000,000	5.00%	5,000,000	5.00%
Public	-	-	30,000,000	30.00%
Total	100,000,000	100.00%	100,000,000	100.00%

Use of Proceeds..... The net proceeds of the Offering amounting to SAR 2,100 million after deducting the Offering expenses of approximately SAR 74 million will be paid to Mr. Mohammad Hamad Al-Mojil. The Company will not receive any proceeds from the Offering.

Allocation of Offer Shares to Individual Subscribers..... Allocation of the Offer Shares is expected to be completed on or around Sunday 13 Jumada Alawal 1429H (corresponding to 18 May 2008G). The minimum allocation per Subscriber is 10 Offer Shares, and the balance of the Offer Shares allocated to the Individual Subscribers Tranche (if available) will be allocated on a pro-rata basis. In the event that the number of Individual Subscribers exceeds 2,100,000 or if the Offering is to be amended, the Company will not guarantee the minimum allocation of 10 Offer Shares per Subscriber, and the Offer Shares will be allocated equally between all Individual Subscribers.

Excess of Subscription Monies Excess of subscription monies, if any, will be refunded to Subscribers without any charge or withholding by the Lead Manager and the Receiving Banks. Notification of the final allotment and refund of subscription monies, if any, will be made no later than 13 Jumada Alawal 1429H (corresponding to 18 May 2008G). (Refer to "Subscription Terms and Conditions – Allocation and Refunds" section)

Offering Period	The Offer will commence on Saturday 27 Rabi Athani 1429H (corresponding to 3 May 2008G) and will remain open for a period of 10 days up to and including Monday 7 Jumada Alawal 1429H (corresponding to 12 May 2008G).
Dividends	The Offer Shares will be entitled to receive dividends declared and paid by the Company for the period following the end of the offering and for subsequent fiscal years. (Refer to “ <i>Dividend Record and Policy</i> ” section)
Voting Rights.....	The Company has only one class of Shares and no Shareholder has any preferential voting rights. Each Share entitles the holder to one vote and each Shareholder holding at least 20 Shares has the right to attend and vote at the General Assembly Meeting. For a discussion of the Company’s voting rights. (Refer to “ <i>Summary of Company’s Bylaws</i> ” section)
Share Restrictions.....	The Founding Shareholders may not dispose of any Shares during the period of 6 months from the date on which trading of the Offer Shares commences on the Exchange. After the 6-month share restriction period has elapsed, the Founding Shareholders may only dispose of their Shares after obtaining CMA approval.
Listing of Shares.....	Prior to the Offering, there has been no public market for the Shares in Saudi Arabia or elsewhere. An application has been made to the CMA for the admission of the Shares to the Official List, all relevant approvals pertaining to this Prospectus, all other supporting documents requested by the CMA, and all relevant regulatory approvals required to conduct the Offering have been granted. Trading is expected to commence on the Exchange soon after the final allocation of the Shares. (Refer to “ <i>Key Dates for Subscribers</i> ” section)
Risk Factors	There are certain risks relating to an investment in this Offering. These risks can be categorized into (i) risks relating to the Company’s operations; (ii) risks relating to the market; and (iii) risks relating to ordinary shares. These risks are described in the “ <i>Risk Factors</i> ” section of this Prospectus which should be considered carefully prior to making an investment decision in the Offer Shares.

Key Dates for Subscribers

Expected Offering Timetable	
Offering period	Saturday 27 Rabi Athani 1429H (corresponding to 3 May 2008G) to Monday 7 Jumada Alawal 1429H (corresponding to 12 May 2008G)
Last date for submission of application form and subscription monies	Monday 7 Jumada Alawal 1429H (corresponding to 12 May 2008G)
Notification of final allotment and refund of funds (in the event of over-subscription)	Sunday 13 Jumada Alawal 1429H (corresponding to 18 May 2008G)
Start date of trading of Offer Shares	Upon completion of all relevant procedures

The above timetable and dates therein are indicative. Actual dates will be communicated through local press announcements.

How to Apply

Subscription in the Offer shares is directed at and may be accepted by:

Tranche (A): from Institutional Investors, including institutions that have been contacted by the Lead Manager after discussions with the Company and the Selling Shareholder and based on predefined criteria set by the CMA.

Tranche (B) from Individual Investors including individuals having the Saudi Arabian nationality and the minor children of Saudi female divorcees or widows from a marriage to a non-Saudi who can subscribe in their names given that she provides proof of motherhood.

Subscription application forms will be available during the Offering Period at the branches of the Selling Agents. The forms must be completed in accordance with the instructions described in the "*Subscription Terms and Conditions*" section of this Prospectus.

Subscription may also be made through the Internet, banking phone or ATMs at any of the receiving banks, which offer such services to the subscribers who have recently participated in previous initial public offerings, provided that the following requirements are satisfied:

- The subscriber must have a bank account at the receiving bank which offer such services; and
- There should have been no changes in the personal information of the subscriber by way of exclusion or addition of any member of his family.

All subscribers are required to fill out the subscription application according to the instructions provided within the "*Subscription Terms and Conditions*" section of this Prospectus.

Summary of Key Information

This summary of key information aims to give an overview of the information contained in this Prospectus. As it is a summary, it does not contain all of the information that may be important to interested Subscribers. Recipients of this Prospectus should read the whole Prospectus before making a decision as to whether or not to invest in the Company. Capitalized and abbreviated terms have the meanings ascribed to such terms in the "Definitions and Abbreviations" section and elsewhere in this Prospectus.

The Company

Mohammad Al-Mojil Group started its operations in 1954 and was initially registered as a sole proprietorship on 3 Jumada Athani 1394H (corresponding to 24 June 1974G) in Dammam, Saudi Arabia under Commercial Registration number 2050003174 dated 3 Jumada Athani 1394H (corresponding to 24 June 1974G) with a paid up capital of SAR 4,400,000.

On 15 Rabeel Alawal 1428H (corresponding to 3 April 2007G), the Company was converted from a sole proprietorship to a limited liability company where Mohammad Al-Mojil transferred (20%) of his equity shares at their net book value of SAR 175,000,000 on 1 January 2007 equally distributed among Adel Mohammad Al-Mojil, Mohammad Hamad Al-Mojil International Company for Investments, Al-Mojil Investment Limited and Al-Mojil Holdings Limited. Furthermore, the shareholders resolved to increase the Company's share capital by transferring SAR 870,600,000 from shareholders current account to the Company's share capital to reach SAR 875 million divided into 87.5 million shares with nominal value of SAR 10 per share.

On 5 Jumada Alawal 1428H (corresponding to 22 May 2007G), the Founding Shareholders resolved to increase the paid up capital of the Company to SAR 1 billion divided into 100 million shares with a nominal value of SAR 10 per share by a transfer of SAR 118,968,904 from retained earnings and SAR 6,031,096 from shareholders' current account.

On 29 Shawwal 1428H (corresponding to 10 November 2007G) the company was converted into a joint stock company in accordance with the resolution of the Ministry of Commerce and Industry number 270, with a paid up capital of SAR 1 billion divided into 100 million shares with nominal value of SAR 10 per share.

The Founding Shareholders owned the whole paid up capital of the Company prior to the Offering and will own 70% of the Company's paid up capital after the completion of the IPO.

Al-Mojil is a licensed general contractor specializing in onshore and offshore oil & gas and petrochemical projects. The Company's core activity is the construction of onshore and offshore oil & gas and petrochemical facilities on a subcontract basis from the primary project contractor who provides the technical requirements, designs and specifications of the project. Al-Mojil role is then to execute the construction as per the requirements.

Al-Mojil scope of work includes all construction activities involving civil, structural, mechanical, electrical, instrumental and maintenance.

Al-Mojil responsibilities embrace (i) carrying out all additional designs, drawings and other documents required for the design, (ii) the procurement of materials in accordance with the drawings specifications and standards agreed upon, (iii) the supply of all required equipment, machinery, materials, accessories, and tools for the performance of the work and services and (iv) provision of all the labor and supervision required to execute the work. In addition the Company has to perform quality management and inspection activities in design, engineering, procurement, fabrication, construction, testing, pre-commissioning and commissioning in order to ensure the entire facility is prepared for initial start-up.

The Company's services are supported by its steel factories, which fabricate pipes and steel plates provided by the clients and processed according to their specifications prior to their installation on site. The Company has achieved a good reputation in the fields of structural, mechanical and piping fabrication, installation and erection.

Mission and Overall Strategy

The Company's mission is to be one of the largest and most successful industrial contracting companies in the Middle East, to deliver sustainable value to its clients and to be a growing source of pride to its customers, country, shareholders, employees and families.

In order to increase its market share, the Company is determined to enhance its engineering capabilities, improve quality of service and adopt a more competitive pricing strategy. To that end Al-Mojil is ready to contemplate new ventures, partnerships or alliances that will expand its range of services across key sectors of the contracting industry.

Moreover, the Company is keen on investing in strategic assets that will allow it to improve the range of value added services and strengthen their relationship with clients. In addition, the Company is willing to diversify its client base by undertaking small to medium scale projects that would expand its business opportunities.

The Company's investments in strategic assets since 2005 include the expansion of the company's steel facilities in Dammam, the new Rabigh steel plant, Rabigh's new workers accommodation facility, expansion of its Jubail's employee village from 5,000 men to

10,000 men, establishing a training center and the purchase of more than 1,400 additional heavy machinery and equipment with a total investment of more than SAR 720 million. These investments further enhances the Company's competitive edge, improve its operational efficiency and strengthens its relationship with its key clients.

Key Strengths

The Company has an experienced management team with business development, marketing and contract management knowledge. The Company's Directors and Executive Officers have many years of hands-on experience in the construction of oil & gas plants, offshore and onshore rigs and platforms, petrochemical plants and other various facilities. The Company's Executive Directors are supported and assisted by a dedicated and dynamic management team, each with 8 to 30 years of industrial experience gained in the construction business.

The Company benefits from excellent construction records and numerous accreditations on safety and timely delivery from leading Saudi corporations such as Saudi Aramco, Rabigh Refinery & Petrochemical Company and Yansab as well as from international engineering and construction firms such as Toyo Engineering, Linde Arabian Contractors Company and Fluor Corporation. These accreditations demonstrate the Company's capability to complete industrial projects and delivering such projects without any material damages or financial, operational or legal claims from clients since its establishment such as the Certificate of Recognition from Petro Rabigh for outstanding safety performance of 5,000,000 man-hours² without lost workday injury/illness on the MONOMER Plant Project, Certificate of Achievement from Saudi Aramco for 7.5 million man-hours without a lost-time accident for the high pressure gas treating facilities, Certificate of Recognition from Jubail United Petrochemicals Company and Fluor Arabia Limited for the United Olefins Complex Project achieving 44,000,000 hours without a lost time accident. The Company offers a high level of safety standards, which comply with international quality codes and standards as well as delivering the required performance and efficiency. Commitment to quality is evidenced by the accreditation and certifications achieved by the Company from the American Society for Mechanical Engineers for manufacturing pressure vessels and piping and fired heaters and the ISO 9001:2000 certification for the Company's engineering systems, manufacturing and supply works. (Refer to "*Certifications and Accreditations*" section)

The Company conducts detailed project management and scheduling for each project to ensure on-time delivery to customers. Since the commencement of the Company's operations, it has not experienced any cancellation of orders or incurred any liquidated damages or penalties due to late delivery.

The Company possesses a large fleet of heavy equipment, tools, machineries and workforce camp facilities together with a fleet of 19 working marine vessels. The Company is constantly expanding and upgrading its fleet of equipment and building new facilities at strategic locations across the Kingdom, namely new industrial cities, for instance in Rabigh and Yanbu. This would enable the Company to work more closely and effectively with its clients and engage in large-scale jobs more efficiently.

The Company has a well-established business process for its construction operations, which include contract tendering, project management, contract execution, costing, quality and safety control, workforce and inventory management. These processes have been developed in line with international standards with the Company achieving its ISO 9001:2000 certification since 1995.

The Company enjoys excellent credit rating with local and international banks. This allows the Company to easily secure the needed financing to undertake sizeable projects. The Company's policy depends on managing risk by signing sub contracts and partnership contracts with leading companies and managing other risks. The Company's credit risk is considered to be low due to being cautious whenever signing contracts which are usually with leading Saudi companies and government entities. (Refer to "*Assets and Facilities*" section)

The Company strives to continually maintain and develop good and close working relationships with its customers. The Company's commitment to providing a high standard of customer service is evidenced by the fact that a significant share of the Company's revenue over its operating history was derived from repeat orders and referrals from existing major clients. An example of this is the Company's ongoing offshore contract with Saudi Aramco, which has been extended to cover the period 1996-2009. (Refer to "*Competitive Advantages and Future Prospects*" section)

Overview of the Market³

With the improving outlook of the Kingdom's economy, the future prospects of the contracting industry specifically in the oil & gas and petrochemical sectors seem promising. The current demand and plans for increasing capacity across the various sectors including new developments far exceed the supply and capabilities of the local contracting players, which gave the qualified local contracting companies the opportunity to sign contracts with favorable profitability margins.

² Man-hours is defined as the total number of hours spent by the contractors/ subcontractors' work force during the entire duration of the project

³ Source: Al-Amoudi for Financial Consultancy

It is expected that oil and gas exploration and production activities worldwide would continue to be strong due to the need to support the increasing demand for more energy resources which is in line with the growing level of global industrialization. International Energy Agency (IEA) estimates that about SAR 5.63 trillion (US\$1.5 trillion) worth of investments would be required to expand capacity or replace retired facilities across the MENA during the period 2004-2030, which equates to an annual investment of SAR 210 billion (US\$56 billion) during the same period. The table below provides an illustration of the total developments planned and underway for the various sectors over the next 5 years. It is estimated that the contracting work value represents 30% of the value of planned projects.

Total Planned Projects by Sector

Sector	Total Planned Development (SAR million)	Estimated Contracting Value (SAR million)
Oil & Gas	411,881	123,564
Petrochemicals	572,677	171,803
Power	112,068	33,620
Waste & Water	36,694	11,008
Industrial	89,550	26,865
Commercial Construction	752,535	225,760
Total	1,975,405	592,621

Source: Al-Amoudi for Financial Consultancy

Summary Financial Information

The selected financials presented below should be read together with the audited financial statements for the years ended 31 December 2007, 2006 and 2005, including in each case, the notes thereto, each of which are included elsewhere in this Prospectus.

Key Financial Highlights (SAR million)

	Year ended 31 December		
	2007	2006	2005
Operational Performance			
Total revenues	1,955.1	893.6	465.9
Cost of revenues	(1,244.3)	(601.0)	(339.3)
Gross profit	634.8	258.9	107.4
General and administrative expenses	(70.9)	(46.2)	(24.7)
Net income	548.6	207.9	81.1
Financial Condition			
Current assets	1,099.6	685.3	193.9
Fixed assets	1,044.1	587.4	316.1
Total assets	2,225.2	1,293.1	552.4
Current liabilities	869.9	375.4	123.4
Total liabilities	930.6	411.8	150.5
Shareholders' equity	1,294.6	881.0	402.0
Key Indicators			
Gross profit margin	32.5%	28.9%	23.0%
Net profit margin	28.8%	23.3%	17.4%
Current ratio (times)	1.3	1.8	1.6
Total liabilities to total assets	41.8%	31.8%	27.2%
Total liabilities to equity	71.9%	46.7%	37.4%
Return on equity	42.4%	23.6%	20.2%
Return on assets	24.7%	16.1%	14.7%
Revenue growth rate	118.8%	91.8%	(11.6%)
Earnings' growth rate	163.9%	156.4%	10.5%

Source: Audited Financial Statements

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1 Definitions and Abbreviations

Term	Definition
Al-Mojil or the Company	Mohammad Al-Mojil Group
ANSE	American National Standard Institute
APE	American Petroleum Institute
ASME	American Society of Mechanical Engineers
Board of Directors or Board	The Company's Board of Directors
CMA or the Authority	The Capital Market Authority, including where the context permits any committee, sub-committee, employee or agent to whom any function of the Authority may be delegated
Companies' Regulations	The Companies' Regulations, issued under Royal Decree No. M/6, dated 22/3/1385H, as amended
Company's Advisors	Advisors of the Company with relation to the IPO, Which names appear on page (iv) of the Prospectus
Co-Underwriters	NCB Capital and Riyadh Capital appointed by the Company in relation to the Offering
Directors	Members of the Company's Board of Directors
EPC	Engineering Procurement and Construction
Exchange	The Saudi Arabian Stock Exchange
Financial Advisor or HSBC	HSBC Saudi Arabia Limited appointed by the Company to act as the Financial Advisor in connection with the Offering
Founding Shareholders	Referring to Mohammad Hamad Al-Mojil, Adel Mohammad Al-Mojil, Mohammad Hamad Al-Mojil International Company for Investments, Al-Mojil Investment Limited and Al-Mojil Holdings Limited
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
Government	Government of Saudi Arabia
IEA	International Energy Agency
IOC	International Oil Companies
ISO	International Organization of Standardization
Institutional Investors	Including a number of institutions that have been contacted by the Lead Manager after discussions with the Company and the Selling Shareholder and based on predefined criteria set by the CMA. The number of offer shares allocated to institutional investors is 21,000,000 offer shares representing 70% of the Offering
IT	Information Technology
Lead Manager	HSBC Saudi Arabia Limited appointed by the Company in relation to the Offering

Term	Definition
Lead Underwriter	HSBC Saudi Arabia Limited appointed by the Company in relation to the Offering
Listing Rules	The Listing Rules issued by the CMA pursuant to Article 6 of the Capital Market Regulations promulgated under Royal Decree No. M/30 dated 2/6/1424H (corresponding to 31/7/2003G)
Management	The management of the Company
MENA	Middle East and North Africa
NDT	Non-Destructive Testing
Offer Price	SAR 70 per Offer Share
Offer Shares	30,000,000 ordinary Shares of Al-Mojil
Offering or IPO	The initial public offering of 30,000,000 ordinary shares representing 30% of the issued share capital of Al-Mojil
Offering Period	The 10-day period starting from 27 Rabi Athani 1429H (corresponding to 3 May 2008G) up to and including 7 Jumada Alawal 1429H (corresponding to 12 May 2008G)
Official Gazette	Um Al Qura, the official Gazette of the Government of Saudi Arabia
Official List	The list of securities maintained by the CMA in accordance with the Listing Rules
Person	A natural person
Prospectus	This document prepared by the Company in relation to the Offering
PWHT	Post-Weld Heat Treatment
QC\QA	Quality Control and Quality Assurance
QMS	Quality Management System
SABIC	Saudi Basic Industries Corporation
SAGIA	Saudi Arabian General Investment Authority
SAR	Saudi Arabian Riyal
SASO	Saudi Arabian Standards Organization
Saudi Arabia or the Kingdom	Kingdom of Saudi Arabia
Selling Agents	The Saudi British Bank, the Saudi Hollandi Bank, the National Commercial Bank, the Saudi Investment Bank, Bank Albilad, Arab National Bank, Bank Aljazira, Samba Financial Group, Riyad Bank, Banque Saudi Fransi and Al Rajhi Bank which the Company designated as receiving banks in relation to the Offering
Selling Shareholder	Mohammad Hamad Al-Mojil
Shareholder	The holder of the Shares in Al-Mojil as of any particular time

Term	Definition
Shares	100,000,000 fully paid ordinary shares of the Company with a nominal value of SAR 10 each
SOCPA	Saudi Organization for Certified Public Accountants
Individual Subscribers	Consists of individuals having the Saudi Arabian nationality and the Saudi female divorcees or widows from a marriage to a non-Saudi can subscribe in the names of her minor children given that she provides proof of motherhood. The number of offer shares allocated to individual investors is 9,000,000 offer shares representing 30% of the Offering
Subscription form	Application form to subscribe to the Offer Shares by Individual subscribers and Institutional investors
Tadawul	Automated system for trading of Saudi shares

2 Risk Factors

In considering an investment in the Offer Shares, prospective investors should carefully consider all the information contained in this Prospectus, including the risks described below. Al-Mojil's business, prospects, financial condition, results of operations and cash flows could be adversely and materially affected if any of the following risks which management (the "Management") currently believes to be material, or any other risks that the Management has not identified or that it currently considers not to be material, actually occur or become material risks. The trading price of the Company's Offer Shares could decrease due to any of these risks, and prospective investors may lose all or part of their investment.

2-1 Risks Relating to the Company's Operations

2-1-1 Regulatory Environment

The Company's businesses are subject to regulations in Saudi Arabia. The regulatory environment in which the Company operates may be subject to change. Regulatory changes caused by political, economic, technical and/or environmental factors could significantly impact the Company's operations by restricting the development of the Company or its customers, restricting operations and sales of the Company's services and products or increasing the opportunity for additional competition. The Company may deem it necessary or advisable to modify its products or operations in order to operate in compliance with such regulations, which may have a negative impact on the Company's earnings and cash flow.

Saudi Arabia joined the WTO on December 11, 2005. While it is still uncertain what specific effects, if any, Saudi Arabia's accession will have on the sector in which Al-Mojil operates, the Company will likely face increased competition from foreign companies in the longer term.

To the best of the Management's knowledge, there are no indications as of the date of this Prospectus of any changes in the regulatory environment that may have an adverse material affect on the Company's operations and future prospects.

2-1-2 Delay in Completion of Projects

The completion of the Company's construction projects is subject to delay due to the projects' dependency on external factors including, amongst others, obtaining the relevant regulatory approvals, changes in government legislation, environmental concerns, fluctuation in the availability of construction materials, the satisfactory performance of various sub-contractors, availability of manpower and weather conditions.

The Company seeks to limit these risks where possible by careful planning, close project supervision and by strictly complying with its quality control policies and procedures in its quality management system. Payment of liquidating damages for late completion is normally stipulated in construction contracts.

2-1-3 Dependence on Key Personnel

Al-Mojil is dependent upon the abilities and experience of its executive officers and other key personnel. The Company may be adversely affected by the loss of key personnel in the short to medium term.

The Company has undertaken different initiatives and measures to retain and attract employees, but cannot guarantee that these initiatives will succeed in retaining existing employees or attracting new ones. Al-Mojil's sales, business, financial condition and results of operations could be materially and adversely affected if the Company is unsuccessful in retaining qualified employees or unable to identify, hire and retain other highly qualified personnel in the future.

2-1-4 Dependence on Major Suppliers and Main-Contractors

The Company is subject to the risk of not being able to procure the supplies or services for its projects. Although all contracts between the Company and its suppliers and sub-contractors are done on project-by-project basis, risk could be minimal with the proper planning and strong relationship with the suppliers and sub-contractors. In addition, the Company plans to seek to limit the risk by establishing a large pool of suppliers and a large sub-contractor base.

2-1-5 Dependence on its Own Steel Fabrication Plants

The Company's operations are dependent upon the production of its own steel fabrication plants located in Dammam and Rabigh. The plants are involved in pipe works, structural steel works and plate works. Although the operations of both plants have never been suspended as of the date of the Prospectus, the Company's operations and financial results could be affected in case the production of the plants are suspended for one reason or another.

2-1-6 Dependence on Clients

The Company depends on a number of key clients such as Aramco and SABIC. The Company's operations and financial results could be adversely affected in case of the Company's inability to secure further contracts with these clients or its inability to diversify its client base in order to mitigate its dependency on a number of key clients.

2-1-7 Fluctuation in Murabaha Facilities Rates

The Company currently pays its Murabaha facilities on a variable rate basis, exposing it to higher financing cost in case of any associated increase in rate prices which will adversely affect its financial results.

2-1-8 Availability and Fluctuation in Construction Material Prices

The construction and contracting sector is greatly dependent upon the availability and pricing of the construction and building materials in particular steel, which has recently witnessed a high increase in prices due to the increase in global demand, unfavorable currency exchange rates and the decrease in steel production. Considering the high cost associated with warehousing such material and the inability to secure long-term fixed prices, the importers and distributors maybe forced to transfer the burden of price increases to the contracting and construction companies in which they might be unable to revise the construction cost of the project with the client.

2-1-9 Environmental and Safety Risks

Binding construction companies to follow more stringent standards and to provide extra safety measures could lead to extra costs, which will in return adversely affect the Company's financial results. Nonetheless, the Company is committed to adhere to the highest safety standards throughout its operations, which can be reflected by the numerous safety certificates awarded to the Company. (Refer to "Certification and Accreditation" section)

2-1-10 Saudization Requirement

All contracting companies operating within the Kingdom of Saudi Arabia including Al-Mojil are obligated by the Ministry of Labor to meet a Saudization percentage of 5%. With a Saudization percentage of 7.9% as of 31 December 2007, Al-Mojil is fully committed to achieving the national goal of Saudization. For this reason, training and development of Saudi skills and capabilities are the highest priority of the Company.

Nonetheless, the Ministry of Labor may increase the Saudization percentage requirement in the future and may impose penalties for not adhering to the required percentage. Therefore, the Company's operations and financial results may be affected adversely in case its inability to obtain working visas.

2-2 Risks Related to the Market

2-2-1 Competitive Environment

The Company operates in a competitive market with a large number of players, which include various local and international companies. The barriers of entry into the electro-mechanical contracting sector vary from low to high depending on the scope of work. Intense competition may result in highly competitive pricing in order to secure a project, which may consequently affect the financial performance of the Company.

However, the Company's main focus is to undertake larger-size projects which require substantial working capital, financial resources, strong knowledge and technical skills as well as project management expertise wherein competition is to a certain degree, less intense due to the required attributes to compete and succeed in this segment. In addition, Al-Mojil's Management has had many years of experience in operating the business during different economic cycles, and the Company believes that this experience will enable it to compete effectively on an ongoing basis. The Company also endeavors to maintain its capabilities by adopting up to-date technology and skills in carrying out its engineering and construction works.

2-2-2 Decrease in Construction Activity

The Kingdom has been witnessing an economic growth, which is reflected by the high number of infrastructure and industrial projects including oil & gas and petrochemical projects that is currently taking place. The Company's operations are dependent on the level of such projects, which are influenced by the supply and demand of crude oil and natural gas. Accordingly, the Company's operations and financial results will be adversely affected in case such projects are suspended or delayed. Together in the footsteps of the Kingdom's initiative to diversify its earnings, the Company will continue to expand its expertise to other various sectors.

2-3 Risks Related to Ordinary Shares

2-3-1 Effective Control by the Founding Shareholders

Following this Offering, the Founding Shareholders will own no less than 70% of the Company's issued Shares. As a result, the Founding Shareholders acting together may be able to influence all matters requiring shareholders' approval, and they may exercise this ability in a manner that could have a significant effect on the Company's business, financial condition and results of operations including, the election of Directors, significant corporate transactions and capital adjustments.

Any purchase of shares by Mohammad Hamad Al-Mojil is subject to mandatory offer in accordance to Article 12 of the Merger and Acquisition Regulations.

2-3-2 Absence of a Prior Market for the Shares

Currently, there is no public market for the Company's Shares, and there can be no assurance that an active trading market for the Company's Shares will develop or be sustained after this Offering.

The Offer Price has been determined based upon several factors, including the history of and prospects for the Company's business, the industry in which it competes and an assessment of the Management, operations and financial results. Various factors, including the Company's financial results, general conditions in the industry, health of the overall economy, the regulatory environment within which the Company operates and other pertinent factors that are beyond the Company's control could cause significant fluctuations in the price and trading liquidity of the Company's Shares.

2-3-3 Future Sales and Offerings

Sales of substantial amounts of the Shares in the public market following the completion of the Offering, or the perception that these sales will occur, could adversely affect the market price of the Shares.

Upon the successful completion of the Offering, the Founding Shareholders will be subject to a restriction period of 6 months during which they may not dispose of any Shares. The sale of a substantial number of Shares by any of the Founding Shareholders following the 6-month share restriction period could have an adverse effect on the market for the Shares and may result in a lower market price of the Shares.

The Company does not currently intend to issue additional shares immediately following the Offering. If and when the Company decides to raise additional capital by issuing new shares, the newly issued shares will dilute existing shares to a certain extent and if the Founding Shareholders decided to sell a substantial number of shares after the expiry of the restriction period could potentially reduce the value of such shares. Taking into consideration that any expected selling of shares by the Founding Shareholders after the expiry of the restriction period is not to take place without CMA's approval.

2-3-4 Economic Risks

Any oil price fluctuations will have a direct impact on the Kingdom's economy and would subsequently be felt at all micro levels, including the construction sector in which Al-Mojil operates.

The contribution of the oil sector to the Kingdom's GDP continues to be substantial despite the Government's successful and continuous diversification policies. However, such experience does not guarantee that the Company will not be adversely affected by variable economic, market and political conditions in the future.

3 The Company

3-1 Introduction

The Company's core activity is the construction of industrial facilities. The Company scope of work includes all construction activities involving civil, structural, mechanical, electrical, instrumental and maintenance. Furthermore, the Company's responsibilities embrace (i) carrying out all additional designs, drawings and other documents required for the design, (ii) the procurement of materials in accordance with the drawings specifications and standards agreed upon, (iii) the supply of all required equipment, machinery, materials, accessories, and tools for the performance of the work and services and (iv) provision of all the labor and supervision required to execute the work. In addition, the Company has to perform quality management and inspection activities in design, engineering, procurement, fabrication, construction, testing, pre-commissioning and commissioning in order to ensure the entire facility is prepared for initial start-up.

Mohammad Al-Mojil Group started its operations in 1954 and was initially registered as a sole proprietorship on 3 Jumada Athani 1394H (corresponding to 24 June 1974G) in Dammam, Saudi Arabia under Commercial Registration number 2050003174 with a paid up capital of SAR 4,400,000 divided into 4,400 shares with a nominal value of SAR 1,000 per share.

On 15 Rabei Alawal 1428H (corresponding to 3 April 2007G), the Company was converted into a limited liability company where Mohammad Al-Mojil transferred (20%) of his equity shares to new shareholders with a net book value of SAR 175,000,000 as of 1 January 2007. Furthermore, the shareholders resolved to increase the Company's share capital by transferring SAR 870,600,000 from shareholders current account to the Company's share capital to reach SAR 875 million divided into 87.5 million shares with nominal value of SAR 10 per share.

On 5 Jumada Alawal 1428H (corresponding to 22 May 2007G), the Shareholders resolved to increase the paid up capital of the Company to SAR 1 billion divided into 100 million shares with a nominal value of SAR 10 per share by a transfer of SAR 118,968,904 from retained earnings and SAR 6,031,096 from shareholders' current account.

On 29 Shawwal 1428H (corresponding to 10 November 2007G) the Company was converted into a joint stock company in accordance with the resolution of the Ministry of Commerce and Industry number 270, with a paid up capital of SAR 1,000 million divided into 100 million shares with nominal value of SAR 10 per share.

The Founding Shareholders owned the entire share capital of the Company prior to the offering and will collectively own 70% of the share capital of the Company after the completion of the Offering. The table below illustrates the Company's shareholders before and after the Offering.

Exhibit 3-1: Al-Mojil's Ownership Structure

Shareholder	Pre-Offering			Post-Offering		
	Shares	Percent	Capital (SAR)	Shares	Percent	Capital (SAR)
Mohammad Hamad Al-Mojil	80,000,000	80.00%	800,000,000	50,000,000	50.00%	500,000,000
Adel Mohammad Al-Mojil	5,000,000	5.00%	50,000,000	5,000,000	5.00%	50,000,000
Mohammad Hamad Al-Mojil International Company for Investment	5,000,000	5.00%	50,000,000	5,000,000	5.00%	50,000,000
Al-Mojil Investment Limited	5,000,000	5.00%	50,000,000	5,000,000	5.00%	50,000,000
Al-Mojil Holdings Limited	5,000,000	5.00%	50,000,000	5,000,000	5.00%	50,000,000
Public	-	-	-	30,000,000	30.00%	300,000,000
Total	100,000,000	100.00%	1,000,000,000	100,000,000	100.00%	1,000,000,000

Source: Al-Mojil

Mr. Mohammad Hamad Al-Mojil will offer the 30,000,000 shares, which makes him the sole selling shareholder. His direct ownership of the Company will be 50% after the offering, whereas his indirect ownership will be 64%. The ownership of the other shareholders will remain unchanged after the offering. As for Adel Mohammad Al-Mojil, his direct ownership will be 5% and his

indirect ownership will be 6%.

The Shareholders of the Company include the following commercial companies:

Mohammad Hamad Al-Mojil International Company for Investment is a limited liability company registered in Dammam under commercial registration number 2050052868 dated 22 Jumada Athani 1427H (corresponding to 18 July 2006G) with a capital of SAR 500,000. The activities of the company include commercial services, installation, administration, operation and maintenance of real estate, purchase of land and buildings for either future sale or rent, as well as development of real estate and investments in various forms of assets including traded securities, commodities and holdings in private companies both locally and abroad. The company is 95% owned by Mohammad Hamad Al-Mojil and 5% by Adel Mohammad Al-Mojil.

Al-Mojil Investment Limited ("AMI") is a limited liability company registered in Dubai International Financial Centre ("DIFC") under commercial registration number CL0072 dated 25 Rajab 1426H (corresponding to 30 August 2005G) with an authorized capital of AED 500 million (SAR 510.3 million) and a paid-up capital of AED 2 million (SAR 2.04 million). The activities of AMI include investments in all forms of securities, land and buildings for the purpose of development or capital appreciation and investments in private companies. AMI is 90% owned by Mohammad Hamad Al-Mojil and 10% by Adel Mohammad Al-Mojil.

Al-Mojil Holding Limited Company ("AMH") is a limited liability company registered in Jebel Ali Free Zone Area under commercial registration number OF827 dated 13 Dhul-Hijjah 1425H (corresponding to 24 January 2005G) with a capital of AED 10,000 (SAR 10,210). The activities of AMH include investments in all forms of securities, land and buildings for the purpose of development or capital appreciation and investments in private companies. AMH is 90% owned by Mohammad Hamad Al-Mojil and 10% by Adel Mohammad Al-Mojil.

3-2 Mission and Overall Strategy

3-2-1 Mission

The Company's mission is to be one of the largest and most successful industrial contracting companies in the Middle East, to deliver sustainable value to its clients and to be a growing source of pride to its customers, country, shareholders, employees and families.

3-2-2 Growth Strategy

In order to increase its market share, the Company is determined to enhance its engineering capabilities, improve quality of service and adopt a more competitive pricing strategy. To that end Al-Mojil is ready to contemplate new ventures, partnerships or alliances that will expand its range of services across key sectors of the contracting industry. Moreover, the Company is keen on investing in strategic assets that will allow it to improve the range of value added services, and strengthen their relationship with clients. In addition, the Company is willing to diversify its client base by undertaking small to medium scale projects that would expand its business opportunities.

Another key element to the growth of the Company involves investments in strategic assets. Among the investments made since 2005 include the expansion of the company's steel facilities in Dammam, the new Rabigh steel plant, Rabigh's new workers accommodation facility, expansion of its Jubail's employee village from 5,000 men to 10,000 men, establishing a training center and the purchase of more than 1,400 additional heavy machinery and equipment (a total investment of more than SAR 720 million). These investments further enhances the Company's competitive edge, improve its operational efficiency and strengthens its relationship with its key clients.

3-3 Branches

There are six branches to the Company, which are Al-Mojil's branch in Al-Khafji, the Central Purchasing Division branch, the Steel Factory branch, the Technical Services branch, the Calibration branch and the Pipe Tech branch. All of the Company's branch registrations had been terminated by the Company except for the Al-Khafji branch. The table below provides details of the Company's branches CRs:

Exhibit 3-2: Al-Mojil's Branches

Branch	CR Number	Date of Issuing	Date of Termination
Al-Mojil's branch in Al-Khafji	2057003000	3 Jumada Athani 1428H (corresponding to 19 June 2007G)	Valid
Central Purchasing Division	2050027907	20 Dhul-Qa'adah 1414H (corresponding to 1 May 1994G)	29 Rabei Alawal 1428H (corresponding to 17 April 2007G)
Steel Factory	2050032984	26 Jumada Athani 1418H (corresponding to 28 October 1997G)	10 Dhul-Qa'adah 1428H (corresponding 8 November 2007G)
Technical Services	2050025619	22 Dhul-Hijjah 1413H (corresponding to 13 June 1993G)	21 Rajab 1427H (corresponding to 16 August 2006G)
Calibration	2050030882	18 Sha'ban 1416H (corresponding to 9 January 1996G)	28 Rabei Alawal 1428H (corresponding to 16 April 2007G)
Pipe Tech	2050036176	11 Muharram 1421H (corresponding to 17 April 2002G)	28 Rabei Alawal 1428H (corresponding to 16 April 2007G)

Source: Al-Mojil

3-4 Services

3-4-1 Overview

Al-Mojil is a licensed general contractor specializing in onshore and offshore oil & gas and petrochemical projects. The Company's core activity is the construction of onshore and offshore oil & gas and petrochemical facilities on a subcontract basis from the primary project contractor who provides the technical requirements, designs and specifications of the project. Al-Mojil role is then to execute the construction as per the requirements.

Al-Mojil scope of work includes all construction activities involving civil, structural, mechanical, electrical, instrumental and maintenance.

Al-Mojil responsibilities embrace (i) carrying out all additional designs, drawings and other documents required for the design, (ii) the procurement of materials in accordance with the drawings specifications and standards agreed upon, (iii) the supply of all required equipment, machinery, materials, accessories, and tools for the performance of the work and services and (iv) provision of all the labor and supervision required to execute the work. In addition, the Company has to perform quality management and inspection activities in design, engineering, procurement, fabrication, construction, testing, pre-commissioning and commissioning in order to ensure the entire facility is prepared for initial start-up.

The Company's services are supported by its steel factories, which fabricate pipes and steel plates provided by the clients and processed according to their specifications prior to their installation on site. The Company has achieved a good reputation in the fields of structural, mechanical and piping fabrication, installation and erection.

The Company does not have any plans to undertake any material change to the nature of its business. Moreover, there has been no interruption in the businesses of the Company, which may have had a significant effect on its financial position in the last twelve months.

3-4-2 Civil

Civil works that are provided by the Company include preliminary groundwork of the project site area (excavation, construction of access routes, trenching and backfilling, clearing of drainage, construction of security fences, asphaltting and concrete works) and the construction of buildings and structures to house the operations of the project, such as accommodation facilities, material and equipment storage areas, and offices which are needed throughout the project execution period.

3-4-3 Structural

Structural works that are provided by the Company encompass the fabrication, installation and erection of steel or stainless steel structures used in the construction of oil rigs, refineries, petrochemical plants and other facilities. Through its steel fabrication factories, the Company fabricates steel structures, stages and platforms and various types of mechanical equipment such as pressure vessels, fired heaters, heat exchangers, boilers, storage tanks, towers, drums and pressure piping. The raw materials used in the fabrication of steel structures and mechanical equipment are carbon and stainless steel sections such as plates, pipes and rolled sections which are supplied by the main contractor of the project and fabricated according to the outlined drawings.

3-4-4 Mechanical

Mechanical works that are provided by the Company include piping fabrication, scaffolding, rigging and mechanical equipment installation.

Pipes are fabricated by Al-Mojil in accordance with the main contractor drawings, who also provides the unprocessed pipes. The fabrication steps include cutting, welding, fitting, sandblasting, painting and cleaning. The fabricated pipes are then installed by the Company at the facility. Scaffolding is necessary for works and inspections that cannot be performed from the ground or from a secured platform. Rigging is required whenever heavy lifting is involved.

Upon completion of the mechanical equipment installation, external accessories, parts and components are installed or assembled as per the client's drawings, after which an initial test on the equipment is undertaken.

3-4-5 Electrical and Instrumentation

Electrical works that are provided by the Company include the installation of electrical systems throughout the facility which include: conduit and cable tray installation, cathodic protection, cabling, grounding systems, duct bank installation, electric motors and generators, switchgear installation, relays and breakers, transformer and junction box installation, motor control center and control panels, as well as lighting and communication systems.

Once the electrical systems are in place, the installation of instruments such as, transmitters and transducers, control valves and switches, safety relief valves, analyzers and indicators can take place. All instruments undergo a series of testing and calibration as required by the main contractor before installation.

After completing the installation of instruments, a loop check is performed. This quality review consists of testing and identifying faults or failures in the entire system, which interconnects different instruments and processes.

3-4-6 Maintenance

Al-Mojil provides plant maintenance services on a daily, total plant or turnaround basis. These services include procurement of supplies and equipment, replacement and servicing works, cleaning works and testing services. Al-Mojil provides a host of maintenance services to assist the plant owners in ensuring certain aspects of the plant's operations are kept in good working condition at optimum capacity and efficiency.

3-5 Corporate Reorganization

The Company transferred some of its divisions which are unrelated to its continuing operations, Material Supply Division, Mechanical Packaging & Insulation Division, as well as Travel and Tourism Agency. In addition, the Company transferred all assets and liabilities of the above divisions by their net book value as of 30 Dhul Qa'adah 1426H (corresponding to 1 January 2006G) to both Mohammad Al-Mojil and Partners Supply and Services Company and Mohammad Al-Mojil and Partners Travel and Tourism Agency Company.

3-6 Subsidiaries and Affiliates

Mohammad Hamad Al-Mojil and Adel Mohammad Al-Mojil own 95% and 5% of the Companies listed below respectively. There are no subsidiaries to Al-Mojil as of the date of the offering.

Exhibit 3-3: Al-Mojil's Affiliates

Company	Business Description	Nationality	Nature of Relationship
Mohammad Al-Mojil and Partners Supply and Services Company	Supply of building materials, construction consumables and equipment services	Saudi	Mohammad Hamad Al-Mojil owns 95% and Adel Mohammad Al-Mojil owns 5%
Mohammad Al-Mojil and Partners Travel and Tourism Agency Company	Provision of tours, logistics and ticketing services	Saudi	Mohammad Hamad Al-Mojil owns 95% and Adel Mohammad Al-Mojil owns 5%

Source: Al-Mojil

The following is a description of each of the Company's affiliates:

Mohammad Al-Mojil and Partners Supply and Services Company is a limited liability company registered in Dammam under commercial registration number 2050051696 dated 7 Rajab 1427H (corresponding to 1 August 2006) with a capital of SAR 500,000. The activities of the Company include the supply and trading of building and construction materials, procurement and logistic management services, mechanical packing and insulation, equipment sales and leasing and waterproofing services. The Company is 95% owned by Mohammad Hamad Al-Mojil and 5% by Adel Mohammad Al-Mojil. Mohammad Al-Mojil and Partners Supply and Services Company revenues amounted to SAR 410.9 million, SAR 130.4 million and SAR 72.5 million as of 31 December 2007, 2006 and 2005 respectively.

Mohammad Al-Mojil and Partners Travel and Tourism Agency Company is a limited liability company registered in Dammam under commercial registration number 2050051697 dated 7 Rajab 1427H (corresponding to 1 August 2006) with a capital of SAR 500,000. The activities of the Company include the provision of tours, logistics and travel ticketing and arrangement services. The Company is 95% owned by Mohammad Hamad Al-Mojil and 5% by Adel Mohammad Al-Mojil. Mohammad Al-Mojil and Partners Travel and Tourism Agency Company revenues amounted to SAR 7.5 million, SAR 3.8 million and SAR 3.2 million as of 31 December 2007, 2006 and 2005 respectively.

3-7 Assets and Facilities

The following section provides a brief description of the Company's assets and facilities. The Company declares that it does not own assets outside the Kingdom.

3-7-1 Corporate Headquarters

The Corporate headquarters of Al-Mojil is located in the city of Dammam at the intersection of King Fahd bin Abdulaziz Street and Uthman bin Afan street. The Company's headquarter consists of a 4 storey building with a total built-up area exceeding 8,000 m² on a 2,500 m² plot of land. The building accommodates 600 employees and houses the Executive Management and all the main operational functions of the Company.

3-7-2 Marine Vessels

Al-Mojil owns and operates a fleet of 19 vessels, needed for the Company's offshore construction projects. Marine vessels are used for offshore construction, maintenance and drilling support for oil rigs and oil production platforms and material handling services.

The Company has 4 types of vessels:

- Anchor Handling Tug Supply Boats (1 vessel): Powerful all-round capability vessels, built to handle heavy workloads and tough conditions.
- Supply Boats (4 vessels): They have large deck area and tank capacity and support offshore exploration and production.
- Work Boats (10 vessels): Built to accommodate personnel, equipment and machinery for offshore work, with a large accommodation and deck capacity.
- Crew Boats (4 vessels): Swiftly and economically carry personnel, equipment and machinery for offshore work.

The table below provides a breakdown of the vessels owned and operated by the Company:

Exhibit 3-4: Vessels Owned and Operated by Al-Mojil

Vessel Type/ Name	Horse Power	Accommodation (Persons)	Length Overall (Meters)	Flag
Supply/ Hook-Up/ Work/ Maintenance Vessels				
Al-Mojil 44	2,500	40	55.00	Saudi Arabia
Al-Mojil 43	2,500	42	55.00	Saudi Arabia
Al-Mojil 42	2,500	42	55.00	Saudi Arabia
Al-Mojil 41	2,500	40	56.47	Saudi Arabia
Al-Mojil 40	3,400	40	56.40	Saudi Arabia
Al-Mojil 39	4,400	43	57.90	Saudi Arabia
Al-Mojil 31	2,480	50	50.12	Saudi Arabia
Al-Mojil 30	2,480	50	52.00	Saudi Arabia
Al-Mojil 29	2,480	44	52.00	Saudi Arabia
Al-Mojil 28	2,480	40	50.01	Saudi Arabia
Supply Vessels				
Al-Mojil 46	3,000	25	56.14	Saudi Arabia
Al-Mojil 45	3,000	25	56.14	Saudi Arabia
Al-Mojil 38	3,200	16	52.24	Saudi Arabia
Al-Mojil 37	5,750	13	53.44	Saudi Arabia
Fast Crew Vessels				
Al-Mojil 48	2,100	32	33.53	Saudi Arabia
Al-Mojil 47	2,100	59	33.53	Saudi Arabia
Al-Mojil 25	2,100	60	32.16	Saudi Arabia
Al-Mojil 24	2,100	60	32.16	Saudi Arabia
Towing/ Anchor Handling/Supply Vessel				
Al-Mojil 36	5,750	16	53.38	Saudi Arabia

Source: Al-Mojil

The Company's entire vessels operations are conducted within the Kingdom's territorial waters as of the date of the Prospectus.

3-7-3 Steel Fabrication Facilities

Al-Mojil owns two steel fabrication plants located in Dammam and Rabigh. The Dammam plant started operations in 1991, whereas the Rabigh plant started operations in December 2006.

The steel plants are involved in pipe works, structural steel works and plate works. Fabricated products are made in accordance with the internationally accepted ASME (American Society of Mechanical Engineers), ANSI (American National Standard Institute) and API (American Petroleum Institute) standards, and they undergo a series of in-house testing before delivery or installation. The production of both steel fabrication facilities is exclusively utilized by the Company.

Exhibit 3-5: Al-Mojil Steel Facilities - Dammam

Description	Area (m ²)	Bays	Capacity per Bay (dia inches or tonnes)
Steel pipe fabrication	10,625	5	2,500 to 3,000 dia inches per day
Structural steel fabrication	4,163	3	500 to 1,000 tonnes per month
Stainless steel fabrication	3,100	3	900 to 1,200 dia inches per day
Offices	1,986	Not applicable	Not applicable
Training centre (welding)	765	Not applicable	Not applicable
Testing and examination	4,214	Not applicable	Not applicable
Warehouses/ tools	560	Not applicable	Not applicable
Material lay down and storage	103,050	Not applicable	Not applicable
Blasting and painting	12,500	Not applicable	Not applicable
Support services	19,277	Not applicable	Not applicable
Total	160,240		

Source: Al-Mojil

Exhibit 3-6: Al-Mojil Steel Facilities - Rabigh

Description	Area (m ²)	Bays	Capacity per Bay (dia inches or tonnes)
Steel fabrication	8,252	2	1,200 to 1,400 dia inches per day
Structural steel fabrication	7,392	1	500 to 1,000 tonnes per month
Stainless steel fabrication	3,640	1	300 to 400 dia inches per day
Offices	820	Not applicable	Not applicable
Training centre	200	Not applicable	Not applicable
Testing and examination	3,550	Not applicable	Not applicable
Warehouses	1,920	Not applicable	Not applicable
Material lay down and storage	83,849	Not applicable	Not applicable
Blasting and painting	19,824	Not applicable	Not applicable
Support services	35,553	Not applicable	Not applicable
Total	165,000		

Source: Al-Mojil

3-7-4 Training Center

The Company's training center in Dammam has six classrooms, one computer laboratory and a large training workshop divided into sections for each craft. The welding section has three welding machines that can supply the needs of 24 welding stations. All other sections are designed to specification with standard tools and required equipment. A spacious outdoor area is dedicated for rigging and scaffolding simulation training activities. The Company has trained 971 craftsmen since the inception of its training center.

The training skills are certified by Saudi Aramco in compliance with the highest international certifications, providing equal opportunity employment across the Kingdom and abroad.

The upper management of the Company coupled with the employees, help the program to obtain the deliverable results by bringing the right mix of resources, trainers and trainees. Al-Mojil's training facility serves as a gateway to increase the number of skilled Saudi employees in the Company as well as a contribution to the improvement of a skilled labor force for the construction industry. Some of the training skills provided at Al-Mojil's training center include:

Exhibit 3-7: In-House Training Skills and Crafts

▪ Scaffolding	▪ Millwright	▪ Technician
▪ Welding	▪ Painting/Sandblasting	▪ H.E Operator
▪ Rigging	▪ Insulator	▪ H.E Mechanic
▪ Pipefitting	▪ Tinsmith	▪ Instrumentation
▪ Iron Structure	▪ Auto Electrician	▪ Electrician
▪ Machinists	▪ Fuel Injection Specialist	▪ A/C Technician

Source: Al-Mojil

3-7-5 Heavy Machinery and Equipment Facility

The Company's heavy machinery and equipment facility is located along the new Dammam-Riyadh highway, with an area in excess of 52,000 square meters. The Company maintains, stores and services a fleet of 5,057 units of major construction related equipment. It also has its own equipment testing and calibration facility, which is in compliance and certified by the Saudi Arabian Standards Organization ("SASO").

The Company is constantly increasing and upgrading its fleet to meet market and customer requirements. The table below lists some of Al-Mojil's major equipment.

Exhibit 3-8: Construction Equipment Listing

Equipment	Use	Number of Units
Tig machines, plasma cutting and welding machines	Cutting and welding	1,824
Service vehicles	Transportation	1,052
Cutters, blasting machines and steam cleaners	Blasting and cleaning	325
Generators	Power and lighting	413
Air compressors, winches, receivers and separators	Air pressure	289
Concrete equipment, cutters and compactors	Concrete related	283
Trailer tractors, tankers, trailers and trucks	Logistics	256
Cranes – Crawler, mobile, manlift, scanlift and boomlift	Lifting and erection	293
Pumps – High pressure, hydro test, water and well point	Pumps	143
Forklifts and stake bed trucks	Moving	102
Earthmovers, excavators, loaders and dozers	Moving	77
Total		5,057

Source: Al-Mojil

The following table provides a detailed description of Al-Mojil's cranes equipment:

Exhibit 3-9: Cranes Equipment

Description	Capacity	Number of Units
lifts	130-1,100 kgs	94
Crawler Crane	50-650 ton	49
Mobile Crane	18-500 ton	150
Total		293

Source: Al-Mojil

The following table illustrates the breakdown of Al-Mojil's equipment facility at Dammam:

Exhibit 3-10: Breakdown of Equipment Facility - Dammam

Facility	Area (m ²)
Equipment Yard	26,037
Equipment Maintenance and Servicing	9,020
Heavy Machinery Maintenance and Servicing	6,644
Equipment & Vehicles Maintenance and Servicing	7,445
Total	49,146

Source: Al-Mojil

The Equipment Service Division is considered 95% self-sufficient in terms of overhauling, maintenance and fabrication. Also the Equipment Service Division provides 95% of the equipment needed for the Company's projects. Non-available equipment such as cranes equipment, insulation and fire proofing are leased by the Company from credible sources such as Gulf Haulage Heavy Lifts Company.

3-7-6 Warehouse Facilities

To provide support for its activities, the Company maintains several warehouses in the Kingdom to store the considerable demand of supplies required by the projects. These facilities stock various kinds of items, such as employee consumables (safety boots, hard hats, uniforms, etc), tools (welding, drilling, cutting, measuring equipment, etc), heavy machinery and spare parts.

The main central warehouse in Dammam stocks all items, tools and consumables necessary for the Company's operations. The warehouse is divided into three main sections: consumables, tools and the repair section which also includes the instrumental calibration laboratory. The calibration laboratory tests the measurement accuracy of gauges, electric meters, pressure gauges and valves.

Exhibit 3-11: Al-Mojil Warehouse Facilities

Warehouse	Location	Type of Use	Area (m ²)
General Supply	Dammam	Storage of supplies and tools	3,224
Central Dammam	Dammam	Central storage of supplies, tools and equipment parts	3,000
Rabigh Warehouse	Rabigh	Storage of supplies, tools and equipment parts	1,680
Dammam Warehouse	Dammam	Storage of supplies and tools	1,143
Tanajib Warehouse	Tanajib	Storage of supplies and tools	452
Total			9,499

Source: Al-Mojil

3-7-7 Workers Accommodation Facilities

Al-Mojil owns and maintains various self-sufficient accommodation facilities for its employees throughout the Kingdom. These facilities are built close to major industrial developments to facilitate easy transit of Al-Mojil's employees to the project worksites. The company has expanded its biggest accommodation facility in Jubail with an enlarged capacity of 10,000 workers and established a new facility with capacity of 5,000 workers in Rabigh to cater for the upcoming projects in that area. Other on-going expansion of accommodation facilities include Yanbu and Dammam.

Exhibit 3-12: Al-Mojil Camp Facilities

Camp Name	Location	Capacity (Workers)	Area (m ²)
Rabigh facility	Rabigh	5,000	154,275
Jubail facility	Jubail	10,000	200,080
Yanbu facility	Yanbu	2,600	93,980
Dammam maintenance shop facility	Dammam	900	12,070
Aramco offshore project facility	Tanajib	350	31,144
Rank and file facility	Dammam	250	6,565
Managers' facility	Dammam	50	6,447
Total		19,150	504,561

Source: Al-Mojil

3-8 Certifications and Accreditations

A quality focus has always been an essential element of the Company's culture, and at the end of 1994, the Company embarked on an internal project to develop a Quality Management System in accordance with ISO 9001 standards.

Within six (6) months of commencement, building upon the strong quality culture in place, Al-Mojil was one of the earliest companies in the Kingdom to obtain the ISO status for its engineering division. The Company has constantly updated its facilities to conform to the latest international standards to maintain the highest quality required by its clients. The certifications, which the company now holds, include:

- ISO 9001:2000 quality management system for project management, construction and installation of industrial, petrochemical, power, water and gas plant with associated pipelines and facilities by ABS Quality Evaluations (1995).
- ISO 9001:2000 quality management system for general engineering, fabrication and pipe work, shot blast, painting and heat treatment by ABS Quality Evaluations (1996).
- ISO 9001:2000 quality management system for general supply of materials to the construction and general industries, the provision of final testing and inspection of bulk fireproof blanket materials and non-metallic gasket in roll/sheet form, the manufacture and distribution of gaskets and joint seals by ABS Quality Evaluations (1998).
- Certificate of authorization for manufacture of pressure vessels by the American Society of Mechanical Engineers (ASME) in 2004.
- Certificate of authorization for fabrication and assembly of pressure piping by the American Society of Mechanical Engineers (ASME) in 2004.
- Certificate of authorization for manufacture and assembly of power boilers by the American Society of Mechanical Engineers (ASME) in 2004.

One of the Company's core priorities is its constant pursuit of safety; the maintenance of a safe workplace is key to cost management and productivity. For every area, which the Company has provided its services, the Company strives to deliver excellent safety performance. Their safety is one of their most distinguished features as it has earned the Company many award certificates. In addition to the certificate of recognition received from Jubail United Petrochemicals Company and Fluor Arabia Limited in 2004 for no loss time or injury incurred during 44 million working man-hours⁴, the company holds several other awards that include:

- Certificate of Recognition from Petro Rabigh for the outstanding safety performance of 5 million man-hours without a lost time or injury on the MONOMER Plant Project in 2007;
- Certificate of Appreciation from Foster Wheeler for outstanding safety performance of 20 million man-hours without a lost time or injury on the SHARQ 3rd Expansion Project in 2007;
- Contractor of the Month Certificate from YANSAB in 2007;
- Safety Award from Linde Arabian Contractors for the outstanding safety performance of 5 million man-hours without a lost time or injury on the Linear Alpha Olefins Project (Jubail United Petrochemical Company) in 2006;
- Certificate of appreciation for the outstanding contribution to the successful completion of Riyadh Refinery turnaround in 2005;
- First place for complying with contractor safety requirement from Saudi Aramco on the Khuff Condensate Utilization Project in 2003;
- Certificate of Achievement from Saudi Aramco for the outstanding safety performance of 7.5 million man-hours without a lost time or injury on the Berri Gas Plant in 2000;
- Safety Achievement Award from AMC Industrial Construction Company Limited for the outstanding safety performance of 2 million man-hours without a lost time or injury on the 1&2 Debottlenecking Project in 1999;
- Certificate of Safety Achievement from Saudi Aramco for the outstanding safety performance of 1.19 million man-hours without a lost time or injury on the Shaybah Pipelines and Terminal Facilities, Part "B" in 1998.
- Certificate of Appreciation from Mitsubishi Heavy Industries Limited for the outstanding safety performance of 3 million man-hours without a lost time or injury on the Ar-Razi III Project Plant in 1997.

⁴ Man-hours is defined as the total number of hours spent by the contractors/ subcontractors' work force during the entire duration of the project.

4 Market Overview

The Company appointed Al-Amoudi for Financial Consultancy ("Al-Amoudi") to prepare a study covering the contracting market in Saudi Arabia. Al-Amoudi is a recognized consulting company specialized in conducting market and feasibility studies. Al-Amoudi was established in 2005 in Riyadh with 12 employees and more than 50 clients.

The source of information in the section below is from Al-Amoudi where they have given and not withdrawn their written consent to the publication in the Prospectus of their Market Study report as of the date of the Prospectus. It is worth noting that Al-Amoudi do not themselves nor its employees or any of their relatives or affiliates have any shareholding or interest of any kind in the Company.

4-1 Introduction

The Company's operations are dependent on the levels of activity in the offshore and onshore oil & gas, petrochemical and infrastructure sectors. Such activities are affected by global trends in crude oil and natural gas prices that are ultimately influenced by the supply and demand for these natural resources. Together in the footsteps of the Kingdom's initiative to diversify its earnings, the Company will continue to expand its expertise to other various sectors.

Total investment cost of projects envisaged during the Kingdom's 8th Development Plan period is estimated to be SAR 1,044.8 billion compared to the 7th Development Plan of SAR 667.1 billion as shown below:

Exhibit 4-1: Kingdom's Development Plan (Projected Investments)

Description	7 th Development Plan		8 th Development Plan	
	Value (Billion SAR)	%	Value (Billion SAR)	%
Non-Oil Sectors	598.1	89.6%	920.3	88.1%
Oil & Gas Sector	69.0	10.4%	124.5	11.9%
Total	667.1	100.0%	1,044.8	100.0%

Source: Al-Amoudi

Despite the huge contracting market size, only a small number of contractors are considered qualified. According to the Ministry of Municipality, only 222 are classified as grade (1) General Contractors, among which is Mohammad Al-Mojil Group.⁵

4-2 Oil & Gas Sector Overview

Saudi Arabia is the world's premier oil supplier, accounting for more than a quarter of the world's total proven oil reserves. Despite the Kingdom's attempt to diversify its economy, Saudi Arabia's economy is still dependent on oil, which represents around 95% of total export earnings, more than 80% of the Kingdom's revenues and not less than 40% of the country's GDP. Total oil reserves are estimated at 1.2 trillion barrels and output could increase from 10.5 million barrels per day to 12-15 million barrels per day with a sustainable output for 50 years or more. The investment in Hydro-carbon sector will be particularly in the area of upstream gas and downstream capacity and the investment is expected to exceed SAR 225 billion during the period 2007-2009.

Although only 15% of Saudi Arabia has been adequately explored for gas, the Kingdom currently has the fourth largest natural gas reserves at an estimated volume of 6,900 billion cubic meters. Gas reserves in Aramco's fields rose to more than 243.6 tcf ("Trillion Cubic Feet"), and it is planned to add 3-5 tcf of non-associated gas discoveries each year. Global liquid natural gas demand is forecast to grow at almost 7.5% per annum between 2005 and 2020, which is partly driven by economic growth, gas-fired power generation and environmental issues. Master Gas System comprises of processing plants and pipelines that deliver clean gas to utilities and petrochemicals plants. In respect to this, exploration deals in billion US dollars are being signed with international companies such as Royal Dutch/Shell, Total and etc.

With unrivalled access to exploration acreage and near monopoly over domestic oil & gas supply, Saudi Aramco is the world's largest oil company in terms of crude oil reserves and production. Aramco plans to increase its crude capacity to over 12 million barrels per day in 2009 partly by doubling the Kingdom's rig fleet during 2006-2007, which would require significant investments.

The cost of upgrading Saudi Aramco's existing refineries in Yanbu and Ras Tanura is expected to reach SAR 37.5 billion. Moreover, two export oriented refineries are being built in Yanbu (Aramco/Conoco Philips) and Jubail (Aramco/Total). Further to refineries, Aramco has pre-qualified companies to build large number of tank storage farms for storing crude, refined and petrochemicals products.

⁵ Al-Amoudi

4-3 Petrochemical Sector Overview

Due to substantial reserves of low cost extractable feedstock and with the world's largest oil reserves, Saudi Arabia's petrochemical business environment is considered the most attractive in the region and possibly the world. Saudi Arabia is among ten major producers of basic & intermediate petrochemicals in the world. Saudi Arabia's petrochemical sector currently represents approximately 7% of the world's supply for basic and intermediary petrochemical products and is expected to represent 13% by the end of the decade as capital investment in the Saudi petrochemical sector is expected to total US\$94.4 billion during the period 2004-2009, according to SAGIA. It is expected that the number of petrochemical companies will increase to 36 companies and the number of petrochemical projects would increase to 68 projects by the year 2010 with an estimated projects cost of SAR 290.2 billion.

Being an important part of the Government's economic diversification strategy, investments in the petrochemical sector is expected to account for one half of the Kingdom's non-oil US\$600 billion investments over the next 20 years. This expansion is an important element of the eighth five-year plan (2005-2009), which aims to raise GDP by 30% by 2010. The Government has said it wants to make the Kingdom an international center for the export of petrochemicals.

Private investment in Saudi petrochemicals industry comes from international oil companies ("IOCs") and from the GCC. The state-controlled SABIC is the largest market player in the petrochemical sector, which was created to diversify Saudi's revenues from crude oil. Other key market players in the sector are Saudi International Petrochemical Company ("Sipchem"), Royal Dutch/Shell, Exxon Mobil and Chevron Phillips. SABIC ranks as number seven (7) among the world petrochemical companies, its production jumped to 49.3 million metric ton in 2006. Plans are underway to raise production capacity to 60 million tons by 2010 and to rank as the third world company next to Shell and Exxon-Mobil in basic petrochemicals and Olefins.

Saudi Arabia, in its effort to reduce dependence on crude oil, has also put in place a comprehensive plan for expanding its petrochemical production using natural gas as a feedstock. SABIC operates a network of 15 petrochemical companies located in Jubail and Yanbu industrial cities. They are fully owned and/or joint ventures with major American, European and Japanese petrochemical companies. SABIC is in the process of constructing another two basic petrochemical companies located in Jubail and Yanbu (Kayan and Yansab). Furthermore, major expansions are undergoing in the existing production companies. SABIC is already the world's third largest producer of polyethylene and the fourth largest manufacturer of polymers of all kinds. It is investing more than US\$8 billion to raise total output of all products to 60 million tones by 2010.

4-4 Infrastructure Sector Overview

Due to high oil revenues in 2006, the Kingdom is expected to earn over SAR 750 billion (US\$ 200 billion) by the end of the year, leading to huge investments in infrastructure projects. It is expected that the construction sector will increase to SAR 60.75 billion (US\$16.21 billion) by the end of 2006 compared to SAR 54.75 billion (US\$14.63 billion) in 2005.

As part of the Kingdom's efforts to achieve regional development, it plans to build massive economic cities across the country. The already launched economic cities in Rabigh, Hail, Madinah and Jizan are expected to attract SAR 300 Billion (US\$80 billion). With the establishment of these economic cities, it is expected that the demand on utilities services will exert further pressure on the current utilities facilities in the Kingdom, which would require significant investments to establish and expand power and water desalination plants in the near future.

Accordingly, the Water and Electricity Minister announced that the Kingdom would require nearly SAR 350 billion in investments for water and sewage projects and SAR 340 billion for electricity projects over the next 20 years.

4-4-1 Water and Sewage

The Kingdom is substantially dependent on desalination; almost 70% of water requirement is met through desalination facilities in Saudi Arabia (24 on the Western Coast and 6 on the Gulf). The annual capacity of which exceed 1,060 million Cubic Meters per year. The 1426/27H (2007) budget for water and sewerage development is SAR 13 billion.

The Ministry of Water and Electricity has awarded contracts to local and international companies for the purpose of executing water desalination and sewage projects and plans to award new contracts for specific projects during 2008 accounting for 17 projects, the estimated investment cost of which exceeds SAR 5.1 billion.

In the meantime, three major desalination contracts for the dual production of Water and Electricity on the basis of BOOT ("Build-Own-Operate and Transfer") with developers from Malaysia, Japan and France are already underway with an estimated cost of SAR 28.1 billion.

4-4-2 Power

The Electricity sector is in the stage of major restructuring and reorganization in terms of power generation and pricing. Private sector investors, including national and international companies, are now entitled to Build/Construct, Own and Operate ("BOO") power generation projects.

The Saudi Electricity Company has released and/or is in the process of releasing tenders for 7 Power Generating projects and 10 Power Transmission projects, the total investment cost of which is estimated to be SAR 34.9 billion.

About 45 projects will be constructed during the period 2007-2011. The aggregate investment cost of which is estimated at SAR 246.1 billion⁶.

4-4-3 Cement

There are 8 Cement companies operating in the Kingdom. Due to the construction boom within the last 3-4 years, the cement factories were operating at full capacity with the annual cement production exceeding 25 million tons.

There are 7 planned new cement plants under consideration for 2007 including Tabuk cement plant expansion. The total investment cost of the planned new cement plants is estimated to be SAR 7.1 billion.

4-4-4 Construction

The construction industry covers various types of projects to be developed by both the public and private sectors. Statistics show that Invitation for Tender Bids ("ITB") for over 30 projects during 2007 have been released with a total estimated investment cost of SAR 30.1 billion, which should be completed before 2010.

Value of contracts to be awarded in 2007-2009 exceeds SAR 411 billion, out of which Emaar Company and Rakisah Holding Company have substantial shares. Projects include educational complexes, financial cities and industrial residential districts to millennium seaports. King Abdullah Economic City has to be developed and operational prior to mid 2011.

Rakisah Holding Company is planning to develop Prince AbdulAziz Bin Mosa'ed Economic City in Hail. Projects will come on-stream by 2017. Total investment cost is estimated to be around SAR 40 billion.

4-5 Contracting Market Overview

With the improving outlook of the Kingdom's economy, the future prospects of the contracting industry specifically in the oil & gas and petrochemical sectors seems promising. The current demand and plans for increasing capacity across the various sectors including new developments far exceed the supply and capabilities of the local contracting players.

Major contracting companies have been able to be selective in bidding for the projects available with emphasis on the most lucrative projects and the best opportunity to move up the value chain in the industry in order to compete against international players across the region in the future.

It is expected that oil and gas exploration and production activities worldwide would continue to be strong due to the need to support the increasing demand for more energy resources which is in line with the growing level of global industrialization. International Energy Agency (IEA) estimates that about SAR 5.63 trillion (US\$1.5 trillion) worth of investments would be required to expand capacity or replace retired facilities across the MENA region during the period 2004-2030, which equates to an annual investment of SAR 210 billion (US\$56 billion) during the same period.

The table below provides an illustration of the total developments planned and underway for the various sectors over the next 5 years. It is estimated that the contracting work value represents 30% of the value of planned projects.

Exhibit 4-2: Total Planned Projects by Sector

Sector	Total Planned Development (SAR million)	Estimated Contracting Value (SAR million)
Oil & Gas	411,881	123,564
Petrochemicals	572,677	171,803
Power	112,068	33,620
Waste & Water	36,694	11,008
Industrial	89,550	26,865
Commercial Construction	752,535	225,760
Total	1,975,405	592,621

Source: Al-Amoudi

⁶ According to Al-Amoudi's estimates

4-6 Al-Mojil's Market Position

There is no published industry data available to show the size of the electrical and mechanical work in the local petroleum and petrochemical sector. Often, published information refers to the total investment for a given project while electrical and mechanical engineering related fabrication and installation activities account for only a fraction of the construction cost of petroleum and petrochemical plants. Furthermore, variation orders may occur during the course of the project. It is thus difficult to ascertain the size of the local market for electrical and mechanical work as well as the related turnover of the Company's competitors.

There are also no definite market share figures for plant maintenance works. This is because plant owners may not define the job scope in detail when calling for quotations and the exact scope of work and the eventual contract value may only be known at a much later stage. In addition, with the exception of turnaround maintenance, maintenance contracts are usually handed out on a routine basis by individual plant owners and there are a large number of firms serving this market.

There is no basis of arriving at a reasonable estimate of the size of the maintenance market or their competitors' respective market shares.

4-7 Competition

The Company operates in a highly competitive environment. The principal competitive factors in the industries, which the Company's operate in, are the availability of resources, i.e. equipment and manpower, quality of workmanship and service, price and technical expertise. Competitors range from local companies to international engineering firms due to the complexity and scale required in this industry. The following are some of the local and international competitors that provides similar services to Al-Mojil, which includes all construction activities that involves civil, structural, mechanical, electrical, instrumental and maintenance work:

Consolidated Contractors Company (Foreign, Greek): Is a limited liability company established in 1952. Its principle activities are in heavy construction and civil engineering for power plants, bridges and highways, harbors and docks, airports, water and sewerage treatment plants, pipelines and high quality buildings; fabrication and installation of piping; erection of equipment and vessels; structural steel work for light industry; and heavy mechanical work for refineries, petrochemical plants, gas and oil separation plants and oil terminals.

Contracting and Trading Company (Foreign, Lebanese): Is a limited liability company established in 1944. Its principle activities are in civil engineering and building contractors principally of pipelines.

Al Hajri Company for Trading and Contracting (Local): Is a partnership company established in 1967. Its principle activities are in trading; marine works; contracts; commission agents; elevator agents; catering; manufacturers of expanded injected polystyrene insulation material; tube ice and crushed ice and real estate.

Gama Al-Moushegah Arabia (Joint Venture, Turkish and Saudi): Is a limited liability company established in 1986. Its principle activities are in major lump-sum turnkey construction, projects in oil and gas facilities, petrochemical industries, pipeline facilities, power and desalination plants.

Nesma and Partners Contracting Company (Local): Is a private company established in 2004 as a merger between three companies; Nesma & Alfadl Contracting Company, AGAP Arabia and Nesma Emtor Company. Its principle activities are in construction and building, industrial mechanical and electromechanical engineering services, including services related to oil gas, petrochemicals, power and water sectors.

Saudi Bin Laden Group (Local): Is a private company established in 1975. Its principle activities are in general trading and contracting; manufacturing of sealants, grouts and mortars; dredging, reclamation and hydrographic survey contractors; flooring equipment including granite and stone, gypsum products, lighting equipment, metal products, household and industrial paints, steel fixtures and communications equipment.

Al-Suwaidi Holding Company (Local): Is a limited liability company established in 1960. Its principle activities are in construction of major civil, mechanical, electrical and instrumentation works; steel fabrication and industrial services; catering, life support; precision forging; manufacture of chemicals; real estate investment; IT services and distribution of electric products.

Technip Saudi Arabia (Joint Venture, French and Saudi): Is a limited liability company established in 1981. Its principle activities are in contracting and construction of petrochemical refineries; power utilities and desalination plants.

5 Key Markets, Clients and Suppliers

5-1 Key Markets and Clients

Since the Company's establishment in 1974, Al-Mojil has completed more than 500 projects for a multitude of clients, ranging from Government agencies, and semi-government entities to private local and international organizations. The majority of the Company's clients are from the oil and gas, petrochemical, power and water, and civil work contracting sectors. The following is a list of the Company's key clients per sector:

Exhibit 5-1: Al-Mojil's Key Clients

Sector/ Name of Client	Client Type	Nationality	Relationship Since
<u>Oil & Gas Sector</u>			
Saudi Aramco	Owner	Saudi Arabia	1975
Japan Gas Corporation	EPC	Japan	1996
CB & I Lummus/ Lummus Alireza Ltd	EPC	Netherlands	1988
Tecnicas Reunidas	EPC	Spain	2006
Linde Arabian Contractors Ltd	EPC	Germany	1998
Stone & Webster	EPC	United States	1992
<u>Petrochemical Sector</u>			
Saudi Basic Industries Corp (SABIC)	Owner	Saudi Arabia	1978
Saudi Kayan	Owner	Saudi Arabia	2007
Fluor Corporation	EPC	Canada	1983
Linde Arabian Contractors Ltd	EPC	Germany	1998
Saudi Arabian Bechtel Company	EPC	United Kingdom	1982
Mitsubishi Heavy Industries	EPC	Japan	1984
Mitsui & Co Ltd	EPC	Japan	1989
Samsung Engineering	EPC	South Korea	2006
Toyo Engineering	EPC	Japan	2006
<u>Power & Water Sector</u>			
Saudi Electricity Company	Owner	Saudi Arabia	1979
Hitachi Zosen	EPC	Japan	1986
Mitsubishi Electric Company	EPC	Japan	1986
Mitsubishi Heavy Industries	EPC	Japan	1984
Chiyoda Engineering	EPC	Japan	1985
Royal Commission for Jubail & Yanbu	Owner	Saudi Arabia	1978
<u>Infrastructure Sector</u>			
Voest Alpine	EPC	Germany	2005
KHD Humboldt	EPC	Germany	1995
Saudi Arabian Ductile Iron Pipes Company	EPC	Saudi Arabia	1989
National Electric Co.	EPC	Japan	1982
Bechtel Corporation	EPC	United Kingdom	1990
Mitsubishi Heavy Industries-FUDO	EPC	Japan	1984
Industrial Beteiligung Services & Contracting Co. LLC (INBESCO/ DANIELI)	EPC	Luxembourg	2008

Source: Al-Mojil

The Company provides services throughout the Kingdom, mainly in Jubail, Al-Khobar, Jeddah, Dhahran, Abu Ali, Hofuf, Rabigh, Juaymah, Ras Tanura, Riyadh, Yanbu, Buqaiq, Tanajib, Shedgum and Uthmaniyah.

5-2 Key Suppliers and Sub-Contractors

The Company does not rely on any particular supplier or sub-contractor, as it has been able to secure a steady supply of materials for its operations at relatively stable prices from various established manufacturers and distributors in the Kingdom and abroad. The list of the Company's major suppliers and sub-contractors is as follows:

Exhibit 5-2: Al-Mojil's Key Suppliers and Contractors

Name of Supplier/ Sub-Contractor	Description of Supply/ Service	Nationality	Length of Business Relationship
R.B. Hilton Saudi Arabia Ltd	Insulating and fireproofing	Saudi Arabia	>10 years
Saudi Catering & Contracting	Catering services	Saudi Arabia	>10 years
Arabian CBI Ltd	Catalyst loading works	Saudi Arabia	>5 years
Gulf Haulage Heavy Lifts	Lifting equipment rental	Saudi Arabia	>10 years
Arab Commercial Enterprise	Insurance	Saudi Arabia	>20 years
Saudi Arabian Kent Co Ltd	Electrical and instrumentation	Saudi Arabia	>5 years
SGS Inspection Services	NDT services	Saudi Arabia	>5 years
Abdulrazzak Mohammed Qanbar Al-Ansari & Sons	Ready-mix concrete	Saudi Arabia	>5 years
Khonaini Petroleum Services	Fuel and oil	Saudi Arabia	>5 years

Source: Al-Mojil

5-3 Major On-Going Projects

In addition to several small on-going projects, the Company is currently executing several major on-going projects with contract values ranging between SAR 105 million to SAR 386 million per project. The Company is not executing any project outside the Kingdom as of the date of the Prospectus. The table below is a selection of the Company's on-going projects as of 31 December 2007.

Exhibit 5-3: Al-Mojil's Major On-Going Projects

Project Detail	Client	Location/ Tenure
Saudi Aramco offshore concessions area – offshore hook up, upgrade, modification and commissioning support	Saudi Aramco	Arabian Gulf / Feb '96-Feb '09
SHARQ 3 rd expansion project – civil, mechanical and erection works	Samsung Saudi Arabia	Jubail / Mar '06-Mar '08
SHARQ 3 rd expansion project – mechanical and structural works	Linde-KCA-Dresden	Jubail / Oct '06-May '08
SHARQ 3 rd expansion project – utility & offsite general contract mechanical, electrical and instrumentation works	Foster Wheeler Energy Ltd	Jubail / Oct '06-Feb '08
SHARQ 3 rd expansion project – construction of utilities & offsite-mechanical, piping fabrication, steelworks, electrical and instrumentation works	Foster Wheeler Energy Ltd	Jubail / Feb '07-Feb '08
Yanbu National Petrochemicals Company (YANSAB) ethylene glycol plant – mechanical and erection works	Toyo Engineering Co	Yanbu / Mar '06-Apr '08

Project Detail	Client	Location/ Tenure
Saudi Aramco Rabigh development PC2 project propylene oxide plant – civil, structural, architectural, mechanical, electrical and instrumentation works	Mitsui Engineering & Shipbuilding Co Ltd	Rabigh / May '06-Jun '08
Saudi Aramco Rabigh development PC2 project mono ethylene glycol plant – civil, structural, architectural, mechanical, electrical and instrumentation works	Mitsui Engineering & Shipbuilding Co Ltd	Rabigh / May '06-Jun '08
Saudi Aramco Juaymah gas plant project – mechanical, electrical, instrumentation and piping works	Tecnicas Reunidas Gulf Ltd	Juaymah / Jun '06-Mar '08
Saudi Aramco Ras Tanura sea island & Juaymah platform – civil, structural, mechanical and piping works	Saudi Aramco	Juaymah / Nov '06-Mar '08
SPC Polypropylene project - civil, mechanical, electrical and instrumentation works	Saudi Poly Olefins Co (TASNEE)	Jubail/ Jul '07-Jul '09
Saudi Kayan Consolidated contract-construction of civil, structural, mechanical, piping, insulation, electrical and instrumentation works	Saudi Kayan Petrochemical Co / SABIC / FLUOR Arabia Ltd	Jubail/ Aug '07-Sep '09
Saudi Kayan Petrochemical Complex for U & O contract for general contract-2 interconnecting pipe racks (fabrication and erection)	Saudi Kayan Petrochemical Co / SABIC / FLUOR Arabia Ltd	Jubail/ Jul '07-May '09
Saudi Kayan General Contractor Aramco Facilities – General Construction Works	Saudi Kayan Petrochemical Co/ SABIC/ Fluor Arabia Ltd	Jubail & Juaymah Mar '08-'09
Aramco Water Injection Pump Station - facilities project involves mechanical, piping, electrical & instrumentation works	SNV Lavalin / Saudi Arabian Saipem Ltd	AINDAR/Uthmaniyah/ Hawiyah & Harad Dec '06-Jul '08
Aramco - Khurais WIPS Project - field electrical, instrumentation, communication and 69kv & HV/LV sub station	SNV Lavalin / Saudi Arabian Saipem Ltd	AINDAR/Uthmaniyah/ Hawiyah & Harad Apr '07-Jun '08
Saudi Arabian Mining Company Ammonia Plant Project general contract - civil, building, steel structures, equipment installation, mechanical, piping, electrical, & instrumentation works	Samsung Engineering Co. Ltd	Ras AlZour May '08-Jun '10
Saudi Kayan Polypropylene general contract - civil, building, steel structures, equipment installation, mechanical, piping, electrical and instrumentation	Sumsung Engineering Co. Ltd	Jubail Nov '08-Aug '09
SABIC\ Ibn Rushd contracting works for the DBN project	SABIC\ Ibn Rushd	Yanbu Dec '07-Aug '09
Saudi Aramco Shell Refinery Company (Sasref) – site preparation and contracting works	ABB Lummus Global	Jubail Dec '07-Jun '08
Saudi Aramco Shell Refinery Company (Sasref) – Ultra Low Sulfur Diesel Project – Balance of Plant	CB & I Lummus	Jubail Jan '08-May '09
JESCO Seamless Pipe Plant Project – mechanical, electrical and instrumentation Works	Industrial Beteiligung Services & Contracting Co. LLC (INBESCO/ DANIELI)	Jubail Apr '08-Jan '09

Source: Al-Mojil

6 Competitive Advantages and Future Prospects

6-1 Competitive Advantages

The Company's Directors believe that Al-Mojil has a number of competitive advantages, as follows:

6-1-1 Qualified and Experienced Management Team

The Company has an experienced management team with business development, marketing and contract management knowledge. The Company's Directors and Executive Officers have many years of hands-on experience in the construction of oil & gas plants, offshore and onshore rigs and platforms, petrochemical plants and other various facilities. The Company's Executive Directors are supported and assisted by a dedicated and dynamic management team, each with 8 to 30 years of industrial experience gained in the construction business.

6-1-2 Track Record

The Company benefits from excellent construction records and numerous accreditations on safety and timely delivery from leading Saudi corporations as well as from international engineering and construction firms. These accreditations demonstrate the Company's capability to complete industrial projects and delivering such projects without any material damages or financial, operational or legal claims from clients since its establishment in 1974.

6-1-3 Safety, Reliability and Timely Delivery

The Company offers a high level of safety standards, which comply with international quality codes and standards as well as deliver the required performance and efficiency. Commitment to quality is evidenced by the accreditation and certifications achieved by the Company, such as the Fluor United Petrochemical plant project award in 2004 for no loss time or injury incurred during 44,000,000 working man hours⁷.

The Company conducts detailed project management and scheduling for each project to ensure on-time delivery to customers. Since the commencement of the Company's operations, it has not experienced any cancellation of orders or incurred any liquidated damages or penalties due to late delivery.

6-1-4 Infrastructure and Strategically Located Facility

The Company possesses a large fleet of heavy equipment, tools, machineries and workforce camp facilities together with a fleet of 19 working marine vessels. The Company is constantly expanding and upgrading its fleet of equipment and building new facilities at strategic locations across the Kingdom, namely new industrial cities, for instance in Rabigh and Yanbu. This would enable the Company to work more closely and effectively with its clients and engage in large-scale jobs more efficiently.

6-1-5 Business Processes

The Company has a well-established business process for its construction operations, which include contract tendering, project management, contract execution, costing, quality and safety control, workforce and inventory management. These processes have been developed in line with international standards with the Company achieving its ISO 9001:2000 certification since 1995.

6-1-6 Credit Rating and Approach to Risk

The Company enjoys excellent credit rating with local and international banks. This allows the Company to easily secure the needed financing to undertake sizeable projects.

The Company has a policy of sharing and transferring risks through subcontracting and partnering with prominent companies, while retaining residual risk at a manageable level. Due to the Company's rigorous and careful selection of projects that are in majority executed to prime Saudi companies and to Government agencies, the Company's credit risk is considered to be low.

6-1-7 Strong Relationships with Large Diverse Customers

The Company strives to continually maintain and develop good and close working relationships with its customers. The Company's commitment to providing a high standard of customer service is evidenced by the fact that a significant share of the Company's revenue over its operating history was derived from repeat orders and referrals from existing major clients. An example of this is the Company's ongoing offshore contract with Saudi Aramco, which has been extended to cover the period 1996-2009.

⁷ Man-hours is defined as the total number of hours spent by the contractors/ subcontractors' work force during the entire duration of the project

6-1-8 Access to Workforce

Understanding the Kingdom's strategy to spearhead its industrial and infrastructure developments, the Ministry of Labor recently awarded the Company with 20,500 visas for the years 2006 and 2007 to increase its workforce. This will significantly increase the Company's workforce strength from 4,800 in 2005 to more than 24,000 by 2007 thus providing it with the capabilities to mobilize its project management teams effectively and the ability to handle multiple large-scale projects concurrently.

6-2 Strategies and Future Prospects

6-2-1 The Company's Financial Performance

The Company's revenues from its design, manufacturing and installation services amounted to SAR 1,955.1 million, SAR 893.6 million and SAR 465.9 million in 2007, 2006 and 2005 respectively. The Company intends to at least maintain its current sales volume given the healthy economic environment and industrial boom in the Kingdom.

6-2-2 Customer Base Expansion

The Company intends to continue expanding its customer base in the Kingdom by securing new contracts for construction projects, procurement and other services in the oil & gas sector. The Company plans to work closely with all its existing customers to develop long-term relationships by improving its level of service and increasing its scope of services. By expanding the business operations to current and new industrial cities (i.e. Rabigh and Yanbu), Al-Mojil will secure its competitive edge by being closer to its customers and hence being able to respond to their needs more promptly.

6-2-3 Expanding Current Key Services

The Company is constantly looking into ways to broaden its scope of services to both existing and new customers. The Company intends to leverage on its technical knowledge in the construction industry and its global network of suppliers to extend its procurement and other services to both existing and new customers.

6-2-4 Acquisitions, Joint Ventures and Strategic Alliances

To date, most major Saudi oil & gas and petrochemicals projects are awarded to foreign international companies. The Company aims to increase its engineering and international procurement capabilities from transfer of knowledge either through joint ventures or strategic alliance with international companies. This will then allow the Company to compete on an equal platform against other international companies both on the local and regional front as a full fledged EPC (Engineering, Procurement and Construction) competitor.

Other possible expansion plans would include ventures with specialists companies in construction of power transmission and other forms of infrastructure. Another form of expansion for the company will be to improve its operational efficiency through alliances and partnerships with companies that supply or manufacture heavy machinery, electrical equipment, building materials and also supply of manpower and training facilities.

6-3 Up to Date Brief on the Company's Activities and Performance

The Company signed several new projects in 2007, the value of which exceeded SAR 3.2 billion. The number of projects has increased significantly due to the Company winning a two year contract with Saudi Kayan with a value of SAR 1.5 billion. The scope of work for the contract that have entered the execution phase on September 2007 includes civil, structural, mechanical, piping, insulation, electrical and instrumentation works.

The list of projects signed by the Company in 2007 includes:

- 18 month contract with Saipem-SNC Lavalin to provide field electrical, instrumentation, communication and 69kv and HV/LV sub station to Aramco-Khuras WIPS project in Uthmaniyah, AINDAR, Hawiyah and Harad;
- 8 month contract with Foster Wheeler Energy Ltd to provide construction of utilities and offsite-mechanical, piping fabrication, steelworks, electrical and instrumentation works to SHARQ 3rd expansion project in Jubail;
- 9 month contract with Lummus Global to provide site preparation and contracting works to Saudi Aramco Shell Refinery Company (Sasref) in Jubail;
- 24 month contract with Samsung Engineering Co. Ltd to provide structural works to the Saudi Arabian Mining Company (Ma'aden) in Ras AlZour (north of Jubail).

The Company's total revenues in 2007 amounted to SAR 1,995.1 million and have increased by 118.8% against the amount of 893.6 in 2006. Net income in 2007 have increased by 163.9% amounting to SAR 548.6 million against the amount of SAR 207.9 million in 2006.

7 Operational and Support Functions

7-1 Introduction

Al-Mojil's operational and support functions consist of the following divisions:

- Onshore and offshore construction operations division, comprising of civil, structural, mechanical, electrical and instrumentation, as well as maintenance and turnaround work units;
- Construction support services and facilities division, comprising of heavy machinery and equipment, steel factory, camp facilities, warehouse, procurement, technical services and information technology units;
- Group support services division, comprising of business development, engineering and project control, finance, strategic planning and treasury, as well as human resources and administration units.

The management of each division consists of a team of experienced and capable professionals, who report to the Managing Director.

7-2 Construction Operations Division

The Company's onshore and offshore construction operations division is split into five main operational units, as described below.

7-2-1 Civil Works Unit

The civil works unit is responsible for preparing the project site in terms of the following:

Site Preparation

Before work starts on any project site, the project management team ("PMT") is responsible for checking, inspecting, surveying, layout and establishing markings at the proposed area for site preparation. The PMT will ensure that all relevant issues for construction drawings and approved procedures associated with site preparation have been issued to the relevant personnel supervising the work.

The PMT will monitor the daily preparation activities and verify compliance with the client's specifications. The scope of work involved in site preparation include:

- Excavation
- Construction of vehicular access routes
- Trenching and backfilling
- Dewatering
- Clearing of drainage
- Construction of security fencing
- Demolition of buildings, structures and/or equipment
- Concrete related works (reinforcement, pouring, curing, grouting and repair)
- Asphaltting

Building Works

Building works refers to the construction of a building or structure, which may be used to house the operations of the plant, workforce, supplies or materials depending on the contract awarded to the Company. The different components involved in building works are split into the following:

- Concrete flooring
- Building of masonry wall
- Drywall construction
- Building of roof
- Building of ceilings
- Pre-cast building
- Doors and windows installation
- Waterproofing

Every aspect of the work above has to adhere to the approved drawings and specifications as stated in the contract. All building

works are required to comply with the statutory building codes as required by the client and industry.

7-2-2 Structural Works Unit

Structural works refer to fabrication, installation and erection, inspection and testing, and commissioning and handover. Structural work includes among other things, steel or stainless steel frames, beams and platforms.

Fabrication Works

Prior to commencement of the fabrication process, the Company's quality assurance and control personnel will draw up an inspection and test plan to, amongst others, map the schedule for conducting safety tests on the Company's process modules and equipment at different stages of the fabrication process. These schedules are subject to the prior approval of customers who will either engage their own quality control officer or an independent accreditation organization to check on the compliance with the approved schedule of safety tests during the fabrication process.

The Company has the capability to fabricate steel structures, stages and platforms as well as various types of mechanical equipment such as pressure vessels, fired heaters, heat exchangers, boilers, storage tanks, towers, drums and pressure piping.

Installation and Erection Works

Daily, weekly and monthly records of the project are maintained during the installation stage. These records enable the project manager to monitor the project's progress and timing schedule. Should there be any delays in the project, the underlying reasons will be documented and appropriate actions taken for immediate rectification. Such records also help to prevent future similar occurrences.

The significant stages of the installation process are explained below:

Stage 1:

Prior to installation, the Company submits an erection procedure plan, which lists the sequence and schedule of the erection to the client for approval. Fabricated components and cranes are delivered to the project site. After the fabricated components have been fitted in position, the Company's quality controller conducts visual checks on the alignment of the fitting. Welding and/or bolting of the fabricated components commences thereafter.

Stage 2:

Following the fitting and welding, visual checks and non-destructive tests such as X-ray tests, penetration tests, magnetic particle inspection tests, hydro and pneumatic tests, radiographic examination and ultrasonic tests are carried out on the fabricated components. At this stage in the installation process, the construction team carries out line checks and punch lists against the construction drawings. The purpose of line checks is to ensure that the work performed corresponds with the drawings. A punch list identifies any outstanding item or task that is yet to be completed. The line checks and punch lists are then followed by a joint visual inspection by the client and the Company's quality controller.

Stage 3:

When the installation is ready to be handed over, the client's on-site or third party quality controller will inspect the installed fabricated product. A letter of acceptance is subsequently issued by the client.

Inspection and Testing

To ensure that products meet the customers' specifications, the Company has established a stringent inspection and testing plan during the progress of a project. Under the supervision of the project team, the inspection and testing plan for each project will break down the production flow into logical stages, whereby inspection and testing are to be conducted. The Company would also coordinate inspection with its customers' quality control officers to ensure that the products meet the required quality standards.

Commissioning and Handover

Upon completion of installation on site, the equipment and system are then tested and commissioned to ensure that the whole system, including the process flow and mechanical, electrical and control instruments, functions properly and the performance meets customer's requirements.

7-2-3 Mechanical Works Unit

Due to the complex process involved in both oil & gas and petrochemical plants, it is very important for the Company to comply with the specifications and requirements of its clients as it usually involves hazardous materials, which may be combustible or toxic. Mechanical works refer to piping works, scaffolding, rigging works related to lifting and installation, preparation and testing of mechanical equipment.

Piping Works

Piping works done by the Company are constantly under the supervision of the project management team and fabrication manager to maintain the quality and safety of the pipes installed. Welders and fitters need to have the proper certifications as required by the client with the pipes itself having undergone various rigorous tests including non-destructive testing ("NDT"), post-weld heat treatment ("PWHT"), pressure and leak testing, x-ray and in some cases, as required reinforced thermosetting resin.

Pipes are fabricated according to the client's drawings, which could be made of different materials depending on the purpose of the process involved, and if there is a requirement for the joining of two or more different materials, suitably qualified and experienced welders are required.

In addition to fabrication, welding and fitting of pipes, the finished products have to undergo sandblasting and painting as required by the client's requirements. Another important element to piping works involves the different processes of cleaning, depending on the type of pipe, which may require all or some of the following:

- Chemical cleaning - a process to rid surfaces and walls of equipment, pipelines, vessels, kettles and heat exchangers of unwanted contaminants.
- Flushing - a process to eliminate the presence of carbon and/or varnish build-up in equipments.
- Hydro jetting - also known as water jetting, a process of using high and ultra-high pressure water to clean, prepare surfaces for coating, remove clogs and cold-cut materials.
- Aqua milling - another process to clean heat exchangers, process equipments and pipe systems without the use of chemicals.

Scaffolding

Scaffolds are a pre-requisite for works and inspections, which cannot be performed from the ground or from some other form of secured platform with a fall potential in excess of two (2) meters. Scaffolds are erected, altered or dismantled under competent supervision and by experienced craftsmen to ensure safety of the worksite. There are four kinds of scaffolding, namely independent tied, mobile/tower, cantilever and drop scaffold.

Rigging

Rigging procedures are required whenever heavy lifting in excess of twenty (20) tones is required or otherwise specified by the client. Prior to the execution of heavy lifts, a detailed procedure will be submitted to the client for approval. These procedures include:

- Scaled drawings - showing pick-up points to final setting, position of lifting equipment, elevation views, plan view, rigging and tailing hook-ups and travel configurations.
- Equipment list - number of equipment to be used during lifting operations including load charts.
- Equipment certification - when specified, all equipment must have a valid certification.
- Load weight - weight of items involved in each lift including lifting accessories.
- Hoisting capacities - safe load marking or tagging for each lifting accessory.
- Calculations - showing rigging arrangements including details of sling and wire rope safety factor determinations, blocks, rigging and tackle analysis, ground loading variations, structural details for spreader beams, stability analysis, load weight determinations and proximity limits/scaled clearance from the outermost reach of the crane as anticipated during the lifting operation.

All rigging personnel are required to meet the client's specified requirements with regards to experience, training and qualifications.

Mechanical Equipment Installation

It is the project management team's responsibility to ensure that all relevant work associated with pre-installation of mechanical equipment is completed including preservation and maintenance. Subsequently, all documentation including drawings and procedures are to be obtained prior to installation of mechanical equipment. It is then the mechanical supervisor's role to ensure that all personnel and equipment to be used for installation are approved and certified in accordance with the client's requirements.

Upon completion of installation, external accessories, parts and components are then installed or assembled as required by the drawings. The mechanical supervisor will supervise preparation of equipment for operation, whereas initial test run of equipment will be done by the mechanical testing supervisor before handover to the client.

7-2-4 Electrical and Instrumentation Unit

The next stage of activity required after completion of equipment installation will be the installation of electrical systems throughout the site/plant. Among the main items normally involved include:

- Conduit installation
- Cable tray Installation
- Cathodic protection
- Cabling
- Grounding systems
- Duct bank installation
- Electric motors and generators
- Switchgear installation
- Transformer and junction box installation
- Motor control center and control panels
- Lighting and communication systems
- Relays and breakers

All the above will be thoroughly checked and tested by the electrical supervisor and witnessed by the quality control inspector and a representative of the client before it is approved and handed over to the client.

With the electrical systems in place, it is then the instrumentation supervisor's responsibilities to oversee the installation of instruments as set out in the contract's scope of work. All instruments have to undergo a series of testing and calibration as required by the client before it is installed.

Final testing upon installation will be witnessed and approved by an appointed representative of the client and attended by the Company's quality control inspector. The types of instrumentation required in a typical oil & gas or petrochemical plant include:

- Transmitters and transducers
- Control valves and switches
- Safety relief valves
- Analyzers and Indicators

A process called a loop check is required after completion of installation of the necessary instruments. This process is to test and identify faults or failures in the system that interconnects different instruments and processes. Loop checks can be categorized into several test methods as defined below:

- Flow process variables - to test flow signals using variable pressure.
- Level process variables - to test level signals using variable pressure.
- Pressure process variables - to test pressure signals using variable process signals and air.
- Temperature process variables - to test temperature sensitivities.
- Variable alarm inputs - to test alarm signals using variable flow, level, pressure and temperature.

7-2-5 Maintenance & Turnaround Unit

Plant maintenance can be categorized into daily or turnaround plant maintenance. Under the terms of maintenance contracts, the Company would perform specific maintenance works and all materials required for the maintenance work will be supplied by the plant owner. The following summarizes the types of maintenance services offered by the Company.

Daily Plant Maintenance

Daily plant maintenance is essential to keep a plant in good operating condition and it is undertaken without shutting down the operations of the entire plant. Under the terms of the contract, the Company would provide maintenance services, such as routine servicing of equipment to the plant for the entire duration of the contract.

Total Plant and Turnaround Maintenance

Total plant and turnaround plant maintenance is usually undertaken to increase the plant's capacity and/or efficiency. It involves either the replacement of old equipment on a large scale or the addition of new equipment to existing plants. Unlike daily plant maintenance, turnaround plant maintenance requires the temporary shutdown of the plant, and is therefore usually undertaken on either annual or bi-annual basis. The Company is capable of carrying out maintenance and testing works for the following:

- Aqua milling cleaning
- Pressure and leak testing
- Chemical cleaning of pipes, vessels and boilers
- Boiler maintenance and inspection
- Oil flushing
- Nitrogen purging and inertization
- Bolt tensioning & torque
- Chimney and flare works
- Cold cutting of pipelines and vessels
- Pipe, steel and structural support
- Post weld heat treatment
- Fabrication
- Hydro jetting of pipes, vessels and tanks
- Sand-grit blasting and painting
- Mechanical work and preparation
- Scaffolding and insulation
- Inspection and nondestructive testing
- SASO certified calibration facilities (mechanical, electrical and instrumentation)

7-3 Construction Support Services and Facilities Division

The Company's construction support operation division is split into the following support units, as described below:

7-3-1 Heavy Machinery and Equipment Services Unit

The Company's equipment services unit manages and maintains a fleet of approximately 5,057 units of cranes, earthmovers, air compressors, forklifts, pumps, trailer tractors, blasting machines and other major construction related equipment at its own equipment maintenance and staging facility (equipment yard) situated along the new Dammam-Riyadh highway.

The Company maintains a team of technicians and mechanics to repair, service and test its own fleet of heavy machinery, equipment and vehicles at the Company's equipment yard in Dammam.

7-3-2 Steel Fabrication Factory Unit

The Company's steel plant capacity is capable of producing up to 350 tons of high-quality piping in a single shift. Fabricated products are manufactured in accordance with the internationally accepted ASME ("American Society of Mechanical Engineers") ANSI ("American National Standard Institute") and API ("American Petroleum Institute") standards. The facilities consist of:

Exhibit 7-1: Al-Mojil's Steel Factory and Fabrication Facilities

Description	Location	Area (m ²)	No. of Bays
Steel pipe fabrication	Dammam	10,625	5
Structural steel fabrication	Dammam	4,163	3
Stainless steel fabrication	Dammam	3,100	3
Offices	Dammam	1,986	Not applicable
Training centre (welding)	Dammam	765	Not applicable
Testing and examination	Dammam	4,214	Not applicable
Warehouses/tools	Dammam	560	Not applicable
Material lay down/ storage area	Dammam	103,050	Not applicable
Blasting and painting	Dammam	12,500	Not applicable

Description	Location	Area (m ²)	No. of Bays
Support services	Dammam	19,277	Not applicable
Steel pipe fabrication	Rabigh	8,252	2
Structural steel fabrication	Rabigh	7,392	1
Stainless steel fabrication	Rabigh	3,640	1
Offices	Rabigh	820	Not applicable
Training centre	Rabigh	200	Not applicable
Testing and examination	Rabigh	3,550	Not applicable
Warehouses	Rabigh	1,920	Not applicable
Material lay down/ storage area	Rabigh	83,849	Not applicable
Blasting and painting	Rabigh	19,824	Not applicable
Support services	Rabigh	35,553	Not applicable

Source: Al-Mojil

The fabrication process of the factory could be summarized as follows:

Receipt of Materials and Inspection

The raw materials used in the fabrication of steel structures and mechanical equipment are carbon steel and stainless steel sections such as plates, pipes and rolled sections. Upon receipt of these items from the main contractors, the Company's quality controller will carry out visual and dimensional checks against the respective mill certificates to ensure they are not defective and are of the correct dimensions and required specifications.

Cutting and Fit Up

The raw materials are cut according to the material cutting plan and are then fitted up or aligned according to the drawing requirements for welding. As part of the Company's quality control plan, quality controllers conduct visual inspections on the fitted components before welding commences. Depending on the design of the plant and space constraints of the project site, certain equipment and piping are combined and welded in the workshop instead of on-site due to the lower costs involved.

Welding

Depending on the weld map, fabricated sections are either welded at the factory or the project site. For easy identification of the fabricated sections when they are fitted up and welded or bolted together at the project site, these components are either marked or stamped. Weld maps are also used to identify the location of defective weld joints found when X-ray testing is conducted.

Testing

After welding, non-destructive tests are carried out on fabricated structures and/or equipment to ascertain that the works conform to the required quality standards. Such tests include X-ray tests, magnetic particle inspection ("MPI") tests, penetration tests, hydro tests and pneumatic tests. After testing, the client may conduct a final inspection on the fabricated work.

Blasting and Painting

After the welding and testing processes have been completed, all fabricated carbon steel products are sent for blasting and painting. Surface preparation and thickness of the paint are jointly examined by the Company's and the client's quality controllers to ensure that it conform to the required specifications.

Client Inspection of Fabricated Product

A final check is conducted before the client is called upon to inspect the completed fabricated product. For overseas clients, a third party inspection company is usually engaged to conduct the inspection on their behalf.

Packaging and delivery

Upon acceptance of the finished products by the client, the products are packed and delivered either to the client or to the project site for installation. The site installation may be carried out by either the Company or by third party companies.

7-3-3 Camp Facilities Unit

The Company builds and maintains various camp facilities for its employees throughout the Kingdom. These facilities are built close to major industrial developments to facilitate easy transits for the Company's employees to the project worksites. One of the company's biggest camps is being built in Rabigh to cater to the upcoming developments/projects in that area. Other on-going expansion of camps includes facilities in Jubail and Yanbu.

7-3-4 Warehouse Facilities Unit

To provide support for the construction and project activities, the Company maintains several warehouses in the Kingdom to provide storage for the huge demand of supplies required by the projects. These facilities stock various kinds of items, from employee consumables (safety boots, hard hats and uniforms) to tools (welding, drilling, cutting and measuring equipment) as well as heavy machinery and vehicle spare parts (batteries, tires, fuel, and filters).

7-3-5 Procurement Unit

The Company has established a central procurement function unit to coordinate all procurement activity throughout the Company. The unit's role is to implement approved procurement policies and to optimize the quality and cost of all inputs. The unit has developed a strategic procurement plan, which seeks to develop close business relationships with key suppliers, including a steady two-way flow of relevant information.

Based on the detailed material list compiled during the preparation of tender stage, the Company will either procure the materials as required under the scope of work (if awarded) or the list of items would be procured by the central procurement entity, which could either be the client/owner of the plant or the EPC company.

7-3-6 Information Technology Unit

In 1993, the Company implemented a company wide information system. The Company's key systems are as follows:

- SunSystems (accounting package)
- Human resource management system and payroll
- Fixed assets management systems
- Requisition and purchasing systems
- Inventory control systems
- Estimating/ costing systems
- Project control systems

All the systems integrate with the general ledger module. The IT department of the Company manages the computer backup and disaster recovery plan. Critical systems are backed up daily and weekly offsite to ensure that information is readily available in the event of a disaster happening on site.

7-4 Business Development Division

The responsibilities of the business development department are as follows:

- To identify customers and new projects in the region.
- To review invitations for tenders from the respective oil & gas, petrochemical, infrastructure and international engineering companies.
- To prepare bid proposals and tender quotations.
- To promote the range of offshore marine support services to existing customers and potential customers, by way of periodic visits to their offices.
- To follow up with the customers on the status of the projects which are in progress or completed.
- To attend promptly to any complaints received and any additional support services required.
- To provide and arrange for after sales service to customers in order to maintain strong business relationships.

In general, the Company secures its appointment for construction projects via direct negotiation or by way of tender. The Company's success in securing contracts has been due to the following:

- The Company's stringent credit review process before entering into a new contract to ensure the client's ability to meet its financial obligations.
- The Company's excellent reputation and track record.
- The Company's strong financial background and credit rating with local and foreign banking institutions.
- Referrals of the Company from existing and previous clients to new potential clients due to the Company's quality of services.
- Diligent prospecting and relationship networking.
- Submission of tenders and proposals presenting meticulous project information.
- The Company's ever growing facilities (i.e. construction equipment, machineries, vessels, steel fabrication, etc.) enables the Company to take on jobs of various sizes and scope.
- The Company's long standing as a registered vendor with Saudi Aramco since 1975, SABIC since 1989 and SEC ("Saudi Electricity Company") since 1979 present exceptional quality of work.

7-5 Engineering and Estimation Division

In preparing a tender, the management team will consider the following:

- Client requirements;
- Project requirements such as type and size of the project, scope of work, materials and machinery required;
- Company's own production capacity and capability;
- Quotes received from the Company's own sub-contractors for services not provided by the Company but included in the secured contract.

Upon securing a contract, a project management team will be assembled and a project manager assigned, to draw up a Project Quality Plan ("PQP"). The PQP would detail the scope of work, minimum quality standards, project team assigned and schedule of the entire project. Once the PQP is completed, a kick-off and pre-inspection meeting will be held with the client before the Company commences the project.

Preliminary Design and Tender Preparation

Upon the receipt of customer's enquiry, the business development and project teams will review the project designs and specifications. Based on the design review, the teams will proceed to prepare a tender proposal. The tender proposal has to be reviewed and approved by the senior management prior to submission.

In order to derive the budget for the proposal, suppliers' quotations are obtained for each project. The suppliers' quotations are typically valid for 30 to 120 days and the project manager will closely monitor the validity periods of the quotations. When a supplier's quotation is near its expiry date, the project manager will assess and decide on the amount and timing of the purchase according to the estimated project schedule.

Award of Contract, Project Planning and Kick-off Meeting

After the award of a contract and before the commencement of a project, a detailed project plan will be made, taking into consideration the following:

- Allocation of personnel-in-charge and project team.
- Engineering and project requirements – design and technical review, preparation of engineering drawings and data sheet, project costing, selection of instruments, design calculation, painting specifications, inspection and test plan, quality and assurance control and freight arrangement.
- Production requirements – assignment of job scope, estimation of labor involvement, production schedule, equipment and machinery requirements.
- Purchasing requirements – sourcing of materials, instruments and components.
- Financial needs – assessment of project financing and preparation of performance bond.

A kick-off meeting will be called by the business development manager to brief the staff involved in the project, namely the project engineers, the production manager and the quality assurance personnel. The objective of this meeting is to brief the staff on the specific details, unique requirements and expected delivery dates of the project to ensure the project will be completed as scheduled.

7-5-1 Project Management & Control Unit

Upon finalization of the contract's scope of work, the PMT will be assigned to its respective functions and responsibilities to ensure the successful execution of the Company's contractual obligations to its clients, in terms of product and facility completion within the safety and quality standards and scheduled milestone commitments within the budget requirements.

The PMT under the direction of the Project Manager will carry out their functions in the areas listed as follows:

Temporary Facilities - To design, obtain approvals and construct the project temporary facilities, which normally include the project and satellite office, construction and fabrication facilities, warehousing, camp accommodation, camp and equipment maintenance facilities, lay down areas, etc.

Sub-Contracts - To identify possible areas of work that might be sub-contracted; a project sub-contract plan will be prepared to meet the scheduled requirements. Technical packages are prepared by the Field Engineering and forwarded to the contracts unit for tender activities to be executed. When a sub-contract is awarded, the PMT is responsible for ensuring the scope of work assigned is completed in accordance with the scheduled milestone requirements and specifications.

Site Preparation - Responsible for all aspects of site preparation, ensuring construction activities are carried out according to contractual requirements.

Mobilization - To review project schedule, manpower plans, equipment schedule and all aspects of the bid. To co-ordinate with the appropriate departments on the project requirements for mobilization of labor, materials, tools, equipment and accommodations. PMT will organize the labor levels to ensure the correct trade splits are maintained and the appropriate trade certifications are complied with as required under the contract.

The project managers and project management team will be supervised and monitored by the project control division to ensure the projects are progressing as required by the client or as stipulated under the contract terms and conditions.

7-6 Quality Control and Quality Assurance Division

The Company's products are designed and manufactured in accordance with the applicable codes, standards and certifications. The quality control/ quality assurance ("QC/ QA") is headed by a QA/QC manager and supported by more than 120 employees. The Company has established a quality control and assurance systems to achieve a consistent quality in its products and services. Commitment to quality is evidenced by a series of accreditation and certification achieved by the Company for its quality control and assurance system since its inception and its extensive experience working with the respective certification bodies and institutions. These include:

- Certifications by various institutions such as the American Society for Mechanical Engineers for the manufacture, assembly of boilers and pressure piping.
- Certifications from the International Organization of Standardization, for project management construction and installation of facilities for various industries including industrial, petrochemical, power, water and gas plants.
- Certifications for the Company's skilled engineers and technicians from Saudi Aramco's seal of approval for skilled labor, (i.e. welders, pipe fitters and scaffolders).

To enable the Company to obtain and maintain the above certification and accreditation, the management has established a quality control and assurance system to ensure that the products and services comply with international quality and safety standards. For each of the Company's projects, a detailed quality plan and/or inspection and test plan, which specify every operational, non-operational, inspection and testing activity is prepared.

7-7 Finance, Strategic Planning and Treasury Division

The finance function is responsible for financial control, treasury management and statutory financial reporting. The principal financial controls include the preparation of detailed budgets for each business unit and the monitoring of performance against such budgets through the production of monthly management accounts. Financial accounting and other back office routines are performed by a centralized shared services team.

A strategic planning team coordinates the preparation of budgets and other forward-looking plans, including long-term alignment of construction equipment and workforce with industry demand. This team also controls the authorization of capital expenditure.

A treasury team within the finance function manages the Company's financial requirements and risks in accordance with policies determined by the Board. These policies include the use of derivative financial instruments to manage the Company's exposure to adverse fluctuations in bank commission and currency exchange rates. The Company does not use derivative financial instruments for speculative purposes.

7-8 Human Resources & Administration Division

7-8-1 Human Resources Unit

Al-Mojil values its human resources among its key assets. Its diverse workforce has many varied requirements. The human resources unit is responsible for meeting these needs and aligning them with the requirements of the overall business.

The unit is responsible for the implementation of the Company's personnel policies, and for their regular update to reflect changing needs and circumstances. Working closely with personnel managers in each project division and the principal business units, the unit coordinates activities such as localization, training and development, health and safety.

The administration unit liaises with regulatory authorities, including visas, permits and licenses. In addition, it handles property rental and acquisition.

7-8-2 Training & Development Unit

Al-Mojil provides training and development programs to all its employees, including the management level, finance and operations, project staff/ managers, engineers, technicians and skilled craftsmen.

The Company has its own training centre, located in Dammam for the training of its technical and skilled craftsmen while the Company provides on-the-job training for all its employees. The Directors believe that, given the work nature of the Company, staff training is best achieved through continuous on-the-job training. External training courses are provided mainly for staff to upgrade their managerial, understanding of new business and technical processes, interpersonal and safety skills. Additional training is also provided when the need arises, for instance, when new machines are purchased. The respective managers in charge of the various departments are responsible for identifying the training needs of their staff.

The Company has invested approximately SAR 5 million to construct and develop the training center that has trained 971 craftsmen since the center's inception.

7-8-3 General Services Unit

The general services unit is responsible for the maintenance of several of the Company's facilities namely its corporate headquarters, managers and staff accommodations and camp facilities. In collaboration and under supervision of the Project Manager, the general services unit is also responsible for mobilization and de-mobilization activities for the Company's project work-sites across the Kingdom.

In addition, the unit is involved in the procurement of general supplies, i.e. electrical and electronic appliances (non-computer related), office and household furniture and fittings, telephony systems, consumables including stationery and miscellaneous items for the Company and its employees.

7-8-4 Medical Services Unit

Understanding the importance of the welfare of its employees, an additional service which Al-Mojil provides is its in-house medical services. The Company's employs approximately 48 doctors and nurses as part of its medical services team. It is also part of the company's contractual obligation to provide medical services to the project staff at the project work-sites in case of emergency and unforeseen accidents.

The Company has established relationships with a number of local hospitals including Comprehensive Care Dispensary, Al-Mana General Hospital, Al-Mouawasat General Care and Saad Specialist Hospital for more critical cases which require in-patient treatment.

7-9 Marine Division

The Marine division is responsible for maintaining and providing vessels for offshore construction, maintenance and drilling support activities. The Company maintains its own fleet of vessels in Dammam port with a team of dedicated marine specialists who are responsible for keeping the vessels and equipment on board in good operating order and in compliance with the Marine and Client's regulations and requirements. The Marine division obtains its equipment and spare parts through the Company's Procurement unit, which are stored at either one of the Company's warehouses in Dammam or Tanajib.

7-10 Internal Audit Department

The Company has put in place a quality management system ("QMS") that complies with the requirements of ISO 9001:2000 in order to maintain high quality products and services.

The Company has established the following objectives for its QMS:

- To be a key player in the mechanical and electrical engineering for the oil & gas, petrochemical, water and power sectors
- To comply with the ISO 9001:2000, SASO ("Saudi Arabian Standard Organization"), ASME ("American Society of Mechanical Engineers") requirements and meet the clients' and statutory requirements
- To achieve reasonable return
- To train and develop staff skills and competencies
- To provide value engineering to clients
- To review periodically the suitability and to continue improving the effectiveness of its QMS
- To reward staff based on their productivity and contribution to the Company's profitability

To ensure that quality control policies and procedures in the QMS are fully communicated and implemented, the Management has set up a steering committee comprising of representatives from all divisions. The steering committee conducts internal audits, corrective and preventive actions, documentation and data control and the maintenance of quality records to ensure that the Company's high standards are maintained. In addition, a quality management representative within the steering committee oversees the quality system by conducting independent semi-annual reviews of the quality system and providing valuable input from their vast experience on the most feasible engineering techniques and construction methods.

8 Corporate Structure

8-1 Directors

The Company's Board of Directors (the "Board") is comprised of seven (7) members as follows:

Exhibit 8-1: Al-Mojil Board of Directors

Name	Nationality	Age	Shares	Ownership Post Offering	Independence Status
Mohammad Hamad Al-Mojil (Chairman)	Saudi	75	50,000,000	50.00%	Non-Independent\ Non-Executive
Adel Mohammad Al-Mojil (Vice Chairman)	Saudi	43	5,000,000	5.00%	Non-Independent\ Non-Executive
Fahad Ali Al-Raqtan (Director)	Saudi	46	-	-	Non-Independent\ Executive
Abdullah Mohammad Al-Hareky (Director)	Saudi	49	-	-	Non-Independent\ Executive
Zaki Mansour Abu Al-Saud (Director)	Saudi	55	-	-	Independent\ Non-Executive
Jasem Bin Mohammed Al-Ansari (Director)	Saudi	60	-	-	Independent\ Non-Executive
Ahmed Nasser Al-Swaidan (Director)	Saudi	60	-	-	Independent\ Non-Executive

Source: Al-Mojil

Mustafa Ibrahim Baiabi (26 years old, Saudi) holds the position of the Board of Directors' Secretary. Mustafa does not own any of the Company's shares as of the date of the Prospectus.

The Board of Directors declares that both Mohammad Hamad Al-Mojil (Chairman) and Adel Mohammad Al-Mojil (Vice Chairman) are Non-Executive members of the Board. They are not part of a service contract with the Company, where they are not entitled to any salaries or benefits except for what has been declared in section "Remuneration of Directors and Senior Management" of the Prospectus.

8-2 Resumes of Directors and the Secretary

The following is a brief profile of the current Board members:

Mohammad Hamad Al-Mojil, Chairman (Age 75): Mr. Mohammad Al-Mojil is an entrepreneur and the founder of the Company. Through his foresight and leadership skills, Mr. Mohammad Al-Mojil has steered the Company for more than 50 years, starting in 1954 offering technical services to the construction industry in the Eastern Province of the Kingdom. Through the experience gained, Mr. Mohammad Al-Mojil expanded his range of business services to include electrical, mechanical and construction support in 1974 to cater for both onshore and offshore projects. Since then, the Company has grown both vertically, offering its services to various industries and horizontally, through its marine operations, building materials, heavy machinery and equipment supply, among others. Mr. Al-Mojil's business ventures have expanded worldwide including interests in healthcare, travel, property development and real estate investments.

Adel Mohammad Al-Mojil, Vice Chairman (Age 43): Adel graduated in 1987 as an architect with Bachelors of Science in Architecture from King Faisal University of Saudi Arabia. His first job as an architect was with Regional Development Consultant Architects (RDC) in Singapore where he spent four years until his return to Dammam, Saudi Arabia in 1990.

After his stay in Singapore, Adel joined the Company as Vice-President, where he was instrumental in mapping the group's strategies. In 1997, Adel was appointed Vice-Chairman of the Company. He does not currently hold any executive position within the Company.

Fahad Ali Al-Raqtan, Executive Director (Age 46): Fahad holds a Business Management degree from Al-Mansoura University, Egypt in 1988. Having worked in the engineering and contracting field for over 25 years, he has solid working knowledge and experience in administration and management. Before joining Al-Mojil in 1998, Fahad held various positions involving government,

public relations and administration work with Arabian Petrochemicals Company in Jubail between 1985 and 1992. he also worked with several multinational companies including Great Lakes Arabia Company as a Government and Public Relations Manager in Jubail between 1981 and 1983. He was a Liaison Officer with Philippines Singapore Ports Corporation between 1978 and 1980.

Abdullah Mohammad Al-Hareky, Executive Director (Age 49): Abdullah holds a Diploma in Administration from the Public Administration Institute, Dammam in 1979. He joined the Company in 1999, after working with King Abdulaziz Port for 20 years as the Personnel Manager for the Company. He gained solid experience and knowledge in administration, manpower services, employee and public relations during his career with King Abdulaziz Port.

Zaki Mansour Abu Al-Saud, Non-Executive Director (Age 55): Zaki holds a degree in International Law from the Peoples' Friendship University of Russia in 1978. He also holds a Diploma in Banking from the Indo-Suez Training Centre in the United Kingdom in 1997 and various short courses in banking, marketing and human resources. Zaki has been engaged in the financial industry for more than 27 years starting with Banque Saudi Fransi in 1980 as the Head of Trade Department of its Dammam branch. He has held various senior positions within Banque Saudi Fransi such as the General Manager of the Business Support Department and Corporate Banking Manager before his final appointment as the Area General Manager for Saudi British Bank, Eastern Province between 1997 and 2007. Zaki has accumulated a wealth of knowledge and understanding of the banking and corporate finance industry with extensive networking in both the public and private sectors.

Dr. Jasem bin Mohammed Al-Ansari, Non-Executive Director (Age 60): Dr. Jasem first graduated with a Mechanical Engineering degree from the King Fahd University of Petroleum and Minerals ("KFUPM") in 1972 and proceeded to earn his Masters from California University of USA in 1975 before finally obtaining a doctorate in Mechanical Engineering from Alabama University of USA in 1980. He has held many senior positions in KFUPM during the period 1980 and 1993 including the Head of Mechanical Department, Head of Energy Resources, Dean of Teaching faculty and Secretary General of the University. Dr. Jasem was also appointed the General Director of the Royal Commission of Jubail from 1993 to 2005 before his admission to the Shoura Council in 2005, a position he still holds till present day. He has also published numerous research papers and books on energy and engineering for scientific magazines and the university.

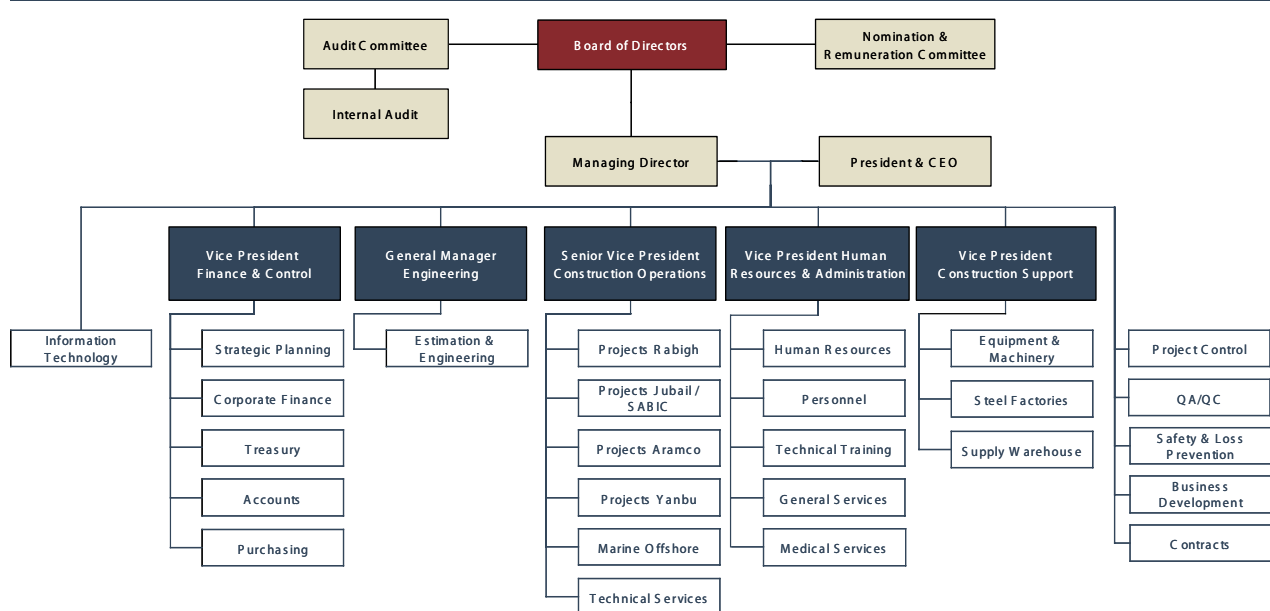
Ahmed N. Al-Swaidan, Non-Executive Director (Age 60): Ahmed holds a degree in Electrical Engineering from Colorado University of USA in 1973. He started his career with Saudi Aramco in 1974 as a communications engineer before joining Electrical Contracting Company in 1976. Subsequently Ahmed was appointed the General Director for Saudi Hobart Welding Wire Manufacturing in 1978 to 1981 before his final appointment as the Deputy Member for Saudi Transformers Company, which he served during the period 1981 and 2006. He is currently the Vice President and a member of the Board of Directors for Saudi Transformers Company and Saudi Arabian Waha Company for Electrical Supplies. Ahmed has also held numerous senior positions and memberships of various private and governmental agencies including the Eastern Chamber of Commerce & Industry, Consultation Commission for the Higher Economic Council as well as King Fahd University of Petroleum and Minerals.

Mustafa Ibrahim Baiabi, Board of Directors' Secretary (Age 26): Mustafa holds a Bachelor of Science degree from the college of economics and management at King Abdulaziz University in Jeddah in 2004. He also holds a Law practice license by the Ministry of Labor in 2007. Before joining the Company in 2006 as a Legal Advisor, Mustafa worked as a part time Legal Advisor with the office of Dr. Adel Abulaziz Al-Hamam for Law and Legal Advisory during the period 2005 and 2006. He was a Legal Advisor trainee at Al-Shamlan Office for Law and Legal Advisory during the period 2004 and 2005.

8-3 Senior Management

Al-Mojil's management is comprised of qualified and experienced members. Al-Mojil was successful in retaining its senior management team and developing qualified employees and promoting them to senior positions in the Company.

Exhibit 8-2: Organizational Chart of Al-Mojil



Source: Al-Mojil

The Managing Director has the ultimate responsibility in managing the Company's day-to-day operation and directly reports the performance to the Board. The senior management team is comprised of the following members:

Exhibit 8-3: Al-Mojil Senior Management

Name	Title	Nationality	Age	Shares	Ownership
Fahad Ali Al-Raqtan	Managing Director	Saudi	46	-	-
Nicolas George Khoury	President and CEO	Lebanese	68	-	-
Choong Sek Choy	Vice-President Finance & Control	New Zealander	44	-	-
Hassan Mohammad Yamout	Senior Vice President, Construction Operations	Canadian	63	-	-
Suleman Abdullah Ba-Habri	General Manager Engineering	Yemeni	53	-	-
Abdullah Mohammad Al-Hareky	Vice President Human Resources & Administration	Saudi	49	-	-
Issam Samih El-Koussa	Vice President Construction (SABIC)	South African	44	-	-
Najib Abdo Jabbour	Vice President Construction (Yanbu)	Lebanese	65	-	-
Willem Cornelis Verbeek	Vice President Construction (Rabigh)	Canadian	66	-	-
Fadi brahim Kfoury	Director of Projects (Eastern Province, Aramco)	American	46	-	-

Source: Al-Mojil

8-4 Resumes of Senior Management

The following is a brief profile of the current senior management of Al-Mojil:

Fahad Ali Al-Raqtan, Managing Director (Age 46): as mentioned in the Directors Section above.

Nicolas George Khoury, President & CEO (Age 68): Nicolas holds a Bachelors degree in Electrical Engineering from the American University of Beirut in 1967. He joined the Company as Senior Executive for Project Management back in 1971. Throughout the years he has been actively involved with various projects with the Company before returning to his homeland Lebanon in 1993. After serving for more than 10 years as the President and Chief Executive Officer for Khoury General Hospital in Beirut, Nicolas rejoined the Company and assumed the role of Executive President of the Construction division in 2004. His experience in foreign trade and international law has been a great influence in planning the Company's business development.

Choong Sek Choy, Vice-President Finance & Control (Age 44): Choong holds a Bachelors degree in Accounting from Indiana University of Pennsylvania, graduating summa cum laude (1st class honors) in 1991. Choong has more than 15 years of finance, accounting and banking experience. He joined the Company in 1993 as Assistant Manager Finance and Accounting. Choong left Al-Mojil in 1999 to work with EDS New Zealand Limited as a Business Analyst for two years. He then joined the Ministry of Social Development in Wellington/ New Zealand as Crown Accountant during the period 2002 and 2003. He also worked with the Auckland District Health Board during the period 2003 and 2004 where he was involved in the restructuring program of several of the group's business processes, systems and operational entities, before rejoining the Company in 2004 in his current position.

Hassan Mohammad Yamout, Senior Vice President, Construction Operations (Age 63): Hassan holds a Bachelors degree in Engineering from the American University of Beirut in 1968. Prior to joining Al-Mojil in 2005, Hassan was the Deputy General Manager (Middle East & North Africa) for Wilbros International in Abu Dhabi during the period 2004 and 2005, a member of the Group Executive Board for CAT (Contracting and Trading) Group during the period 1998 and 2004, which is a U.S based engineering and construction company specialized in the oil & gas and power industry. He also worked with Target Construction in Oakville Canada as a General Manager during the period 1989 and 1991 after a long career with C.A.T Group as an Engineer and Project Manager during the period 1968 and 1989. He has more than 37 years of experience in construction of multi-discipline projects.

Suleman Abdullah Ba-Habri, General Manager Engineering (Age 53): Suleman holds a degree in Mechanical Engineering from the University of Petroleum and Minerals of Saudi Arabia in 1973. His first employment started with Al-Zamil Refrigeration Industries in 1978 as a heating, ventilating and air-conditioning engineer before joining Abalkhail Consulting Engineers a year later as a Mechanical Engineer. Subsequently Suleman joined Schlumberger in 1980 as a Field Engineer for 3 years. He rejoined Abalkhail Consulting Engineers from 1983 to 1985, working on the Qaseem Refinery project for 2 years before joining Arabian Petrochemical Company (Petrokemya). During his tenure at Petrokemya for 20 years, he was involved in numerous projects in various capacities, from an Engineer to Section Manager, Department Manager, Project Manager and Project Development Manager. In 2005, Suleman was attached with SABIC Engineering & Project Management as one of the project managers overlooking the international operations prior to joining the Al-Mojil in 2007. With over 25 years of experience, Suleman has gained substantial knowledge in the various aspects of project management, construction and operational functions of petrochemical plants.

Abdullah Mohammad Al-Hareky, Vice President Human Resources & Administration (Age 49): as mentioned in the Directors Section above.

Issam Samih El Koussa, Vice President Construction SABIC (Age 44): Issam holds a Bachelors of Science degree in Civil Engineering from the University of California, Irvine Campus in 1984. He joined the Company in 2005 with over fifteen years of experience gained in the engineering and construction industry, especially with Fluor, an international Canadian engineering company with affiliates and projects all over the world. His last appointment prior to joining Al-Mojil was with Fluor Arabia Limited as the Senior Construction Manager during the period 2001 and 2005 and as a Construction General Superintendent during the period 1998 and 2000. He also worked with Fluor Daniel in South Africa as a Project Manager during the period 1991 and 1998.

Najib Abdo Jabbour, Vice President Construction Yanbu (Age 65): Najib holds a Bachelors of Science in Mechanical Engineering from Mississippi State University, U.S.A in 1968. He joined the Company in 1993, with over 21 years experience on major oil and gas projects throughout the Arabian Gulf region including projects with Saudi Aramco in Safaniya, Uthamaniya during the period 1974 and 1978 and on the Gas pipelines in Pakistan during the period 1973 and 1974. He worked with Bahrain Aluminium Smelter during the period 1970 and 1972 as well as on other various projects in different capacities including Mechanical Site Engineer, Project Engineer and Construction Manager. He was also engaged with Abu Dhabi Company for Onshore Oil Operation (ADCO) during the period 1988 and 1993 as a Maintenance Pipeline Engineer, supervising and participating in the installation, inspection, maintenance of pipelines, wellhead casing, separators and oil storage tanks at Asab, Buhasha, Habshan Oil fields and Jebel Dhanna terminal.

Willem Cornelis Verbeek, Vice President Construction Rabigh (Age 66): Willem graduated with honours from the Provincial Institute of Technology in Toronto specializing in engineering in 1964. He has over 35 years of experience in the engineering, construction and maintenance industry especially on petrochemicals, oil & gas as well as power plants. Prior to joining the Company in 2006, he held several positions during his career with Fluor Corporation Limited during the period 1988 and 2006 where he was the General Manager of the United Olefins Complex Project in Saudi Arabia during the period 2003 and 2006, the Area Construction Manager for the Anthabasca oil and sand downstream project in Canada during the period 2000 and 2002 and the Field Operations

Manager for the Irving oil refinery upgrade project in Canada during the period 1998 and 2000. Prior to joining Fluor Corporation Limited in 1988, Willem worked with Kilborn Ltd. as a Mechanical Piping Superintendent during the period 1985 and 1986 and with Fluor Canada Constructors Inc. as a Superintendent and Construction Coordinator during the period 1981 and 1984.

Fadi Ibrahim Kfoury, Director of Projects Eastern Province Aramco (Age 46): Fadi holds a Bachelors of Science degree in Electrical Engineering from the University of South Alabama, U.S.A. in 1985. Fadi has vast experience in the implementation of control systems for engineering and chemical companies, having served with CIBA-GEIGY, one of the largest pharmaceutical and chemical companies in the world, for more than 10 years as the Director of Control Systems. Prior to joining Al-Mojil in 2006, Fadi was engaged with Rust International during the period 1989 and 1991 as a Project Design Leader and with Fluor Arabia during the period 2001 and 2006 as one the company's Project Engineers and Control System Project Management Teams.

8-5 Corporate Governance

Al-Mojil is committed to high standards of corporate governance. The Company has a clear division of responsibilities between the Board and Executive Management of the Company.

Key roles of the Board of Directors include defining the Company's mission, goals, and strategic objectives, providing strategic guidelines and assuring the efficiency and effectiveness of the overall planning system.

The Board is responsible for appointing the key personnel of the Company, and ensuring that all necessary resources are available and developed in the best way possible. The Board continuously assesses the Company's business activities, accomplishments and investments.

The Company adopts effective internal control systems in all its departments and currently has two committees in place to review the Company's operations within their particular areas of expertise and present their reports on their findings and suggestions to the Board.

8-5-1 Audit Committee

The audit committee oversees financial, risk management and internal controls aspects of the Company's operations. Its responsibilities include the review and discussion of the Company's interim and annual financial statements. The audit committee oversees the Company's external auditors and reviews the effectiveness of external and internal audit and has the authority to engage such external experts, as it feels necessary to fulfill its obligations of stewardship on the financial affairs of the Company.

The audit committee has the responsibility of reviewing the effectiveness of the Company's system of internal controls, accounting information systems and finance department competencies and capabilities in light of compliance with generally accepted accounting standards.

The duties and responsibilities of the audit committee also include the following:

- Supervise the company's internal auditing department to verify its efficacy in discharging the tasks and duties assigned to it by the Board of Directors.
- Review the internal auditing system and draft a written report and its recommendations thereon.
- Review the internal auditing reports and draw up corrective actions.
- Recommend to the Board of Directors the appointment, discharge and determination of the remuneration of the external auditors following verification of their independence.
- Follow up on the external auditor's operations and approve their remuneration for such operations.
- Review and comment on the audit plan with the external auditor.
- Review the external auditor's comments and notes on the financial statements and follow up on the actions taken relative thereto.
- Review and comment on the financial and annual statements prior to presentation to the Board of Directors.
- Review and comment on the applicable accounting policies and provide the Board with recommendations thereon.

Exhibit 8-4: Audit Committee Members

Role	Name
Chairman	Adel Mohammad Al-Mojil
Member	Jasem bin Mohammed Al-Ansari
Member	Zaki Mansour Abu Al-Saud

Source: Al-Mojil

8-5-2 Nominating and Remuneration Committee

The Nominating and Remuneration Committee will decide on how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board, which address how the Board is to enhance the Company's long-term shareholders' value. The performance evaluation will also include consideration of the Company's share price performance over a five-year period vis-à-vis the Tadawul all-share Index and a benchmark index of the Company's industry peers.

Furthermore, the committee is responsible for all human resource related matters including the review of human resource management systems and organizational charts to identify areas requiring improvement. The committee is also responsible for reviewing the Company's Saudization ratio to ensure compliance with existing regulations.

The duties of the Nominating and Remuneration Committee also include the following:

- Recommend nominations to the Board membership, taking care not to nominate any person who has been found guilty of a crime which affects honor and integrity.
- Annually review the requirements of the appropriate skills needed for the Board membership and generate a description of the capabilities and qualifications required for the membership of the Board, including the time that the Director is required to dedicate to the Board's functions.
- Review the structure of the Board of Directors and submit recommendations on potential changes.
- Identify the vulnerabilities and strengths of the Board of Directors and propose remedies consistent with the company's interests.
- Verify annually the independence of the independent Directors and the absence of any conflict of interests if the Director serves as an incumbent Director in the Board of another company.
- Draw up clear policies for the remuneration of the Board Directors and senior executives, using performance criteria in the determination of such remunerations.

Exhibit 8-5: Nominating and Remuneration Committee Members

Role	Name
Chairman	Adel Mohammad Al-Mojil
Member	Fahad Ali Al-Raqtan
Member	Abdullah Mohammad Al-Hareky

Source: Al-Mojil

8-6 Services Contracts

8-6-1 Board of Directors

The Board of Directors are appointed through the General Assembly Meeting and the responsibilities of the Board of Directors are governed by the Company's Bylaws. The current Board members have been appointed for a term of 5 years ending in 29 Shawwal 1433H (corresponding to 16 September 2012G). The following is a summary of the duties and responsibilities of the Board members:

Chairman

- Ensure the clarity of the Board's functions, framework of duties and the basis for the division of responsibilities.
- Ensure the clarity and precision of the Board's business plan and priority of topics brought before the Board.
- Ensure that the Board's responsibilities adhere by and fulfill the vision and strategy of the Company.
- Lead the Board in selecting a Chief Executive who will be responsible for the administration of the Company.
- Support the Executive Committee through administrative guidance and performance evaluation.
- Vote over the appointment of senior management and executive officers.
- Assess the performance of the Board members.

8-6-2 Directors

- Participate in the overall direction and planning of the Company's future plans.
- Ensure effective implementation of policies and objectives of the Company.
- Participate in determining the Company's priorities and monitor the effective and efficient utilization of the Company's assets.

- Vote over the appointment of senior management and executive officers.
- Assist in evaluation and assessment of the executive officers and Board members.
- Assess the Board's own performance.

8-6-3 Managing Director

The Company signed a service contract with the Managing Director (Fahad Ali Al-Raqtan) on 6 Rabei Alawal 1419H (corresponding to 1 July 1998G). This contract has been renewed on 15 Jummada Athani 1428H (corresponding to 1 July 2007G) for another three years given that the contract is automatically renewable for a full year. The duties and responsibilities of the Managing Director include:

- Develops and documents the Company's strategic direction for the Board's approval in accordance with the Company's mission statement and core values.
- Informs the Board of business, technology and regulatory issues and trends which may impact the Company's goals.
- Develops for Board approval an annual operating plan and financial budget.
- Becomes the recognized spokesperson at senior level on issues of importance to the Company.
- Serves as Company's representative with government units.
- Manages change and business process improvements.
- Supports operations and administration of Board by advising and informing Board members, interfacing between Board and staff, and supporting Board's evaluation of the Chief Executive.
- Assures that the Company's mission, programs, products and services are consistently presented in strong, positive image to relevant Shareholders.
- Assures compliance of the Company's operation to the Bylaws of the Company.

8-6-4 President and CEO

The Company signed a service contract with the President and CEO (Nicolas George Khoury) on 13 Jummada Alawal 1425H (corresponding to 1 July 2004G). This contract has been renewed on 15 Jummada Athani 1428H (corresponding to 1 July 2007G) for another three years given that the contract is automatically renewable for a full year. The duties and responsibilities of the President and CEO include:

- Develops and manages key relationships with major clients and suppliers.
- Develops and implements processes which will ensure the achievement of the Company's operational mission on time and within budget.
- Ensures that appropriate compensation and benefit programs are in place and administered properly.
- Ensures that there is clarity of objectives and focus for all employees.
- Ensures that there are clear and appropriate standards of performance and measurements of those standards.

8-7 Declaration in Respect of Directors and Key Officers

The Directors, Managing Director and Vice-President Finance & Control, the Company's top management and Secretary of the Board declare that they have not at any time been declared bankrupt or been subject to bankruptcy proceedings. Except as disclosed in section "Related Party Transactions" (on page 96) and in section "Services Contracts" (on page 42), do not themselves, nor do any relatives or affiliates, have any material interest in any written or verbal contract or arrangement in effect or contemplated at the time of the Prospectus, which is significant in relation to the business of the Company.

8-8 Remuneration of Directors and Senior Management

No compensation was paid to the members of the Board and members of the Board committee as of the date of the Prospectus. The Remuneration of the Board of Directors has been set in the Company's Bylaws as to not exceed 5% of the Company's net income after allocating 10% of the net income to the statutory reserve and after allocating the percentage of other reserves and the percentage of shareholders dividends. Total remuneration of the Company's executive officers for the years ending 31st December 2005, 2006 and 2007 amounted to SAR 6.4 million, SAR 14.8 million and SAR 21.3 million respectively. The remuneration includes basic salaries, bonuses, housing and educational fees. The remuneration of the Company's executive officers have increased lately inline with the increase in the Company's activities and revenues.

Moreover, the Directors and the Executive Management do not have any powers enabling them to vote on remuneration to themselves. The Directors and Senior Management of the Company do not have any powers to borrow from the Company.

8-9 Employees

As of 31 December 2007, Al-Mojil had 21,155 employees, 1,665 of which are Saudi nationals, representing 7.90% of the total workforce. The Company continuously pursues recruiting and maintaining experienced Saudi nationals. Training programs are in place to develop the skill and competency of its national employees.

Exhibit 8-6: Al-Mojil Employees

	2007		2006		2005		2004	
	Number	%	Number	%	Number	%	Number	%
Saudi	1,665	7.9%	1,302	13.2%	419	8.8%	68	1.5%
Non-Saudi	19,490	92.1%	8,581	86.8%	4,367	91.2%	4,357	98.5%
Total	21,155	100.0%	9,883	100.0%	4,786	100.0%	4,425	100.0%

Source: Al-Mojil

The strength and success of Al-Mojil lies with the expertise and experience of its employees. As the construction industry is highly technical, it is very important for any construction company to have a large composition of technical professionals and semi-skilled craftsmen in hand to compete and complete any of the projects secured by the Company.

The technical professionals and skilled craftsmen have to undergo various training regimes and certifications by the appropriate institutional bodies, which have to comply with client's requirements before they are assigned to any task or project. The two tables below illustrate the Company's growing workforce of technical professionals and skilled craftsmen.

The table below provides a breakdown of the number of employees per department:

Exhibit 8-7: Al-Mojil Employees per Department

Department	2007		2006		2005		2004	
	Saudi	Non-Saudi	Saudi	Non-Saudi	Saudi	Non-Saudi	Saudi	Non-Saudi
Construction Operations	1,304	15,953	1,223	6,754	376	3,651	48	3,663
Support Services								
Equipment & Machinery	110	483	12	276	9	99	4	53
Steel Factory	45	1,228	8	706	4	166	6	150
Supply Warehouse	4	148	2	47	1	18	1	24
Technical Services	-	90	1	65	-	3	-	97
Information Technology	6	7	2	5	-	8	-	7
Purchasing & Contracts	10	55	2	31	2	19	1	15
Business Development	-	3	-	2	-	1	-	1
Estimation and Engineering	6	51	2	24	1	14	-	13
Project Control	4	139	3	71	3	24	-	23
QA/QC	6	318	-	105	-	68	-	32
Safety & Loss Prevention	76	439	8	187	2	58	-	43
Finance & Strategic Planning	16	43	15	27	13	15	3	15
Human Resources	64	54	19	32	6	15	5	12
Technical Training	10	20	6	6	2	2	-	-
General Services	2	36	-	11	-	8	1	9
Medical Services	-	48	-	25	-	20	-	15
Marine Division	1	371	1	205	-	177	-	186
Internal Audit	1	4	-	1	-	1	-	-
Total Support Services	361	3,537	79	1,827	43	716	20	694
Total Number of Employees	1,665	19,490	1,302	8,581	419	4,367	68	4,357

Source: Al-Mojil

Exhibit 8-8: Al-Mojil Technical Professionals

	2007	2006	2005	2004
Business Development/Analysts	52	60	53	24
Draftsman	79	48	15	21
Heavy Machinery Operators	958	409	157	149
Industrial Electricians	727	361	241	167
Instrument/Electrical Technicians	571	318	173	169
Leadman	1,434	1,032	393	21
Mechanics	158	143	88	61
Millwright	509	232	95	82
Paramedics	32	29	21	14
Pipe Fitters	2,093	692	486	541
Pmi/Post-Heat/Scaffolders/Welders	2,674	1,367	663	530
Safety Officers & Wardens	465	386	58	46
Total	9,752	5,077	2,443	1,825

Source: Al-Mojil

Exhibit 8-9: Al-Mojil Semi-Skilled Professionals

	2007	2006	2005	2004
Seaman	326	330	57	70
Boilermaker	122	10	27	32
Cable Splicer	55	57	8	12
Light Equipment Mechanic	17	18	7	9
Mason	292	267	147	169
Material Expediter	46	11	8	6
Pipe Fabricator	103	75	43	67
Plumber	62	28	7	10
Rebarman	191	160	84	115
Riggers	556	295	139	124
Sandblaster	156	23	120	162
Surveyors	33	18	9	11
Total	1,959	1,292	656	787

Source: Al-Mojil

8-10 Saudization Policies

7.9% of the staff are Saudi nationals as of 31 December 2007, the Company is fully committed to achieving the national goal of Saudization. For this reason, training and the development of Saudi skills and capabilities are the highest priority of the Company. They have the full support of the Ministry of Labour with this regard and the Company has implemented a comprehensive plan to increase Saudization percentage progressively to achieve and exceed the national goal. The Company has complied with the 10% Saudization ratio as at the end of 2005.

In the last few years, the Company has succeeded in attracting many qualified Saudi professionals in senior positions. By identifying their potential abilities, the company has been able to assist them to attain additional skills and knowledge for further career development in the organization.

On 9th of Muharram 1428H (corresponding to 29 January 2006G), the Ministry of Labour has exempted companies in the contracting, maintenance and cleaning sectors from the 30% mandatory Saudization ratio. Saudization ratio applicable to such companies including Al-Mojil is set at 5%.

9 Accountant's Report

The audited financial statements as at and for each of the three years ended 31 December 2007, 2006 and 2005 and the notes thereto incorporated in the Prospectus have been included herein in reliance on the report of Deloitte & Touche Bakr Abulhair & Co., independent auditors of Mohammad Al-Mojil Group for the above stated period.

Deloitte & Touche Bakr Abulhair & Co. do not themselves, nor do any of their relatives or affiliates have any shareholding or interest of any kind in the Company. In addition, Deloitte & Touche Bakr Abulhair & Co. have given and not withdrawn their written consent to the publication in the Prospectus of their Accountants' Report.

Deloitte.

AUDITORS' REPORT

To the Shareholders of
Mohammad Al Mojil Group Company
(A Saudi closed joint stock company)
Dammam, Saudi Arabia

Deloitte & Touche
Bakr Abulkhair & Co.
Public Accountants - License No. 96
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We have audited the accompanying balance sheet of Mohammad Al Mojil Group Company (a Saudi closed joint stock company) as of December 31, 2007, and the related statements of income, shareholders' equity and cash flows for the year then ended, and notes 1 to 21 which form an integral part of these financial statements as prepared by the Company in accordance with Article 123 of the Regulations for Companies and presented to us with all necessary information and explanations. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting standards used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting standards appropriate to the nature of the Company, and comply with the relevant provision of Regulations for Companies and the by laws of the Company as these relate to the preparation and presentation of these financial statements.

Without qualifying our opinion, we draw attention to (Note 1) to financial statements. As per the by laws of the Company, the first financial period of the joint stock company starts from November 10, 2007 (date of ministerial decree) to December 31, 2008. However, the accompanying financial statements for the year ended December 31, 2007 have been prepared on the basis that the Company is continuing regardless of the conversion of the Company from a limited liability company to a joint stock company and in compliance with the requirements of Capital Market Authority.

Deloitte & Touche
Bakr Abulkhair & Co.


Bakr A. Abulkhair
(License No. 101)
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February 9, 2008

Audit, Tax, Consulting, Financial Advisory.

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Member of
Deloitte Touche Tohmatsu

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF BALANCE SHEET
AS OF DECEMBER 31, 2007

(Notes 2 and 18)

	Note	2007 SR	2006 SR	2005 SR
ASSETS				
Current assets				
Cash and cash equivalents	3	63,152,056	106,141,360	20,257,984
Accounts receivable	4 and 13	884,147,645	494,178,599	102,860,238
Inventories	6	22,944,812	11,977,702	7,644,607
Advances to suppliers		45,386,357	26,755,141	15,387,145
Prepaid expenses and other receivables	7	83,990,296	46,273,084	25,279,648
Due from related parties	14	-	-	22,427,969
Total current assets		1,099,621,166	685,325,886	193,857,591
Non-current assets				
Retention receivables	5	78,670,702	16,447,543	37,273,380
Property and equipment	8	1,044,147,301	587,381,471	316,122,468
Deferred charges	9	2,737,512	3,969,757	5,187,744
Total non-current assets		1,125,555,515	607,798,771	358,583,592
TOTAL ASSETS		2,225,176,681	1,293,124,657	552,441,183
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Murabaha facilities	10	200,000,000	-	-
Accounts payable		214,287,109	130,093,547	69,669,028
Advances from customers		260,440,134	145,693,349	24,600,660
Accrued expenses and other liabilities	11	149,146,960	71,066,598	29,179,091
Due to related parties	14	46,108,222	28,498,716	-
Total current liabilities		869,982,425	375,352,210	123,448,779
Non-current liabilities				
End-of-service indemnities		60,589,325	36,741,351	27,018,206
Shareholders' equity				
Share capital	1	1,000,000,000	4,400,000	4,400,000
Statutory reserve	15	54,857,384	-	-
Shareholders' current account		-	876,631,096	397,574,198
Retained earnings		239,747,547	-	-
Total shareholders' equity		1,294,604,931	881,031,096	401,974,198
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,225,176,681	1,293,124,657	552,441,183

The accompanying notes form an integral part of these financial statements

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2007

				(Notes 2 and 18)
	Note	2007 SR	2006 SR	2005 SR
Revenues:				
Contract revenues	13	1,955,100,546	830,180,234	428,742,039
Sales		-	63,387,726	37,129,568
Total revenues		1,955,100,546	893,567,960	465,871,607
Cost of revenues and sales		(1,244,351,035)	(601,006,396)	(339,303,314)
Depreciation	8	(75,907,489)	(33,597,250)	(19,198,290)
Gross profit		634,842,022	258,964,314	107,370,003
Amortization	9	(1,232,245)	(1,217,987)	(657,399)
General and administrative expenses	16	(70,874,447)	(46,174,959)	(24,672,910)
Operating income		562,735,330	211,571,368	82,039,694
Murabaha facilities charges	10	(3,616,625)	-	
Other income, net		994,139	1,107,192	1,746,537
Income before zakat		560,112,844	212,678,560	83,786,231
Zakat	12	(11,539,009)	(4,799,951)	(2,683,132)
NET INCOME		548,573,835	207,878,609	81,103,099
Earnings per share	20	6.35	2.41	0.94

The accompanying notes form an integral part of these financial statements

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF SHAREHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2007

(Notes 2 and 18)

	Note	2007 SR	2006 SR	2005 SR
Share capital:				
Beginning of the year		4,400,000	4,400,000	4,400,000
Transfer to increase share capital	1	995,600,000	-	-
End of the year		1,000,000,000	4,400,000	4,400,000
Statutory reserve:				
Beginning of the year		-	-	-
Transfer from retained earnings	15	54,857,384	-	-
End of the year		54,857,384	-	-
Shareholders' current account:				
Beginning of the year		876,631,096	394,652,523	61,939,382
Transfer to increase share capital	1	(876,631,096)	-	-
Transfer from retained earnings		-	207,878,609	235,066,011
Net assets of the Company's three divisions transferred out	17	-	(22,007,094)	-
Transfers of assets and assumption of certain liabilities by the Founding Shareholder	17	-	24,928,769	-
Cash contributions (withdrawals) by the Founding Shareholder, net		-	271,178,289	(12,339,012)
Transfers in of property and equipment by the Founding Shareholder	8	-	-	109,986,142
		-	876,631,096	394,652,523
Total pro forma adjustments	18	-	-	2,921,675
End of the year		-	876,631,096	397,574,198
Retained earnings:				
Beginning of the year		-	-	-
Net income for the year		548,573,835	207,878,609	81,103,099
Pro forma adjustments	18	-	-	153,962,912
Transfer to statutory reserve	15	(54,857,384)	-	-
Transfer to increase share capital	1	(118,968,904)	-	-
Dividends		(135,000,000)	-	-
Transfer to shareholders' current account		-	(207,878,609)	(235,066,011)
End of the year		239,747,547	-	-
TOTAL SHAREHOLDERS' EQUITY		1,294,604,931	881,031,096	401,974,198

The accompanying notes form an integral part of these financial statements

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007

	(Notes 2 and 18)		
	2007 SR	2006 SR	2005 SR
OPERATING ACTIVITIES			
Income before zakat	560,112,844	212,678,560	83,786,231
Adjustments for:			
Depreciation	75,907,489	33,597,250	19,198,290
Amortization	1,232,245	1,217,987	657,399
Loss from sale of property and equipment	2,363,431	88,560	1,204,679
End-of-service indemnities	25,335,246	10,332,181	5,181,089
Changes in operating assets and liabilities:			
Accounts receivable and retention receivables	(452,192,205)	(370,492,524)	22,379,107
Inventories	(10,967,110)	(4,333,095)	192,953
Advances to suppliers	(18,631,216)	(11,513,579)	(12,677,772)
Prepaid expenses and other assets	(37,717,212)	(20,847,853)	(10,353,458)
Due to related parties	17,609,506	50,926,685	(10,818,953)
Accounts payable	84,193,562	60,424,519	15,749,954
Advances from customers	114,746,785	121,092,689	10,238,394
Accrued expenses and other liabilities	70,731,839	38,974,309	7,974,913
Zakat paid	(4,190,486)	(1,886,753)	(2,823,809)
End-of-service indemnities paid	(1,487,272)	(609,036)	(3,061,297)
Net cash from operating activities	427,047,446	119,649,900	126,827,720
INVESTING ACTIVITIES			
Purchase of property and equipment	(540,445,363)	(305,712,240)	(5,002,972)
Proceeds from sale of property and equipment	5,408,613	767,427	843,610
Deferred charges	-	-	(3,435,216)
Net cash used in investing activities	(535,036,750)	(304,944,813)	(7,594,578)
FINANCING ACTIVITIES			
Murabaha facilities	200,000,000	-	-
Cash contributions by one of shareholders	-	271,178,289	(12,339,012)
Dividends paid	(135,000,000)	-	-
Net change in the Founding Shareholder's current account	-	-	(90,099,846)
Net cash from (used in) financing activities	65,000,000	271,178,289	(102,438,858)
Net change in cash and cash equivalents	(42,989,304)	85,883,376	16,794,284
Cash and cash equivalents, January 1	106,141,360	20,257,984	3,463,700
CASH AND CASH EQUIVALENTS, DECEMBER 31	63,152,056	106,141,360	20,257,984
Non-cash items:			
Transfer to share capital from shareholders' current account (Note 1)	(876,631,096)	-	-
Transfer to share capital from retained earnings (Note 1)	(118,968,904)	-	-
Net assets of the Founding Shareholder's three divisions transferred out (Note 17)	-	(22,007,094)	-
Transfer out of assets and assumption of certain liabilities by the Founding Shareholder (Note 17)	-	(26,353,602)	-
Transfer of property and equipment by the Founding Shareholder (Note 8)	-	-	109,986,142

The accompanying notes form an integral part of these financial statements

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

1. ORGANIZATION AND ACTIVITIES

Mohammad Al Mojil Group Company ("the Company"), is a Saudi closed joint stock company, registered in the Kingdom of Saudi Arabia, Dammam under the commercial registration No. 2050003174.

During 2007, Sheikh Mohammad Hamad Al Mojil resolved to transfer the legal structure of Mohammad Al Mojil Company from a sole proprietorship to a Saudi limited liability company by selling part of his equity shares to new shareholders effective January 1, 2007 and increase the Company's share capital from SR 4.4 million to SR 875 million from the shareholders' current account and therefore the newly formed company, namely Mohammad Al Mojil Group Company has been considered as a continuation for the activities of the sole proprietorship. Mohammad Al Mojil Group Company is a Saudi limited liability company, registered in the Kingdom of Saudi Arabia, Dammam under the same commercial registration referred to above on Rabi Awal 15, 1428 H (corresponding to April 3, 2007).

During 2007, the shareholders resolved to increase the Company's share capital from SR 875 million to SR 1 billion by a transfer of SR 6 million from shareholders' current account and SR 119 million from retained earnings to share capital. The legal formalities relating to the increase in share capital were completed during 2007.

The Company's legal structure was changed from a limited liability company to a closed joint stock company based on the Company's shareholders' resolution and in accordance with the Minister of Commerce and Industry's resolution No. 270 dated Shawal 29, 1428 (corresponding to November 10, 2007). The legal procedures with respect to the above change and amendment of the Company's articles of association and the commercial registration were completed during November 2007.

The accompanying financial statements for the year ended December 31, 2007, are the first financial statements issued by the joint stock company and have been prepared in accordance with requirements of Capital Market Authority on the basis that the Company is continuing regardless of the conversion of the Company from a limited liability to a joint stock company.

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2007

The shareholders and their respective shares in the Company's share capital, consist of 100,000,000 shares of SR 10 each as of December 31, 2007 as follows:

Shareholders	Nationality	Number of shares	Share value SR	Share capital SR
Mr. Mohammad Hamad Abdul Kareem Almojil	Saudi Arabia	80,000,000	10	800,000,000
Mr. Adel Mohammad Hamad Almojil	Saudi Arabia	5,000,000	10	50,000,000
Mohammad Hamad Almojil International Co. For Investment	Saudi Arabia	5,000,000	10	50,000,000
Almojil Investment Ltd.	U.A.E.	5,000,000	10	50,000,000
Almojil Holdings Ltd.	U.A.E.	5,000,000	10	50,000,000
		<u>100,000,000</u>		<u>1,000,000,000</u>

The Company, in accordance with its commercial registration is engaged in general building contracting, including construction, demolition, renovation, and repair, maintenance and operation, electrical and mechanical contracting, marine works, road construction, water and sewerage works, fabrication works, painting and coating of buildings and industrial works, (oil pipes extension and cutting), excavation works and environment works, marine and oil pollution control and cleaning shores by using oil and gas technologies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants. The following is a summary of significant accounting policies applied by the Company:

Basis of presentation

As further discussed in Notes 1, 17 and 18, the Company's financial statements for the years ended December 31, 2007, 2006 and 2005 are presented on the following basis:

Financial statements for the years ended December 31, 2007 and 2006

The accompanying financial statements for the years ended December 31, 2007 and 2006 include the accounts of the Company after the transfer out of businesses and the related assets and liabilities of three divisions unrelated to the Company's continuing operations, Material Supply division, Mechanical Packing and Insulation division and Al-Mojil Travel Agency to newly formed limited liability companies at net book value, in addition to the transfer out of certain cash and bank balances, investments in securities held for trading, other assets, due from related parties, vehicles, due to banks and certain accrued expenses to the Founding Shareholder's current account effective January 1, 2006. (see Note 17).

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2007

Comparative Pro forma financial statements for the year ended December 31, 2005

As further discussed in Note 18, the accompanying pro forma financial statements for the year ended December 31, 2005 are presented to show what the significant effects on the historical financial statements might have been had the Founding Shareholder's resolutions mentioned in Note 17 to the accompanying financial statements occurred on January 1, 2005.

The pro forma financial statements for the year ended December 31, 2005, however, may not necessarily be indicative of the financial position as of December 31, 2005 and the results of operations and cash flows for the year then ended that would have been attained had the above-mentioned adjustments actually occurred at January 1, 2005.

Accounting convention

The financial statements are prepared under the historical cost convention.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting standards required the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

Revenue recognition

Revenue on long-term contracts, where the outcome can be estimated reliably, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Revenue on contracts, where the outcome cannot be estimated reliably, is recognized on the completed contract method. When the current estimate of total contract costs and revenues indicate a loss, provision is made for the entire loss on the contract irrespective of the amount of work done.

Revenues from chartering and other associated activities is recorded when services are rendered and is recorded in conformity with contract period and agreed upon services. Other income is recorded when earned.

Sales is recognized when goods are delivered and invoices are issued to and accepted by customers.

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2007

Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of revenues as required under generally accepted accounting standards. Allocations between general and administrative expenses and cost of revenues and sales, when requires, are made on a consistent basis.

Cash and cash equivalents

Cash and cash equivalents include cash and banks balances, and highly liquid investments with original maturities of three months or less.

Inventories

Inventories comprised of spare parts and material supplies and are stated at the lower of cost or net realizable value. Cost is determined on a weighted average cost basis. Appropriate provision is made for obsolete and slow moving inventories, if required.

Unbilled revenue

Unbilled revenue represents revenue earned but not yet billed. These amounts were billed in the subsequent period.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided on the applicable assets using the straight line method. The estimated rates of depreciation of the principal classes of assets are as follows:

Buildings and fabrication plants	5%	with a 10% salvage value
Leasehold improvements	over the period of lease	
Vessels	5%	with a 10% salvage value
Machinery, tools and equipment	6.7% – 33%	with a 10% salvage value
Motor vehicles	20%	with a 10% salvage value
Office equipment	20%	
Furniture and fixtures	20% – 33%	

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2007

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately in the statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately in the statement of income.

Deferred charges

Deferred charges represent deferred dry-docking costs of vessels and are amortized over a period of 5 years from the date of completion of the dry-docking.

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of income.

End-of-service indemnities

End-of-service indemnities, required by Saudi Arabian Labor Law, are provided in the financial statements based on the employees' length of service.

Zakat

The Company is subject to the Regulations of the Directorate of Zakat and Income Tax ("DZIT") in the Kingdom of Saudi Arabia. Zakat is provided on an accruals basis. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared. Provision is made for tax on payments made to non-resident parties and charged to statement of income.

3. CASH AND CASH EQUIVALENTS

(Notes 2 and 18)

	2007 SR	2006 SR	2005 SR
Cash on hand	791,200	1,942,076	324,819
Cash at banks	62,360,856	34,199,284	19,933,165
Time deposit	-	70,000,000	-
	63,152,056	106,141,360	20,257,984

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2007

4. ACCOUNTS RECEIVABLE

(Notes 2 and 18)

	2007 SR	2006 SR	2005 SR
Accounts receivable – Contracts	270,561,043	191,561,658	98,582,499
Unbilled revenue	591,371,046	275,360,941	2,580,190
Retention receivables – current portion (Note 5)	22,215,556	27,256,000	1,697,549
	884,147,645	494,178,599	102,860,238

5. RETENTION RECEIVABLES

(Notes 2 and 18)

	2007 SR	2006 SR	2005 SR
Retention receivables	100,886,258	43,703,543	38,970,929
Less: Current portion	(22,215,556)	(27,256,000)	(1,697,549)
Long-term portion	78,670,702	16,447,543	37,273,380

6. INVENTORIES

(Notes 2 and 18)

	2007 SR	2006 SR	2005 SR
Spare parts at warehouse	20,014,813	10,451,989	5,700,642
Goods in transit	2,474,857	859,852	1,409,675
Marine spare parts	374,778	580,459	458,670
Other	80,364	85,402	75,620
	22,944,812	11,977,702	7,644,607

7. PREPAID EXPENSES AND OTHER RECEIVABLES

(Notes 2 and 18)

	2007 SR	2006 SR	2005 SR
Prepaid expenses	56,681,120	27,024,268	12,813,216
Employees' receivables	14,959,068	10,666,429	8,873,957
Receivable from Human Resource Development			
Fund for employees' recruitment and training	9,082,203	6,663,776	3,336,334
Other	3,267,905	1,918,611	256,141
	83,990,296	46,273,084	25,279,648

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2007

8. PROPERTY AND EQUIPMENT

	Buildings, fabrication plants and leasehold improvements	Vessels	Machinery, tools and equipment	Motor vehicles	Office equipment	Furniture and fixtures	Capital work in progress	Total
	SR	SR	SR	SR	SR	SR	SR	SR
Cost								
January 1, 2007	78,221,508	127,815,503	201,672,682	335,566,374	37,903,397	7,855,065	13,995,757	836,343,187
Additions	9,225,000	64,312,585	16,590,455	347,538,434	57,157,894	2,087,000	7,903,454	540,445,363
Disposals	-	-	-	(9,342,381)	(60,500)	(494,160)	-	(9,897,041)
December 31, 2007	87,446,508	192,128,088	218,263,137	673,762,427	95,000,791	9,447,905	21,899,211	1,366,891,509
Accumulated depreciation								
January 1, 2007	-	47,615,101	41,687,837	129,892,762	15,985,220	4,493,465	9,287,331	248,961,716
Charge for the year	-	7,457,700	15,659,250	42,445,864	8,364,640	1,098,152	881,883	75,907,489
Disposals	-	-	-	(1,615,560)	(22,854)	(486,583)	-	(2,124,997)
December 31, 2007	-	55,072,801	57,347,087	170,723,066	24,327,006	5,105,034	10,169,214	322,744,208
Net book value								
December 31, 2007	87,446,508	137,055,287	160,916,050	503,039,361	70,673,785	4,342,871	11,729,997	1,044,147,301
December 31, 2006	78,221,508	80,200,402	159,984,845	205,673,612	21,918,177	3,361,600	4,708,426	587,381,471
December 31, 2005	78,221,508	34,204,304	140,140,504	53,926,815	7,292,660	1,276,816	1,059,861	316,122,468
(Notes 2 and 18)								

Marine vessels are used for the Company's offshore construction activities.

Capital work in progress represents the costs of construction of new steel factory, camp and expansion of current facilities.

Property and equipment includes land and buildings amounting to SR 109,986,142 that were transferred by the Founding Shareholder during the year ended December 31, 2005. The value of these properties were determined through appraisals furnished by independent real estate agents.

MOHAMMAD AL MOJIL GROUP COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2007

9. DEFERRED CHARGES

Deferred charges at December 31, comprised of the following:

	(Notes 2 and 18)		
	2007 SR	2006 SR	2005 SR
Dry-docking charges – Cost:			
Balance, beginning of the year	6,089,933	6,089,933	2,654,717
Additions during the year	-	-	3,435,216
Balance, end of the year	6,089,933	6,089,933	6,089,933
Accumulated amortization:			
Balance, beginning of the year	(2,120,176)	(902,189)	(244,790)
Charge for the year	(1,232,245)	(1,217,987)	(657,399)
Balance, end of the year	(3,352,421)	(2,120,176)	(902,189)
Net book value	2,737,512	3,969,757	5,187,744

10. MURABAHA FACILITIES

The Company has short-term Murabaha facilities of SR 350 million from local and international commercial banks to finance the Company's working capital requirements. These facilities are secured by promissory notes and are Sharia-compliant. The outstanding balance of the Murabaha facilities referred to above is SR 200 million at December 31, 2007.

Murabaha facilities agreements referred to above include covenants relating to tangible net worth, current ratio and total liabilities to tangible net worth ratio with which the Company was in compliance as of December 31, 2007.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

	(Notes 2 and 18)		
	2007 SR	2006 SR	2005 SR
Accrued purchases	87,621,083	33,238,993	10,733,865
Accrued expenses	25,252,961	23,059,480	9,903,329
Accrued employees' vacation and air tickets	22,459,975	9,136,934	5,367,892
Provision for zakat (Note 12)	12,944,853	5,596,330	2,683,132
Accrued finance charges	774,362	-	-
Accrued withholding tax	91,526	-	485,965
Other	2,200	34,861	4,908
	149,146,960	71,066,598	29,179,091

MOHAMMAD AL MOJIL GROUP COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2007

12. PROVISION FOR ZAKAT

a) The principal elements of zakat base are as follows:

(Notes 2 and 18)

	2007 SR	2006 SR	2005 SR
Share capital	1,000,000,000	4,400,000	4,400,000
Shareholders' current account	-	876,631,096	397,574,198
Income before zakat	560,112,844	212,678,560	83,786,231
Non-current liabilities	60,589,325	36,741,351	27,018,206
Non-current assets and spare parts	(1,145,570,328)	(607,798,771)	(358,583,592)

Some of these amounts have been adjusted in arriving at the zakat charge for the year.

b) Following is a movement on the provision for zakat:

(Notes 2 and 18)

	2007 SR	2006 SR	2005 SR
Balance, beginning of the year	5,596,330	2,683,132	2,823,809
Provision for the year	11,539,009	4,799,951	2,683,132
Payment during the year	(4,190,486)	(1,886,753)	(2,823,809)
Balance, end of the year	12,944,853	5,596,330	2,683,132

c) Zakat status:

The Company has obtained the final zakat assessment for the year ended December 31, 2006 from the Department of Zakat and Income Tax.

13. MAJOR CUSTOMERS

Revenues from four major customers amounted to approximately SR 1,366 million, which represents 70% of the Company's revenues for the year ended December 31, 2007 (2006 and 2005: SR 504 million representing 56.4% and SR 394.4 million representing 85% of the Company's revenues, respectively) and accounts receivable – contracts balance amounted to approximately SR 154 million as of December 31, 2007 (2006 and 2005: SR 133 million and SR 87.8 million, respectively).

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14. RELATED PARTY TRANSACTIONS

During the period, the Company transacted with the following related parties. The terms of those billings and charges are similar to ordinary trade receivables and payables:

Name	Relationship
Mohammad Al Mojil and Partners Supply and Services Company	Affiliate
Mohammad Al-Mojil and Partners Travel and Tourism Agency Company	Affiliate

The significant transactions and the related amounts for the year ended December 31, are as follows:

(Notes 2 and 18)

Nature of transactions	2007 SR	2006 SR	2005 SR
Sales	3,205,773	63,387,726	37,129,568
Purchases	(381,145,138)	(46,032,403)	(12,239,531)

Accounts (payable) receivable (to) from related parties comprised of the following:

(Notes 2 and 18)

	2007 SR	2006 SR	2005 SR
Mohammad Al Mojil and Partners Supply and Services Company	(38,485,948)	(25,147,363)	19,402,965
Mohammad Al-Mojil and Partners Travel and Tourism Agency Company	(7,622,274)	(3,351,353)	3,049,049
Other	-	-	(24,045)
Due (to) from related parties, net	(46,108,222)	(28,498,716)	22,427,969

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15. STATUTORY RESERVE

In accordance with Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 50% of the share capital. This reserve is not available for dividend distribution.

16. GENERAL AND ADMINISTRATIVE EXPENSES

(Notes 2 and 18)

	2007 SR	2006 SR	2005 SR
Salaries and benefits	55,568,692	38,442,337	19,644,982
Rent	3,180,662	1,217,135	1,360,867
Repair and maintenance	2,746,283	2,873,402	1,343,734
Transportation	2,106,549	1,428,189	1,264,574
Printing and stationary	1,323,677	674,020	340,314
Communication	1,204,257	706,440	363,525
Utilities	365,534	266,670	309,500
Insurance	38,565	19,590	3,145
Other	4,340,228	547,176	42,269
	70,874,447	46,174,959	24,672,910

17. FOUNDING SHAREHOLDER'S CURRENT ACCOUNT

On January 1, 2006, Sheikh Mohammad Hamad Al Mojil ("the Founding Shareholder") resolved to transfer out the businesses and the related assets and liabilities of three divisions of Mohammad Al Mojil Company ("the Sole The Founding Shareholder"), namely Material Supply division, Mechanical Packing and Insulation and Al Mojil Travel Agency to newly formed limited liability companies at net book value effective January 1, 2006.

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The following are the transferred out assets and liabilities of the Sole The Founding Shareholder's three divisions to the newly formed limited liability companies referred to above at January 1, 2006:

	Material Supply Division SR	Mechanical Packing and Insulation Division SR	Al Mojil Travel Agency SR	Total SR
ASSETS				
Current assets				
Accounts receivable	18,926,063	813,334	104,196	19,843,593
Inventories	27,378,322	2,010,685	-	29,389,007
Other current assets	6,164,607	3,297,514	1,790,317	11,252,438
Total current assets	52,468,992	6,121,533	1,894,513	60,485,038
Non-current assets				
Property and equipment	4,197,826	340,325	1	4,538,152
TOTAL ASSETS	56,666,818	6,461,858	1,894,514	65,023,190
LIABILITIES				
Current liabilities				
Due to related parties	16,536,558	5,548,835	-	22,085,393
Other current liabilities	18,570,879	259,305	182,343	19,012,527
Total current liabilities	35,107,437	5,808,140	182,343	41,097,920
Non-current liabilities				
End-of-service indemnities	1,713,023	155,523	49,630	1,918,176
TOTAL LIABILITIES	36,820,460	5,963,663	231,973	43,016,096
NET ASSETS TRANSFERRED OUT AS OF JANUARY 1, 2006	19,846,358	498,195	1,662,541	22,007,094

On January 1, 2006, the Founding Shareholder resolved to transfer out certain assets and assume certain liabilities to his current account at net book value as follows:

	2006 SR
Cash and bank balances	(1,424,833)
Investments in securities held for trading	(354,414,341)
Due from a related party	(365,433,360)
Property and equipment	(13,698,432)
Other assets related to the transferred assets	(368,980)
Current liabilities	760,268,715
	24,928,769

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For cash flow purposes, the assets and liabilities transferred out to the Founding Shareholder's current account at net book value on January 1, 2006 are as follows:

	2006 SR
Assets and liabilities transferred out to the Founding Shareholder's current account, net	(24,928,769)
Less: Cash and bank balances transferred out	(1,424,833)
Assets and liabilities transferred out to the Founding Shareholder's current account net off cash and bank balances	(26,353,602)

18. PRO FORMA ADJUSTMENTS TO THE HISTORICAL AMOUNTS

As further discussed in Note 17, the following condensed pro forma financial position and results of operations for year ended December 31, 2005 have been provided for comparability purposes, based on the audited financial statements of the Company for the year ended December 31, 2005, assuming that the Founding Shareholder's resolutions to transfer out the businesses and the assets and liabilities of three divisions unrelated to the Company's continuing operations, Material Supply division, Mechanical Packing and Insulation division and Al Mojil Travel Agency to newly formed limited liability companies at net book value, in addition to the transfer out of certain cash and bank balances, investments in securities held for trading, other assets, due from related parties, vehicles, due to banks and certain accrued expenses to the Founding Shareholder's current account had occurred on January 1, 2005:

	Condensed audited historical financial statements SR	Pro forma adjustments (A) SR	Pro forma financial statements SR
<u>BALANCE SHEET</u>			
Assets			
Current assets	953,898,750	(760,041,159)	193,857,591
Non-current assets			
Property and equipment	334,359,052	(18,236,584)	316,122,468
Other non-current assets	42,461,124	-	42,461,124
Total non-current assets	376,820,176	(18,236,584)	358,583,592
Total Assets	1,330,718,926	(778,277,743)	552,441,183
Liabilities and Founding Shareholder's Equity			
Current liabilities	902,730,021	(779,281,242)	123,448,779
Non-current liabilities			
End-of-service indemnities	28,936,382	(1,918,176)	27,018,206
Founding Shareholder's equity			
Share capital	4,400,000	-	4,400,000
Founding Shareholder's current account	394,652,523	2,921,675	397,574,198
Total Founding Shareholder's equity	399,052,523	2,921,675	401,974,198
Total Liabilities and Founding Shareholder's Equity	1,330,718,926	(778,277,743)	552,441,183

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	Condensed audited historical financial statements SR	Pro forma adjustments (A) SR	Pro forma financial statements SR
<u>STATEMENT OF INCOME</u>			
Revenues:			
Contract revenues	428,742,039	-	428,742,039
Sales	64,978,330	(27,848,762)	37,129,568
Total revenues	493,720,369	(27,848,762)	465,871,607
Cost of revenues and sales	(348,664,706)	9,361,392	(339,303,314)
Gross profit	145,055,663	(18,487,370)	126,568,293
Depreciation and amortization	(20,676,783)	821,094	(19,855,689)
Selling expenses	(26,373)	26,373	-
General and administrative expenses	(42,042,555)	17,369,645	(24,672,910)
Operating income	82,309,952	(270,258)	82,039,694
Finance charges	(6,757,005)	6,757,005	-
Realized/unrealized gain from investments in securities held for trading	161,266,383	(161,266,383)	-
Other income, net	4,423,832	(2,677,295)	1,746,537
Income before zakat	241,243,162	(157,456,931)	83,786,231
Zakat	(6,177,151)	3,494,019	(2,683,132)
Net Income	235,066,011	(153,962,912)	81,103,099

- (A) The adjustments to the condensed audited historical financial statements effective January 1, 2005 represents the transfer out of the businesses and the assets and liabilities of three divisions unrelated to the Company's continuing operations to newly formed limited liability companies at net book value, in addition to the transfer out of certain cash and bank balances, investments in securities held for trading, other assets, due from related parties, vehicles, due to banks and certain accrued expenses to the Founding Shareholder's current account. In the opinion of management, all adjustments necessary to present fairly the financial statements for the year ended December 31, 2005 on a pro forma basis have been made.

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19. COMMITMENTS AND CONTINGENT LIABILITIES

At December 31, 2007, the Company had the following outstanding commitments and contingencies:

	2007	2006	2005
	SR	SR	SR
Letters of credit	21,293,022	1,650,628	2,518,665
Letters of guarantee	985,843,008	482,999,532	121,412,224

20. EARNINGS PER SHARE

The earnings per share are calculated by dividing the net income for the year by the weighted average of the number of outstanding shares at the end of the year. The outstanding number of shares at December 31, 2007 was 100 million and the weighted average number of shares was 86.4 million.

The calculation of earning per share for the years ended December 31, 2006 and 2005 has been adjusted to reflect the increase in the number of shares during the current year.

21. FINANCIAL INSTRUMENTS

Fair value

The carrying values for cash at banks and time deposit, receivables, inventories, accounts payable and other assets and liabilities are deemed to approximate their carrying amounts due to their short-term nature.

The Company does not utilize derivative financial instruments to manage commission rate risks and foreign currency exchange due to factors explained below:

Commission rate risk

This comprises various risks related to the effect of changes in commission rates on the Company's financial position and cash flows. The Company did not have material assets or liabilities with floating commission rates on December 31, 2007. The Company manages its cash flows by controlling the timing between cash inflows and outflows. Surplus cash is invested to increase the Company's commission income through holding balances in time deposit, but the related commission rate risk is not considered to be significant. So the Company did not use derivative financial instruments to minimize the effect of foreign currency exchange risks.

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Currency risk

It is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management monitors fluctuations in foreign currency exchange rates, and believes that the Company is not exposed to significant currency risk since the Company's functional currency is the Saudi Riyal, in which the Company transacts, which is currently fixed, within a narrow margin, against the U.S. dollar.

Credit risk

It is the risk that other parties will fail to discharge their obligations and cause the Company to incur a financial loss. Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash balances and accounts receivable. The Company deposits its cash balances with a number of major high credit rated financial institutions and has a policy of limiting its balances deposited with each institution. The Company does not believe that there is a significant risk of non-performance by these financial institutions. The Company does not consider itself exposed to a concentration of credit risk with respect to accounts receivable due to its diverse customer base operating in various industries and located in many regions.

Liquidity risk

It is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity is managed by periodically ensuring its availability in amounts sufficient to meet any future commitments. The Company does not consider itself exposed to significant risks in relation to liquidity.

The Company believes that it is not exposed to any significant risks in relation to the aforementioned.

22. COMPARATIVE FIGURES

Certain figures for 2006 and 2005 have been reclassified to conform with the presentation in the current year.

10 Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of Al-Mojil is based upon and should be read together with the audited financial statements as at and for the years ended 31 December 2007, 2006 and 2005 and the notes thereto, each of which have been audited by Deloitte & Touche Baker Abulkhair & Co.

Deloitte & Touche Baker Abulkhair & Co. do not themselves, nor do any of their relatives or affiliates have any shareholding or interest of any kind in the Company. They have furnished and not withdrawn their written consent to the reference in the Prospectus to their role as auditors of the Company for fiscal years ended 31 December 2007, 2006 and 2005.

The Management's Discussion and Analysis of Financial Condition and Results of Operations section contains forward-looking statements that involve risks and uncertainties. Actual results for the Company could differ materially from those contemplated by these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Prospectus, particularly in the "Risk Factors" section.

10-1 Director's Declaration for Financial Information

The Directors declare that the financial information presented in the Prospectus are extracted without material change from the audited financial statements and that such statements have been prepared in accordance with SOCPA accounting standards.

The Directors further declare that there has been no material adverse change in the financial or trading position of the Company for the years ended 31 December 2007 and 31 December 2006 up to and including the date of the Prospectus.

10-2 Results of Operations

The following tables summarize the audited income statements for the years ended 31 December 2007, 2006 and 2005.

Exhibit 10-1: Income Statement (SAR million)

	Year ended 31 December				
	2007		2006		2005
	Value	Growth (%)	Value	Growth (%)	Value
Total revenues	1,955.1	118.8%	893.6	91.8%	465.9
Cost of revenues	(1,244.4)	107.1%	(601.0)	77.1%	(339.3)
Depreciation	(75.9)	125.9%	(33.6)	75.0%	(19.2)
Gross profit	634.8	145.2%	258.9	141.1%	107.4
Amortization	(1.2)	1.2%	(1.2)	71.4%	(0.7)
General and administrative expenses	(70.9)	53.5%	(46.2)	87.0%	(24.7)
Operating income	562.7	165.9%	211.6	158.0%	82.0
Murabaha Expenses	(3.6)	100.0%	-	-	-
Other income/ (expenses) net	0.9	(18.2%)	1.1	(38.9%)	1.8
Income before zakat	560.1	163.3%	212.7	153.8%	83.8
Zakat	(11.5)	139.6%	(4.8)	77.8%	(2.7)
Net income	548.6	163.9%	207.9	156.4%	81.1

Source: Audited Financial Statements

Exhibit 10-2: Income Statement (Percentage of Sales)

	Year ended 31 December				
	2007		2006		2005
	Value	Growth (%)	Value	Growth (%)	Value
Total revenues	100.0%	-	100.0%	-	100.0%
Cost of revenues	(63.6%)	(5.4%)	(67.2%)	(7.7%)	(72.8%)
Depreciation	(3.9%)	2.6%	(3.8%)	(7.3%)	(4.1%)
Gross profit	32.5%	12.1%	28.9%	25.5%	23.0%
Amortization	(0.06%)	(40.0%)	(0.1%)	(50.0%)	(0.2%)
General and administrative expenses	(3.6%)	(30.8%)	(5.2%)	(1.9%)	(5.3%)
Operating income	28.8%	21.5%	23.7%	34.7%	17.6%
Murabaha Expenses	(0.2%)	100.0%	-	-	-
Other income/ (expenses) net	0.0%	(62.6%)	0.1%	(75.0%)	0.4%
Income before zakat	28.6%	20.4%	23.8%	32.2%	18.0%
Zakat	(0.6%)	(9.5%)	(0.5%)	(16.7%)	(0.6%)
Net income	28.6%	20.6%	23.3%	33.9%	17.4%

Source: Audited Financial Statements

10-2-1 Revenues

For the year ended 31 December 2007, revenues increased by approximately 118.8% to reach SAR 1,955.1 million compared to SAR 893.6 million in 2006 and SAR 465.9 million in 2005.

In 2005, contract revenues witnessed a 15% decline to reach SAR 428.74 million, this was mainly due to a lower work orders from Saudi Aramco. In 2006, contract revenues amounted to SAR 830.18 million increasing by a healthy 94% when compared to 2005. Contract revenues were mainly generated from the following: 23% from Saudi Aramco, 21% from Jubail United Petrochemical Company (a SABIC project), 23% from Rabigh Refining and Petrochemical Company. Contract revenues increased by 135.5% in 2007 to reach SAR 1,955.1 million.

Exhibit 10-3: Revenues

	Year ended 31 December				
	2007		2006		2005
	Value	Growth (%)	Value	Growth (%)	Value
<u>SAR million</u>					
Contract Revenues	1,955.1	135.5%	830.2	93.7%	428.7
Sales	-	(100.0%)	63.4	70.9%	37.1
Total Revenues	1,955.1	118.8%	893.6	91.8%	465.9
<u>Percentage of Total</u>					
Contract Revenues	100.0%	7.6%	92.9%	1.0%	92.0%
Sales	-	(100.0%)	7.1%	(11.3%)	8.0%
Total	100.0%	-	100.0%	-	100.0%

Source: Audited Financial Statements

10-2-2 Cost of Revenues

The increase in the direct operation cost is due to increase of the Company's operating activities during the year ended 31 December 2007 resulting from new contracts secured during the year. Despite the increase in the direct operation cost over the past 3 years, the cost of revenue as a percentage to revenue has decreased from 67.2% in 2006 to 63.6% in 2007 due to improvement in operations.

10-2-3 Gross Profit Margin

As a result of the increase in revenue and a decrease in direct operating cost, the Company has been able to improve its gross profit margin from 23.0% in 2005 to 32.5% in 2007.

Exhibit 10-4: Gross Profit Margin

	Year ended 31 December		
	2007	2006	2005
<u>SAR million</u>			
Gross Profit	634.8	258.9	107.4
<u>Percentage of Total</u>			
Gross Profit Margin	32.5%	28.9%	23.0%

Source: Al-Mojil

10-2-4 General and Administrative Expenses

General and administrative expenses increased in 2007 due to the increase in employees salaries and benefits, where the number of employees increased by approximately 11,272 employees. Accordingly, salaries and benefits increased by 44.8% in 2007 which represents 78.4% of the general and administrative expenses. General and administrative expenses amounted to SAR 70.9 million in 2007, SAR 46.2 million in 2006 and SAR 24.7 million in 2005. The following is a breakdown of these expenses by type.

Exhibit 10-5: General and Administrative Expenses

	Year ended 31 December		
	2007	2006	2005
<u>SAR million</u>			
Salaries & Benefits	55.6	38.4	19.6
Miscellaneous expenses*	15.3	7.8	5.1
Total	70.9	46.2	24.7
<u>Percentage of Total</u>			
Salaries & Benefits	78.4%	83.4%	79.4%
Miscellaneous expenses	21.6%	16.6%	20.6%
Total	100.0%	100.0%	100.0%

Source: Audited Financial Statements

* Miscellaneous expenses comprise of rent, repairs and maintenance, transportation, communication, printing and stationary, utilities, insurance and other expenses

10-2-5 Depreciation and Additional Fixed Assets Purchased

In tandem with the increase in the number of projects secured, the Company has increased its capital assets by SAR 540.4 million in 2007 to perform effectively on the increased number of projects secured. The addition of new assets is reflected by the increase in depreciation charges in the year 2007 of SAR 75.9 million as against SAR 33.6 and SAR 19.2 million in 2006 and 2005 respectively.

Exhibit 10-6: Additional Fixed Assets Purchased

	Year ended 31 December		
	2007	2006	2005
<u>SAR million</u>			
Building	73.5	35.5	-
Vessels	16.6	31.1	3.6
Machinery, tools and equipment	347.5	178.8	11.2
Motor vehicles	57.2	19.9	5.3
Office equipment	2.1	2.8	0.7
Furniture and fixtures	7.9	4.3	0.5
Capital work in progress	35.6	33.3	-
Total	540.4	305.7	21.3

Source: Audited Financial Statements

Exhibit 10-7: Depreciation

	Year ended 31 December		
	2007	2006	2005
<u>SAR million</u>			
Building	7.5	1.1	2.3
Vessels	15.7	11.3	7.7
Machinery, tools and equipment	42.4	17.1	7.0
Motor vehicles	8.4	2.7	1.0
Office equipment	1.1	0.7	0.8
Furniture and fixtures	0.9	0.7	0.4
Total	75.9	33.6	19.2
<u>Percentage of Total</u>			
Building	9.9%	3.3%	12.0%
Vessels	20.7%	33.6%	40.1%
Machinery, tools and equipment	55.9%	50.9%	36.5%
Motor vehicles	11.1%	8.0%	5.2%
Office equipment	2.1%	2.1%	4.2%
Furniture and fixtures	1.4%	2.1%	2.0%
Total	100.0%	100.0%	100.0%

Source: Audited Financial Statements

10-2-6 Other Income

Other income and expenses are mainly attributed to the gain and loss in the disposal of fixed assets. In 2007, the Company disposed fixed assets that consists of machinery, tools, equipment, motor vehicles and office equipment with a net book value of SAR 7.8 million. other income and expenses amounted to SAR 1.0 million in 2007 as against SAR 1.1 and 1.7 million in 2006 and 2005 respectively.

10-2-7 Zakat

Zakat is provided for in accordance with the regulations of the Department of Zakat and Income Tax. The Company has obtained the final zakat certificates for the years ended 31 December 2007, 2006 and 2005 from the Department of Zakat and Income Tax.

10-2-8 Net Income

The Company has recorded a substantial growth in its net income of 163.9% in year 2007 of SAR 548.6 million against previous year 2006 net income of SAR 207.9 million. Net profit margin increased to 28.6% in year 2007 compared to 23.3% in 2006.

Exhibit 10-8: Net Income

	Year ended 31 December		
	2007	2006	2005
<u>SAR million</u>			
Net Income	548.6	207.9	81.1
<u>Percentage of Total</u>			
Net Profit Margin	28.6%	23.3%	17.4%

Source: Al-Mojil

10-3 Financial Condition, Liquidity and Other Items

Cash from operations is the main source of funds for the Company's growth, dividend payments and capital expenditures. The following tables summarize the audited balance sheets for the periods ended 31 December 2007, 2006 and 2005.

Exhibit 10-9: Balance Sheet (SAR million)

	Year ended 31 December				
	2007		2006		2005
	Value	Growth (%)	Value	Growth (%)	Value
Assets					
<i>Current assets</i>					
Cash and bank balances	63.2	(40.4%)	106.1	422.7%	20.3
Accounts receivable	884.1	78.9%	494.2	380.3%	102.9
Inventories	22.9	90.8%	12.0	57.9%	7.6
Advances to suppliers	45.4	69.4%	26.8	74.0%	15.4
Prepaid expenses and other receivables	83.9	81.2%	46.3	83.0%	25.3
Due from related parties, net	-	-	-	(100.0%)	22.4
<i>Total current assets</i>	<i>1,099.6</i>	<i>60.5%</i>	<i>685.3</i>	<i>253.4%</i>	<i>193.9</i>
<i>Non-current assets</i>					
Retention receivables	78.7	376.9%	16.4	(55.8%)	37.3
Property and equipment	1,044.1	77.8%	587.4	85.8%	316.1
Deferred charges	2.7	(30.8%)	3.9	(25.0%)	5.2
<i>Total non-current assets</i>	<i>1,125.6</i>	<i>85.2%</i>	<i>607.8</i>	<i>69.5%</i>	<i>358.6</i>
Total assets	2,225.2	72.1%	1,293.1	134.1%	552.4
Liabilities and shareholders equity					
<i>Current liabilities</i>					
Murabaha Facilities	200.0	100.0%	-	-	-
Accounts payable	214.3	64.7%	130.1	86.7%	69.7
Advances from customers	260.4	78.7%	145.7	492.2%	24.6
Accrued expenses and other liabilities	149.1	109.7%	71.1	143.5%	29.2
Due to related parties	46.1	61.8%	28.5	100.0%	-
<i>Total current liabilities</i>	<i>869.9</i>	<i>131.7%</i>	<i>375.4</i>	<i>204.2%</i>	<i>123.4</i>
<i>Non-current liabilities</i>					
End-of service indemnities	60.6	65.1%	36.7	35.9%	27.0
<i>Total liabilities</i>	<i>930.6</i>	<i>125.9%</i>	<i>412.1</i>	<i>173.8%</i>	<i>150.5</i>
<i>Shareholders' equity</i>					
Share capital	1,000.0	22,627.3%	4.4	0.0%	4.4
Statutory reserve	54.9	100.0%	-	-	-
Shareholders' current account	-	(100.0%)	876.6	120.5%	397.6
Retained earnings	239.7	100.0%	-	-	-
<i>Total Shareholders' equity</i>	<i>1,294.6</i>	<i>46.9%</i>	<i>881.0</i>	<i>119.2%</i>	<i>402.0</i>
Total liabilities and Shareholders' equity	2,225.2	72.1%	1,293.1	134.1%	552.4

Source: Audited Financial Statements

Exhibit 10-10: Balance Sheet (Percentage of Total Assets)

	Year ended 31 December		
	2007	2006	2005
Assets			
<i>Current assets</i>			
Cash and bank balances	2.8%	8.2%	3.7%
Accounts receivable	39.7%	38.2%	18.6%
Inventories	1.0%	0.9%	1.4%
Advances to suppliers	2.0%	2.1%	2.8%
Prepaid expenses and other receivables	3.8%	3.6%	4.6%
Due from related parties, net	-	-	4.1%
<i>Total current assets</i>	<i>49.4%</i>	<i>53.0%</i>	<i>35.1%</i>
<i>Non-current assets</i>			
Retention receivables	3.5%	1.3%	6.8%
Property and equipment	46.9%	45.4%	57.2%
Deferred charges	0.1%	0.3%	0.9%
<i>Total non-current assets</i>	<i>50.6%</i>	<i>47.0%</i>	<i>64.9%</i>
Total assets	100.0%	100.0%	100.0%
Liabilities and shareholders' equity			
<i>Current liabilities</i>			
Murabaha Facilities	9.0%	-	-
Accounts payable	9.6%	10.1%	12.6%
Advances from customers	11.7%	11.3%	4.5%
Accrued expenses and other liabilities	6.7%	5.5%	5.3%
Due to related parties	2.1%	2.2%	-
<i>Total current liabilities</i>	<i>39.1%</i>	<i>29.0%</i>	<i>22.3%</i>
<i>Non-current liabilities</i>			
End-of service indemnities	2.7%	2.8%	4.9%
<i>Total liabilities</i>	<i>41.8%</i>	<i>31.9%</i>	<i>27.2%</i>
<i>shareholders' equity</i>			
Share capital	44.9%	0.3%	0.8%
Statutory reserve	2.5%	-	-
shareholders' current account	-	67.8%	72.0%
Retained earnings	10.8%	-	-
<i>Total shareholders' equity</i>	<i>58.2%</i>	<i>68.1%</i>	<i>72.8%</i>
Total liabilities and shareholders' equity	100.0%	100.0%	100.0%

Source: Audited Financial Statements

10-3-1 Working Capital

The working capital was SAR 229.7 million in 2007, SAR 309.9 million in 2006 and SAR 70.4 million in 2005, as indicated below.

Exhibit 10-11: Working Capital (SAR million)

	Year ended 31 December		
	2007	2006	2005
Current assets	1,099.6	685.3	193.9
Current liabilities	(869.9)	(375.4)	(123.5)
Working capital	229.7	309.9	70.4
Current ratio (times)	1.3	1.8	1.6

Source: Audited Financial Statements

Working capital is the excess of current assets as against current liabilities, this is a reliable indicator to Company's liquidity. The Board members and the Company's management reviewed the requirements of working capital for the 12 month period following the publication of the Prospectus and they confirm that it was found to be adequate for the specified period.

10-3-2 Property and Equipment

Exhibit 10-12: Property and Equipment (SAR million)

	Land	Buildings, fabrication plants and leasehold improvements	Vessels	Machinery, tools & equipment	Motor vehicles	Office equipment	Furniture & fixture	Capital work in progress	Total
Cost									
1 Jan 2007	78.2	127.8	201.7	335.6	37.9	7.9	13.9	33.3	836.3
Additions	9.2	64.3	16.6	347.5	57.2	2.1	7.9	35.6	540.4
Disposals	-	-	-	(9.3)	(0.06)	(0.5)	-	-	(9.9)
31 Dec 2007	87.4	192.1	218.3	673.8	95.0	9.4	21.9	68.9	1,366.9
Accumulated depreciation									
1 Jan 2007	-	47.6	41.7	129.9	15.9	4.5	9.3	-	248.9
Charge for the year	-	7.5	15.7	42.4	8.4	1.1	0.9	-	75.9
Disposals	-	-	-	(1.6)	(0.02)	(0.5)	-	-	(2.1)
31 Dec 2007	-	55.1	57.3	170.7	24.3	5.1	10.2	-	322.7
Net book value									
31 Dec 2007	87.4	137.1	160.9	503.0	70.7	4.3	11.7	68.9	1,044.1
31 Dec 2006	78.2	80.2	159.9	205.7	21.9	3.4	4.7	33.3	587.4
31 Dec 2005	78.2	34.2	140.1	53.9	7.3	1.3	1.1	-	316.1

Source: Audited Financial Statements

Additions to fixed assets as of 31 December 2007 amounted to SAR 540.4 million. The net book value of property and equipment as of 31 December 2007 accounted for SAR 1,044.1 million.

10-3-3 Deferred Charges

Exhibit 10-13: Deferred Charges (SAR million)

	Year ended 31 December		
	2007	2006	2005
Dry-docking charges – Cost:			
Balance, end of the year	6.1	6.1	6.1
Accumulated amortization:			
Balance, beginning of the year	(2.1)	(0.9)	(0.2)
Charge of the year	(1.2)	(1.2)	(0.7)
Balance, end of the year	(3.3)	(2.1)	(0.9)
Net book value	2.7	4.0	5.2

Source: Audited Financial Statements

10-3-4 Related Party Transaction

During the year, the Company transacted with the following related parties:

Exhibit 10-14: Related Parties

Name	Relationship
Mohammad Al Mojil and Partners Supply and Services Company	Affiliate
Mohammad Al Mojil and Partners Travel and Tourism Agency Company	Affiliate

Source: Audited Financial Statements

The significant transactions and the related amounts for the years ended 31 December 2007, 2006 and 2005 are as follows:

Exhibit 10-15: Nature of Transaction with Related Parties (SAR million)

	Year ended 31 December		
	2007	2006	2005
Sales	3.2	63.4	37.1
Purchases	(381.1)	(46.0)	(12.2)

Source: Audited Financial Statements

The nature of transactions with related parties consists of the procurement of tools and equipment needed for the Company's projects and the procurement of traveling tickets for the Company's employees.

Accounts receivable (payable) from/to related parties as of December 31 2007, 2006 and 2005, comprised of the following:

Exhibit 10-16: Accounts Receivable (Payable) from/to Related Parties (SAR million)

	Year ended 31 December		
	2007	2006	2005
Mohammad Al Mojil and Partners Supply and Services Company	(38.5)	(25.1)	19.4
Mohammad Al Mojil and Partners Travel and Tourism Agency Company	(7.6)	(3.4)	3.0
Others	-	-	(0.02)
Due (to) from related parties, net	(46.1)	(28.5)	22.4

Source: Audited Financial Statements

On January 1, 2006, the Company resolved to transfer out the businesses and the related assets and liabilities of three divisions of the Group, namely Material Supply division, Mechanical Packing and Insulation and Al Mojil Travel Agency to newly formed limited liability companies at net book value effective January 1, 2006. The accounts receivables in 2005 and 2004 is the net of the transfer out businesses, as for the years 2007 and 2006, the Company purchased and supplied equipments and services from the mentioned companies.

10-3-5 Commitments and Contingencies

At December 31, 2007, the Group had the following outstanding commitments and contingencies:

Exhibit 10-17: Commitments and Contingencies (SAR million)

	Year ended 31 December		
	2007	2006	2005
Letters of credit	21.3	1.7	2.5
Letters of guarantee	985.8	483.0	121.4

Source: Audited Financial Statements

The Company has commitments in the form of letters of credit and letters of guarantee as provided in the table below, the table also illustrates the amounts utilized by the Company as of 31 December 2007:

Exhibit 10-18: Contingent Liabilities

Source of Facility	Type of Facility	Facility Amount (SAR)	Amount utilized (31 December 2007)
Arab National Bank	Letter of guarantee	125,000,000	119,965,475
Arab National Bank	Letter of credit	5,000,000	-
Banque Saudi Fransi	Letter of guarantee	165,000,000	118,393,166
Gulf International Bank	Letter of guarantee	100,000,000	74,316,746
National Commercial Bank	Letter of guarantee	300,000,000	37,500,000
Riyad Bank	Letter of guarantee	100,000,000	80,892,676
Samba Financial Group	Letter of guarantee	255,000,000	217,956,100
Saudi British Bank	Letter of guarantee	305,000,000	301,109,968
Saudi British Bank	Letter of credit	55,000,000	21,293,022
Saudi Hollandi Bank	Letter of guarantee	70,000,000	12,554,140
Total		1,480,000,000	983,981,293

Source: Al-Mojil

10-3-6 Current Assets

Current assets increased by 1.6 times to reach SAR 1,099.6 million in 2007 compared to SAR 685.3 million in 2006. This is mainly due to strong increase in revenues the Company has been witnessing, longer receivables collection periods and cash contributions by the Proprietor.

Revenues increased by 118.8% in 2007 versus 2006, which has affected the accounts receivables with a year on year increase of 78.8%. Cash and cash equivalents decreased by 40.4% in 2007 and inventories increased by 90.8%. In 2007, accounts receivable turnover represented 165 days of revenues versus 202 days in 2006 and 81 days in 2005. Inventories turnover represented 7 days of cost of revenues in 2007 versus 7 days in 2006 and 8 days in 2005.

Exhibit 10-19: Current Assets (SAR million)

	Year ended 31 December		
	2007	2006	2005
Cash and cash equivalents	63.2	106.1	20.3
Accounts receivable	884.1	494.2	102.9
Inventories	22.9	12.0	7.6
Advances to suppliers	45.4	26.8	15.4
Prepaid expenses and other receivables	83.9	46.3	25.3
Due from related parties	-	-	22.4
Current Assets	1,099.6	685.3	193.9

Source: Audited Financial Statements

10-3-7 Non-Current Assets

Property and equipment represents 93% of total non-current assets, whereas retention receivables and deferred charges represent 7% of that total.

Exhibit 10-20: Non-Current Assets (SAR million)

	Year ended 31 December		
	2007	2006	2005
Retention receivables	78.7	16.4	37.2
Property and equipment	1,044.2	587.4	316.1
Deferred charges	2.7	3.9	5.2
Non-Current Assets	1,125.6	607.8	358.6

Source: Audited Financial Statements

10-3-8 Current Liabilities

Current liabilities increased by 131.7% to reach SAR 869.9 million in 2007 versus SAR 375.4 in 2006. This is due to the strong increase in new projects mandated to the Company, which affected the accounts payable and the advances from customers. In 2007 they respectively increased by 64.7% and 78.7%. In 2007 accounts payable turnover represented 63 days of cost of revenues versus 79 days in 2006 and 75 days in 2005.

Exhibit 10-21: Current Liabilities (SAR million)

	Year ended 31 December		
	2007	2006	2005
Murabaha Facilities	200.0	-	-
Accounts payable	214.3	130.1	69.7
Advances from customers	260.4	145.7	24.6
Accrued expenses and other liabilities	149.1	71.1	29.2
Due to related parties	46.1	28.5	-
Current Liabilities	869.9	375.4	123.4

Source: Audited Financial Statements

10-3-9 Non-Current Liabilities

End of service indemnities represented 100.0% of the non-current liabilities, which amounted to SAR 60.6 million in 2007, SAR 36.7 million in 2006 and SAR 27.0 million in 2005.

10-3-10 Capital

The Company increased its capital from SAR 4.4 million in 2006 to SAR 1,000.0 million in 2007 by transferring SAR 876.6 million from shareholders current account and SAR 119 million from retained earnings.

10-4 Cash Flow Statements

The following table summarizes the audited cash flow statements for the years ended 31 December 2007, 2006 and 2005.

Exhibit 10-22: Cash Flow (SAR million)

	Year ended 31 December		
	2007	2006	2005
Cash flow from/ (used in) operating activities	427.0	119.6	126.8
Cash flow from/ (used in) investing activities	(535.0)	(304.9)	(7.6)
Cash flow from /(used in) financing activities	65.0	271.2	(102.4)
Net change in cash and bank balances	(42.9)	85.9	16.8
Cash and bank balances, January 1	106.1	20.3	3.5
Cash and bank balances, December 31	63.2	106.1	20.3

Source: Audited Financial Statements

Net cash flows provided by operating activities increased from SAR 126.8 million in 2005 to SAR 427.0 million in 2007. The strong increase in contract revenues in 2007 boosted both the net income and the working capital, which explains the increase in operating cash flow in 2006.

Exhibit 10-23: Cash Flows from Operating Activities (SAR million)

	Year ended 31 December		
	2007	2006	2005
Income before zakat	560.1	212.7	83.8
Depreciation and amortization	77.1	34.8	19.9
Provision for end of service indemnity	25.3	10.3	5.2
Loss from sale of property and equipment	2.4	0.1	1.2
Net change in working capital	(237.9)	(138.3)	16.7
Operating activities cash flows	427.0	119.6	126.8

Source: Audited Financial Statements

Purchase of property and equipment increased from SAR 5.0 million in 2005 to reach SAR 540.4 million in 2007. This strong capital expenditure is deemed necessary by the Company to address the substantial increase in the value and volume of its contracts, which requires additional machinery and equipments to execute such projects.

Exhibit 10-24: Cash Flows from Investing Activities (SAR million)

	Year ended 31 December		
	2007	2006	2005
Purchase of property and equipment	(540.4)	(305.7)	(5.0)
Deferred charges	-	-	(3.4)
Proceeds from sale of property and equipment	5.4	0.8	0.8
Investing activities cash flows	(535.0)	(304.9)	(7.6)

Source: Audited Financial Statements

Cash flows from financing activities decreased from SAR 271.2 million in 2006 to SAR 65 in 2007, due to dividend payments of SAR 135 million. On other hand, the Company obtained a murabaha facility of SAR 200 million in 2007.

Exhibit 10-25: Cash Flows from Financing Activities (SAR million)

	Year ended 31 December		
	2007	2006	2005
Murabaha facilities	200.0	-	-
Cash contributions by one of the shareholders	-	271.2	(12.3)
Dividends paid	(135.0)	-	-
Net change in the Founding Shareholder's current account	-	-	(90.1)
Financing activities cash flows	65.0	271.2	(102.4)

Source: Audited Financial Statements

10-5 Statement of Management's Responsibility for Financial Information

The "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Prospectus has been drafted by the Management of the Company and approved by the Board of Directors. The Management believes that there has been no material adverse change in the financial position or prospects of the Company since 31 December 2007 and until the date of the Prospectus, and accepts full responsibility for the authenticity and accuracy of the information and analysis of financial results and confirms, after making all reasonable inquiries, that full and fair disclosure has been made and there are no other information or documents the omission of which make any information or statements therein misleading.

11 Dividend Record and Policy

It is the intention of Al-Mojil to make dividend payments with a view to maximizing shareholder value commensurate with the Company's earnings, its financial condition, the condition of the markets, the general economic climate and other factors, including analysis of investment opportunities and reinvestment needs, cash and capital requirements, business prospects, as well as other legal and regulatory considerations. Dividends will be distributed in Saudi Riyals.

Although it is Al-Mojil's intention to pay dividends to its shareholders, the Company does not make any assurance that any dividend will actually be paid, or any assurance as to the amount, which will be paid in any given year. The distribution of dividends is subject to certain limitations contained in the Company's bylaws.

The Company declared and paid out semi annual dividends amounting to SAR 135 million based on the closing as of 31 December 2007. The Offer Shares will be entitled to receive dividends declared and paid by the Company for the period ending the Offering and for subsequent fiscal years.

12 Description of Shares

12-1 Share Capital

The share capital of the Company is SAR 1,000,000,000 divided into 100,000,000 shares with a nominal value of SAR 10 each.

12-2 Rights of the Holders of Shares

Each share shall give its holder equal rights in the Company's assets and dividends as well as the right to attend and vote at meetings of the General Assembly.

12-3 Shareholders Assemblies

A General Assembly duly convened shall be deemed representing all the Shareholders and shall be held in the city where the Company's head office is located.

Each shareholder owning at least twenty (20) shares shall have the right to attend the General Assembly, whether in person or by proxy. Each shareholder, regardless of the number of shares held, shall have the right to attend the Conversion General Assembly. Each Shareholder may authorize in writing another Shareholder, other than the members of the Board of Directors or employees of the Company, to attend the General Assembly on his/its behalf.

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters concerning the Company. The Ordinary General Assembly shall be convened at least once a year, within six (6) months following the end of the Company's fiscal year. Additional Ordinary General Assembly meetings may be convened whenever needed. The Extraordinary General Assembly shall have the power to amend the Company's By-Laws, except for such provisions as may be impermissible to be amended under the law. Furthermore, the Extraordinary General Assembly may pass resolutions on matters falling within the competence of the Ordinary General Assembly under the same conditions applicable to the latter.

Manner of Convening General Assemblies: The General Assembly shall be convened by the Board of Directors. The Board of Directors shall convene a meeting of the Ordinary General Assembly if requested to do so by the Auditors or by a number of Shareholders representing at least five percent (5%) of the Company's capital. The summons shall be published in the Official Gazette and in a daily newspaper circulated in the city where the Company's head office is located at least twenty-five (25) days prior to the time set for such meeting. The summons shall include the agenda of the meeting. However, so long as the Company's shares remain nominal, notice may be given at the time fixed above by registered letters. A Copy of the notice and the agenda shall be sent, within the period set for publication, to the Companies Department at the Ministry of Commerce and Industry.

Record of Attendance at the Meetings of the General Assembly: At the start of the General Assembly, a statement shall be prepared showing the names of the Shareholders, present or represented, and their addresses, as well as the number of shares held by them and the number of votes to which they are entitled. Any interested party shall have the right to examine such list.

Quorum of Ordinary General Assembly: A meeting of the Ordinary General Assembly shall be valid only if attended by Shareholders representing at least fifty percent (50%) of the Company's capital. If such quorum cannot be attained at the first meeting, a second meeting shall be held within thirty (30) days following the time set for the preceding meeting. Such notice shall be published in the manner prescribed in Article (30) hereof. The second meeting shall be deemed valid irrespective of the number of shares represented therein.

Quorum of Extraordinary General Assembly: A meeting of the Extraordinary General Assembly shall be valid only if attended by Shareholders representing at least fifty percent (50%) of the Company's capital. If such quorum cannot be attained at the first meeting, a second meeting shall be convened in the same manner provided for in the preceding Article. The second meeting shall be valid only if attended by a number of Shareholders representing at least one-quarter (1/4) of the Company's capital.

12-4 Voting Rights

Each shareholder shall have one vote for each share he/it represents at the Conversion General Assembly. Votes at the meetings of Ordinary and Extraordinary General Assemblies shall be computed on the basis of one vote for each share represented at the meeting.

Resolutions of the Conversion General Assembly and Ordinary General Assembly shall be adopted by an absolute majority of the shares represented thereat.

Resolutions of the Extraordinary General Assembly shall be adopted by a majority vote of two thirds (2/3) of the shares represented at the meeting. However, if the resolution to be adopted is related to increasing or reducing the capital, extending the Company's period, dissolving the Company prior to the expiry of the period specified therefor under these By-Laws or merging the Company with another company or establishment, then such resolution shall be valid only if adopted by a majority of three-quarters (3/4) of the shares represented at the meeting.

12-5 The Shares

The shares shall be nominal shares and may not be issued at less than their nominal value. However, the shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added to the statutory reserve, even if the reserve has reached its maximum limit. A share shall be indivisible vis-à-vis the Company. In the event that a share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining to the share, and they shall be jointly responsible for the obligations arising from the ownership of the share.

The shares, except for Founders' shares, shall be transferable in accordance with the rules and regulations of the Capital Market Authority. Founders' shares may only be transferred with the prior approval of the Capital Market Authority.

12-6 Duration of the Company

The duration of the Company shall be ninety-nine (99) years commencing on the date of issuance of the Minister of Commerce's resolution announcing the conversion of the Company. The Company's period may always be extended by a resolution of the Extraordinary General Assembly taken at least one year prior to the expiration of the term of the Company.

12-7 Dissolution and Winding-up of the Company

Upon the expiry of the Company's period, or if it is dissolved prior to the time set for the expiry thereof, the Extraordinary General Assembly shall, based on a proposal by the Board of Directors, decide the method of liquidation, appoint one or more liquidators and specify their powers and fees. The powers of the Board of Directors shall cease upon the Company's expiry. However, the Board of Directors shall remain responsible for the management of the Company until the liquidators are specified. The Company's administrative departments shall maintain their powers to the extent that they do not interfere with the powers of the liquidators.

13 Capitalization

Mohammad Al-Mojil Group was initially registered as a sole proprietorship on 3 Jumada Athani 1394H (corresponding to 24 June 1974G) in Dammam, Saudi Arabia under Commercial Registration number 2050003174 with a paid up capital of SAR 4,400,000.

On 15 Rabei Alawal 1428H (corresponding to 3 April 2007G), the Company was converted into a limited liability company where Mohammad Al-Mojil transferred (20%) of his equity shares to new shareholders with a net book value of SAR 175,000,000 as of 1 January 2007. Furthermore, the shareholders resolved to increase the Company's share capital by transferring SAR 870,600,000 from shareholders current account to the Company's share capital to reach SAR 875 million divided into 87.5 million shares with nominal value of SAR 10 per share.

On 5 Jumada Alawal 1428H (corresponding to 22 May 2007G), the Shareholders resolved to increase the paid up capital of the Company to SAR 1 billion divided into 100 million shares with a nominal value of SAR 10 per share by a transfer of SAR 118,968,904 from retained earnings and SAR 6,031,096 from shareholders' current account.

On 29 Shawwal 1428H (corresponding to 10 November 2007G) the Company was converted into a joint stock company in accordance with the resolution of the Ministry of Commerce and Industry number 270, with a paid up capital of SAR 1,000 million divided into 100 million shares with nominal value of SAR 10 per share.

The Founding Shareholders owned the entire share capital of the Company prior to the offering and will collectively own 70% of the Company's share capital after the completion of the Offering.

The table below sets out the capitalization of Al-Mojil as derived from the audited financial statements as at the end of 31st December 2007, 2006 and 2005. The following table should be read in conjunction with the Financial Statements, including the notes thereto, in the "Accountant's Report" section of the Prospectus.

Exhibit 13-1: Al-Mojil Capitalization (SAR million)

	Year ended 31 December		
	2007	2006	2005
Liabilities			
Current	869.9	375.4	123.4
Non-current	60.6	36.7	27.0
Total liabilities	930.5	412.1	150.5
Shareholders equity			
Share Capital	1,000.0	4.4	4.4
Statutory Reserve	54.9	-	-
Shareholders current account	-	876.6	397.6
Retained Earnings	239.7	-	-
Total Shareholders equity	1,294.6	881.0	402.0
Total liabilities and Shareholders equity	2,225.2	1,293.1	552.4

Source: Al-Mojil

The Company have entered into Murabaha and short term facilities as provided in the table below, the table also provides the amounts of facilities utilized by the Company:

Exhibit 13-2: Murabaha and Short Term Facilities

Source of Facility	Type of Facility	Facility Amount (SAR)	Amount Utilized (31 December 2007)
Gulf International Bank	Murabaha Facility	200,000,000	100,000,000
National Commercial Bank	Short Term Facility	50,000,000	-
National Commercial Bank	Murabaha Facility	150,000,000	100,000,000

Source: Al-Mojil

The Directors confirm that neither the Company's capital nor the capital of any affiliates is under option. The Directors also confirm that the Company does not have any debt instruments as of the date of the Prospectus apart from what is specified in section "Financing Agreements" on page 108 of this Prospectus.

The Directors of the Company are of the opinion that the Company will have sufficient working capital for the 12 month period immediately following the Offering.

The Board of Directors of the Company confirm that there has been no interruption in the business of the Company which may have or have had a significant effect on its financial position in the last 12 months. In addition, there has been no material adverse change in the financial or trading position of the Company in the past two financial years preceding the listing year and during the period from the end of the period covered in the external auditors' report up to and including the date of approval of this Prospectus.

14 Use of Proceeds

The total proceeds from the Offering are estimated at SAR 2,100 million, of which SAR 74 million will be applied towards issue expenses, which include the fees of the financial advisor, legal advisor, reporting accountants and underwriting fees, receiving banks fees, marketing and printing and distribution fees as well as other fees related to the issuing. The net proceeds of SAR 2,026 million will be distributed to the Selling Shareholder. The Company will not receive any part of the proceeds from the Offering.

No commissions, discounts, brokerages or other non-cash compensation were granted by the Company to any Board of Director nor to any Senior Executive in the two years immediately preceding the date of this Prospectus. The Selling Shareholder will bear all Offering expenses.

15 Summary of Company's Bylaws

Name of the Company

The name of the Company shall be "Mohammad Al-Mojil Group", a Saudi closed joint stock company.

Objectives of the Company

The objectives of the Company are:

- General building contracting (construction, demolition, renovation and repair), operation and maintenance, electrical and mechanical contracting, marine works, road construction, water and sewerage works, fabrication works, undertaking painting and coating, installation of insulations, industrial works and buildings (oil pipes extensions and cutting), excavation works, environmental works marine and oil pollution control and cleaning shores by using oil and gas technologies.
- Maintenance and operating (roads and tunnels/ maintenance and repair – maintenance of irrigation and drainage systems, airports, water and sewage facilities, telephone networks – maintenance and operating of electrical constructions, training and educational centers – administration and operating of hospitals and medical centers).
- Wholesale and retail trade of electrical, mechanical, industrial and marine materials, equipment, tools and maintenance and spare parts thereof and the relevant agencies thereto sale engineering and electrical equipment services, diesel, oil-fields and petroleum equipment, water projects, maritime engineering laboratories, gas turbines, standardization and gauging services.
- Provision of commercial services (inspection and survey services, packing, packaging, weighing and measuring services).
- Manufacturing and production of heat exchangers, air-reservoirs, compression vessels, construction frames and ironworks as per the license issued by the Ministry of Industry under No. 640/S dated 6/6/1418H.
- Manufacturing and production of heat exchangers, air-reservoirs, compression vessels, construction frames and ironworks as per the license issued by the Ministry of Industry under No. 774/S dated 29/04/1427H.
- To provide inspection services, making engineering designs for treatment methods, clamping and adjusting nuts, television inspection tubes for the treated pipes, cleaning by pressure-pumping, chemical cleaning and cleaning pipes by using cracking waves for moving barriers, testing pipes by pressure means, cleaning pipes by pumping hot oil and providing preventive measure and repairing pipes.

The Company shall obtain the necessary licenses from the relevant authorities prior to performing any of the activities listed above which require a license.

The Company may acquire interest or participate in any manner whatsoever, in other companies or entities that conduct business similar to its business or companies that would enable it to achieve its objectives. The Company own shares and units in other existing companies or otherwise merge with, merge into or acquire such companies. The Company may also acquire interest or participate in any manner whatsoever in other companies up to 20% of its general reserves and 10% of the share capital of such companies, provided that the overall investments shall not exceed its general reserves and that the General Assembly is notified accordingly.

Head Office of the Company

The Company's head office shall be in the city of Dammam. The Board of Directors may establish branches, offices or agencies for the Company within or outside the Kingdom of Saudi Arabia. The head office of the Company may not be transferred to any other city except with the approval of the Extraordinary General Assembly based on the recommendation of the Board of Directors and the approval of the competent authorities.

Duration of the Company

The duration of the Company shall be ninety-nine (99) years commencing on the date of issuance of the Minister of Commerce's resolution announcing the conversion of the Company. The Company's period may always be extended by a resolution of the Extraordinary General Assembly taken at least one year prior to the expiration of the term of the Company.

Capital of the Company

The share capital of the Company shall be SR. 1,000,000,000 (Saudi Riyals One Billion) divided into 100,000,000 (One Hundred Million) shares of equal value of ten Saudi Riyals (SR 10) each, all of which are cash shares representing the entire paid in capital of the Company upon conversion.

Shareholders of the Company

The founding shareholders have subscribed to 100,000,000 (one hundred million) shares which are fully paid-in.

Non-Payment of Shares

If a Shareholder fails to pay the value of the shares at the times set therefore, then the Board of Directors may sell such shares in a public auction, after having warned the Shareholder by means of a registered letter to the address stated in the Shareholders Register. However, the Shareholder may still, in such a situation, pay the value due plus the expenses incurred by the Company up to the day set for the auction. The Company shall recover what is due to it from the sale proceeds and refund the balance to the Shareholder. If the sale proceeds are insufficient to cover the Company's dues, then the Company may recover the entire amount due from the Shareholders' wealth. If this is done, then the Company shall cancel the share sold and give the purchaser a new share bearing the same number of the cancelled share, a notation of which shall be made in the Shareholders Register.

Bonds

The Company may issue negotiable and indivisible bonds of equal value against the borrowings it contracts in accordance with the Companies Regulations.

Shares

The shares shall be nominal shares and may not be issued at less than their nominal value. However, the shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added to the statutory reserve, even if the reserve has reached its maximum limit. A share shall be indivisible vis-à-vis the Company. In the event that a share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining to the share, and they shall be jointly responsible for the obligations arising from the ownership of the share.

Transfer of Shares

Shares are tradable after the issuance of their certificates. As an exception to the foregoing, cash shares subscribed for by the Founding Shareholders and any shares for in-kind contributions as well as founders' shares shall not be negotiable before the publication of the balance sheet and the profit and loss statement for two complete financial years, each consisting of at least twelve months. As an exception to the foregoing, the shares subscribed to by the founding shareholders or owned by the shareholders of the Company after the date of the resolution approving the conversion of the Company shall be tradable after the approval of the Capital Market Authority.

The provision of this Article shall also apply to such shares as the founders may subscribe for in case of increase of capital before the expiry of the period of suspension until the end of such period. However, if the conversion of the company coincides with the increase of its capital through public subscription, the said prohibition shall not apply to the shares subscribed through a public subscription. A notice shall be placed on the shares certificates indicating their type, date of incorporation of the company and the trading prohibition period.

Nevertheless, during the period of suspension, title to shares issued for cash may, in accordance with the legal provisions for the sale of rights, be transferred from one founder to another, or to a director who will submit them as qualification shares, or from the heirs of a deceased founder to a third party.

Shareholders Register

The nominal shares shall be transferred by being recorded in the Shareholders Register which shall contain the names of the Shareholders, their nationalities, their occupations, their domicile and address, the serial numbers of the shares and the value paid-up on such shares. An annotation of such recording shall be made on the share certificates. The transfer of title to a share shall not be effective vis-à-vis the Company or any third party except from the date of such recording in the said Register or the completion of the transfer procedures through the Shares Information Computerized system. The subscription or ownership of the shares by a Shareholder shall mean the acceptance by the Shareholder of these By-Laws and his submission to the resolutions duly passed by the General Assembly of the Shareholders in accordance with these By-Laws, whether the Shareholder was present or absent and whether the Shareholder agreed to such resolutions or objected to them.

Share Certificates

The Company shall issue share certificates with serial numbers. The share certificates shall be signed by the Chairman of the Board of Directors, or by a member of the Board of Directors authorized on the Chairman's behalf, and stamped with the Company's stamp. The share certificate shall, in particular, show the number and date of the Ministerial Resolution announcing the incorporation of the Company, the value of the capital, the number of shares, the par value of a share, the amount paid-up on the shares, a summary of the Company's objectives and the Company's head office and term. The shares may have coupons with serial numbers, and each coupon shall bear the number of the share to which it is attached.

Increase of Capital

Once it is ascertained to be economically feasible and after obtaining the approval of the competent authorities, the General Assembly may, in an Extraordinary Meeting, adopt a resolution to increase the Company's capital once or several times by issuing

new shares having the same nominal value as the original shares, provided that the original capital shall have been paid in full, with due consideration to the requirements of the Companies Regulations. The said resolution shall specify the mode of increasing the capital, and the Shareholders shall have preemptive rights to subscribe for the new cash shares. The Shareholders shall be notified of the preemptive rights vested in them by notice to be published in a daily newspaper addressing the capital increase resolution and the conditions of subscription. Each Shareholder shall express the desire to exercise such preemptive rights, if they so wish, within fifteen (15) days of the publication of such notice.

The said shares shall be allotted to the original Shareholders who have expressed their desire to subscribe thereto, in proportion to the original shares owned by them, provided that the number of shares allotted to them shall not exceed the number of new shares they have applied for. The remaining new shares shall be allotted to the original Shareholders who have asked for more than their proportionate share, in proportion to the original shares they own, provided that that their total allotment does not exceed the number of new shares they have asked for. Any remaining new shares shall be offered for public subscription.

Decrease of Capital

The Company may, based on certain justifiable causes, reduce its capital if it proves to be in excess of the Company's needs or if the Company sustains losses. This decision must be made through a resolution adopted by the General Assembly in an Extraordinary Meeting, and requires approval of the Minister of Commerce and Industry. Such resolution shall be issued only after reading the auditor's report on the reasons calling for such reduction, the obligations to be fulfilled by the Company and the effect of the reduction on such obligations, with due consideration to the provisions of the Companies Regulations. Article (9) of these By-Laws shall apply to payment of the value of shares issued pursuant to this Article. The resolution shall provide for the manner in which the reduction shall be made. If the reduction of the capital is due to its being in excess of the Company's needs, then the Company's creditors must be invited to express their objection thereto within sixty (60) days from the date of publication of the reduction resolution in a daily newspaper published in the city where the Company's head office is located. Should any creditor object and present to the Company evidentiary documents of such debt within the time limit set above, then the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is due on a later date.

Constitution of the Board of Directors

The Company shall be managed by a Board of Directors composed of seven (7) members to be appointed by the Ordinary General Assembly for a term of three years. The first Board of Directors shall be appointed by the Constituent General Assembly meeting and its term shall be for five (5) years commencing from the date of the ministerial resolution declaring the conversion of the Company.

Qualification Shares

Each member of the Board of Directors shall be a holder of a number of the Company's shares having a nominal value of no less than ten thousand Saudi Riyals (SR 10,000). Such shares shall be deposited in a bank designated by the Minister of Commerce and Industry within thirty (30) days from the date of the appointment of the director. Such shares shall be kept aside to guarantee the liability of the Board members and shall remain non-negotiable until the expiry of the period specified for hearing the liability action provided for under Article 76 of the Companies Regulations or until a judgment is passed on said action. Should a member of the Board of Directors fail to submit such qualification shares within the period specified therefor, his membership in the Board shall be deemed null and void.

Vacancies

Membership of the Board of Directors shall be terminated upon the expiration of the appointment period, or resignation of the Director, or death of the Director or if it becomes manifest to the Board that the concerned Board member has breached his fiduciary duties in a manner that jeopardizes the interests of the Company. If the office of an individual Board member appointed by a corporate shareholder becomes vacant, the Board shall immediately notify the corporate shareholder in writing. The corporate shareholder shall, within five (5) days from the date of receipt of the Board's notice, appoint an alternate Director pursuant to a written notice addressed to the Board.

If the office of a Board member becomes vacant, the Board may appoint a member in the vacant position temporarily, provided that such appointment is put forward before the first meeting of the Ordinary General Assembly for endorsement. The term of office of the new member designated to fill a vacancy shall only extend to the term of office of his predecessor. In case the number of the members of the Board of Directors falls below the quorum required for the proper convening of the Board meetings, the General Assembly shall be called for an Ordinary Meeting as soon as possible in order to appoint the necessary number of Board members.

Powers of the Board of Directors

Without prejudice to the powers conferred on the General Assembly, the Board of Directors shall be vested with full powers to manage the business of the Company, to set its objective, policies, and the level of its investments and to supervise its affairs within and outside the Kingdom of Saudi Arabia.

The Board of Directors is empowered, for example and without limitation, to ratify contracts and enter into bids, to establish companies in which the Company participates and make necessary any amendments, to approve the issuance of guarantees for banks, funds, governmental loan institutions, and to certify all banking transactions. The Board is also empowered to participate in other companies and to dispose of their assets and properties. The Board is also empowered to conduct purchase transactions; to accept and deliver payments; to mortgage and demortgage assets; to sell and transfer title to properties and receive payments; and to consolidate and split ownership and title deeds of properties. However, in connection with the sale of properties owned by the Company, the minutes of the Board's meeting and its resolution shall include the following considerations:

- the Board shall set forth in its decision the reasons and justifications of the sale;
- the sale shall be as close to the market value as possible;
- the sale shall be effective with immediate effect unless the Company's requirements dictate otherwise and subject to sufficient guarantees; and
- the sale shall not result in the Company ceasing part of its business or assuming other obligations.

The Board of Directors is specifically empowered to contract loans with government financial funds and institutions and commercial loans with commercial banks and financial institutions for any term including terms exceeding three (3) years provided that:

- the overall values of the loans that the Board may conclude may not exceed 50% of the share capital of the Company in any financial year;
- the Board shall in its resolution identify the best way to utilize such loans and the methods for their repayments; and
- the Board shall ensure that the terms and conditions of any loan and related guarantees do not harm the Company or its shareholders or the general guarantee granted to its creditors.

The Board may conclude settlements, issue releases, enter into contracts and assume obligations on behalf of the Company. The Board shall have the right to carry out all acts and matters that are necessary to achieve the objects of the Company.

The Board of Directors may, for the benefit of the Company, discharge the Company's debtors of their debt obligations provided that the minutes of the Board's meeting and its resolutions shall include the following considerations:

- the release shall be for any debt that has been overdue for a period exceeding one year;
- the release must be for a specific amount per year that is owed by a debtor; and
- the release is a special right vested to the Board and may not be delegated to a third party.

The Board of Directors may, within the limits of its jurisdiction, authorize and delegate one or more of its members or a third party to undertake a specific function or functions, and revoke such delegations in whole or in part.

Remuneration of Board of Directors

Remuneration of the members of the Board of Directors shall be determined by the Ordinary General Meeting in accordance with the official decisions and instructions issued in this regard, within the limits of the provisions of the Companies Regulations and the laws or regulations complementary thereto. Directors may in addition be paid an attendance and transportation allowance as determined by the Board of Directors and the regulations and decisions issued in this respect. The report submitted by the Board of Directors to the Ordinary General Assembly shall contain a statement of all payments made to the members of the Board during the fiscal year; salaries, share in profits, attendance allowance, expenses and other benefits. It shall as well contain a statement of payments made in consideration for technical, administrative or consultancy assignments carried out by the Board's members, which assignments have been approved by the Company's General Assembly.

Chairman, Managing Director and Secretary

The Board of Directors shall appoint a Chairman and a Deputy Chairman from among its members. The Board of Directors may also appoint a Managing Director from among its members. The Chairman may not assume the position of the Managing Director of the Company. The Chairman shall have the powers to convene the Board to meet and preside over its meetings.

The Chairman, the Deputy Chairman and the Managing Director (if appointed) shall be authorized to individually or jointly represent the Company in its relationship with others and before judicial bodies, Government departments, Notaries Public, courts of law, Commissions for settlements of disputes, Boards of Arbitration, Directorate of Civil Rights, Police Departments, Chambers of Commerce and Industry, all companies and establishments; to issue powers of attorney and to appoint and remove agents and attorneys; to raise, defend, plead, settle, acknowledge and arbitrate; to accept and reject judgments on behalf of the Company; to sign and execute all agreements, certificates and instruments including articles of association of companies in which the Company shall participate, and to amend the same, and to sign winding-up resolutions, as well as any other contracts, deeds, and declarations, before public notaries or other official bodies, loan agreements with government financial funds and institutions and commercial banks and financial institutions, guarantees, mortgages, leases, and terminating them; to collect entitlements and settle obligations on behalf of the Company; to buy, sell, make and accept transfers, receive, deliver, rent, lease, collect and make payments, and to participate in tenders; to open bank and credit accounts and to withdraw and deposit from the same; to issue

instruments, checks and all negotiable instruments; to hire, contract with and appoint employees and workmen and to specify their salaries and remunerations and remove them; to request visas for employees and workmen from abroad, grant residency permits and work visas, and transfer and terminate their sponsorship; to authorize or delegate some or all of these powers to any other person or persons to do or cause to be done any act mentioned hereinabove, and to revoke such authorization or delegation in whole or in part.

The Managing Director shall have such other powers as are specified by the Board of Directors, shall carry out such directives as are given to him by the Board of Directors.

The Board of Directors shall, under a resolution to be adopted thereby, specify the compensation to be given to each of the Chairman and the Managing Director.

The Board of Directors shall appoint a secretary from among its members or others, and shall specify his duties, remuneration and terms of service. The Secretary's duties shall include having the proceedings and resolutions of the Board of Directors written in minutes and recorded in a special register, intended for the said purpose, as well as maintaining and keeping such register. The secretary shall also carry out such authorities delegated to him by the Board. The Board shall determine the secretary's remuneration.

The term of the office of the Chairman, the Managing Director and the Secretary – if the Secretary is a Board member – shall not exceed their respective term of service as Directors. The term of the Chairman, the Managing Director and the Secretary of the Board may be renewed.

Board Meetings

The Board of Directors shall be convened at least four times a year upon a call by the Chairman. Such call shall be made in writing and delivered by hand or fax or sent by registered mail not less than two weeks prior to the date set for the meeting, unless otherwise agreed by the Board members. The Chairman of the Board shall call for a meeting if so requested by any two (2) Board members.

Quorum and Representation

A Board meeting shall be valid only if attended by at least the majority of the board members, four (4) of whom must attend in person. In the event that a member of the Board of Directors gives a proxy to another member to attend the Board meetings on his behalf, then such proxy shall be given accordance with the following:

- A member of the Board of Directors may not act on behalf of more than one Board member as to attending the same meeting.
- A proxy shall be made in writing.
- A Board member acting by proxy may not vote on resolutions on which his principal is prohibited from voting under the law.

The Board resolutions shall be adopted with the approval of the majority vote of the members present in person or represented by proxy and otherwise eligible to vote on the matter in question. In case of a tie, the Chairman of the Board or the Director presiding over the Board in the absence of the Chairman shall have a casting vote.

The Board may adopt its resolution by circulation unless one Board member requests a meeting for deliberations on such a resolution. Such Resolutions shall be adopted with the approval of the majority vote of the Board members and shall be laid before the Board in its first following meeting.

Minutes of Meetings

The Board deliberations and resolutions shall be drawn in minutes to be signed by the Board Chairman and the Secretary. Such minutes shall be recorded in a special register to be signed by the Board Chairman and the Secretary.

Conflicts of Interest

Members of the Board of Directors must declare to the Board of Directors any personal interest, whether direct or indirect, in any proposal, transaction or contract made for the account of the Company. Such declaration must be recorded in the minutes of the Board meeting, and the interested Board member shall not participate in voting on the resolution to be adopted in this respect.

General Assembly

A General Assembly duly convened shall be deemed representing all the Shareholders, and shall be held in the city where the Company's head office is located.

Each shareholder owning twenty (20) shares (or more) shall have the right to attend the General Assembly, whether in person or by proxy. Each shareholder, regardless of the number of shares held, shall have the right to attend the Conversion General Assembly. Each Shareholder may authorize in writing another Shareholder, other than the members of the Board of Directors or employees of the Company, to attend the General Assembly on his/its behalf.

Conversion General Assembly: The Conversion General Assembly shall be competent to deal with the following matters:

- To ascertain that the capital of the Company has been fully subscribed for.
- To approve the final text of the Company's By-Laws.
- To deliberate on the report in respect of the activities and expenses required by the Company's conversion.
- To appoint the first Board of Directors for a period of five (5) years.

The Conversion General Assembly shall be valid only if attended by a number of Shareholders representing at least fifty-one percent (51%) of the Company's capital.

Ordinary General Assembly

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters concerning the Company. The Ordinary General Assembly shall be convened at least once a year, within six (6) months following the end of the Company's fiscal year. Additional Ordinary General Assembly meetings may be convened whenever needed.

Extraordinary General Assembly

The Extraordinary General Assembly shall have the power to amend the Company's By-Laws, except for such provisions as may be impermissible to be amended under the law. Furthermore, the Extraordinary General Assembly may pass resolutions on matters falling within the competence of the Ordinary General Assembly under the same conditions applicable to the latter.

Manner of Convening General Assemblies

The General Assembly shall be convened by the Board of Directors. The Board of Directors shall convene a meeting of the Ordinary General Assembly if requested to do so by the Auditors or by a number of Shareholders representing at least five percent (5%) of the Company's capital. The summons shall be published in the Official Gazette and in a daily newspaper circulated in the city where the Company's head office is located at least twenty-five (25) days prior to the time set for such meeting. The summons shall include the agenda of the meeting. However, so long as the Company's shares remain nominal, notice may be given at the time fixed above by registered letters. A Copy of the notice and the agenda shall be sent, within the period set for publication, to the Companies Department at the Ministry of Commerce and Industry.

Record of Attendance at the Meetings of the General Assembly

At the start of the General Assembly, a statement shall be prepared showing the names of the Shareholders, present or represented, and their addresses, as well as the number of shares held by them and the number of votes to which they are entitled. Any interested party shall have the right to examine such list.

Quorum of Ordinary General Assembly

A meeting of the Ordinary General Assembly shall be valid only if attended by Shareholders representing at least fifty percent (50%) of the Company's capital. If such quorum cannot be attained at the first meeting, a second meeting shall be held within thirty (30) days following the time set for the preceding meeting. Such notice shall be published in the manner prescribed in Article (30) hereof. The second meeting shall be deemed valid irrespective of the number of shares represented therein.

Quorum of Extraordinary General Assembly

A meeting of the Extraordinary General Assembly shall be valid only if attended by Shareholders representing at least fifty percent (50%) of the Company's capital. If such quorum cannot be attained at the first meeting, a second meeting shall be convened in the same manner provided for in the preceding Article. The second meeting shall be valid only if attended by a number of Shareholders representing at least one-quarter (1/4) of the Company's capital.

Voting Rights

Each shareholder shall have one vote for each share he/it represents at the Conversion General Assembly. Votes at the meetings of Ordinary and Extraordinary General Assemblies shall be computed on the basis of one vote for each share represented at the meeting.

Voting Majorities

Resolutions of the Conversion General Assembly shall be adopted by an absolute majority of the shares represented thereat. In case that such resolutions relate to the valuation of in-kind contributions or special privileges, they shall be approved by a majority

representing two thirds (2/3) of the shareholders who subscribed to cash shares after discounting the shares subscribed to by the shareholders who hold in-kind contributions or who are recipients of special privileges. Such shareholders shall be precluded from voting in connection with the said resolutions, even if they hold cash shares.

Resolutions of the Ordinary General Assembly shall be adopted by an absolute majority of the shares represented thereat.

Resolutions of the Extraordinary General Assembly shall be adopted by a majority vote of two thirds (2/3) of the shares represented at the meeting. However, if the resolution to be adopted is related to increasing or reducing the capital, extending the Company's period, dissolving the Company prior to the expiry of the period specified therefor under these By-Laws or merging the Company with another company or establishment, then such resolution shall be valid only if adopted by a majority of three-quarters (3/4) of the shares represented at the meeting.

Rights of Shareholders at the Meetings of the General Assembly

Each shareholder shall have the right to discuss the items listed in the General Assembly's agenda and to direct questions in respect thereof to the members of the Board and the auditors in this respect. The members of the Board or the auditors shall answer the Shareholders' questions to the extent that does not expose the Company's interest to any damage. If the Shareholder deems the answer to the question unsatisfactory, then he/it may refer the issue to the General Assembly and its decision in this regard shall be conclusive and binding.

Proceedings of the General Assembly

The General Assembly shall be presided over by the Chairman of the Board of Directors or, in his absence, the Director designated by him. The Chairman shall appoint a secretary for the meeting and a canvasser. Minutes shall be written for the meeting showing the number of shareholders and the number of votes attached to such shares, the resolutions adopted at the meeting, the number of votes assenting or dissenting to such resolutions and a comprehensive summary of the discussions that took place at the meeting. Such minutes shall be regularly recorded after each meeting in a special register to be signed by the Chairman of the Assembly and the secretary.

Appointment of Auditor

The Company shall have one auditor or more to be selected from among the auditors certified licensed to work in the Kingdom of Saudi Arabia. The auditor shall be appointed annually and its compensation shall be fixed by the General Assembly. The General Assembly may further reappoint the same auditor. The existing shareholders have appointed Deloitte & Touche Bakr Abulkhair & Co. as the Company's first auditor for the first financial year following conversion to a joint stock company.

Access to Records

The auditor shall have access at all times to the Company's books, records and any other documents, and may request information and clarification as it deems necessary. It may further check the company's assets and liabilities.

Auditor's Report

The auditor shall submit to the annual General Assembly a report showing how far the Company has enabled it to obtain the information and clarifications it has requested and what it has discovered of violations of the Companies Regulations and these By-Laws and its opinion as to whether the Company's accounts conform to the facts.

Financial Year

The Company's fiscal year shall commence as on 1st January and expire on 31st December of each Gregorian year. However, the Company's first fiscal year shall cover the period commencing as of the date of issuance of the Ministerial Resolution announcing the conversion of the Company and expiring on 31st December of the following year.

Annual Accounts

The Board of Directors shall prepare at the end of each fiscal year an inventory of the Company's assets and liabilities on such date, the Company's balance sheet and profit and loss account, a report on the Company's activities and its financial position for the preceding year and its proposals as to the distribution of the net profits. The Board of Directors shall perform the foregoing at least sixty (60) days prior to the convening of the annual Ordinary General Assembly. The Board of Directors shall put such documents at the auditor's disposal at least fifty-five (55) days prior to the time set for convening the General Assembly. Such documents shall be signed by the Chairman of the Board of Directors and a set thereof shall be available at the Company's head office for the Shareholders' review at least twenty-five (25) days prior to the time set for convening the General Assembly. The Chairman of the Board of Directors shall cause the Company's balance sheet, profit and loss account, a comprehensive summary of the Board of Directors' report and the full text of the auditor's report to be published in a newspaper circulated in the city where the Company's head office is located, and shall send copies of such documents to the Companies Department at the Ministry of Commerce at least twenty-five (25) days prior to the date set for convening the General Assembly.

Distribution of Annual Profits

After deducting all general expenses and other costs, the Company's annual net profits shall be allocated as follows:

- Ten percent (10%) of the annual net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when said reserve totals one-half (1/2) of the Company's capital.
- The Ordinary General Assembly may, upon request of the Board of Directors, set aside a percentage of the annual net profits to form an additional reserve to be allocated for the purpose or purposes decided by the Ordinary General Assembly.
- Out of the balance of the profits, if any, there shall be paid to the Shareholders an initial payment of not less than five percent (5%) percent of the paid-up capital.
- No more than five percent (5%) of the remaining amount shall be paid as compensation to the members of the Board of Directors. The balance shall be distributed among the Shareholders as an additional share of the profits.

The Company may distribute semi-annual and quarterly profits after it has completed the necessary procedures put in place by the competent authorities.

Distribution of Dividends

The profits to be distributed among the Shareholders shall be paid at such place and times as determined by the Board of Directors, in accordance with the instructions issued by the Ministry of Commerce and Industry.

Company Losses

If the Company's losses total three-quarters (3/4) of its capital, then the members of the Board of Directors shall call the Extraordinary General Assembly for a meeting to consider whether the Company shall continue to exist or be dissolved prior to the expiry of the period specified therefor under Article (5) of these By-Laws. In all cases the Assembly's resolution shall be published in the Official Gazette.

Liability Lawsuit

Each Shareholder shall have the right to file a liability action, vested in the Company, against the members of the Board of Directors if they have committed a fault which has caused some particular damage to such Shareholder, provided that the Company's right to file such action shall still be valid. The Shareholder shall notify the Company of his/its intention to file such action.

Dissolution of the Company

Upon the expiry of the Company's period, or if it is dissolved prior to the time set for the expiry thereof, the Extraordinary General Assembly shall, based on a proposal by the Board of Directors, decide the method of liquidation, appoint one or more liquidators and specify their powers and fees. The powers of the Board of Directors shall cease upon the Company's expiry. However, the Board of Directors shall remain responsible for the management of the Company until the liquidators are specified. The Company's administrative departments shall maintain their powers to the extent that they do not interfere with the powers of the liquidators.

Companies Regulations

The Companies Regulations shall apply to all other matters not specifically provided for herein.

Companies Regulations

These By-Laws shall be filed and published in accordance with the Companies Regulations.

16 Legal Information

16-1 Government Licenses

Al-Mojil holds approved licenses from the Saudi Arabian Ministry of Commerce and Industry for the following activities:

- Mohammad Al-Mojil Group Central Purchasing Division ("CPD")
- Mohammad Al-Mojil Group Calibration Division ("CD")
- Mohammad Al-Mojil Group Steel Factory ("SF")
- Mohammad Al-Mojil Group Chemical Cleaning Division ("CCD")

The licenses set out above have no expiry dates and are valid and irrevocable as of the date of the Prospectus.

16-2 Financing Agreements

On 14 August 2007, the Company entered into a revolving Murabaha and guarantee facility with Gulf International Bank B.S.C. Pursuant to such agreement, Gulf International Bank B.S.C. agreed to grant the Company a revolving working capital facility in an aggregate amount of SAR 200 million and guarantee facility in an aggregate amount of SAR 100 million. The Company has utilized a total of SAR 174.3 million as of 31 December 2007. This financing agreement is Sharia-compliant and expires on 14 August 2008.

In addition, the Company entered into two financing agreements with the National Commercial Bank on 28 October 2007. Pursuant to the first, the National Commercial Bank agreed to grant the Company Sharia-compliant credit and guarantee facilities for the purchase of equipment and supplies and working capital financing for an amount not exceeding SAR 450 million. The Company has utilized a total amount of SAR 137.5 million as of 31 December 2007. Pursuant to the second agreement, the National Commercial Bank agreed to grant the Company an overdraft facility of an aggregate amount of SAR 50 million. Both agreements with the National Commercial Bank expire on 30 September 2008.

All facilities granted pursuant to the above agreements are not guaranteed by a pledge of asset or personal undertaking. As of the date of the Prospectus, the Company is not party to any other bank financing agreement except the above.

16-3 Material Contracts

16-3-1 Sub-Contractor Agreements

MMG entered into the following subcontractor agreements to which MMG is a party:

Exhibit 16-1: Al-Mojil's Subcontracting Agreements

Name of Supplier/ Sub-Contractor	Description of Supply/ Service	Nationality	Length of Business Relationship
R.B. Hilton Saudi Arabia Ltd	Insulating and fireproofing	Saudi Arabia	>10 years
Saudi Catering & Contracts	Catering services	Saudi Arabia	>10 years
Arabian CBI Ltd	Catalyst loading works	Saudi Arabia	>5 years
Gulf Haulage Heavy Lifts	Lifting equipment rental	Saudi Arabia	>10 years
Arab Commercial Enterprise	Insurance	Saudi Arabia	>20 years
Saudi Arabian Kent Co Ltd	Electrical and instrumentation	Saudi Arabia	>5 years
SGS Inspection Services	NDT services	Saudi Arabia	>5 years
A. Qanbar Al-Ansari & Sons	Ready-mix concrete	Saudi Arabia	>5 years
Khonaini Petroleum Services	Fuel and oil	Saudi Arabia	>5 years

Source: Al-Mojil

16-3-2 Project Agreements

Below is a summary of the project agreements to which MMG is a party:

Exhibit 16-2: Al-Mojil's Project Agreements

	Client	Project Name	Date of Completion
1	Saudi Arabian Oil Co	SCADA Installation-Offshore	Feb '09
2	Saudi Toyo Engineering Co	Sabir Yanbu Ethylene Project	Apr '08
3	Samsung	SHARQ 3rd expansion-Ethylene Glycol Plant	Mar '08
4	Linde	SHARQ 3rd expansion-Mechanical works (polyethylene Project)	May '08
5	Mitsui Eng	Rabigh Refinery MEG/PO Plant	Jun '08
6	Technicas Reunidas Gulf Co	Saudi Aramco Gas Plant expansion project	Mar '08
7	Saudi Kayan/Sabic/Fluor Arabia Ltd	Saudi Kayan Consolidated Contract (Civil, Mechanical, Electrical, Instrumentation works)	Sep '09
8	Saudi Kayan/Sabic/Fluor Arabia Ltd	U&O contract for general contract -2 interconnecting pipe racks For Saudi Kayan Petrochemical complex	May '09
9	Saudi Kayan/Sabic/Fluor Arabia Ltd	General Contractor Aramco facilities	May '09
10	Saudi Polyolefins Company	Polypropylene Expansion Project (TASNEE)/Fluor B.V	Jul '09
11	Foster Wheeler Energy Ltd	Sharq 3rd Expansion Project Utilities and Offsite (U&O)	Feb '08
12	Foster Wheeler Energy Ltd	Sharq 3rd Expansion Project Pipelines & Piping Fabrication	Feb '08
13	SNV – Lavalin BV/Saudi Arabian Ltd	Saudi Aramco Water Injection Pump Station Facilities Project (Mechanical)	Jul '08
14	SNV – Lavalin BV/Saudi Arabian Saipem Ltd	Saudi Aramco Water Injection Pump Station Facilities Project (Electrical & Instrumentation)	Jun '08
15	Saudi Aramco	Ras Tanura Sea Island and Juaymah Platform Upgrade	Mar '08
16	Samsung Engineering Co. Ltd	Saudi Arabian Mining Company Ammonia Plant Project	Jun '10
17	Samsung Engineering Co. Ltd	Saudi Kayan – structural works for the polypropylene plant	Aug '09
18	SABIC/ Ibn Rushd	DBN Project	Aug '09
19	ABB Lummus Global	Saudi Aramco Shell Refinery Company (Sasref) – Contracting works	Jun '08
20	CB & I Lummus	Saudi Aramco Shell Refinery Company (Sasref) – Ultra Low Sulfur Diesel Project – balance of plant	May '09
21	INBESCO/ DANIELI	Seamless Pipe Plant Project	Jan '09

Source: Al-Mojil

Below are summaries of the main project agreements to which MMG is a party:

- Two (2) construction agreements dated 11/1/1996, and 11/2/1996 respectively (each as Subsequently amended) between Saudi Arabian Oil Company and MMG for offshore construction Services. The expected completion date of these agreements is February 2009.
- Construction agreement dated 10/12/2005 between Saudi Toyo Engineering Company and MMG for construction works at the Yansab Ethylene Glycol-1 Project for the Yanbu National Petrochemical Company. The expected completion date of this agreement is April 2008.
- Sub-contract dated 23/1/2006 between Samsung Saudi Arabia Ltd and MMG for construction works at the Sharq 3rd Expansion Project Ethylene Glycol Plant. The expected completion date of this agreement is March 2008.
- Construction contract dated 22/5/2006, between Linde Arabian Contractors Ltd and MMG for construction works at the Linear Alpha Olefins (LAO) plant Project. The expected completion date of this agreement is May 2008.
- Sub-Contract dated 06/05/2006 between Mitsui Eng and MMG for the construction of Rabigh Refinery ME/PO Plant (PC2 Propylene Oxide Plant). The expected completion date of this agreement is June 2008.
- Sub-contract dated 1/2/2006 between Technicas Reunidas Gulf Co Ltd and MMG for construction works at the Ju'aymah Gas Plant. The expected completion date of this agreement is March 2008.
- Contracting agreement dated 10/2/2008 between Saudi Kayan and MMG for general contracting works for Aramco facilities. The expected completion date of this agreement is May 2009.
- Construction agreement dated 07/05/2007 between Saudi Polyolefins Company (Tasnee) and MMG for construction works at TASNEE Petrochemical Plant. The expected completion date of this agreement is July 2009.
- Sub-Contract agreement dated 12/7/2006 and 04/02/2007 respectively between Foster Wheeler Energy Ltd and MMG for the construction of SHARQ 3rd Expansion Project. The expected completion date of this agreement is February 2008.
- Sub-Contract agreement dated 12/12/2006 and 05/04/2007 respectively between SNC Lavalin BV/Saudi Arabian Saipem Ltd and MMG for the construction of Water Injection Pump Station facilities and communication installation. The expected completion dates of these agreements are July 2008 and June 2008 respectively.
- Construction contract dated 14/10/2006 between Saudi Aramco and MMG for the construction of Ras Tanura Juaymah Platform Upgrade. The expected completion date of this agreement is March 2008.
- Construction contract dated 16/12/2007 between ABB Lummus and MMG for construction works. The expected completion date of this agreement is June 2008.
- Construction contract dated 31/12/2007 between SABIC/ Ibn Rushd and MMG for the construction works of the DBN project. The expected completion date of this agreement is August 2009.
- Construction contract dated 9/10/2007 between Samsung Engineering Co. Ltd and MMG for the construction of Saudi Kayan Project – structural works for the polypropylene plant. The expected completion date of this agreement is August 2009.
- Construction contract dated 3/10/2007 between Samsung Engineering Co. Ltd and MMG for the construction of the Ammonia plant project for Saudi Arabian Mining Company. The expected completion date of this agreement is June 2010.
- Construction contract dated 15/12/2007 between CB & I Lummus and MMG for the balance of the Ultra Low Sulphur Diesel plant for Saudi Aramco Shell Refinery Company. The expected completion date of this agreement is May 2009.
- Construction contract dated 24/2/2008 between INBESCO/ Danieli and MMG for the mechanical, electrical and instrumentation works for the JESCO seamless pipe plant project. The expected completion date of this agreement is January 2009.

16-4 Insurance Policies

MMG has obtained the following insurance policies that are signed with the Arab Commercial Enterprises:

Exhibit 16-3: Al-Mojil's Insurance Policies

Policy Type	Number of Active Policies	Contract Value (SAR million)
1 Comprehensive General Liability	15	3,501.7
2 Employers Liability	22	534.8
3 Workmen Compensation	1	9.8
4 Equipment All Risk	591	275.1
5 Fire Insurance	16	165.2
6 Marine Insurance	20	184.1
7 Private Commercial Motor	895	70.2

Source: Al-Mojil

The Company provides health insurance through the Arab Commercial Enterprises to its employees with an annual coverage ranging from SAR 20,000 to 75,000 depending on the position of the employee.

16-5 Intellectual Property and Trademarks

MMG owns the trademark "MMG" which is registered at the Ministry of Commerce and Industry pursuant to the trademark registration certificate No. 541/38 dated 19/06/1421 H. (18/09/2000 G). According to the said certificate, the said trademark is protected from 19/01/1421 H. (24/04/2000 G) until 18/01/1431 H. (04/01/2010 G).

16-6 Related Party Transactions

Below are the two related party transactions to which MMG is a party:

- Supplies by Mohammad Al-Mojil & Partners Supply & Services Co. ("MMP"), a limited liability company established in the Kingdom of Saudi Arabia owned by Mohammad Hamad Al-Mojil (95%), Adel Mohammad Al-Mojil (5%). From time to time, MMG buys equipment and consumables from MMP on arm's length basis. There is no written contract entered into by MMG and MMP as their equipment supply dealings are done on the basis of purchase orders initiated by MMG.
- MMG also utilises the services of Mohammad Al-Mojil & Partners Travel and Tourism Agency Co. ("MMT"), a limited liability company established in the Kingdom of Saudi Arabia owned by Mohammad Hamad Al-Mojil (95%), Adel Mohammad Al-Mojil (5%). MMG uses the services of MMT to provide MMG employees with travel services (e.g. air tickets) on an arm's length basis. There is no written contract entered into by MMG and MMT as their dealings are done on the basis of regular purchase orders initiated by MMG from time to time.

Other than the above mentioned transactions, the management of MMG confirms that MMG is not a party to any transaction that may be considered a related party transaction.

The management of MMG confirms that MMG is committed to apply Articles 69 and 70 of the Companies Regulations issued by the Ministry of Commerce and Industry and committed to Article 18 of the Corporate Governance Regulations issued by the CMA which provide that:

- All related party contracts are to be voted for in the ordinary general assembly.
- The Founding Shareholders declare not to participate in any competitive business with that of the Company, or engage in any of the commercial activities carried on by the Company or deal with related parties on a commercial basis.

Except for what has been mentioned above, there are no commercial transactions for the time being with any of the Board members, Executive Management or holders of 5% or more of the Company or any of their relatives who have direct or indirect financial interest in those transactions, moreover, they do not have the right to vote on those transactions.

16-7 Litigation

The Company confirms that it does not stand in any current or potential legal proceedings, whether as a plaintiff or defendant, which may have a material adverse effect on its business or financial standing as of the date of the Prospectus.

16-8 Commitments and Contingencies

The Company confirms that it is not part of any commitments and contingencies except for what has been mentioned in the "Commitments and Contingencies" section of the Prospectus.

16-9 Commissions

The Board of Directors and the management of the Company confirm that the Company has not paid or given any commissions, discounts, brokerages, or other non-cash compensation granted within the two years immediately preceding the application for listing in connection with the issue or sale of any securities by the Company.

16-10 Restrictions of Board of Directors

Pursuant to the Regulations for Companies and the Bylaws of the Company, the Board of Directors of the Company are subject to the following voting restrictions:

- A Director may not vote on any contract on which he has a vested interest;
- A Director may not vote on the recommendations for bonuses granted to them; and
- A Director may not obtain loans from the Company.

16-11 Debt Instruments

Except for what was mentioned in the "Financing Agreements" section on page (93) of the Prospectus and what was mentioned in the "Commitments and Contingencies" section on page (75) of the Prospectus, the Board of Directors declare that the Company has no debt instruments, long term loans or contingent liabilities as of the date of the Prospectus..

16-12 Mortgages, Rights and Charges on Company's Properties

The Board of Directors declare that the Company has no mortgages, rights or charges on its properties as of the date of the Prospectus.

17 Underwriting

The Company and the Underwriters (names appear in the table below) have entered into an underwriting agreement in connection with the Offering prior to the commencement of the Subscription Period. The agreed principal terms of the underwriting agreement are set out below.

17-1 Sale and Underwriting of the Offer Shares

Under the terms of the underwriting agreement:

- a) The Company undertakes to each underwriter that, on the first business day after the CMA approves the allocation of the Offer Shares following the end of the Subscription Period, it will:
 - sell and allocate the Offer Shares to any applicant or institutional investor whose application for Offer Shares has been accepted by a Receiving Bank; and/or
 - sell and allocate to the underwriters any Offer Shares that are not purchased by successful applicants or institutional investors pursuant to the Offering; and
- b) Each underwriter undertakes to the Company that, on the allocation date, it will purchase the Offer Shares that are not subscribed for by successful applicants in the proportions stated below:

Underwriter	Number of Offer Shares Underwritten
HSBC Saudi Arabia Limited	15,000,000
NCB Capital	7,500,000
Riyad Capital	7,500,000

The Company has committed to satisfy all terms of the underwriting agreement.

17-1-1 Commission and Expenses

The Company will pay to the underwriters an underwriting fee based on the total value of the Offering.

18 Subscription Terms and Conditions

All Subscribers must carefully read the subscription terms and conditions prior to completing the subscription application form, since the execution of the subscription application form constitutes acceptance and agreement to the subscription terms and conditions.

18-1 Subscription to Offer Shares

The Offering will consist of 30,000,000 ordinary shares with a fully paid nominal value of SAR 10 per share representing 30% of the share capital of the Company at an offer price of SAR 70 per share. The Offering is restricted to:

Tranche (A): Institutional Investors

This tranche includes a number of institutions that have been contacted by the Lead Manager after discussions with the Company and the Selling Shareholder and based on predefined criteria set by the CMA. The amount of shares allocated to institutional investors is 21,000,000 shares representing 70% of the Offering.












Tranche (B): Individual Investors

This tranche includes individuals having the Saudi Arabian nationality and the minor children of Saudi female divorcees or widows from a marriage to a non-Saudi given that she provides proof of motherhood. The amount of shares allocated to individual investors is 9,000,000 shares representing 30% of the Offering.

The Lead Manager reserves the right to reduce the number of shares allocated to institutional investors to 9,000,000 shares, or 30% of the Offering. The Lead Manager may exercise this right in the event that the number of individual investors exceeds 900,000 or for any reason that the CMA deems acceptable. In that case, the number of shares available to individual shareholders would increase by 12,000,000, and would amount to 21,000,000 shares.

The Selling Shareholder is soliciting applications from Subscribers for acquiring the Offer Shares. A signed subscription application form submitted to any of the Selling Agents represents a legally binding agreement between the Selling Shareholder and the Subscriber.

The Founding Shareholders own 100% of the issued share capital of the Company. Potential Saudi investors may obtain both the main and mini Prospectuses in addition to the subscription application form from the following banks:

 SABB	The Saudi British Bank	(P.O. Box 9084, Riyadh 11413)
 بنك الرياض Riyad Bank	Riyad Bank	(P.O. Box 22622, Riyadh 11614)
 NCB الأهلي	National Commercial Bank	(P.O. Box 3555, Jeddah 21481)
 بنك البلاد BANK ALBILAD	Bank Albilad	(P.O. Box 140, Riyadh 11411)
 بنك الجزيرة BANK ALJAZIRA	Bank Aljazira	(P.O. Box 6277, Jeddah 21442)
 البنك الفرنسي Banque Saudi Fransi	Banque Saudi Fransi	(P.O. Box 56006, Riyadh 115554)
 البنك السعودي الهولندي Saudi Hollandi Bank	Saudi Hollandi Bank	(P.O. Box 1467, Riyadh 11431)
 البنك السعودي للاستثمار The Saudi Investment Bank	The Saudi Investment Bank	(P.O. Box 3533, Riyadh 11431)
 البنك العربي anb	Arab National Bank	(P.O. Box 9802, Riyadh 11423)
 samba سامبا	Samba Financial Group	(P.O. Box 833, Riyadh 11421)
 Al Rajhi Bank مصرف الراجحي	Al Rajhi Bank	(P.O. Box 28, Riyadh 11411)

The Selling Agents will commence receiving subscription application forms at their branches throughout Saudi Arabia from 27 Rabi Athani 1429H (corresponding to 3 May 2008G) to 7 Jumada Alawal 1429H (corresponding to 12 May 2008G). Once the subscription application form is signed and submitted, the Selling Agents will stamp it and provide the Subscriber a copy of the

completed subscription application form. In the event the information provided in the subscription application form is incomplete or inaccurate, or not stamped by the Selling Agents, the subscription application form will be considered void.

Each Subscriber is required to specify the number of Offer Shares applied for in the subscription application form, in addition to sufficient funds in an amount equal to the number of Offer Shares applied for multiplied by the Offer Price of SAR 70 per Share. Subscriptions for less than 10 Offer Shares or fractional numbers will not be accepted. Increments are to be made in multiples of 10. Whilst, the maximum number of shares to be applied for is 500,000 shares.

Subscription application forms should be accompanied by (where applicable) with the following documents. The Selling Agents will verify all copies against the originals and will return the originals to the subscriber:

- Original and copy of the national identification card for individual subscribers
- Original and copy of the family identification card for family members
- Original and copy of the power of attorney
- Original and copy of the power of custody (for orphans)
- Original and copy of the divorce certificate (for the children of Saudi female divorcees)
- Original and copy of the death certificate (for the children of Saudi female widows)
- Original and copy of the birth certificate (for the children of Saudi female divorcees or widows)

In the event an application is made on behalf of a Subscriber (parents and children only), the name of the person signing on behalf of the Subscriber should be stated in the subscription application form accompanied by the original and a copy of the power of attorney supporting such person's authority to act on the behalf of the Subscriber. The power of attorney must be issued before a notary public for those who are in Saudi Arabia and must be legalized through a Saudi embassy or consulate in the relevant country for those residing outside Saudi Arabia.

One subscription application form should be completed for each head of family applying for himself and members appearing on his family identification card if dependent Subscribers apply for the same number of Offer Shares as the prime Subscriber. In this case: (i) all Offer Shares allocated to the prime Subscriber and dependent Subscribers will be registered in the prime Subscriber's name; (ii) the prime Subscriber will receive any refund in respect of amounts not allocated and paid for by himself and dependent Subscribers, and (iii) the prime Subscriber will receive all dividends distributed in respect of the Offer Shares allocated to himself and dependent Subscribers (in the event the Shares are not sold or transferred). If a wife wants to subscribe for the shares in her name/account, she must complete a separate subscription application form as a prime subscriber. In such case, applications made by the husbands on behalf of their spouses will be cancelled and the independent application of the wives will be processed by the Selling Agent.

Separate subscription application forms must be used if: (i) the Shares that will be allocated are to be registered in a name other than the name of the prime Subscriber/head of family; or (ii) dependent Subscribers apply for a different quantity of Offer Shares than the prime Subscriber; (iii) the wife subscribes in her name adding allocated shares to her account (she must complete a separate subscription application form as a prime subscriber). In the latter case, applications made by the husbands on behalf of their spouses will be cancelled and the independent application of the wives will be processed by the Selling Agent.

A Saudi female divorcee or widow who has children from a marriage to a non Saudi can subscribe on behalf of those children to her account in shares offered by companies in public offering provided she submits what proves she is either a divorcee or widow and what proves her motherhood of the minor children.

During the IPO, only a valid Iqama will be an acceptable form of identification for non Saudi dependents. Passports or birth certificates will not be accepted. Non Saudi dependents can only be included as dependents with their mother and cannot subscribe as primary subscribers. The maximum age for non Saudi dependents to be included with their mother is 18. Any documents issued by a foreign government must be notarized (attested) by a Saudi consulate of embassy.

Each Subscriber agrees to subscribe for and purchase the number of Offer Shares specified in the subscription application form submitted by the Subscriber for an amount equal to the number of Shares applied for multiplied by the Offer Price of SAR 70 per Share. Each Subscriber shall have purchased the number of Offer Shares allotted to him/her upon: (a) delivery by the Subscriber of the subscription application form to the Selling Agents; (b) payment in full by the Subscriber to the Selling Agents of the total value of Offer Shares subscribed for; and (c) delivery to the Subscriber by the Selling Agents the allotment letter specifying the number of Offer Shares allotted to him/her.

The total value of the Offer Shares subscribed for must be paid in full to a branch of the Selling Agents by authorizing a debit of the Subscriber's account held with the Selling Agent where the subscription application form is being submitted.

If a submitted subscription application form is not in compliance with the terms and conditions of the Offering, Al-Mojil shall have the right to reject, in full or in part, such an application. The Subscriber shall accept any number of Shares allocated to him or her except if allocated shares exceeded the number of shares he had applied for.

18-2 Allocation and Refunds

The Selling Agents shall open and operate escrow accounts named "Al-Mojil IPO". Each of the Selling Agents shall deposit all amounts received by the Subscribers into the escrow accounts mentioned above.

Notification of the final allotment and refund of subscription monies, if any, will be made by Sunday 13 Jumada Alawal 1429H (corresponding to 18 May 2008G) as follows:

Allocation of Offer Shares to individual Subscribers

Each individual subscriber will get a minimum of 10 shares with the remaining offer shares being allocated on a pro-rate basis. If the Offering is oversubscribed, the Lead Manager reserves the right to increase the allocation of offer shares allocated to individual subscribers to 70% and reduce the allocation of offer shares allocated to institutional investors to 30%. In the event that the number of subscribers exceeds (2,100,000), the Company will not guarantee the minimum allocation of 10 offer shares per subscriber and will equally allocate the offer shares among all subscribers. If the number of subscribers exceeds the number of offer shares, the allocation will be determined at the discretion of the CMA.

Allocation of Offer Shares to Institutional Investors

After the allocation of offer shares to individual subscribers, the Company will allocate the offer shares to institutional investors as it sees fit.

Retail Subscribers and Institutional Investors

The final number of offer shares allocated to each subscriber, together with any refunds due to the subscribers in full without any charge or withholding by the Selling Agents, is expected no later than 13 Jumada Alawal 1429H (corresponding to 18 May 2008G).

The Selling Agents will send confirmation/notification letters, to their subscribers informing them of the final number of offer shares allocated together with the amounts, if any, to be refunded. The Selling Agents will also refund to the subscribers any monies in respect of which no offer shares have been allocated to the relevant subscribers, as provided in the confirmation/notification letters. Subscribers should communicate with the branch of the selling Agents where they submitted their subscription form for any information.

18-3 Acknowledgements

By completing and delivering the subscription application form, the Subscriber:

- Accepts subscribing for the Company's Shares with the number of shares specified in the subscription application form;
- Warrants that he/she had read the Prospectus and understood all its contents;
- Accepts the bylaws of the Company and all subscription instructions and terms mentioned in the Prospectus;
- keeps his/her right to sue the Company for damages caused by incorrect or incomplete information contained in the Prospectus, or by ignoring major information that should have been part of the Prospectus and could effect his/her decision to purchase the Shares;
- Declares that neither himself nor any of his family members included in the subscription application form has previously subscribed to Al-Mojil's Shares and the Company has the right to reject all duplicate applications;
- Accepts the number of shares allocated to him and all other subscription instructions and terms mentioned in the Prospectus and the subscription application form; and
- Warrants not to cancel or amend the subscription application form after submitting it to the Selling Agents.

18-4 Miscellaneous

The subscription application form and all related terms, conditions and covenants hereof shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs; provided that, except as specifically contemplated herein, neither the subscription application form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.

The Prospectus has been released in both Arabic and English languages. In the event of a discrepancy between the English and Arabic text, the Arabic text of the Prospectus will prevail.

18-5 The Saudi Arabian Stock Exchange (Tadawul)

In 1990, full electronic trading in Saudi Arabia equities was introduced. Tadawul was founded in 2001 as the successor to the Electronic Securities Information System.

The market capitalisation as at 17 March 2008 was SAR 1,701,406 million with 113 listed companies as of that date.

Trading on Tadawul occurs through a fully integrated trading system covering the entire process from trade order through settlement. Trading occurs each business day between 11:00 am to 3:30 pm. Orders can be entered, amended or deleted from 10:00 am until 11:00 am. New entries and inquiries can be made from 10:00 am of the opening phase (starting at 11:00 am).

The system starts opening procedures, it establishes the opening prices and determines orders to be executed according to the matching rules.

Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at best price) are executed first, followed by limit orders (orders place at a price limit), provided that if several orders are generated at the same price, they are executed according to the time of entry.

Tadawul distributes a comprehensive range of information through various channels, including in particular the Tadawul website and Tadawul Information Link. The Tadawul Information Link supplies trading data in real time to information providers such as Reuters.

Exchange transactions are settled on a T+0 basis, meaning that ownership transfer takes place immediately after the trade is executed.

Issuers are required to report all material announcements via Tadawul for onward dissemination to the public. Surveillance and monitoring is the responsibility of Tadawul as the operator of the market. The aim of supervision is to ensure fair trading and an orderly market.

18-6 Trading on Tadawul

It is expected that dealing in the Shares will commence on Tadawul after finalisation of the allocation process. Tadawul will announce the start date of trading once determined. Dates and times included in this Prospectus are indicative and may be changed or extended subject to the approval of the CMA.

Furthermore, Shares can only be traded after allocated Shares have been credited to Subscribers' accounts at Tadawul, the Company has been registered in the Official List and its Shares listed on the Saudi Stock Exchange. Pre-trading is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company shall have no legal responsibility in such an event.

19 Documents Available for Inspection

The following documents will be available for inspection at Al-Mojil's head office, between the hours of 8:30 am to 5:00 pm one week prior to and during the Offering Period:

- Company's bylaws and amendments
- Minister of Commerce and Industry resolution number 270 dated 29 Shawwal 1428H (corresponding to 10 November 2007G) announcing the conversion of the Company from a limited liability company to a joint stock company
- Written consent from the Law Office of Mohammed Al Sheikh to the reference as legal advisors to the IPO in the Prospectus
- Audited Financial Statements for the years ended 31 December 2007, 2006 and 2005
- Deloitte & Touche Baker Abulkhair & Co. written consent to the publication in the Prospectus of their Accountant's Report
- Valuation report prepared by the Financial Advisor (translated into Arabic language)
- Market research consent letter
- Written consent from ASDA'A Public Relations to the reference as public relations and marketing consultant in the Prospectus
- Written consent from the Law Office of Abdulaziz H. Fahad to the reference as underwriters legal counsel in the Prospectus
- CMA approval to the Offering
- Copies of the Company's Certificates and Accreditations
- Summary of major contracts
- Article of Association
- Al-Mojil IPO escrow account agreement

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مجموعة محمد المعجل

MOHAMMAD AL-MOJIL GROUP **MMG**

The Energy Behind Energy

www.almojilgroup.com