

Rights Issue Prospectus

Abdulmohsen Alhokair Group for Tourism and Development



Abdulmohsen Alhokair Group Company for Tourism and Development was converted into a joint stock company pursuant to the Ministerial Resolution No. (2161) dated 11/08/1427H (corresponding to 03/09/2006G), and according to the Commercial Registration No. (1010014211) dated 16/08/1398H (corresponding to 22/07/1978G)

Offering of thirty million and seven hundred thousand (30,700,000) ordinary shares at an Offering Price of ten (10) Saudi Riyals per share through Rights Issue with a total value of three hundred and seven million (307,000,000) Saudi Riyals, representing an increase in the Company's capital by (89.50%), so that the Company's capital becomes six hundred and fifty million (650,000,000) Saudi Riyals.

Trading period: starts on Monday 16/12/1442H (corresponding to 26/07/2021G) and ends on Monday 23/12/1442H (corresponding to 02/08/2021G)

Subscription period: starts from on Monday 16/12/1442H (corresponding to 26/07/2021G) and ends on Thursday 26/12/1442H (corresponding to 05/08/2021G)

Abdulmohsen Alhokair Group Company for Tourism and Development (hereinafter referred to as "The Company" or "the Issuer" or "Alhokair Group") initially established as a sole proprietorship company under the name of "Abdulmohsen Alhokair Group Company for Tourism and Development" and it was registered under the Commercial Registration No. (1010014211), dated 16/8/1398H (corresponding to 22/07/1978G). On 08/04/1424H (corresponding to 09/06/2003G) the name of the Company was changed to "Abdulmohsen Alhokair Group for Operation and Maintenance", and on 21/03/1427H (corresponding to 19/04/2006G) the name of the Company was changed to "Abdulmohsen Alhokair Group for Tourism and Development". On 11/08/1427H (corresponding to 03/09/2006G), the legal entity of the Company was transferred from a sole proprietorship to a closed joint stock company. According to Ministerial Resolution No. (2161), dated 28/08/1435H (corresponding to 26/06/2014G), the entire shares of the Company totaling fifty-five million (55,000,000) ordinary shares were listed on the main Saudi Stock Market, with a nominal value of ten (10) Saudi Riyals per share, and thus converted into a Saudi public joint stock company. The Head Office of the Company is located in Riyadh- Almorouj District - the Northern Ring - between Exit 4 and 5 - next to Double Tree Hilton Hotel, PO Box 57750 Riyadh 11584 Kingdom of Saudi Arabia. The current capital of the Company is three hundred and forty-three million (343,000,000) Saudi Riyals, divided into thirty-four million and three hundred thousand (34,300,000) ordinary shares, with a fully paid nominal value of ten (10) Saudi Riyals per share, (referred to individually as "Existing Share" and collectively as "Existing Shares"). As at the date of this Prospectus, the Substantial Shareholders in the Company (those who own 5% or more of the Company's shares) are Abdul Mohsen Alhokair & Sons Holding Company, who own ten million eight hundred and four thousand five hundred (10,804,500) shares, i.e. (31.50%) of the Company's shares before the offering, and Abdulmohsen Abdulaziz Fahd Alhokair, who owns four million two hundred seventy-three thousand seven hundred and eighty (4,273,780) shares, i.e. (12.46%) of the Company's shares before the offering.

The Company's Board of Directors recommended in its meeting convened on 10/03/1442H (corresponding to 27/10/2020G) after reducing the capital from 550,000,000 Saudi Riyals to 343 million (343,000,000) Saudi Riyals, to increase the Company's capital from three hundred and forty-three million (343) Saudi Riyals to six hundred and fifty million (650,000,000) Saudi Riyals through a rights issue worth three hundred and seven million (307,000,000) Saudi Riyals, after obtaining the necessary regulatory approvals and approval of the Extraordinary General Meeting.

On 28/11/1442H (corresponding to 08/07/2021G) the Extraordinary General Assembly of the Company approved the increase of the Company's capital through a Rights Issue. The subscription consists of offering thirty million seven hundred thousand (30,700,000) new ordinary shares (referred to as "Rights" or "New Shares") at an offer price of ten (10) Saudi Riyals per share (referred to as the "Offering Price"), at a nominal value of ten (10) Saudi Riyals, in order to increase the Company's capital from three hundred and forty-three million (343,000,000) Saudi Riyals, to six hundred and fifty million (650,000,000) Saudi Riyals, and increase the number of shares from thirty-four million three hundred thousand (34,300,000) ordinary shares, to sixty-five million (65,000,000) ordinary shares. The shareholders of the Company who are registered as at the end of the trading session on the day of the Extraordinary General Meeting ("EGM") and who are registered in the Company's Shareholders Register at the Depository Center as at the end of the second trading day following the Extraordinary General Assembly of the capital increase on 02/12/1442H (corresponding to 12/07/2021G) the right to subscribe for new shares according to their ownership percentage on that date.

The Offering will comprise tradable securities (referred to collectively as the "Rights" and each a "Right") to shareholders who own the shares as at the close of trading on the date of the EGM approving the Capital increase (the "Eligibility Date") and those registered in the Company's Shareholders Register at the Depository Center at the end of the second trading day following the day of the Extraordinary General Meeting approving the capital increase on 02/12/1442H (corresponding to 12/07/2021G). Each Shareholder is referred to as ("Registered Shareholder") and collectively as ("Registered Shareholders"), provided that such Rights are deposited in the Registered Shareholders' accounts after convening the EGM, taking into account the settlement procedures at (0.895) right for every (1) share of the Company's shares. Each Right gives its holder the right to subscribe to one new share at the Offering Price.

Registered shareholders and other investors (referred to as "New Investors"), who may trade the Rights and subscribe to new shares, will be able to trade and subscribe to the Rights in the Saudi Stock Exchange (referred to as "Tadawul" or "the Market" or the "Exchange"). The trading period and the subscription period start on Monday 16/12/1442H (corresponding to 26/07/2021G), provided that the trading period ends on Monday 23/12/1442H (corresponding to 02/08/2021G) (the "Trading Period"), while the subscription period continues until the end of the day Thursday 26/12/1442H (corresponding to 05/08/2021G) ("Subscription Period"). It should be noted that the Trading Period and the Subscription Period will start on the same day, while the Trading Period will continue until the end of the sixth day of the beginning of the period, while the Subscription Period will continue until the end of the ninth day of the beginning of the same Period.

The registered shareholders will be able to trade the Rights during the trading period, by selling the acquired Rights or part thereof, or buying additional Rights through the Market or take no action regarding the rights they own. Also, new investors during the trading period will be able to buy Rights through the Market and sell the Rights that are bought during the trading period.

Subscription to new shares (during the subscription period) will be allowed at one phase according to the following:

1. Registered Shareholders and new investors will be entitled to subscribe to the new shares.
2. A Registered Shareholder will be allowed to subscribe directly to the number of his shares or less than the number of his shares during the Subscription Period, and if he buys new Rights, he will be able to subscribe to them after the end of their settlement period (two working days).
3. The new investors will be entitled to subscribe to the new shares immediately after settlement of the rights purchase process (two working days).
4. Subscription will be available electronically through the investment portfolio in the trading platforms and applications through which sale and purchase orders are entered, in addition to subscription through other channels and means available with the agent.

In the event that any Shares remain unsubscribed for during the Subscription Period (the "Rump Shares"), they will be offered to a number of institutional investors ("Institutional Investors") ("Rump Offering"). Such Institutional Investors shall submit offers to purchase the Rump Shares. Receipt of such offers will start at 10:00 AM on Tuesday 02/01/1443H (corresponding to 10/08/2021G), until the following day at 05:00 PM on Wednesday 03/01/1443H (corresponding to 11/08/2021G) ("Rump Offering Period"). The remaining shares will be allocated to the Institutional Investors in the order of the offered price with the highest first until all of the Rump Shares have been allocated (providing that the price shall not fall below the Offering Price). Rump Shares shall be proportionally divided among Institutional Investors that tendered offers at the same price. Fractional Shares will be added to the Rump Shares and treated in the same manner. All proceeds resulting from the sale of the Rump Shares shall be distributed to the Company and any proceeds in excess (if any) without calculating any fees or deductions (exceeding the Offering Price) for those who are entitled to them, each according to what he is entitled to, no later than 18/01/1443H (corresponding to 26/08/2021G). Note that the investor who did not subscribe to or sell his rights, and the owners of fractional shares, may not get any compensation if the sale is made in the Rump Offering Period at the Offering Price.

In the event that the investment institutions have not subscribed for rump shares and fractions of shares, the remaining shares shall be allocated to the Underwriters who will purchase them at the Offering Price (please refer to Section (13) "Information Related to the Shares and the Terms and Conditions of the Offering"). The final allocation process will be announced no later than 07/01/1443H (corresponding to 15/08/2021G), ("allotment date"), (please refer to Section (13) "Information Related to the Shares and the Terms and Conditions of the Offering").

After completion of the subscription process, the Company's Share Capital will become six hundred and fifty million (650,000,000) Saudi Riyals, divided into sixty-five million (65,000,000) ordinary shares. The net Offering Proceeds will be used mainly to raise the Company's financial solvency, strategic expansion, improve operational and financial performance, borrowing rates and costs incurred therefrom. (Please refer to Section (7) "Use of Offering Proceeds and Future Projects").

The Company has only one class of shares and no share gives its holder any preferential rights. The New Shares will be fully paid and rank identically with the existing shares. Each share entitles its holder to one vote and each shareholder ("Shareholder") has the right to attend and vote at the General Assembly Meetings ("General Meeting") of the Company whether ordinary or extraordinary and vote in them. The New Shares will be entitled to receive their portion of any dividends, if any, declared by the Company after their issuance date.

All of the Company's shares were listed in the main Saudi Stock Exchange totaling to fifty-five million (55,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, on 28/08/1435H (corresponding to 26/06/2014G) after obtaining approval of both the Capital Market Authority and the Saudi Stock Exchange (Tadawul), where the Company offered sixteen million five hundred thousand (16,500,000) ordinary shares for public subscription representing (30%) of the Company's shares.

Currently, the Company's existing Shares are traded on the Saudi Stock Exchange. The Company has filed an application with Capital Market Authority in the Kingdom of Saudi Arabia ("CMA" or "the Authority") for registering and offering the New Shares. Another application has been submitted to the Saudi Stock Exchange (Tadawul) to admit listing of the New Shares. All required documents have been submitted and all the requirements of the relevant authorities have been fulfilled, and this Prospectus has been approved. Trading in the New Shares is expected to commence on the Exchange shortly after the final allocation of the New Shares and refund of extra subscriptions (see page (XIV) "Key Dates and Subscription Procedures"). After registering the Shares on the official list, Saudi nationals; non-Saudi nationals holding valid residence permits in Saudi Arabia; GCC nationals, Saudi and GCC companies and funds and Qualified Foreign Financial Investors and Approved QFI Clients will be permitted to trade in the Shares pursuant to the CMA's Rules for Qualified Foreign Financial Institutions Investment in Listed Shares will be permitted to trade the new shares. Non-Saudi individuals living outside the Kingdom and institutions registered outside the Kingdom will also have the right to invest indirectly to acquire the economic benefits of the Shares by entering into swap agreements with persons authorized by the CMA (hereinafter referred to as "Authorized Persons") to purchase Shares listed in the Exchange, and to trade these Shares for the benefit of Foreign. In such a case, the Authorized Persons will be the registered legal owner of the shares.

The "Important Notice" (page I) and section 2 "Risk Factors" of this Prospectus should be read in whole and carefully by all eligible investors prior to making a decision to invest in the offered New Shares or Rights.

Underwriters



Financial Advisor and Lead Manager



This Prospectus includes information provided as part of the application for registration and offer of securities in compliance with the rules on the offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority" or "CMA") and the application for listing of securities in compliance with the listing rules of the Saudi Stock Exchange. The directors, whose names appear on page (IV) collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no other facts that omission of which would make any statement herein misleading. The Authority and the Saudi Stock Exchange do not take any responsibility for the contents of this Prospectus, do not make any representation 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 Prospectus.

"This unofficial English language translation of the official Arabic Language Prospectus is provided for information purposes only. The Arabic Language Prospectus published on the CMA's website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two texts".

This Prospectus is dated 28/10/1442H (corresponding to 09/06/2021G)



مجموعة الحكير
al hokair group



Important notice

This Prospectus (the “Prospectus”) contains full details about Abdulmohsen Alhokair Group for Tourism and Development and the Right issue shares offered for subscription. When applying to subscribe for the new shares, investors will be treated on the basis that their applications are based on the information contained in the Prospectus, a copy of which can be obtained from the Company’s headquarters and from the Lead Manager or by visiting the websites of the Company (www.alhokair.com), the Financial Adviser (www.falcom.com.sa) and the Capital Market Authority (www.cma.org.sa).

The Prospectus will be published and assured to be available to the public within a period not less than (14) days prior to the date of the Extraordinary General Meeting for the capital increase. In the event that the Extraordinary General Meeting does not approve the capital increase within six months from the date of the Authority’s approval on registering and offering the Right issue, such an approval given by the Authority shall be deemed to be canceled.

The Company has appointed (FALCOM Financial Services Company) as a financial advisor (“Financial Advisor”), lead manager (“Lead Manager”) and underwriter (“Underwriter”) in relation to the offering of Rights Issue shares to increase the Company’s capital in accordance with this Prospectus.

The Prospectus contains information provided according to the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority. The Directors, whose names appear on page (IV), 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. Neither CMA nor the Exchange (Tadawul) do not take any responsibility for the contents of this Prospectus, do not make any representation 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 Prospectus.

While the Company has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as at the date hereof, substantial portions of the market and industry information herein are derived from external sources, and while none of the Company, its managers, its directors, Financial Advisor, or the Company’s advisors, whose names appear on pages (V) and (VI) of this Prospectus have 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 condition of the Company and the value of the Offer Shares may be adversely affected by future developments such as inflation, interest rates, taxation or other economic and political factors, or other ones over which the Company has no control (please refer to the section 2 “Risk factors” in this Prospectus). Neither the delivery of this Prospectus nor any oral, written or printed interaction in relation to the Offering is intended to be, nor should be construed as or relied upon in any way as, a promise or representation as to future earnings, results or events.

This Prospectus shall not be considered as a recommendation by the Company, its directors, or any of its advisors to participate in the subscription process for Right issue shares. The information contained in the Prospectus is of a general nature and has been prepared without considering individual investment objectives, financial condition or special investment needs. Each recipient of the Prospectus, before making an investment decision, is responsible for obtaining professional advice from a financial advisor licensed by the CMA regarding the subscription to assess the suitability of this investment and the information contained in the Prospectus for his goals, conditions and financial needs.

The registered shareholders and other public investors (“New Investors”), who may trade in the Rights and subscribe for the new shares, will be able to trade and subscribe to Right issue shares on the Saudi Stock Exchange (“Tadawul” or “Exchange”). The trading period and the subscription period start on Monday

16/12/1442H (corresponding to 26/07/2021G), and the trading period ends on Monday 23/12/1442H (corresponding to 02/08/2021G) (the “Trading Period”). The subscription period continues until the end of the day Thursday 26/12/1442H (corresponding to 05/08/2021G) (the “Subscription Period”). It should be noted that the trading period and the subscription period will start on the same day while the trading period continues until the end of the sixth day from the beginning of the period and the subscription period continues until the end of the ninth day after the beginning of the same period.

The registered shareholders will be able to trade the Rights during the trading period, by selling the acquired Rights or part thereof, or buying additional Rights through the market. Also, new investors during the trading period will be able to buy Rights through the market and sell the Rights that are bought during the trading period.

Subscription to new shares (during the subscription period) at one phase will be available according to the following:

1. Registered Shareholders and new investors will be entitled to subscribe to the new shares.
2. A Registered Shareholder will be allowed to subscribe directly to the number of his shares or less than the number of his shares during the Subscription Period, and if he buys new Rights, he will be able to subscribe to them after the end of their settlement period (two working days).
3. The new investors will be entitled to subscribe to the new shares immediately after settlement of the rights purchase process (two working days).
4. Subscription will be available electronically through the investment portfolio in the trading platforms and applications through which sale and purchase orders are entered, in addition to subscription through other channels and means available to the agent.

In the event that any Shares remain unsubscribed for during the Subscription Period (the “Rump Shares”), they will be offered to a number of institutional investors (“Institutional Investors”) (referred to as “Rump Offering”).

Such Institutional Investors shall submit offers to purchase the Rump Shares. Receipt of such offers will start at 10:00 AM on Tuesday 02/01/1443H (corresponding to 10/08/2021G), until the following day at 05:00 PM on Wednesday 03/01/1443H (corresponding to 11/08/2021G) (“Rump Offering Period”).

The remaining shares will be allocated to the Institutional Investors in the order of the offered price with the highest first until all the Rump Shares have been allocated (providing that the price shall not fell below the Offering Price).

Fractional Shares will be added to the Rump Shares and treated in the same manner. All proceeds resulting from the sale of the Rump Shares shall be distributed to the Company and any proceeds in excess (if any) without calculating any fees or deductions (exceeding the Offering Price) for those who are entitled to it, each according to what he is entitled to, no later than 18/01/1443H (corresponding to 26/08/2021G).

Note that the investor who did not subscribe for or sell his rights, and the owners of fractional shares, may not get any compensation if the sale is made in the Rump Offering Period at the Offering Price.

In the event that the investment institutions have not subscribed for all the remaining shares and fractions of shares, the remaining shares shall be allocated to the Underwriters who will purchase them at the Offering Price (please refer to Section (13) “Information Related to the Shares and the Terms and Conditions of the Offering”).

The final allocation process will be announced no later than 07/01/1443H (corresponding to 15/08/2021G), (“allotment date”). (please refer to Section (13) “Information Related to the Shares and the Terms and Conditions of the Offering”).



The offering of rights shares under this prospectus depends on the shareholders' approval of the capital increase in accordance with the recommendation of the board of directors and the company obtaining statutory approvals. An invitation to the extraordinary general assembly of the company has been published to approve the increase in the company's capital through the issuance of priority rights shares on 07 /11/1442 AH (corresponding to 06/17/2021 AD), and the shareholders should note that if the shareholders' approval to increase the capital through the issuance of rights issue shares is not obtained, the issue of the rights issue will stop automatically. At that time, this prospectus will be considered void and shareholders will be notified.

Financial Information

The Company's audited consolidated financial statements for the financial years ended on December 31, 2017, 2018 and 2019 and the accompanying notes were prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and versions approved by the Saudi Organization for Certified Public Accountants (SOCPA). The reviewed interim consolidated financial statements for the nine-month period ending on September 30, 2020, and the accompanying notes were also prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and editions approved by the Saudi Organization for Certified Public Accountants (SOCPA).

The Company's financial statements for the financial years referred to above were reviewed and audited by Ernst & Young & Co. (Chartered Accountants). The Company issues its financial statements in Saudi Riyals.

Some of the financial and statistical information contained in this Prospectus has been rounded to the nearest whole number. Therefore, if the numbers in the tables are summed, the outcome may not correspond to what was mentioned in this Prospectus.

Forecasts and Forward-looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of specific and announced assumptions mentioned in the relevant parts thereof. The Company's future conditions may differ from the assumptions used, and no affirmation, 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 "intends", "plans", "estimates", "believes", "expects", "anticipates", "may", "will", "should", "expected", "would be" or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events but 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. Some of the risks and factors that could have such an effect are described in more detail in other sections thereof. (for further details, see Section 2 (Risk Factors) of this Prospectus). Should any of these risks or uncertainties materialize or any underlying assumptions prove to be incorrect or inaccurate, the Company's actual results may vary materially from those described in this Prospectus.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary Prospectus to the CMA if, at any time after the publication of this Prospectus and before completion of the Offering, the Company becomes aware that: (i) There has been a significant change in any material information contained in this Prospectus; or (ii) The occurrence of additional significant matters which would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information, forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise relating to the Company, industry or risk factors.

Company's Directory

Board Members								
The Company's Board of Directors appointed on 06/09/1442H (corresponding to 18/04/2021G)*								
Name	Position	Membership capacity	Nationality	Age	Owned Shares			
					Direct No.	Direct %	Indirect** No.	Indirect** %
Majed Abdulmohsen Abdulaziz Alhokair ***	Chairman	Non-executive Non-Independent	Saudi	54	-	-	713,440	2.08%
Amr Abdulaziz Abdullah Al-Jalal ***	Deputy Chairman	Non-executive Non-Independent	Saudi	41	-	-	-	-
Sami Abdulmohsen Abdulaziz Alhokair ***	Managing Director	Non-executive Non-Independent	Saudi	53	-	-	713,440	2.08%
Bandar Khaled Abdulmohsen Alhokair	Member	Non-executive Non-Independent	Saudi	43	272,065	0.49%	-	-
Iyad Abdul Rahman Muhammad Al-Bunyan	Member	Independent Non-executive	Saudi	46	-	-	-	-
Raed Abdulaziz Hamid Abu Zinada	Member	Independent Non-executive	Saudi	48	-	-	-	-
Ramzi Kanaan Youssef Abu Khadra	Member	Independent Non-executive	Saudi	56	-	-	-	-
Faisal Muhammad Amin Shaker	Member	Independent Non-executive	Saudi	45	-	-	-	-
Khaled Anib	Member	Independent Non-executive	Finnish	56	-	-	-	-

Source: The Company

* The Company's Ordinary General Assembly, in its meeting held on 06/09/1442H (corresponding to 18/04/2021G), agreed to elect the aforementioned members of the Board of Directors for the current session, which began on 07/09/1442H (corresponding to 19/04/2021G) for a period of three years ending on 09/10/1445H (corresponding to 18/04/2024G).

** The Board of Directors decided in its meeting held on 07/09/1442H (corresponding to 19/04/2021G) to appoint Mr. Majed Abdulmohsen Abdulaziz Alhokair as Chairman of the Board, and Mr. Amr Abdulaziz Abdullah Al Jalal as Deputy Chairman of the Board of Directors, and Mr. Sami Abdulmohsen Abdulaziz Alhokair as Managing Director.

*** The indirect ownership referred to in the above table results from the ownership of each of them by (6.60%) in Abdulmohsen Alhokair & Sons Holding Company, which owns (31.50%) of the shares of Abdulmohsen Alhokair Group for Tourism and Development.



Company's Address and Representatives

Abdulmohsen Alhokair Group Company for Tourism and Development
Riyadh - Al-Morouj District - North Ring Road - between Exit 4 and 5 – next to Hilton Double Tree Hotel
P.O. Box 57750, Riyadh 11584
Saudi Arabia
Tel.: +966114134444
Fax: +966114131111
Email: IR@Alhokair.com
Website: www.Alhokair.com



جموعة الحكير
al hokair group

Company Representatives			
Item	Company's 1st signatory and representative		Company's 2nd signatory and representative
Name	Sami Abdulmohsen Abdulaziz Alhokair		Adel Ahmed Salem Alghamdi
Title	Managing Director and Acting CEO		Deputy CEO of Finance
Address	Riyadh - Al-Morouj District - Northern Ring Road - Between Exit 4 and 5 – next to Hilton Double Tree Hotel P.O. Box 57750, Riyadh 11584 Kingdom of Saudi Arabia		Riyadh - Al-Morouj District - Northern Ring Road - Between Exit 4 and 5 – next to Hilton Double Tree Hotel P.O. Box 57750, Riyadh 11584 Kingdom of Saudi Arabia
Phone No.	+966114134444	Ext No: 112	+966114134444 Ext No: 456
Fax	+966114131111		+966114131111
Email	Sami@Alhokair.com		a.alghamdi@Alhokair.com

Source: company

Stock Exchange

Saudi Stock Exchange Company (TADAWUL)
King Fahd Road, Olaya 6897
Unit number 15
Riyadh 12211 - 3388 Kingdom of Saudi Arabia
Tel.: 00966 920001919
Fax: 00966 112189133
Email: csc@tadawul.com.sa
Website: www.tadawul.com.sa



ADVISORS AND AUDITORS

Financial Advisor and Lead Manager

FALCOM Financial Services Company
Riyadh - Al-Worood District - Olaya Street
P.O. Box 884, Riyadh 11421
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Tel: +966 8004298888
Fax: +966 11 2054827
Email: Info@falcom.com.sa
Website: www.falcom.com.sa





Underwriters

FALCOM Financial Services Company

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FALCOM فالكم



BLOMINVEST

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Fax: +966 11 4949551
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Website: www.blom.sa



Legal Advisor

Abdulaziz bin Hamad Alfahad and Partners Company, attorneys and legal advisors

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P.O. Box 15870, Riyadh 11454
Saudi Arabia
Tel.: +966114648081
Fax: +966114624968
Email: office@fahadlaw.com
Website: www.fahadlaw.com

الفهد وشركاه
ALFAHAD & PARTNERS

Auditor

Of financial statements for the financial years ending on December 31, 2017, 2018 & 2019

Ernst & Young & Co. (CPA)

Riyadh - King Fahd Road - Al Faisaliah Tower - Fourteenth Floor
P.O. Box 2732, Riyadh 11461
Saudi Arabia
Tel.: +966112159898/2734740
Fax: +966112734730
Email: ksa@sa.ey.com
Website: ey.com/mena



Note

Note: All of the above-mentioned parties have provided their written consent to mention their names and logos and to include their information in this Prospectus. None of the above-mentioned parties has withdrawn its approval up to the date of this Prospectus. Neither the advisors, nor their employees and relatives have any shares or interests of any kind in the Company as at the date of this Prospectus.



Summary of the Offering

Prospective investors willing to subscribe for the offered shares shall read this Prospectus entirely prior to taking their decision to invest in the Offered Shares, in particular the “Important Notice” section, page (i) and section (2) “Risk Factors” of this Prospectus. The below Summary of the Offering is not sufficient to make an investment decision. Following is the summary of the Offering:

<p>Issuer’s name, description, and information on its incorporation</p>	<p>Abdalmohsen Alhokair Group Company for Tourism and Development (hereinafter referred to as “the Company” or “the Issuer” or “Alhokair Group”) was initially established as a sole proprietorship establishment under the name of “Abdalmohsen Alhokair Group for Trading and Industry” and it was registered under the Commercial Registration No. (1010014211), dated 16/8/1398H (corresponding to 22/07/1978G). On 08/04/1424H (corresponding to 09/06/2003G) the name of the Company was changed to “Abdalmohsen Alhokair Group for Operation and Maintenance”, and on 21/03/1427H (corresponding to 19/04/2006G) the name of the Company was changed to “Abdalmohsen Alhokair Group for Tourism and Development”. On 11/08/1427H (corresponding to 03/09/2006G), the legal entity of the Company was transferred from a sole proprietorship to a closed joint stock company. According to Ministerial Resolution No. (2161), dated 28/08/1435H (corresponding to 26/06/2014G), the entire shares of the Company totaling fifty five million (55,000,000) ordinary shares were listed on the main Saudi Stock Market, with a nominal value of ten (10) Saudi Riyals per share, and thus converted into a Saudi public joint stock company.</p> <p>The Head Office of the Company is located in Riyadh- Al-Morouj District - the Northern Ring - between Exit 4 and 5 – next to Double Tree Hilton Hotel, PO Box 57750 Riyadh 11584 Kingdom of Saudi Arabia.</p> <p>The current capital of the Company is three hundred and forty-three million (343,000,000) Saudi Riyals, divided into thirty-four million and three hundred thousand (34,300,000) ordinary shares, with a fully paid nominal value of ten (10) Saudi Riyals per share.</p>
<p>Issuer’s business activity</p>	<p>The Company operates under Commercial Registration No. (1010014211), dated 16/08/1398H (corresponding to 22/07/1978G).</p> <p>The Company's activities, as mentioned in its commercial registration, include hotels, hotel apartments, resorts, tourist accommodation facilities, amusement parks, entertainment facilities, entertainment centers, organizing entertainment events, and operating entertainment facilities.</p> <p>The activities of the Company, as stated in its Articles of Association, are represented in conducting and carrying out the following purposes:</p> <ol style="list-style-type: none"> 1) Establishing, managing, operating and maintaining sport cities and gymnasiums, sports clubs, sport events, recreational centers, resorts and spa. 2) Establishing, managing, operating and maintaining restaurants, cafes, restrooms and parks. 3) Establishing, managing, operating and maintaining hotels and hotel apartments. 4) Establishing, managing, operating and maintaining commercial centers, training, educational and residential centers. 5) Maintaining and repairing safety devices and equipment, computers, school devices and educational aids. 6) Providing tourism services and organizing tourist trips/tours.



	<div><div><div>7) Providing passenger transport services within and around cities.</div><div>8) Travel and tourism agents.</div><div>9) Commercial agencies for importing, exporting and marketing services for others.</div><div>10) Wholesale and retail trade in foodstuffs, sweets, pastries, chocolate, their imports, fabrics, furnishings, textiles, shoes, utensils, furniture, household appliances, hotel supplies, building materials, electrical and sanitary tools, machinery and equipment, perfumes, cosmetics, pure metals, jewelry, gemstones, machinery and photographic tools, watches, glasses, prayer beads, beads, antiques, toys, musical instruments, bicycles of all kinds, leather goods, decorative materials, hotels and restaurants.</div><div>11) Buying, selling and renting real estate and land for the benefit of the Company.</div><div>12) Providing cooked and uncooked catering services.</div></div><div>The Company carries out its activities according to the relevant regulations and after obtaining the necessary licenses and permits from the competent authorities, if any.</div><div>The main activities of the Company are concentrated in the sectors of hospitality, restaurants, entertainment and commercial centers. In the hospitality and restaurants sector, the Company manages and operates hotels and restaurants located across various parts of Saudi Arabia and the United Arab Emirates. In entertainment sector, the Company's activities are concentrated in managing and operating entertainment centers in a number of locations across the Kingdom of Saudi Arabia, the United Arab Emirates and the Arab Republic of Egypt. In addition to that, the Company manages and operates a number of commercial centers in the Kingdom of Saudi Arabia.</div><div>For more information, please see subsection (3.4) “The Company’s Main Activities” in Section (3) “Company Background and Nature of its Business” of this Prospectus.</div></div>																								
Substantial shareholders of the issuer, number of their shares, percentages of ownership before the Offering	<div><div>The following table shows the Substantial Shareholders in the Company, number of their shares and percentage of their ownership (who own 5% or more of the Company's shares) before the Offering: as on the date of this prospectus</div><table><tr><th rowspan="2">Name</th><th colspan="4">Owned Shares</th></tr><tr><th>Directly No.</th><th>%</th><th>Indirectly No.</th><th>%</th></tr><tr><td>Abdulmohsen Alhokair & Sons Holding Company</td><td>10,804,500</td><td>31.50%</td><td>-</td><td>-</td></tr><tr><td>Abdulmohsen Abdulaziz Fahd Alhokair *</td><td>4,273,780</td><td>12.46%</td><td>6,170,570</td><td>17.99%</td></tr><tr><td>Total</td><td>15,078,280</td><td>43.96%</td><td>6,170,570</td><td>17.99%</td></tr></table><div>Source: The Company</div><div>* The indirect ownership of Mr. Abdulmohsen Abdulaziz Fahd Alhokair results from his ownership of (57.10%) in Abdulmohsen Alhokair & Sons Holding Company, which owns (31.50%) of the shares of Abdulmohsen Alhokair Group for Tourism and Development.</div></div>	Name	Owned Shares				Directly No.	%	Indirectly No.	%	Abdulmohsen Alhokair & Sons Holding Company	10,804,500	31.50%	-	-	Abdulmohsen Abdulaziz Fahd Alhokair *	4,273,780	12.46%	6,170,570	17.99%	Total	15,078,280	43.96%	6,170,570	17.99%
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Nature of Offering	Increasing Capital through Rights issue.																								



Purpose beyond issuing the proposed priority Rights	By increasing its capital through Rights Issue, the Company aims to raise its financial solvency, strategic expansion, improve operational and financial performance, borrowing rates and costs incurred therefrom. (Please refer to Section (7) “Use of Offering Proceeds and Future Projects”).														
Total proceeds expected to be obtained and analysis and description of their potential use	<p>The total Offering Proceeds of the Rights Issue are expected to amount to three hundred and seven million (307,000,000) Saudi Riyals.</p> <p>The net Offering Proceeds will be used mainly to raise the Company's financial solvency, strategic expansion, and improve operational and financial performance, borrowing rates and costs incurred therefrom.</p> <p>The following table shows the proposed use of the Offering Proceeds:</p> <table border="1"> <thead> <tr> <th>Use</th><th>Amount (SAR'000)</th></tr> </thead> <tbody> <tr> <td>Pay off bank loans</td><td>80,000</td></tr> <tr> <td>Renovation of a number of hotels, entertainment and commercial sites</td><td>110,000</td></tr> <tr> <td>Financing projects for cinemas and fitness centers</td><td>45,000</td></tr> <tr> <td>Working Capital Financing</td><td>66,200</td></tr> <tr> <td>Offering costs</td><td>5,800</td></tr> <tr> <td>Total</td><td>307,000</td></tr> </tbody> </table> <p>Source: The Company</p> <p>(For further information, please refer to Section (7) “Use of Offering Proceeds and Future Projects”).</p>	Use	Amount (SAR'000)	Pay off bank loans	80,000	Renovation of a number of hotels, entertainment and commercial sites	110,000	Financing projects for cinemas and fitness centers	45,000	Working Capital Financing	66,200	Offering costs	5,800	Total	307,000
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Total	307,000														
Offering Costs	Offering expenses are expected to total approximately (5,800,000) Saudi Riyals including the fees of the Financial Advisor, Lead Manager, Underwriters, Legal Advisor, Auditors as well as marketing, printing, distribution, and other Offering related expenses. (Please refer to Section (7) “Use of Offering Proceeds and Future Projects”).														
Net proceeds of the Offering	It is expected that the net proceeds of the Offering will reach about three hundred and two hundred thousand ninety-four million (301,200,000) Saudi Riyals (please refer to Section (7) “Use of Offering Proceeds and Future Projects”).														
Issuer's capital before the Offering	Three hundred and forty-three million (343,000,000) Saudi Riyals.														
Issuer's capital after the Offering	Six hundred and fifty million (650,000,000) Saudi Riyals.														
Issuer's total number of shares before the Offering	Thirty-four million three hundred thousand (34,300,000) ordinary shares, fully paid in value.														
Issuer's total number of shares after the Offering	Sixty-five million (65,000,000) ordinary shares.														
Nominal value of share	Ten Saudi Riyals (SAR 10) per share														
Total number of offers shares	Thirty million seven hundred thousand (30,700,000) ordinary shares														
Percentage of offered shares to the capital	89.50% of the issuer's share capital before the Offering.														
Price of offering	Ten (10) Saudi Riyals per share.														



Total value of the Offering	Three hundred and seven million (307,000,000) Saudi Riyals.
Number of offering shares undertaken to be covered	Three hundred and seven million (307,000,000) Saudi Riyals.
Total value offering undertaken to be covered	Three hundred and seven million (307,000,000) Saudi Riyals.
Categories of target investors	Registered shareholders and new investors.
Registered shareholders	Shareholders who own shares at the end of the trading day of the Extraordinary General Assembly for the capital increase and are registered in the Company's records with the Depository Center at the end of the second trading day following the convening of the Extraordinary General Meeting on 02/12/1442H (corresponding to 12/07/2021G).
New investors	General individuals and institutional investors, except for registered shareholders, who purchased the Rights during the trading period.
Rights	Rights are tradable securities that entitle its holders the right to subscribe to new shares upon approval of the capital increase. It is an earned right for all registered shareholders and each Right entitles its holder to subscribe to one share of the new shares at the Offer Price. Rights will be deposited after the Extraordinary General Assembly for the capital increase has convened. These rights will appear in the registered shareholders' accounts under a new pre-emptive right-related symbol.
Number of Right issue issued	Thirty million and seven hundred thousand (30,700,000) Rights.
Eligibility factor	Each registered shareholder shall be granted (0.895) right for every (1) share he owns. This factor is the result of dividing the number of new shares by the number of the current shares of the Company
Limitations of Rights trading	Each registered shareholder shall be granted (1) right for every (2) shares he owns. This factor is the result of dividing the number of new shares by the number of the current shares of the Company
Eligibility date	The shareholders who own shares as at the close of trading on the date of the Extraordinary General Assembly approving the Capital increase and those registered in the Company's Shareholders Register at the end of the second trading day following the day of the Extraordinary General Meeting approving the capital increase on 02/12/1442H (corresponding to 12/07/2021G).
Trade period	The trading period starts on Monday 16/12/1442H (corresponding to 26/07/2021G) and continues until the end of Monday 23/12/1442H (corresponding to 02/08/2021G). It is permissible during this period for all Right holders, whether they are registered or new investors, to trade in the Rights.
Subscription period	The subscription period starts on Monday 16/12/1442H (corresponding to 26/07/2021G) and continues until the end of Thursday 26/12/1442H (corresponding to 05/08/2021G). During this period, all holders of the Rights, whether they are registered investors or new investors, may exercise their right to subscribe to the new shares.
Method of subscription	Subscription Applications shall be filed electronically through agents' electronic sites and platforms that provide such services to subscribers, or through any other means provided by agents.



Exercising subscription to the Rights	<p>Eligible persons shall have the right to exercise their right to subscribe to the Right issue shares by subscribing electronically via intermediaries' websites and online platforms that provide these services or through any other means provided by intermediaries'. In addition, eligible persons can exercise their rights as follows:</p> <ol style="list-style-type: none"> 1. Shareholders registered during the subscription period shall have the right to exercise the rights granted to them on the eligibility date and any additional rights that they have purchased during the trading period by subscribing to the new shares. They have the right also not to take any action regarding the rights they own. 2. New investors shall, during the subscription period, have the right to exercise the rights that they have purchased during the trading period by subscribing to the new shares. They have the right also not to take any action regarding the rights they own. <p>In the event that none of the registered shareholders or the new investors exercise their right to subscribe to the new shares during the subscription period, the shares related to those rights will be offered during the Rump offering period.</p>
Trading price of the right	<p>The indicative value of the right reflects the difference between the market value of the Company's share during the trading period and the offer price. Tadawul will calculate and publish the right's indicative value during the trading period on its website, five minutes late, and market information service providers will also publish this information in order for investors to view the indicative value when entering the order.</p> <p>It is the price at which the right is traded, bearing in mind that it is determined through the mechanism of supply and demand. Therefore, it may differ from the right's indicative value.</p>
Rump Offering	<p>In the event that shares remain unsubscribed after the end of the subscription period ("Rump Shares"), such shares will be offered to a number of institutional investors ("Investment Institutions"). The Investment Institutions submit their bids to buy the remaining shares. These bids will be received from 10:00 AM on Tuesday 02/01/1443H (corresponding to 10/08/2021G) until 5:00 PM of the next day 03/01/1443H (corresponding to 11/08/2021G). ("Rump Offering Period"). Rump Shares will be allocated to the Investment Institutions with the highest bids first, then the lowest and the lowest (provided that the bids shall not fell below the Offering Price). The shares shall be allocated on a pro rata basis to the Investment Institutions that offer the same price. As for the fractional shares, they will be added to the Rump Shares and treated similarly.</p>
Method of allocation and refund	<p>Shares will be allocated to each investor based on the number of Rights he has properly and completely exercised. Fractions of the shares will be summed and added to the Rump Shares and then offered to Investment Institutions during the Rump Offering Period: The Company will obtain the total Offering Price collected from the sale of the Rump Shares, while the remaining proceeds (if any) of the Rump Offering will be distributed without accounting for any fees or deductions (that exceeds the Offering Price) to its beneficiaries who did not fully or partially subscribe to the new shares and for those entitled to fractional shares. Note that the investor who did not subscribe for or sell his rights, and the owners of fractional shares, may not get any compensation if the sale is made in the Rump Offering Period at the Offering Price. (please refer to section "Terms, Conditions and Subscription Instructions"). please refer to Section (13) "Information Related to Shares and Offering Terms and Conditions" of this Prospectus.</p> <p>Oversubscribed amounts (if any) will be refunded to subscribers without any commissions or deductions by the Lead Manager.</p>
Date of allocation	<p>Shares will bid allocated on 07/01/1443H (corresponding to 15/08/2021G).</p>



Refund date	
	Oversubscribed amounts (if any) will be refunded to subscribers without any commissions or deductions by the Lead Manager, no later than 18/01/1443H (corresponding to 26/08/2021G).
Revised price Payment of Compensation Amounts (if any)	Cash compensation amounts will be paid to Eligible Persons who failed to exercise their right to subscribe and did not subscribe wholly or partially for the New Shares, as well as to the holders of fractional Shares at the latest on 18/01/1443H (corresponding to 26/08/2021G) without any deductions. Compensation amounts represent remaining sale proceeds resulting from the Rump Shares and fractional Shares (in excess of the Offer Price).
	The Company's share price in the capital market has been amended to SAR (24.12) per share, before trading on the next day of holding the Extraordinary General Meeting for the capital increase. This represents a decrease in the share price by SAR (12.63) per share.
Trading in New shares	Trading of new shares in Tadawul begins after finalizing all formalities related to registering, allocating and listing the new shares.
Listing of/Trading in the Rights	The rights are listed in Tadawul and traded during the rights issue trading period. The Rights shall have a separate symbol different than the Company's current stock symbol on the Tadawul screen. The registered shareholders have several options during the trading period, which include selling the rights or part of them in the Exchange, buying additional rights through the Exchange, or not taking any action on the Right, whether by selling them or buying additional Rights. During the trading period, new investors will have the right to purchase Rights through the Exchange, sell those rights or part of them, or not to take any action regarding the rights purchased during the trading period. The Tadawul system will cancel the Right issue symbol for the Company on the trading screen after the end of the Rights trading period. Therefore, the trading of the Rights will stop at the end of that period.
Dividends Eligibility	Holders of the new shares will be entitled to any dividends declared by the Company after the issue date.
Voting rights	The Company has only one class of Shares. No Shareholder shall have any preferential rights. Each of the Shares entitles its holder to vote. Each Shareholder has the right to attend and vote at the General Assembly Meeting and vote. The shareholder may delegate any other shareholder, other than the members of the Company's Board of Directors or its employees, to act on his behalf in attendance of the meetings of the General Assembly and vote on its resolutions
Limitations of Shares trading	There are no restrictions imposed on trading the company's shares except for regulatory restrictions on publicly listed shares.
Limitations of Rights trading	There are no restrictions imposed on trading the company's rights.
Shares previously listed by Issuer	The entire shares of the Company were listed on the Saudi Stock Exchange (Tadawul) totaling fifty-five million (55,000,000) ordinary shares at a nominal value of ten (10) Saudi Riyals per share on 228/08/1435H (corresponding to 26/06/2014G), after obtaining approval of both the Capital Market Authority and the Saudi Stock Exchange (Tadawul), where the Company offered sixteen million five hundred thousand (16,500,000) ordinary shares for public subscription representing (30%) of the Company's shares.
Conditions Subscription Rights	Eligible persons wishing to subscribe to the new shares must fulfill the relevant subscription conditions. To view the terms and conditions and instructions of the Offering, please refer to Section (13) "Information Related to Shares and Offering Terms and Conditions" of this Prospectus.



Public	<p>In the Rules on the Offer of Securities and Continuing Obligations, it means the persons not mentioned below:</p> <ol style="list-style-type: none">1. Affiliates of the Issuer.2. Substantial shareholders of the Issuer.3. Board members and senior executives of the issuer.4. Board members and senior executives of affiliates of the issuer.5. Board members and senior executives of substantial shareholders of the issuer.6. Any relatives of the persons referred to in (1, 2, 3, 4 or 5) above.7. Any company controlled by any of the persons described at (1, 2, 3, 4, 5, or 6) above. or8. Persons who act in agreement together and collectively own (5%) or more of the class of shares to be listed.
New Shares	<p>Thirty million and seven hundred thousand (30,700,000) ordinary shares, which will be issued to increase the Company's capital.</p>
Risk Factors	<p>Investing in Right issue stocks involves certain risks. Such risks can be classified into: (1) Risks related to the Company's business; (2) Risks related to the market and the sector; and (3) Risks related to the new shares. Those risks have been discussed in Section 2 "Risk Factors" of this Prospectus, Which must be carefully studied before making any investment decision in the rights issue.</p>
Significant adjustments made to the information disclosed in the latest Prospectus	<p>CMA has approved the publication of the Company's last Prospectus on 02/05/1438H (corresponding to 30/10/2017G) (please see sub-paragraph No. (10-13) "Material information that has changed since the Authority's approval of the latest Prospectus in Section 10 "Legal Information" of this Prospectus).</p>

Note: The section "Important Notice" on page (I) and section 2 "Risk Factors" of this Prospectus should be carefully studied before making any investment decision in Rights Issues.

Key dates for subscribers and subscription procedures

Events	Dates
Date of the Extraordinary General Assembly approving capital increase and setting the Eligibility Date and Eligible Shareholders. Eligible Shareholders are the ones who own shares at the end of the trading day of the Extraordinary General Assembly for the capital increase and those registered in the Company's Shareholders' register at the Depository Center at the end of the second trading day following the Extraordinary General Meeting.	On Thursday 28/11/1442H (corresponding to 08/07/2021G)
Trading Period	The trading period starts on Monday 16/12/1442H (corresponding to 26/07/2021G) and continues until the end of Monday 23/12/1442H (corresponding to 02/08/2021G). During this period, all holders of Rights, whether registered or new investors, may trade in and subscribe for the Rights.
Period of Subscription	The subscription period starts on Monday 16/12/1442H (corresponding to 26/07/2021G) and continues until the end of Thursday 26/12/1442H (corresponding to 05/08/2021G). During this period, all holders of Rights, whether registered or new investors, may subscribe for the Rights.
End of Subscription Period	The subscription period and receiving subscription requests ends with the end of Thursday 26/12/1442H (corresponding to 05/08/2021G).
Rump Offering Period	The Rump Offering Period begins at 10:00 AM of Tuesday 02/01/1443H (corresponding to 10/08/2021G) and continues until 5:00 PM of the next day on 03/01/1443H (corresponding to 11/08/2021G)
Final Allocation Notification	on Sunday 07/01/1443H (corresponding to 15/08/2021G)
Payment of compensation amounts (if any) for Eligible Persons who did not participate in the Offering and those entitled to Shares fractions	on Thursday 18/01/1443H (corresponding to 26/08/2021G)
Expected date for the commencement of trading in Offer Shares	After completing all necessary procedures. Dates will be communicated through the local newspapers and on Tadawul website.

Notice: All the dates mentioned in the timeline above are approximate, and the actual dates will be announced on the website of the Saudi Stock Exchange (Tadawul) (www.tadawul.com.sa).



Key announcement dates

Announcement	Announcing Party	Announcement Date
Announcement regarding the invitation for the Extraordinary General Assembly for capital increase.	The Company	On Thursday 07/11/1442H (corresponding to 17/06/2021G)
Announcement regarding the Extraordinary General Assembly outcome with regard to capital increase.	The Company	on Sunday 01/12/1442H (corresponding to 11/07/2021G)
Announcement regarding the change in Company's share price, Rights' deposit and the Indicative Value of the Right	Tadawul	on Sunday 01/12/1442H (corresponding to 11/07/2021G)
Announcement regarding the addition of Rights to Abdulmohsen Alhokair Group for Tourism and Development.	Edaa	On Monday 03/12/1442H (corresponding to 13/07/2021G)
Announcement regarding the Rights trading period and the new shares subscription periods	The Company	on Sunday 01/12/1442H (corresponding to 11/07/2021G)
Announcement on the start of the Rights trading period and the subscription period	Tadawul	On Monday 16/12/1442H (corresponding to 26/07/2021G)
A reminder announcement on the start of the Rights trading period and the subscription period	The Company	On Monday 16/12/1442H (corresponding to 26/07/2021G)
A reminder announcement of the last day for trading Rights and the last day for subscription	The Company	On Monday 23/12/1442H (corresponding to 02/08/2021G)
Announcement regarding: <ul style="list-style-type: none"> Subscription results, Details of the sale of unsubscribed Shares, if any, and commencement of the Rump Offering 	The Company	on Sunday 29/12/1442H (corresponding to 08/08/2021G)
Announcement regarding the outcome of the Rump Offering and Notification of the final allocation	The Company	On Sunday 07/01/1443H (corresponding to 15/08/2021G)
Announcement regarding the deposit of New Shares in the investors' portfolios	Edaa	on Thursday 11/01/1443H (corresponding to 18/08/2021G)
Announcement regarding distribution of the compensation amounts (if any)	The Company	on Thursday 18/01/1443H (corresponding to 26/08/2021G)

Notice: All the dates mentioned in the timeline above are approximate, and the actual dates will be announced on the website of the Saudi Stock Exchange (Tadawul) (www.tadawul.com.sa).

In addition, the date of depositing the new shares in the investors' portfolios will be determined in coordination with the Securities Depository Center Company (Edaa).

It should be noted also that in the event that an advertisement related to the offering is published in a local newspaper after the publication of the Prospectus, the announcement must include the following:

1. The name of the issuer and its commercial registration number.
2. The securities, their value, type, and class covered by the securities registration and offering application.
3. The addresses and places where the public can obtain the Prospectus.
4. The date of publishing the Prospectus.
5. A statement that the announcement is for information only and does not constitute an invitation or offer to acquire securities by purchasing or subscribing to them.
6. Names of the Lead Manager, Underwriter (if any), Financial Advisor, and Legal Advisor.
7. A disclaimer in the following form: "CMA and the Saudi Stock Exchange Company (Tadawul) do not assume any responsibility on the contents of this announcement, nor do they give any representations regarding its accuracy or completeness, and they expressly disclaim any responsibility for any loss they have suffered as a result of what is contained in this announcement or from reliance on any part thereof.

How to apply for subscription

Subscription to Right Issue shares is limited to Eligible Persons, whether they are registered shareholders or new investors. In the event that the Right Issue of the eligible persons are not exercised, any Rump Shares that have not been subscribed by the eligible persons will be offered to the investment institutions during the Rump Offering Period. Eligible persons wishing to subscribe to new shares must submit their subscription applications through the means and services provided by the agent to the investors, provided that the eligible person shall have an investment account with one of the agents who provide such services.

Subscription applications shall be submitted through the investment portfolio in the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the agent to the investors and the custodian of shares. The Company reserves the right to reject any application to subscribe to new shares in whole or in part if it does not fulfill any of the conditions or requirements of the subscription. It is not permissible to amend or withdraw the subscription application after its delivery. The subscription application, upon submission, constitutes a binding contract between the Company and the entitled shareholders and may not be amended or withdrawn.

FAQs about the Rights Issue

What is a Rights Issue?

Rights are tradable securities that give their holders the right to subscribe to the new shares offered upon approval of the capital increase. They are acquired rights for all Registered Shareholders who own shares on the day of the extraordinary general assembly meeting for the capital increase and who are registered in the Company's Shareholders Register at the Depository Center at the end of the second trading day following the Extraordinary General Assembly. Each Right grants its holder eligibility to subscribe to one New Share at the Offer Price.

Who is granted the Rights?

The Rights are granted to all Registered Shareholders in the Company's Register as at the close of the second trading day after the date of the Extraordinary General Assembly.

When are the Rights deposited?

Following the Extraordinary General Meeting and its approval to increase the capital through a Rights Issue, the Rights shall be deposited as securities in the portfolios of the Company's Shareholders Register at the Securities Depository Center by the end of the second trading day after the Extraordinary General Meeting. The New Rights appear in their portfolios under a new code for the Rights. Such Rights will be allowed to be traded or subscribed only at the beginning of the Trading and Subscription periods.

How are Investors in the Rights notified of the Rights being deposited in their portfolios?

Investors are notified through an announcement on the Tadawul website and through Tadawulati Service provided by the Depository Center and SMS's sent through intermediaries.



How many Rights can be acquired by a Registered Shareholder?

The number of Rights to be acquired by a Registered Shareholder is subject to the number of Shares ratio held by the Registered Shareholder in the Company's Shareholders Register at the Depository as at the close of the second trading day after the Extraordinary General Assembly.

What is the Rights Issue ratio?

It is the ratio that permits the Registered Shareholder to know how many Rights he/she is entitled to in relation to the Shares that he/she already owned on the second trading day after the Extraordinary General Assembly. This factor is calculated by dividing the number of new shares by the number of the current shares of the Company. Therefore, the eligibility factor is (1) right for each one (0.895) share owned by the registered shareholder on the eligibility date. Accordingly, if a registered shareholder owns (1,000) shares on the eligibility date, he/she will be allocated (895) rights in exchange for the shares he/she owns.

Will the name and symbol of these rights differ from the name and symbol of the Company's shares?

Yes, the acquired Right will be added to the Investor's Portfolio under the name of the original stock, with the addition of the word Rights, in addition to a new symbol for these Rights.

What is the Right's value upon the trading commencement?

The Right opening price is the difference between the share closing price on the day preceding such Right listing, and the Offer Price (Indicative Value of the Right). For example, if the closing price of a share on the preceding day is SAR 15 (fifteen Saudi Riyals) and the Offer Price is SAR 10 (ten Saudi Riyals), the opening price of the Rights will be 15 minus 10, i.e. SAR 5 (five Saudi Riyals).

Who is the Registered Shareholder?

Any Shareholder whose name appear in the Company's Shareholders' Register at the end of the second trading day after the Extraordinary General Assembly.

Can Registered Shareholders subscribe for additional shares?

Yes, Registered Shareholders can subscribe for additional shares by purchasing new Rights during the Trading Period.

Is it possible for a Registered Shareholder to lose his eligibility to subscribe even if he has the right to attend the Extraordinary General Assembly and vote on raising the capital through a rights issue?

Yes, the Shareholder loses his eligibility to subscribe if he sells his shares on the day of the Extraordinary General Meeting or one working day before it.

How does the subscription take place?

Subscription Applications are submitted through the investment portfolio in the trading platforms through which the buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the intermediaries and custodian.

Can an Eligible Person subscribe to more shares than the rights owned by him?

The eligible person cannot subscribe to more shares than the Rights owned by him.



If Company shares are acquired through more than one investment portfolio, in which portfolio will the Rights be deposited?

The Rights will be deposited in the same portfolio where the shares of the Company connected to the Rights are deposited. Example: If a shareholder holds (1,000) shares in the Company (800) shares in portfolio (a) and (200) shares in portfolio (b), then the total Rights which will be deposited (895) Rights as each share is eligible for (0.985) Rights. Therefore, (716) Rights will be deposited in portfolio (a) and (179) Rights will be deposited in portfolio (b).

Are share certificate holders allowed to subscribe and trade?

Yes, they are allowed to subscribe, but they cannot trade until after depositing the certificates in investment portfolios through the receiving agents or Depository Center Company (Edaa) and introducing the necessary documents.

Are additional Rights purchasers entitled to trade them once again?

Yes, purchasers of additional Rights may sell them and purchase other Rights only during the Trading Period.

Is it possible to sell a part of these Rights?

Yes, the investor may sell a part of these Rights and subscribe for the remaining part.

When can the subscriber subscribe for the Rights he purchased during the trading period?

After settlement of the purchase of Rights (two working days), provided that he shall subscribe to the Rights during the Subscription Period.

Can a holder of Rights sell or assign them after expiry of the Trading Period?

That is not possible. After the expiry of the Trading Period, holder of the Rights may only exercise the right to subscribe for the Rights or not. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio or profit in the event that shares are sold in the Rump Offering Period at a price higher than the Offering Price.

What will happen to Rights that are unsold or unsubscribed for during the Trading Period and the Offering Periods?

If the new shares are not fully subscribed for during the Offering Period, the remaining new shares will be offered for subscription through an offering to be organized by the Lead Manager. The amount of compensation (if any) for the Rights holder will be calculated after deducting the subscription price. The investor may not receive any compensation if the sale occurs in the Rump Offering Period at the Offering Price.

Who has the right to attend the Extraordinary General Assembly and vote on increasing the Share Capital through a rights issue?

The shareholder who is registered in the Issuer's Shareholders' Register at the Depository Center after the end of the trading session on the Extraordinary General Assembly day shall have the right to attend the Extraordinary General Assembly and vote on increasing the Issuer's Share Capital through a rights issue.

When is the share price adjusted as a result of increasing the Issuer's Share Capital through a rights issue?

The share price is adjusted by the Exchange before the start of trading on the day following the Extraordinary General Assembly.



If an investor buys securities on the Extraordinary General Assembly day, will he be eligible for the Rights resulting from the increase of the Issuer's Capital?

Yes, as the investor will be registered in the Company's Shareholders Register two business days after the date of the purchase of shares (i.e., at the end of the second trading day following the day of the Extraordinary General Assembly), bearing in mind that Rights will be granted to all shareholders registered in the Company's Shareholders Register at the end of trading section on second trading day following the date of the Extraordinary General Assembly. However, he may not attend or vote in the Extraordinary General Assembly for the capital increase.

If an investor has more than one portfolio with more than one Brokerage Company, how will his Rights be calculated?

The investor's shares will be distributed to the portfolios owned by him, according to the percentage of ownership in each portfolio. In the event of share fractions, these fractions will be aggregated. If the outcome is an integer or more, the integer number will be added to the portfolio in which the investor has the largest number of rights.

What are Trading and Subscription (Offering) periods?

Trading in and Subscription to the Rights shall commence at the same time until the end of trading on the sixth day, while Subscription shall continue until the ninth day, as stated in the Prospectus and the Company's issued announcements.

Is it possible to subscribe during the weekend?

No, that is not possible.

Can non-registered shareholders on the day of the Extraordinary General Assembly subscribe for the Rights?

Unrestricted Shareholders can subscribe for the Rights after purchase of Rights during the period specified for trading.

Further Assistance:

In the event of any inquiries, please contact the Company on the e-mail (IR@alhokair.com) and for legal reasons, the Company will only be able to provide the information contained in this Prospectus and will not be able to provide advice on the merits of issuing rights or even provide financial, tax, legal or investment advice.

For more information on the Subscription terms, conditions and instructions, please refer to Section (13) "Information Related to Shares and Offering Terms and Conditions" as well as other information contained in this Prospectus.

Summary of Key Information

Note to Investors:

This summary provides a brief overview of the key information included in this Prospectus. Being a summary, it does not include all information that may be of interest to shareholders and other general institutional and individual investors. The recipients of this Prospectus must read it in full, and in particular the “Important Notice” section on Page (I) and Section (2) “Risk Factors” of this Prospectus, before making any investment decision related to the New Rights or shares. All terms and abbreviated expressions contained in this Prospectus have been defined in Section (1) “Terms and Definitions”, in this Prospectus.

Company Overview

Abdulmohsen Alhokair Group Company for Tourism and Development (hereinafter referred to as “the Company” or “the Issuer” or “Alhokair Group”) was initially established as a sole proprietorship establishment under the name of “Abdulmohsen Alhokair Group for Trading and Industry” and it was registered under the Commercial Registration No. (1010014211), dated 16/8/1398H (corresponding to 22/07/1978G). On 08/04/1424H (corresponding to 09/06/2003G) the name of the Company was changed to “Abdulmohsen Alhokair Group for Operation and Maintenance”, and on 21/03/1427H (corresponding to 19/04/2006G) the name of the Company was changed to “Abdulmohsen Alhokair Group for Tourism and Development”. On 11/08/1427H (corresponding to 03/09/2006G), the legal entity of the Company was transferred from a sole proprietorship to a closed joint stock company. According to Ministerial Resolution No. (2161), dated 28/08/1435H (corresponding to 26/06/2014G), the entire shares of the Company totalling fifty five million (55,000,000) ordinary shares were listed on the main Saudi Stock Market, with a nominal value of ten (10) Saudi Riyals per share, and thus converted into a Saudi public joint stock company.

The Head Office of the Company is located in Riyadh- Al-Morouj District - the Northern Ring - between Exit 4 and 5 – next to Double Tree Hilton Hotel, PO Box 57750 Riyadh 11584 Kingdom of Saudi Arabia.

The current capital of the Company is three hundred and forty-three million (343,000,000) Saudi Riyals, divided into thirty-four million and three hundred thousand (34,300,000) ordinary shares, with a fully paid nominal value of ten (10) Saudi Riyals per share.

The following table shows the Substantial Shareholders in the Company, number of their shares and percentage of their ownership (who own 5% or more of the Company's shares) before the Offering: as on the date of this prospectus

Name	Owned Shares			
	Directly		Indirectly	
	No.	%	No.	%
Abdulmohsen Alhokair & Sons Holding Company	10,804,500	31.50%	-	-
Abdulmohsen Abdulaziz Fahd Alhokair *	4,273,780	12.46%	6,170,570	17.99%

Source: The Company

* The indirect ownership of Mr. Abdulmohsen Abdulaziz Fahd Alhokair results from his ownership of (57.10%) in Abdulmohsen Alhokair & Sons Holding Company, which owns (31.50%) of the shares of Abdulmohsen Alhokair Group for Tourism and Development.



History of the Company and the most significant developments in its capital structure

- Abdulmohsen Alhokair Group for Tourism and Development was established, in the beginning, as a sole proprietorship establishment under the name of "Abdulmohsen Alhokair Group for Trading and Industry", and it was registered under Commercial Registration No. (1010014211) dated 16/08/1398H (corresponding to 22/7/1978G) with a capital of two hundred and seventy-four thousand (274,000) Saudi Riyals.
- In 1991G, the capital was increased from two hundred seventy-four thousand (274,000) Saudi Riyals to seventy-one million six hundred seventy-four thousand (71,674,000) Saudi Riyals, thus increasing the number of shares from (27,400) cash shares to (7,167,400) cash shares of equal value of (10) Saudi Riyals per each. The increase of seventy-one million and four hundred thousand (71,400,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 08/04/1424H (corresponding to 09/06/2003), the name of the Company was changed to "Abdulmohsen Alhokair Group for Operation and Maintenance".
- In 2005G, the capital was increased from seventy-one million six hundred and seventy-four thousand (71,674,000) Saudi Riyals to two hundred forty-nine million (249,000,000) Saudi Riyals, and thus increasing the number of shares from (7,167,400) cash shares to (24,900,000) cash shares. The increase of one hundred seventy-seven million three hundred and twenty-six thousand (177,326,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 21/03/1427H (corresponding to 19/04/2006G), the name of the Company was changed to "Abdulmohsen Alhokair Group Company for Tourism and Development".
- On 01/01/1427H (corresponding to 01/31/2006G), the capital was increased from two hundred forty-nine million (249,000,000) Saudi Riyals to two hundred seventy-one million six hundred and seventy-four thousand (271,674,000) Saudi Riyals, and thus increasing the number of shares from (24,900,000) cash share to (27,167,400) cash share of equal value of (10) Saudi Riyals per each. The increase of twenty-two million six hundred and seventy-four thousand (22,674,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 11/08/1427H (corresponding to 03/09/2006G), the legal entity of the Company was transferred from a sole proprietorship to a closed joint stock company, according to Ministerial Resolution No. (2161) issued by the Minister of Commerce approving the announcement of the establishment of Abdulmohsen Alhokair Group for Tourism and Development as a closed joint stock company.
- On 06/07/1430H (corresponding to 29/06/2009G) the extraordinary general assembly of shareholders approved the increase of the Company's capital from two hundred seventy-one million six hundred and seventy-four thousand (271,674,000) Saudi Riyals to four hundred seven million five hundred and eleven thousand (407,511,000) Saudi Riyals, and thus increasing the number of the Company's shares from twenty-seven million one hundred sixty-seven thousand four hundred (27,167,400) ordinary shares, to forty million seven hundred and fifty-one thousand and one hundred (40,751,100) ordinary shares, of equal value of ten (10) Saudi Riyals per share. The increase of one hundred thirty-five million eight hundred and thirty-seven thousand (135,837,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 23/07/1434H (corresponding to 02/06/2013G), the extraordinary general assembly of the shareholders approved the increase of the Company's capital from four hundred seven million five hundred and eleven thousand (407,511,000) Saudi Riyals to five hundred and fifty million (550,000,000) Saudi Riyals. Consequently, the number of the Company's shares increased from forty million seven hundred and fifty-one thousand and one hundred (40,751,100) ordinary shares, to fifty-five million (55,000,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share. The increase of one hundred forty-two million and four hundred eighty-nine thousand (142,489,000) Saudi Riyals, was fulfilled by transferring the amount of eighty-three million nine hundred fifty thousand one hundred seventy-five (83,950,175) Saudi Riyals from the statutory reserve account, and transferring the amount

of fifty-eight million five hundred and thirty-eight thousand eight hundred and twenty-five (58,538,825) Saudi Riyals from the retained earnings account.

- On 08/07/1435H (corresponding to 07/05/2014G), the Saudi Capital Market Authority (CMA) approved the Offering of sixteen million five hundred thousand (16,500,000) shares for public subscription, which represent (30%) of the Company's shares of fifty-five million (55,000,000) Ordinary shares, for the purpose of listing the Company's shares on the main Saudi stock market.
- On 28/08/1435H (corresponding to 26/06/2014G) (after completion of the above-mentioned offering process), the entire shares of the Company of fifty-five million (55,000,000) ordinary shares, were listed on the main Saudi stock market, with a nominal value of ten (10) Saudi Riyals per share, after obtaining approval of the Capital Market Authority and the Saudi Stock Exchange (Tadawul).
- On 03/08/1439H (corresponding to 19/04/2018G), the Company announced the transfer of its head office from Al-Dirah District- Qasr Al-Hukm Area- Al-Ta'meer markets, to its new head office at Al-Murooj District - Northern Ring - between Exit 4 and 5 – next to Double Tree Hilton Hotel.
- On 10/03/1442H (corresponding to 27/10/2020G), the Company's Board of Directors recommended the following:
 - 1) Reduce the Company's capital by (37.64%), from five hundred fifty million (550,000,000) Saudi Riyals to three hundred forty-three million (343,000,000) Saudi Riyals, and accordingly reduce the number of shares from fifty-five million (55,000,000) ordinary shares, to thirty-four million three hundred thousand (34,300,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, by canceling twenty million seven hundred thousand (20,700,000) shares of the Company's shares. This means the reduction of (1) share for each (2.6570) shares, for the purpose of restructuring the Company's capital to amortize the accumulated losses as of September 30, 2020G, amounting to two hundred and seven million (207,000,000) Saudi Riyals, after obtaining all the necessary statutory approvals and the approval of the extraordinary general assembly.
 - 2) Increase the Company's capital by (89.50%) (after completing the aforementioned capital reduction process), from three hundred forty-three million (343,000,000) Saudi Riyals to six hundred fifty million (650,000,000) Saudi Riyals, and thus increase the number of shares from thirty four million and three hundred thousand (34,300,000) ordinary shares, to sixty five million (65,000,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, through a rights issue of thirty million seven hundred thousand (30,700,000) shares, valued three hundred and seven millions of (307,000,000) Saudi Riyals, after obtaining all necessary regulatory approvals as well as approval of the extraordinary general assembly.
- On 28/11/1442H (corresponding to 08/ 07/2021 G), the extraordinary general assembly of shareholders of the Company approved the following:
 - 1) Reduce the Company's capital by (37.64%), from five hundred fifty million (550,000,000) Saudi Riyals to three hundred forty-three million (343,000,000) Saudi Riyals, and accordingly reduce the number of shares from fifty-five million (55,000,000) ordinary shares, to thirty-four million three hundred thousand (34,300,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, by canceling twenty million seven hundred thousand (20,700,000) shares of the Company's shares. This means the reduction of (1) share for each (2.6570) shares, for the purpose of restructuring the Company's capital to amortize the accumulated losses as of September 30, 2020G, amounting to two hundred and seven million (207,000,000) Saudi Riyals.
 - 2) Increase the Company's capital by (89.50%) (after completing the aforementioned capital reduction process), from three hundred forty-three million (343,000,000) Saudi Riyals to six hundred fifty million (650,000,000) Saudi Riyals, and thus increase the number of shares from thirty four million and three hundred thousand (34,300,000) ordinary shares, to sixty five million (65,000,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, through a rights issue of thirty million seven hundred thousand (30,700,000) shares, valued three hundred and seven millions of (307,000,000) Saudi Riyals.



Summary of the Main Activities of the Company

The Company operates under Commercial Registration No. (1010014211), dated 16/08/1398H (corresponding to 22/07/1978G).

The Company's activities, as mentioned in its commercial registration, include hotels, hotel apartments, resorts, tourist accommodation facilities, amusement parks, entertainment facilities, entertainment centers, organizing entertainment events, and operating entertainment facilities.

The activities of the Company, as stated in its Articles of Association, are represented in conducting and carrying out the following purposes:

- 1) Establishing, managing, operating and maintaining sport cities and gymnasiums, sports clubs, sport events, recreational centers, resorts and spa.
- 2) Establishing, managing, operating and maintaining restaurants, cafes, restrooms and parks.
- 3) Establishing, managing, operating and maintaining hotels and hotel apartments.
- 4) Establishing, managing, operating and maintaining commercial centers, training, educational and residential centers.
- 5) Maintaining and repairing safety devices and equipment, computers, school devices and educational aids.
- 6) Providing tourism services and organizing tourist trips/tours.
- 7) Providing passenger transport services within and around cities.
- 8) Travel and tourism agents.
- 9) Commercial agencies for importing, exporting and marketing services for others.
- 10) Wholesale and retail trade in foodstuffs, sweets, pastries, chocolate, their imports, fabrics, furnishings, textiles, shoes, utensils, furniture, household appliances, hotel supplies, building materials, electrical and sanitary tools, machinery and equipment, perfumes, cosmetics, pure metals, jewelry, gemstones, machinery and photographic tools, watches, glasses, prayer beads, beads, antiques, toys, musical instruments, bicycles of all kinds, leather goods, decorative materials, hotels and restaurants.
- 11) Buying, selling and renting real estate and land for the benefit of the Company.
- 12) Providing cooked and uncooked catering services.

The Company carries out its activities according to the relevant regulations and after obtaining the necessary licenses and permits from the competent authorities, if any.

The main activities of the Company are concentrated in the following sectors:

The main activities of the Company are concentrated in the sectors of hospitality, restaurants, entertainment and commercial centers. In the hospitality and restaurants sector, the Company manages and operates hotels and restaurants located across various parts of Saudi Arabia and the United Arab Emirates. In entertainment sector, the Company's activities are concentrated in managing and operating entertainment centers in a number of locations across the Kingdom of Saudi Arabia, the United Arab Emirates and the Arab Republic of Egypt. In addition to that, the Company manages and operates a number of commercial centers in the Kingdom of Saudi Arabia.

For more information, please see subsection (3.4) "The Company's Main Activities" in Section (3) "Company Background and Nature of its Business" of this Prospectus.

Company Vision

To lead the hospitality and entertainment sectors in every country in which it operates, and to be the preferred choice for customers, investors and employees, according to the international standards and the domestic spirit.

Company Mission

Alhokair Group strives to be the best reliable choice for its clients to deliver quality, value and luxury and also to maintain its continuous growth for customers, shareholders and employees.

Company Strategy

In the hospitality sector, Alhokair Group aims to maintain its focus on the Kingdom's market by strengthening its leading position in the market in various regions. The Company is enhancing its market position by developing its existing hotel portfolio, in line with the volume of demand and based on the Company's deep market knowledge and experience in identifying new locations. The Company continues to primarily target businessmen and local leisure travelers. As for the entertainment sector, the Company aims to reinforce its leading position in the Kingdom and the United Arab Emirates. The Company is working on growth and expansion through the opening of family entertainment centers, in addition to establishing independent centers in selected sites based on the market situation in which these centers are located. The Company will mainly target the young, children and to some extent the older age groups, by exploiting its brands and developing various new entertainment concepts. The Company generally seeks to expand its entertainment options by introducing modern entertainment concepts such as entertainment with education, kinetic entertainment, cinema and event management through establishing strategic partnerships with international companies of extensive experience in this field. The group has appointed a specialized international company to develop the Company's strategic plan for the next five years from 2021 to 2025 in order to grow in various sectors and to look into other opportunities and areas to diversify the sources of income and enhance the competitiveness of the group.

Strengths and competitive advantages of the Company

- More than 30 years of experience in the hospitality and entertainment sectors.
- The Company deals with a group of the most prominent international hotel companies by signing licensing and management agreements with a number of leading global hotel companies (such as the Holiday Inn, Hilton, Novotel, Radisson Blue, and Golden Tulip).
- Successful strategic partnerships with many leading companies in the field of operating hotels and shopping centers.
- Large-scale and diversified operations in hospitality, entertainment and commercial centers sectors. As of the date of this Prospectus, the Company manages and operates 36 hotels (including 3 hotel apartments) in the Kingdom and the United Arab Emirates. Also, the Company manages and operates 46 restaurants in the Kingdom, and 95 entertainment centers in the Kingdom, the United Arab Emirates and the Arab Republic of Egypt. In addition, it manages and operates 9 commercial centers in the Kingdom. (For more information, please refer to subsection (3.4) "Company's Main Activities" of Section (3) "Company Background and Nature of Business" of this Prospectus).
- Experience, quality and high efficiency of the work team and senior management in managing the Company's business.



Summary of Financial Information

The summary of the financial information presented below is based on the Company's audited financial statements for the financial years ending on December 31, 2017, 2018 and 2019 and the accompanying notes, in addition to the condensed interim financial statements (reviewed) for the six months ending on June 30, 2020, and the notes attached thereto.

Statement of Financial Position (SAR'000)	Fiscal year ended December 31			Financial period ended on September 30, 2020 (Reviewed)
	2017 (Audited)	2018 (Audited)	2019 (Audited)	
Total current assets	364,250	346,805	273,807	316,571
Total non-current assets	1,433,054	1,406,250	2,830,946	2,019,601
Total assets	1,797,304	1,753,055	3,104,753	2,336,172
Total current liabilities	517,170	598,472	782,938	862,325
Total non-current liabilities	610,525	572,251	1,882,002	1,139,243
Total liabilities	1,127,695	1,170,723	2,664,940	2,001,568
Total Equity	669,609	582,332	439,813	334,604
Total liabilities and equity	1,797,304	1,753,055	3,104,753	2,336,172

Source: The audited financial statements for the financial years 2017, 2018 and 2019, and the interim non-audited financial statements for the nine months ending on September 30, 2020.

Statement of Income (SAR'000)	Fiscal year ended December 31			Fiscal Period ended on 30 September	
	2017 (Audited)	2018 (Audited)	2019 (Audited)	2019 (Reviewed)	2020 (Reviewed)
Total revenue	1,124,089	1,150,946	1,110,019	861,512	463,864
Total Direct Costs	(855,566)	(923,4200)	(837,939)	(634,648)	(425,657)
Gross profit	268,523	227,526	272,080	226,864	38,207
Profit / (loss) from operations	6,631	(49,836)	8,391	28,315	(108,989)
Net profit / (loss) before Zakat	8,763	(77,642)	(142,989)	(46,956)	(106,392)
Net profit / (loss) for the year	8,687	(76,048)	(142,989)	(46,956)	(105,149)

Source: The audited financial statements for the financial years 2017, 2018 and 2019, and the interim non-audited financial statements for the nine months ending on September 30, 2020.

Statement of Cash Flows (SAR'000)	Fiscal year ended December 31			Fiscal Period ended on 30 September	
	2017 (Audited)	2018 (Audited)	2019 (Audited)	2019 (Reviewed)	2020 (Reviewed)
Net cash available from operating activities	276,841	137,995	365,223	293,159	33,695
Net cash available from / (used in) investing activities	(348,051)	(152,056)	(117,467)	(93,607)	(34,743)
Net cash available from / (used in) financing activities	58,545	5,653	(267,730)	(203,570)	43,623
Cash and cash equivalents at the beginning of the period	74,578	62,045	53,655	53,655	33,828
Cash and cash equivalents at the end of the period	62,045	53,655	33,828	49,537	76,343
Net Decrease (increase) in cash and cash equivalents for the period	(12,665)	(8,408)	(19,974)	(4,018)	42,575

Source: The audited financial statements for the financial years 2017, 2018 and 2019, and the interim non-audited financial statements for the nine months ending on September 30, 2020.

Key Performance Indicators	Units	Fiscal Period ended on 30 September			Fiscal Period ended on 30 September	
		2017 (Audited)	2018 (Audited)	2019 (Audited)	2019 (Reviewed)	2020 (Reviewed)
Rate of growth in total revenue*	%	(4.20%)	2.40%	(3.60%)	(3.60%)	(46.20%)
Net Profit / (Loss) Growth Rate for the year **	%	(93.10%0	(975.40%0	88.00%	1786.50%	123.90%
Gross profit margin	%	23.90%	19.80%	24.50%	26.30%	8.20%
General and administrative expenses as a percentage of revenues	%	17.80%	17.40%	17.60%	17.00%	26.40%
Operations profit/(loss) margin	%	0.60%	(4.30%)	0.80%	3.30%	(23.50%)
Net profit /(loss) margin or the year	%	0.80%	(6.60%)	(12.90%0	(5.50%)	(22.70%)
Return on total assets	%	0.50%	(4.30%)	(4.60%0	N/A	(4.50%)
Return on equity	%	1.30%	(13.10%)	(32.50%)	N/A	(31.40%)
Debt to Total Equity	Once	0.9	1.1	1.4	N/A	2.1
Current Assets/Current Liabilities	Once	0.7	0.6	0.4	N/A	0.4
Total Assets / Total Liabilities	Once	1.6	1.5	1.2	N/A	1.2

Source: Management information

* Growth rate in revenues for the fiscal year 2017, compared to the revenues of the fiscal year 2016, and the growth rate in revenues for the nine-month period ending on September 30, 2019, compared to the revenues for the nine-month period ending on September 30, 2018.

** Growth rate in net profit for the fiscal year 2017, compared to the net profit of the fiscal year 2016, and growth rate in net profit for the nine-month period ending on September 30, 2019, compared to the net profit for the nine-month period ending on September 30, 2018



Market Overview

Kingdom of Saudi Arabia is witnessing a radical change in the concept of tourism and entertainment, as the government of the Kingdom of Saudi Arabia has established various bodies and companies whose role revolves around tourism and entertainment, including the General Entertainment Authority, the Ministry of Tourism, the Red Sea Development Company and the Qiddiya Investment Company. The Kingdom seeks to make the tourism and entertainment sectors one of the most important pillars of the economy, as the two sectors have witnessed a radical change since the announcement of the Saudi Vision 2030. The tourism and entertainment sector will support the economy in the Kingdom by contributing to diversifying sources of income and contributing to raising the gross domestic product. In addition to supporting small and medium enterprises and raising the proportion of foreign direct investments to generate jobs in the entertainment sector.

Hospitality and tourism sector in the Kingdom

The government is pushing the tourism development strategy, as the Tourism Development Fund has signed agreements with financing amounting to 160 billion Saudi Riyals to finance tourism development projects in the Kingdom, and this level of investment and commitment is intended to raise the tourism sector to constitute (10%) of the total GDP in the Kingdom of Saudi Arabia Saudi Arabia in the year 2030G.

The hospitality sector in the Kingdom of Saudi Arabia depends on the main cities, which are Riyadh, Jeddah, Makkah and Dammam/Al Khobar. Occupancy rates in hotels in Riyadh, Makkah and Dammam/Al Khobar have increased by (5%), (10%) and (10%) respectively for the first half of 2019 compared to the same period in 2018G, while occupancy rates did not change in Jeddah for the same period.

Entertainment sector in the Kingdom

Entertainment sector in the Kingdom plays a significant role the Kingdom's economy, as the Kingdom aspires in Vision 2030 to increase household spending on entertainment so that this contributes to improving the lifestyle and quality of life. In 2019, the Kingdom began allowing the issuance of visas and entry to citizens of 49 countries, which will encourage tourism in the Kingdom. The total expenditure of inbound tourism to Saudi Arabia increased by (12%) and amounted to 77.3 billion Saudi Riyals during the first eight months of 2019, compared to the same period of the previous year.

(Source: Invest Saudi website, Deloitte reports, Knight Frank reports).

Summary of Risk Factors

Prospective investors willing to subscribe for the offered shares shall read this Prospectus entirely prior to taking their invest decision to subscribe for or trades in the Offered Shares, including in particular the section (2) "Risk Factors" of this Prospectus.

- **Risks Related to the Company's Activity and Operations.**
- **Risks Related to Market and Industry.**
- **Risks related to the Offer Share.**



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1 Terms and Definitions

The following table includes a list of terms and definitions used in this Prospectus.

Term or Abbreviations	Definition
The Company or the Issuer	Abdulmohsen Alhokair Group for Tourism and Development, Saudi joint stock company
Group	Abdulmohsen Alhokair Group for Tourism and Development and its subsidiaries
Management	The executive management of the Company.
Kingdom	Kingdom of Saudi Arabia.
Articles of Association	The Company's Articles of Association.
Ministry of Commerce	Ministry of Commerce (formerly Ministry of Commerce and Investment) in the Kingdom of Saudi Arabia.
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by the board of the Capital Market Authority under resolution no, 3-123-2017, dated 09/4/1439H (corresponding to 27/12/2017G), based on the Capital Market Law issued under Royal Decree no. m/30, dated 02/06/1424H, and amended under the Capital Market Authority Board resolution no. 1-07-2021, dated 01/06/1442H (corresponding to 14/01/2021G).
The Board, Board of Directors, Board Members or Directors	The Company's Board of Directors whose names appear on pages (IV), (35) and (105).
Advisors	The Company advisors whose names appear on pages (V) and (VI).
Capital Market Authority, the Authority or CMA	The Capital Market Authority in the Kingdom of Saudi Arabia.
Capital Market Law	The Financial Market Law issued under royal decree no. m/30, dated 02/06/1424H (corresponding to 31/07/2003G), and any amendments thereto.
Saudi Stock Exchange Company (Tadawul)	The Saudi Stock Exchange Company established under the Council of Ministers Resolution, dated 29/02/1428H (corresponding to 19/03/2007G), in implementation of the Capital Market Law, is a Saudi closed joint stock company, and the sole authority entrusted to act as a market of securities in the Kingdom of Saudi Arabia, wherein securities are listed and traded.
Saudi Capital Market, Capital Market, Stocks Market, the Market or Tadawul	The Saudi Financial Market for trading of securities.
Tadawul System	The automated system for trading of stocks.
Companies Law or Companies Regulations	The Companies Law in the Kingdom of Saudi Arabia, issued under royal decree no. (m/3), dated 28/01/1437H (corresponding to 10/11/2015G, which came into force on 25/07/1437H (corresponding to 02/05/2016G), and amended under royal decree no. (m/79), dated 25/07/1439H (corresponding to 11/04/2018G).



Subsidiaries	Subsidiaries of the Company. (Please refer to subsection (9.3) “Subsidiaries” of this Prospectus). Subsidiaries mean: companies controlled by the Company through its ability to influence the actions or decisions of another person through any of the following, whether directly or indirectly, and whether done by the controlling party alone or jointly with a relative or affiliated party: (1) Possession of 30% or more of the voting rights in a corporation, or (2) Possession of the right to appoint 30% or more of the members of the management body of a corporation.
Substantial Subsidiaries	A subsidiary is considered material if it constitutes 5% or more of the Issuer's total assets, liabilities, revenue, profits, or contingents' liabilities of the Issuer. (Please see subsection (8.3) “Subsidiaries” of this Prospectus).
Sparky's Land Entertainment Games	It is a wholly owned subsidiary of Abdulmohsen Alhokair Group for Tourism and Development.
Asateer for Entertainment and Tourism	It is a wholly owned subsidiary of Abdulmohsen Alhokair Group for Tourism and Development.
Osool Al Mazaya Hotels Company	It is an 85% owned subsidiary of Abdulmohsen Alhokair Group for Tourism and Development.
General Assembly or General Meeting	The general assembly of the shareholders of the Company.
The Ordinary General Meeting or Assembly or OGM	The ordinary general assembly of the shareholders of the Company.
The Extraordinary General Assembly or Meeting or EGM	The extraordinary general assembly of the shareholders of the Company.
Government	The government of the Kingdom of Saudi Arabia.
Corporate Governance Regulations	The Corporate Governance Regulations in the Kingdom of Saudi Arabia, issued by the board of the Capital Market Authority under resolution no. 8-6-2017, dated 16/05/1438H (corresponding to 13/02/2017G), based on the Companies Law issued under royal resolution no. m/3, dated 28/01/1437H and amended in the resolution of the Capital Market Authority no. 1-7-2021, dated 01/06/1442H (corresponding to 14/01/2021G).
Related Parties	<p>In the rules on the offer of securities and continuing obligations, and in accordance with the terms used in the regulations of the Capital Market Authority and its rules issued by the Authority Board under resolution no. 4-11-2004, dated 20/08/1425H (corresponding to 04/01/2004G) and amended in the resolution of the Capital Market Authority no. 1-07-2021, dated 01/06/1442H (corresponding to 14/01/2021G), related parties shall mean the following:</p> <ol style="list-style-type: none"> 1) Affiliates of the issuer. 2) Substantial shareholders of the issuer. 3) Directors and senior executives of the issuer. 4) Directors and senior executives of the affiliates of the issuer. 5) Directors and senior executives of substantial shareholders of the issuer. 6) Any relatives of the persons in (1, 2, 3, 4 or 5) above. 7) Any company controlled by any person in (1, 2, 3, 4, 5, or 6) above.



Listing Rules	The listing rules issued by the Saudi Stock Exchange Company (Tadawul) and approved by the Capital Market Authority board resolution no. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), and amended by the board resolution no. (1-104-2019), dated 01/02/1441H (corresponding to 30/09/2019G).
International Financial Reporting Standards or IRFS	International Financial Reporting Standards approved by the Saudi Organization for Certified Public Accountants (SOCPA), which includes international standards in addition to the additional requirements and disclosures required by SOCPA and other standards and statements approved by SOCPA, which include standards and technical publications related to issues not covered by international standards, such as Zakat issue.
Financial Year/years	It is the period of time for presenting the result of the entity's activity, the beginning and end of which are specified in the or Articles of Association or By-Laws of the concerned company. Note that the Company's fiscal year ends on December 31.
Nationalization/ Saudization	Replacement of expatriate workers by Saudi nationals in private sector jobs.
Riyal, Saudi Riyal, SR or SAR	The official currency of the Kingdom of Saudi Arabia.
Saudi Organization of Certified Public Accountants or SOCPA	The Saudi Organization of Certified Public Accountants in the Kingdom of Saudi Arabia.
General Organization for Social Insurance or GOSI	The General Organization for Social Insurance in the Kingdom of Saudi Arabia.
Ministry of Human Resources and Social Development	The Ministry of Human Resources and Social Development (formerly the Ministry of Labor and Social Development) in the Kingdom of Saudi Arabia.
Business Day	Any business day except Fridays and Saturdays and any official holiday in the Kingdom of Saudi Arabia or any day during which banking institutions are closed, under the applicable laws and other governmental procedures.
Labor Law	The Saudi Labor Law issued under royal decree no. m/51, dated 23/08/1426H (corresponding to 27/09/2005H), and amended under Royal Decree no. m/5, dated 07/01/1442H (corresponding to 26/08/2020G).
H	The Hijra Calendar
G	The Gregorian Calendar
Securities Depository Center Company / Depository Center	A closed joint stock company fully owned by the Saudi Stock Exchange Company (Tadawul) and has been established in 2016G in accordance with the Saudi Companies Law under the royal decree no. m/3, dated 28/01/1437H (corresponding to 11/11/2015G).
Vision 2030	The national strategic economic program that aims at reducing dependence on oil and petrochemicals, diversifying the Saudi economy, and developing public services.
Value Added Tax or (VAT)	On 02/05/1438H (corresponding to 30/01/2017G), the Council of Ministers approved the unified agreement of the value added tax of the Cooperative Council of the Arab States of the Gulf, which came into force as of 01 January 2018, as a new tax to be added to the system of taxes and other fees that should be applied by certain sectors in the Kingdom and in the Cooperative Council of the Arab States of the Gulf. VAT has been set at 5%. A number of products such as basic foods, services related to health care and education) were



	exempted from the said tax. The government of the Kingdom has decided to increase the value-added tax rate from (5%) to (15%) as of 01 July 2020G.
Rights or Pre-emptive Rights	Rights or pre-emptive rights are tradable securities that entitle its holders the right to subscribe to new shares upon approval of the capital increase. It is an earned right for all registered shareholders and each right entitles its holder to subscribe to one share of the new shares at the offer price. Rights will be deposited after the Extraordinary General Assembly for the capital increase has convened on 16/12/1442H (corresponding to 26/07/2021G). These rights will appear in the registered shareholders accounts under a new pre-emptive right-related symbol. Registered shareholders will be notified of depositing the rights in their portfolios through announcement on Tadawul website, (Tadawulaty) services provided by the Securities Depository Center as well as short messages sent by brokerage companies.
Indicative Value of the Right	The difference between the market value of the Company shares during the trading period and the offer price.
Right Trading Price	The right trading price, which is determined through supply and demand mechanism, and may consequently differ from the indicative value of the right.
Underwriters	Falcom Financial Services Company and BlomInvest of Saudi Arabia.
Lead Manager	Falcom Financial Services Company.
Offering Period	The period that starts on Monday 16/12/1442H (corresponding to 26/07/2021G and ends on 26/12/1442H (corresponding to 05/08/2021G).
Offer/Subscription Price	Ten (10) Saudi Riyals per share.
Rump Shares	The shares that are unsubscribed to during the Offering period.
Rump Offering	Offering of any rump shares that are not subscribed to by eligible persons to institutional investors by offering of the shares during the rump offering period.
Rump Offering Period	The period that starts from 10:00 a.m. on Tuesday 02/01/1443H (corresponding to 10/08/2021G) until 05:00 p.m. on Wednesday 03/01/1443H (corresponding to 11/08/2021G).
New Shares	(30,700,000) ordinary shares, which will be issued to increase the Company capital.
Eligibility Factor	The result of dividing the number of new shares on the Company current number of shares.
Eligible Persons	All holders of pre-emptive rights whether registered shareholders or shareholders who bought pre-emptive rights during the trading period.
Substantial Shareholders	The shareholders who own (5%) or more of company shares. As of the date of this Prospectus, the Substantial Shareholders of the Company (who own 5% or more of the Company shares) are: Abdulmohsen Alhokair & Sons Holding Company, which owns ten million eight hundred and four thousand five hundred (10,804,500) shares, i.e. (31.5%) of the Company's shares before the Offering, and Abdulmohsen Abdulaziz Fahd Alhokair, who owns four million two hundred and seventy-three thousand seven hundred and eighty (4,273,780) shares, i.e. 12.46% of the Company shares before the Offering.
Public	In the Rules on the Offer of Securities and Continuing Obligations, public means the persons other than the following: 1) Affiliates / Subsidiaries of the Issuer. 2) Substantial shareholders of the Issuer. 3) Directors and senior executives of the Issuer. 4) Directors and senior executives of the affiliates of the Issuer. 5) Directors and senior executives of substantial shareholders of the Issuer.



	<p>6) Any relatives of the persons in (1, 2, 3, 4, or 5) above.</p> <p>7) any company controlled by any person in (1, 2, 3, 4, 5, or 6) above.</p> <p>8) Persons who act together in agreement and jointly own (5%) or more of the class of shares that will be listed.</p>
Net Proceeds of the Offering	The net proceeds of the Offering after deducting offer expenses.
Person	The natural person.
Prospectus	This document which is prepared by the Company in relation to pre-emptive rights shares subscription.
Listing	Listing of securities in the main market or – where permitted by the text – submitting a listing application to the Saudi Stock Exchange Company (Tadawul).
Registered Shareholders	The shareholders owning shares at the end of the trading on the day of the extraordinary general assembly meeting related to capital increase, and who are registered in the Company shareholders' register in the Depository Center at the end of the second trading day following the extraordinary general assembly meeting on 02/12/1442H (corresponding to 12/07/2021G).
New Investors	Individual and institutional investors – save as registered shareholders – who purchased pre-emptive rights during the trading period.
Shares	The Company ordinary shares of twenty (34,000,000) million shares, with a nominal value of ten (10) Saudi Riyals per share.
Brokers / Agents	Market institutions licensed by the Capital Market Authority to practice dealing in securities as agent.
Institutional Investors	<p>Include a set of institutions as follows:</p> <ol style="list-style-type: none">1. Government entities and government companies, whether directly or through a portfolio manager, or any international entity recognized by the Authority, the exchange and any other stock exchange recognized by the authority or the Depository Center.2. Public investment funds established in the Kingdom and are publicly offered and private investment funds which invest in the securities listed in the Saudi Financial Market, if such is permitted by the fund's terms and conditions, and subject to the provisions and restrictions provided by the Investment Funds Regulations.3. Authorized persons licensed to deal in securities as a principal provided that the capital adequacy requirements are observed.4. Customers of an authorized person licensed to conduct management services provided that such authorized person has been appointed on terms upon which it may make decisions regarding acceptance of participation in the Offering and investment in the Saudi Financial Market on behalf of the customer without obtaining a prior approval therefrom.5. Any legal persons that may open investment account in the Kingdom and an account with the Depository Center, taking into consideration the rules and regulations that apply on investment by listed companies in securities provided that the participation by such company shall not cause any conflict of interest.6. GCC legal personality investors including companies and funds established in the Gulf Cooperative Council countries.7. Qualified Foreign Investors. <p>A final legal beneficiary in a swap agreement concluded with an authorized person, in accordance with the terms and regulations of the swap agreements.</p>
Subscriber	Any person that subscribes to offer shares.



Shareholder	The owner or holder of shares as of any specified date.
Gulf Cooperative Council / GCC	The Cooperative Council for the Arab States of the Gulf.
Domestic Product (GDP)	The gross domestic product of the Kingdom of Saudi Arabia is the market value of all final goods and services recognized locally and have been produced within a specific period of time.
Pandemic or Corona Virus "Covid-19"	A viral infectious disease known as (Corona Virus) and referred to in brief as "Covid-19" that has started to spread in most of the countries worldwide, including the Kingdom of Saudi Arabia in the beginning of the 2020G. It has been classified as pandemic by the World Health Organization.
General Authority of Zakat and Tax (GAZT)	The General Authority of Zakat and Tax (formerly Zakat and Income Authority) is a governmental entity that from an organizational perspective reports to the Minister of Finance. It is the authority entrusted with the collection of Zakat and tax.
Underwriting Agreement	The underwriting agreement between the Company and underwriters.
Rules for Qualified Foreign Financial Institutions Investment in Listed Securities	The rules that regulate investment in securities by non-Saudi persons residing outside the Kingdom and are issued by the Capital Market Authority board under resolution no. 1-42-2015, dated 15/07/1436H (corresponding to 04/05/2015G) and amended in the Authority resolution no. 3-65-2019, dated 14/10/1440H (corresponding to 17/06/2019G).
Nitaqat Program	A program for the Ministry of Human Resources and Social Development to motivate organizations to employ Saudi labor force. The program has been approved under resolution no. (4040), dated 28/01/1432H (corresponding to 10/09/2011G, based on the Council of Ministers Resolution no. (50), dated 13/05/1415H (corresponding to 27/1/1994G). The program evaluates the performance of the organization based on specified Nitaqat (platinum, green, yellow and red), in accordance with the activity and sector under which the organization is registered. The Nitaqat Program was amended under resolution no. (63717), dated 29/03/1441H (corresponding to 26/11/2019G. The yellow Nitaq was cancelled and all organizations that fall within this yellow Nitaq were transferred to the red Nitaq. All the red Nitaq standards set forth in Nitaqat Program Guidelines have been applied on these organizations.
Ministry of Tourism	Ministry of Tourism, formerly known as the Saudi Commission for Tourism and National Heritage, is a ministry concerned with the tourism sector in the Kingdom of Saudi Arabia.
Ministry of Health	Saudi Ministry of Health is the ministry responsible for the public health of citizens in the Kingdom of Saudi Arabia.
Ministry of Municipal and Rural Affairs and Housing	Saudi Ministry of Municipal and Rural Affairs and Housing is the ministry responsible for urban planning for the cities of the Kingdom of Saudi Arabia.



2 Risk Factors

In addition to other information contained in this Prospectus, all prospective investors should carefully consider all risk factors described below before deciding whether to invest in the Offer Shares. The risk factors described below are not inclusive of all the risks that the Company may encounter; there could be other risks currently unknown to, or considered immaterial by, the Company, which may preclude its operations. The Company's business, financial condition, results of operations, cash flows and prospects, could be materially and adversely affected if any of the following risks actually occur or become material.

Members of the Board of Directors further declare that, to the best of their knowledge and belief, there are no significant risks that can affect decisions taken by investors as of the date of this Prospectus, except as disclosed in this Section. An investment in the shares of the Company is only suitable for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss, which might result from such an investment. Prospective investors who have doubts about which actions to take should refer to a financial adviser licensed by the CMA for advice about investing in the shares of this Offering.

In the event that any of the risks that the Company currently believes to be material do occur, or if any other risks that the Company does not currently consider to be material do occur, the value of the Offer Shares could decrease, and prospective investors could lose all or part of their investment in the Offer Shares.

The risks and uncertainties described below are presented in an order that does not reflect their importance. Additional unknown risks and uncertainties or those deemed immaterial now, may have the impacts shown in this Prospectus.

2.1 Risks Related to the Company's Activity and Operations

2.1.1 Risks Related to Inability to Implement the Strategy

The Company's ability to increase its revenues and improve its profitability depends on the effective implementation of its business plans and successful implementation of its strategy including, but not limited to, improvement of current activities in which the Company operates or entering new activities. The Company's ability to expand its business in the future depends on its ability to continue implementing and improving its operational, financial and administrative information systems in an efficient and timely manner, as well as on its ability to increase, train, motivate and maintain its workforce. The Company has appointed a specialized international company to develop the Company's strategic plan for the next five years from 2021G to 2025G in order to grow in various sectors of the Group and to consider other opportunities and areas to diversify sources of income and enhance the Group's competitiveness.

Any business expansion plans that the Company intends to undertake in the future will be subject to the estimated costs and the schedule of implementation set for them and may need additional funding to complete any expansion plans. If the Company is unable to implement the expansion plans according to the schedule set for them with the estimated costs of the project or in the event that the desired profitability of these projects is not achieved, due to various reasons, including a change in the market situation at the time of implementation of these projects or a defect in the feasibility study, the Company's competitive position as well as its results of operations, profitability and prospects will be adversely affected.

2.1.2 Risks related to Failure to issue or renew Licenses, Permits and Certificates

The Company and its subsidiaries are required to obtain and maintain various permits, licenses, certificates and regulatory approvals in relation to their activities. These licenses include, but not limited to: Ministry of Tourism permits, municipality licenses, civil defense licenses, company registration certificates issued by the Ministry of Commerce, Chamber of Commerce membership certificates, trademark registration certificate, Saudization certificates, Zakat certificates and VAT registration certificate.

It is worth noting that the Group has (64) expired licenses and certificates as of the date of this Prospectus (please refer to subsection (10.7) "Government approvals and licenses for the Company and its subsidiaries" of Section (10) "Legal Information" of this Prospectus).

The inability of the Company and its subsidiaries to renew their current licenses, permits and certificates, or to obtain any licenses necessary for their business, or if any of the licenses are suspended or expired, or if any of those licenses were renewed on conditions that are not appropriate for the Company and its subsidiaries, or in the event that the Company and its subsidiaries are unable to obtain the additional licenses, permits and certificates that may be required of it in the future, this may expose the Company and its subsidiaries to stoppage and inability to carry out their business such as closing the Company or any of its subsidiaries, or freezing all services provided by the supervisory authorities to them (such as renewing licenses and certificates, issuing visas, residence permits, and transferring sponsorships...etc). This will result in disruption of the Company and its subsidiaries operations and incurring additional costs and financial penalties according to the relevant regulations, and consequently, will adversely affect the Company's business, results of operations, financial condition and future prospects.

2.1.3 Liquidity Risk

Liquidity risk is the inability of the Company to meet its obligations related to current financial liabilities when they are due. The Company's current financial liabilities consist of loans, payables, other accrued expenses and lease contract obligations. The Company's liquidity ratio was 0.7 times as at 31 December 2017, i.e. 0.6 times as on December 31, 2018, 0.3 times as on December 31, 2019, and 0.4 times as on September 30, 2020. Liquidity risk may also result from the inability to sell current financial assets quickly at an amount close to their fair value. The Company has a working capital deficit of SAR 152.9 million as on December 31, 2017G, SAR 251.7 million as on December 31, 2018G, and SAR 509.1 million as on December 31, 2019G, and SAR 545.8 million as on September 30, 2020G. The Company finances the working capital through bank facilities and loans or by generating cash from the Company's operations. The reason for the existence of a deficit in working capital is that the balance of current liabilities is greater than the balance of current assets. The Company has worked to rectify the deficiency in the working capital requirements by obtaining the approval of the funding agencies to postpone the payment of some short-term loans, reschedule the rental obligations due within one year, and take advantage of the available banking facilities as of September 30, 2020. There is no guarantee that the Company will be able to fulfill its obligations on the due dates, nor the Company guarantees that any contingencies or sudden events that might require immediate liquidity would not occur and adversely affect the Company's business, results of operations and financial conditions.

2.1.4 Risks related to Credit

Credit risk arises when one party is unable to fulfill a specific financial obligation to the other party. The Company may face credit risk in several temporary or permanent situations, including the existence of debit balances from customers, failure of other payables to fulfill their obligations towards the Company, and other cases in which the Company is exposed to credit risk.

The balance of the Company's receivables amounted to SAR 80.9 million as on December 31, 2017G, SAR 104.4 million as on December 31, 2018G, and SAR 105.6 million as on December 31, 2019G, and SAR 104.1 million as on September 30, 2020G. Receivables unpaid for more than 90 days represent about (58%), (59%), (64%) and (57%) of total receivables as on December 31, 2017, 2018 and 2019, and September 30, 2020G respectively.

The provision for the decline in the value of receivables (doubtful debts) of the Company amounted to SAR 8.4 million as on December 31, 2017G, SAR 11.6 million as on December 31, 2018G, SAR 15.8 million as on December 31, 2018G and SAR 20.0 million as on September 30, 2020, which represents about (9%), (10%), (13%) and (16%) of the total receivables as on December 31, 2017, 2018 and 2019 and September 30, 2020, respectively. In the event that the Company's clients are unable to pay their debts, this will increase the potential rise in the value of the provision for the decline in the value of receivables, and in such cases the Company will either resort to the judiciary or raise the value of the provisions that it must set aside to cover the decrease in the value of receivables, which will have a negative impact on the Company's profits, financial conditions, results of operations and future prospects.

The Company cannot guarantee that the parties it deals with will not fail to fulfill their obligations, nor it can predict their future ability to precisely fulfill that. In the event that debtors fail to pay the Company's dues or show a delay in collecting receivables from them, this will negatively and substantially affect the availability



of liquidity for the Company's needs, expenses and cash flows, and thus will negatively and substantially affect the Company's business, financial condition, results of operations and future prospects. (For more information, please refer to subsection (6.6.1.2) "Receivables" of Subsection (6.6) "Balance Sheet" of Section (6) "Financial Information, and Management Discussion & Analysis" of this Prospectus.

2.1.5 Accounts Payable Risks

The balance of the Company's trade payables amounted to SAR 101.8 million, SAR 100.5 million, SAR 101.4 million, and SAR 91.0 million as on December 31, 2017G, 2018G and 2019G, and September 30, 2020G, respectively. The percentage of trade payables out of the total obligations represents (9%), (9%), (4%) and (5%) as on December 31, 2017G, 2018G and 2019G, and September 30, 2020G, respectively. The Company may not be able to pay the full amount of its trade payables or pay them within the period agreed upon with the suppliers. As such, the Company may not be able to obtain debt purchase agreements with appropriate terms in the future, which will adversely and significantly affect its operations, financial results and future prospects.

2.1.6 Risks related to the Company's High Indebtedness

The Company's debts amounted to SAR 619.1 million as on December 31, 2017G, SAR 624.8 million as on December 31, 2018G, SAR 622.2 million as on December 31, 2019G, and SAR 712.4 million as on September 30, 2020G. The Company's debt out of total shareholders' equity represented 0.92 times as on December 31, 2017G, 1.07 times as on December 31, 2018G, 1.41 times as on December 31, 2019G, and 2.13 times as on September 30, 2020G. The Company resorts to financing its business in order to provide liquidity that helps it achieve revenues and continuously pay its debt. However, if the debt increases and the Company is not able to reduce it, this will adversely affect the financial performance of the Company, its operations and future plans. (For more information, please refer to subsection (6.6) "Balance Sheet" of Section (6) "Financial Information and Management Discussion and Analysis" of this Prospectus). It is worth noting that the Company, as of September 30, 2020G, used 90.0% of the facilities provided to it by banks. In addition, the Company must repay 75.0% of the total loans it obtained at the end of the fiscal year 2022G and 100.0% at the end of the fiscal year 2027G (for more information about the loans and their repayment date, please refer to subsection (6.6.4.3) "Loans" of this Prospectus). If the Company is unable to fulfill its repayment obligations referred to above, the banks will request to pay the debt immediately and collect the guarantees presented by the Company, which will adversely and substantially affect the Company's business, financial condition and future prospects.

2.1.7 Risks related to the Increase in the Company's Liabilities

The increase in the Company's liabilities could pose a threat to the Company's general financial condition and its financial solvency, as the percentage of total liabilities out of total assets amounted to (62.7%) as on December 31, 2017G, (66.8%) as on December 31, 2018G, (85.8%) as on December 31, 2019G, and (85.7%) as on September 30, 2020G. The percentage of total current liabilities out of total current assets was (272.4 percent) as on September 30, 2020G, while the percentage of total non-current liabilities out of total non-current assets was (56.4 percent). Accordingly, the increase in the Company's liabilities will adversely affect its financial condition and increase the financing costs. If that happens, it will be difficult for the Company to meet its obligations, and this will have a negative impact on the Company's business, financial condition, results of operations and future prospects. (For more information, please refer to subsection (6.6) "Balance Sheet" of Section (6) "Financial Information, and Management Discussion and Analysis" of this Prospectus).

2.1.8 Risks related to Future availability of Financing

The Company may need to obtain loans and bank facilities to finance future expansion plans. It is worth noting that obtaining financing depends on the Company's capital, financial condition, cash flows, guarantees provided, and its credit record. The Company does not give any assurance or guarantee that it will obtain the appropriate financing if the need arises. Therefore, if the Company is unable to obtain the financing it needs from funding bodies, or get financing on acceptable preferential terms commensurate with the Company, this will have a negative impact on the Company's performance, operations and future plans.

2.1.9 Risks related to Contingent Liabilities

Some potential obligations may arise to the Company and its subsidiaries, such as costs related to Zakat, taxes or lawsuits, as well as any other obligations or costs such as end of service benefits for employees. If such obligations are realized, they will adversely and materially affect the Company's financial condition, results of operations and future prospects.

2.1.10 Risks related to Reliance on Key Personnel and Executive Management

The Company and its future plans for success depend on the expertise and competencies of its executive management and key personnel. The Company aims to attract and hire qualified people to ensure the efficiency and quality of work through effective management and proper operation. There is no assurance that the Company will be able to guarantee the continuity of the services of its employees. Also, it will need to increase the salaries of its employees in order to ensure their retention or to attract new cadres with appropriate qualifications and experience. Accordingly, if the Company loses any of the senior executives or qualified employees and is unable to employ alternatives with the same level of experience and qualifications and at an appropriate cost to the Company, this will have a substantially negative impact on the Company's business, results of operations and future prospects.

2.1.11 Risks related to Employee Mistakes or Misconduct

The Company and its subsidiary cannot guarantee that employees' misconduct or mistakes such as fraud, intentional errors, embezzlement, scam, theft, forgery, misuse of its properties and disposing them on its behalf without obtaining the required administrative authorizations. Consequently, such actions may entail consequences and responsibilities for the Company, or statutory penalties, or financial liability, which will adversely affect the reputation of the Company and its subsidiaries. Therefore, the Company cannot guarantee that employees' misconduct or mistakes will not materially harm its financial condition, results of operations and future prospects.

2.1.12 Risks related to Operation Systems and Information Technology

The Company and its subsidiary depend on information technology systems to manage their business and facilities (such as the main information system (ERP System) and the electronic reservation systems), which expose the Company or any of its subsidiaries to the risks of disruption of these systems, such as system collapse, failure of protection systems, penetration of the Company's systems, electronic viruses, natural disasters, fires, communication errors, or the lack of skilled workers needed to operate and manage these systems. If the Company and its subsidiaries fail to maintain and develop the information technology systems, or in the event of any malfunctions in their functions, a major malfunction or repeated failure, this will materially and adversely affect the Company's business, financial condition, results of operation and future prospects.

2.1.13 Risks related to Reclassification of Hotels Managed and Operated by the Company

As of the date of this Prospectus, the Company manages and operates (34) hotels of the three, four, and five star categories. The activity of managing and operating hotels is subject to periodic supervision by the Ministry of Tourism, where it classifies hotels and grants them classification certificates based on several factors, including the level of service and facilities available in hotels. There is no guarantee that the hotels that are managed and operated by the Company will not be subject to reclassification by the Ministry of Tourism to a lesser category than they are, which will affect the prices of the hotel rooms and hotel apartments, and the license and management agreements of some hotels with the operators or licensors of the brand. The occurrence of such a matter would, in turn, adversely and materially affect the Company's reputation, results operations, financial condition and future prospects.

2.1.14 Risks related to Changes in the Accounting Standards or Application of New Standards

The Company's audited consolidated financial statements for the financial years ending on December 31, 2017G, 2018G and 2019G, and the accompanying clarifications were prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Certified Public Accountants (SOCPA). As such, the Company is obligated to apply amendments or changes to these standards from time to time.



Consequently, any changes in these standards or the mandatory application of some new standards may adversely affect the financial statements and thus the Company's financial results and financial condition.

2.1.15 Risks related to Nationalization Requirements

Compliance with the Saudization requirements is a legal requirement issued by the Ministry of Human Resources and Social Development in the Kingdom, whereby all companies operating in the Kingdom are obligated to employ a certain percentage of Saudi employees among their total employees and to maintain that percentage. According to the Nitaqat program issued by the Ministry of Human Resources and Social Development, the Saudization rate as of the date of this Prospectus reached about (31.7%) and it is classified within the low green range. Although it is currently complied with the required Saudization rates, the Company, in the event that it does not continue to maintain these rates or in the event that the Ministry of Human Resources and Social Development decides to impose more stringent Saudization policies in the future, and it is unable to comply with the requirements of the Ministry of Human Resources and Social Development, it will be subject to penalties imposed by government agencies, such as suspension of applications for work visas and sponsorship transfer for non-Saudi workers, which will have negative and significant impact on the Company's business, financial condition, results of operations and prospects. (For more information, please refer to subsection (3.12) "Employees and Saudization" of Section (3) "Background on the Company and the Nature of its Business" of this Prospectus).

2.1.16 Risks related to Occurrence of Natural Disasters

Any damage caused to the Company and its subsidiaries facilities as a result of natural disasters, such as floods, earthquakes, and other nature accidents, may cause the Company to incur large and huge costs, and severely affects the ability of the Company and its subsidiaries to perform their operations. Natural disasters, occurring and damaging the Company and its subsidiaries' facilities, will have a negative material impact on the Company's business, results of operations, financial condition and future prospects.

2.1.17 Risks related to Non-compliance with the Quality Standards and Specifications required by Customers

The Company seeks to maintain the satisfaction of its customers by continuing to provide the same level of quality of its products. However, in the event that the Company is unable to continue providing its products with the same level of quality, this will adversely affect its reputation, and thus make customers reluctant to deal with it. This will negatively affect the Company's revenues and accordingly its operational and financial results and future prospects.

2.1.18 Litigation Risks

As of the date of this Prospectus, the Group is a party to lawsuits and legal claims for a value estimated at three million eighty thousand seven hundred and twenty (3,080,720) Saudi Riyals, as a plaintiff, and for a value estimated at one million eight hundred and eighty-four thousand two hundred twenty-one (1,884,221) Saudi Riyals, as a defendant. (Please refer to subsection (10.11) "Litigation and Claims" of Section 10) "Legal information" of this Prospectus). Also, the Group may find itself a party to other lawsuits and claims, whether as a plaintiff or defendant. Any negative outcome in relation to litigation and regulatory procedures would adversely affect the Group's business, financial condition, results of operations and future prospects. The Group cannot accurately anticipate the cost of the lawsuits or judicial procedures that it may institute or may be instituted against it in the future, the final results of those lawsuits, or the judgments issued on, and compensation and penalties they contain. These lawsuits may include, but not limited to, Zakat, tax, labor law, errors, complaints and other damages that result from negligence or fraud by persons or institutions in a manner outside the Group's control. Consequently, any negative results of such cases (as a plaintiff or defendant) will adversely affect the Group's business, results of operations, financial position and future prospects.

2.1.19 Risks related to Potential Zakat Dues and Additional Claims

The Company finalized its Zakat position and obtained the final Zakat assessments until 2012G. During the year 2020G, the General Authority for Zakat and Income issued Zakat assessments for the years from 2014 to 2017, according to the following:

1. From 2014G until 2016G: The General Authority for Zakat and Income demanded the Company to pay additional Zakat amounts of SAR 12.00 million. The Company objected to this assessment and submitted a reconciliation to the Zakat and Tax Dispute Settlement Committee to reduce the amount to SAR 7.50 million. The Committee agreed to this objection and requested the Company to pay the amount of SAR 7.50 million which was paid in full by the Company on 24/01/2021.
2. 2017G General Authority of Zakat and Income demanded the Company to pay additional Zakat amount of SAR 1.61 million. The Company filed an objection to this assessment with the General Secretariat of the Tax Committees, and the amount was reduced to SAR 0.36 million which was paid by the Company on 24/01/2021G.

Based on the above, the Company has also finalized its Zakat position for the years from 2014 to 2017.

As for the years 2013G, 2018G, 2019G and 2020G, the Company submitted its Zakat declarations to the General Authority for Zakat and Income and obtained Zakat certificates for these years and did not receive any Zakat assessment for these years from the General Authority for Zakat and Income until the date of this Prospectus.

The Company cannot predict whether the General Authority of Zakat and Income will accept its Zakat estimates for the above-mentioned financial years for which the General Authority of Zakat and Income has not yet issued Zakat assessments, or will demand the Company to pay any Zakat differences in the future for these years. However, the Company has a Zakat provision of SAR 5.6 million (provision for the year 2013 of SAR 3.3 million, and a surplus of provision for the years from 2014 to 2017, amounting SAR 2.3 million).

It should be noted that the main shareholder (Abdulmohsen Alhokair and Sons Holding Company) undertook to pay any additional Zakat on behalf of the Company in relation to any amounts in excess of the Zakat provision included in the Company's consolidated financial statements for all years up to December 31, 2013. In the event that the General Authority for Zakat and Income demands the Company to pay any Zakat differences in the future and the main shareholder (Abdulmohsen Alhokair & Sons Holding Company) has not paid those Zakat differences (until December 31, 2013) and it was greater than the Zakat provision that was allocated by the Company, then this will expose the Company to pay additional amounts, and thus it will adversely and materially affect the Company's profits, results of operations, financial condition and future prospects.

2.1.20 Risks related to Financing Agreements

The Company entered into financing agreements with seven (7) local banks, with a total value of SAR 788.5 million, and the total amount used from that is SAR 712.4 million as of September 30, 2020G. There is no guarantee that the Company will be able to fulfill its obligations on the due dates, which will be considered a breach of the concluded agreements, and accordingly the lenders have the right to cancel or terminate the financing agreements and demand the Company to pay the entire debt immediately. This will adversely affect the Company's business, financial condition, results of operations and its ability to borrow, finance and implement its future plans.

The existing financing agreements include pledges from the Company, according to which the lenders have the right to request immediate repayment of loans if any of these pledges are not fulfilled. With the exception of some pledges that belong to three banks, the Company obtained letters of exemption from these pledges from the banks before the end of the fiscal year 2019G. The lenders may ask for other guarantees that the Company cannot provide, which will make it in breach of the terms of the agreements; If the Company is not able to fulfill its repayment obligations under the financing agreements, or is unable to provide any other guarantees that might be requested against that, or it breaches in the future any of the obligations or commitments related to the debts incurred by it, the lenders may request the immediate payment of the debt and the collection of guarantees provided by the Company. In this case, there is no guarantee that the Company will be able to obtain sufficient alternative sources of financing to meet the repayment of those debts. Any of these factors will have a negative and material impact on the Company's business, financial condition and future prospects. (For more information on financing agreements, please refer to subsection (6.6.4.3) "Loans" of Section (6) "Financial Information and Management Discussion and Analysis" of this Prospectus.)



2.1.21 Risks related to Revenue Concentration

The Company's revenues consist of three main activities: 1) Hotels, 2) Entertainment, and 3) Others (Commercial Centers and Restaurants), and the Company's revenues from these activities are concentrated in the revenues generated from hotels and entertainment, where the percentage of revenues generated from hotels constituted (54.6%) and (65.5%), (53.7%) and (67.7%) of the Company's total revenues as of December 31, 2017G, 2018G, 2019G and September 30, 2020G, respectively. The percentage of revenues generated from entertainment constituted (41.7%), (38.6%) and (40.5) % and (27.0%) of the Company's total revenues as of December 31, 2017G, 2018G, 2019G and September 30, 2020G, respectively.

Therefore, in the event of a decrease in revenues from the Company's activities in general and from hotel revenues in particular, this will negatively affect the Company's revenues and accordingly its operational and financial results. (For more information, please refer to subsection (6.5.1) "Revenue by Country and Activity" of subsection (6.5) "Results of Operations – Overall Income Statement" if Section (6) "Financial Information and Management Discussion and Analysis" of this Prospectus).

2.1.22 Risks related to the Protection of Trademarks and Proprietary Rights

The Company's ability to market its services and products and develop its business depends on the use of its name, logo and trademark, which support its business and its competitive position and give it a clear distinction in the market among customers. The Company has registered its trademark with the competent authorities (please refer to the subsection (10.12) "Trademarks" of Section (10) "Legal Information" of this Prospectus). Any breach of the proprietary rights or unlawful use of the Company's trademark will affect the Company's reputation. The Company may be forced to enter into costly court procedures and focus the efforts of some of its administrative employees for these procedures in order to protect its trademark. In the event that the Company fails to protect its trademark effectively when renewing the registration certificate or tracking similar marks, this will adversely affect its value, and accordingly will affect the Company's business, results of operations, financial condition and future prospects.

2.1.23 Risks related to Insurance Coverage

The Company has a number of insurance contracts, including medical insurance for its employees and their families, vehicle insurance, and property insurance (please refer to subsection (10.13) "Insurance" of Section (10) "Legal Information" of this Prospectus).

Insurance contracts include deductible sums and factors excluded from insurance coverage, in addition to other restrictions related to insurance coverage which have been negotiated with insurance companies. Also, the Company's ability to obtain compensation due to it from the relevant insurance companies depends on the financial solvency of the insurance company and its ability to meet the value of this compensation. So, the insurance may not cover all the losses incurred by the Company, and there is no guarantee given to the Company that it will not incur losses that exceed the limits of the insurance policies or are outside the coverage contained therein. It is possible that cases may arise in which the value of the claim exceeds the value of the insurance held by the Company, or that the compensation claim submitted by the Company to the relevant insurance company will be rejected, or the claim and compensation period may be prolonged, which will adversely affect the Company's business, results of operations, financial condition and future prospects.

2.1.24 Risks related to Reliance on non-Saudi Employees

The percentage of non-Saudi employees as of the date of this Prospectus constitutes about (86.4%) of the total employees in the Company, which may adversely affect its business results, financial condition and operating results if the Company is not able to retain its non-Saudi cadres or find replacements for them with the same skills and the required expertise, or if any change occurs in the policies and regulations of the Ministry of Human Resources and Social Development, resulting in an increase of the Saudization rate in the sector. In addition to the fact that the Company's reliance on a high percentage of non-Saudi employees leads to higher government fees that the Company bears for every non-Saudi employee in terms of work and residency permits, which will lead to an increase in the Company's costs in general, and thus adversely affects its business, financial performance and results of operations.

The government has approved a number of decisions aimed at carrying out comprehensive reforms of the labor market in the Kingdom of Saudi Arabia, which included the approval of additional fees for each non-

Saudi employee working for a Saudi entity as of 01/01/2018, at a rate of four hundred (400) Saudi Riyals per month for each non-Saudi employee in 2018, increasing to six hundred (600) Saudi Riyals per month in 2019G, and then eight hundred (800) Saudi Riyals per month in 2020G. This will lead to an increase in the government fees that the Company will pay against employment of non-Saudi employees, (as of the date of this Prospectus, the number of non-Saudi employees is 1,569 employees, whose percentage is about 68.3% of the total employees in the Company. Please refer to subsection (3.12) “Employees and Saudization” of this Prospectus), and thus increase the Company's costs in general, which will adversely affect its business, financial performance and results of operations. The total government fees paid by the Company on its non-Saudi employees amounted to SAR 8.3 million, SAR 23.1 million, SAR 18.5 million, and SAR 16.4 million as on December 31, 2017, 2018, 2019 and on September 30, 2020G, respectively.

In addition, the government has also approved fees for issuance and renewal of residency permits for dependents and companions of non-Saudi employees (dependent fees), which have become effective as of 01/07/2017, noting that they have gradually increased from one hundred (100) Saudi Riyals per month for each dependent in 2017, to four hundred (400) Saudi Riyals per month for each dependent in the year 2020G. Accordingly, the increase in the fees for issuing and renewing the residency that the non-Saudi employee will bear on behalf of his family may lead to an increase in the cost of living for him, which will lead to looking for other countries with a lower cost of living, and if such a thing happens, the Company will face difficulty in maintaining its non-Saudi employees, which may force it to bear those costs for non-Saudi employees or part of them directly, or indirectly by raising their wages, which will lead to an increase in the Company's costs, and thus will have a negative impact on its business, financial performance, results of operations and future prospects. It is also worth noting that on 18/03/1442G (corresponding to 04/11/2020G), the Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia launched the initiative to improve the contractual relationship, which aims to support the vision of the Ministry of Human Resources and Social Development in building an attractive labor market, enable and develop human competencies and develop the work environment. The initiative provides three main services: the job mobility service, and the development of exit, reentry and final exit mechanisms. The services of the initiative include all expatriate workers in private sector establishments within specific controls that take into account the rights of both parties of the contractual relationship and the terms of the contract between the employer and the expatriate worker, provided that the initiative will enter into force on March 14, 2021. The job mobility service allows the expatriate worker to transfer to another job upon the end of his work contract without the need for the employer's approval, and the initiative also defines the mechanisms of transfer during the validity of the contract, provided that the notice period and the specified controls are adhered to. Accordingly, upon the entry into force of this initiative, the Company does not guarantee that it maintains its cadres of non-Saudi workers and renews their contracts on conditions that are satisfactory to them, which will push them to move to another job according to the mechanisms referred to above, and if the Company is unable to maintain its cadres of non-Saudi workers, or finding replacements for them with the same skills and experience required, this will lead to an increase in the financial cost to the Company, which would adversely and significantly affect the Company's business, financial results and future expectations.

2.1.25 Risks related to Contracts with Third Parties

The Company has entered into a number of contracts and agreements with third parties (please refer to subsection (10.10) “Summary of Material Contracts” of Section (10) “Legal Information” of this Prospectus). Accordingly, the Company is exposed to the risk of the inability or unwillingness of the contracting parties to fulfill their contractual obligations. The parties with whom the Company contracts may violate their obligations for any reason, including its bankruptcy results, lack of financial solvency, or disruption of its operations. Risks arising from dealing with these parties become more acute under difficult market conditions.

It is also not possible to confirm that these parties will be up to the Company's aspirations, and in the event that the Company or the contracting parties are unable to abide by the terms of those contracts, or in the event of any future disputes or issues, and the Company loses those disputes, this will adversely affect its financial condition, cash flows, operating results and future prospects.



2.1.26 Risks related to Transactions with Related Parties

In the course of its normal business, the Company deals with related parties represented by the Substantial Shareholders (Abdul Mohsin Alhokair & Sons Holding Company, and Abdul Mohsin Abdulaziz Fahd Alhokair), and members of the Board of Directors for the current session, which began on April 19, 2021G (Majid Abdul Mohsin Abdulaziz Alhokair, Sami Abdul Mohsin Abdulaziz Alhokair), and the former members of the Board of Directors for the term of the Board of Directors ending on April 18, 2021G (Musaed Abdulmohsen Abdulaziz Alhokair, Amin Elias Amin Moukarzel), and the number of contracts and transactions with related parties reached (48), (53), (50) and (51) contracts as in 2017G, 2018G, 2019G and 2020G respectively, which constitute about (10%), (9%), (10%) and (10%) of the total number of the Company's contracts as in the years 2017G, 2018G, 2019G and 2020G respectively. The volume of contracts and transactions with related parties amounted to about (SAR 114.2), (SAR 111.3), (SAR 111.5) and (SAR 59.3) million as on December 31, 2017G, 2018G, 2019G and on September 30, 2020G, respectively. All commercial transactions with related parties are subject to the approval of the general assembly of the Company's shareholders, and in the event that it does not agree to these transactions, the Company will have to search for other unrelated parties to deal with them to carry out the work assigned to related parties. In addition to that, if the transactions with related parties are not carried out in the future on a purely commercial grounds, this will adversely and significantly affect the Company's business, financial condition, results of operations and prospects. (For more information, please refer to subsection (10.10.1) "Contracts and Transactions with Related Parties" of Section (10) "Legal Information" of this Prospectus).

2.1.27 Risks related to Practicing Business by Board Members Competitive to the Company's Business

Some of the Company's board members carry out work that is classified as similar or competitive business, whether directly or indirectly, which may lead to a conflict of interest between the business of the member of the board of directors and the Company's business. According to Article Seventy-Second (72) of the Companies Law, a board member may not involve in any business that would compete with the Company, or compete with the Company in one of the branches of the activity it practices. Otherwise, the Company may ask him before the competent judicial authority for appropriate compensation, unless he obtained a license from the Ordinary General Assembly allowing him to do so, and in accordance with the controls set by the competent authority. The Ordinary General Assembly of the Company's shareholders on 09/10/1441H (corresponding to 01/06/2020G) approved licensing the following members of the Board of Directors, Musaed Abdulmohsen Abdulaziz Alhokair, Majed Abdulmohsen Abdulaziz Alhokair, and Sami Abdulmohsen Abdulaziz Alhokair, to participate in businesses that are considered competitive to the Company's business. The Board members have an influence on the Company's decisions, and their interests may not be consistent with the interests of the Company's shareholders when making the Company's decisions. In addition, they have the ability to access internal Company information that they may use for their own interests or in a way that does not comply with the Company's interests and goals. In the event that Board members who have a conflict with the Company's interests adversely affect the Company's decisions, or if they use the Company's information in unfavorable way to the Company's interests, this will adversely and significantly affect the Company's business, results of operations, financial condition and future prospects.

2.1.28 Risks related to the Company's Assets being on Leased Lands

All of the Company's assets are built on leased lands (please refer to subsection (10.10.3.2) "Real Estate Leases" of Subsection (10.10) "Substantive Contracts" of this Prospectus). The Company's failure to comply with the terms of the lease contracts will lead the Company to enter into judicial disputes that may lead to withdrawal of the leased lands and consequently the Company's activities will cease. If this happens or the Company is unable to maintain the continuity of these contracts or renew them with the same current or preferential terms, the Company's business, results of operations, financial performance and future prospects will be adversely affected.

2.1.29 Risks related to Accumulated Losses

The Company's accumulated losses as of December 31, 2018G amounted to SAR 30,882 thousand, which represents (5.6%) of its capital of SAR 550,000,000. As of September 30, 2019G, the total accumulated losses of the Company amounted to SAR 77,837 thousand, which represents (14.2%) of the Company's

capital. On 01/04/1441H (corresponding to November 28, 2019G) the Company's Board of Directors agreed to use the entire statutory reserve amounting to SAR 71,692 thousand to amortize part of the accumulated losses, resulted in total accumulated losses becoming SAR 6,145 thousand, which represents (1.1%) of the Company's capital.

As of December 31, 2019G, the total accumulated losses of the Company amounted to SAR 102,178 thousand, which represents (18.6%) of the Company's capital. On 22/01/1442H (corresponding to 10/09/2020G), the Company announced that its accumulated losses as per the unaudited financial results for the period ending on July 31, 2020G, had reached SAR 130,000 thousand, which represents (23.6%) of the Company's capital. As of September 30, 2020, the accumulated losses of the Company amounted to SAR 207,327 thousand, which represents (37.7%) of the Company's capital.

On March 28, 2021G, the Company announced the financial results for the financial year ending on December 31, 2020, where the total accumulated losses of the Company amounted to SAR 302,334 thousand, which represents (55.0%) of the Company's capital.

On May 10, 2021G, the Company announced the preliminary financial results for the three-month period ending on March 31, 2021G, where the total accumulated losses of the Company amounted to SAR 362,44 thousand, which represents (65.9%) of the Company's capital.

It should be noted that on 23/01/1438H (corresponding to 24/10/2016G) the CMA Board issued its decision No. (1-130-2016) amending the procedures and instructions for companies which have their shares listed in the stock market and their accumulated losses amounted to (50%) or more than their capital, in view of the Companies Law. The name of the procedures was amended to become "Procedures and Instructions for Companies Listed in the Market and which have accumulated losses amounted to (20%) or more of their capital". They were put into effect as of 25/07/1438H (corresponding to 22/04/2017G). They stipulate that the Company must immediately and without delay disclose to the public an independent announcement when its accumulated losses reach (20%) or more.

These procedures also stipulate that the Company must immediately and without delay disclose to the public an independent announcement when its accumulated losses reach (50%) or more of its capital, with a recommendation from its Board of Directors submitted to the Extraordinary General Assembly, in accordance with the requirements of Article 150 of the Companies Law, either by increasing or decreasing the Company's capital, or dissolving the Company before the term specified in its Articles of Association. In case the Company terminates under Article 150 of the Companies Law or by a decision of the Extraordinary General Assembly, the listing of the Company's shares in the market will be terminated.

There are no guarantees that the Company will not record additional losses. In the event that the percentage of accumulated losses reaches (20%) or more of the Company's capital, the Company will be subject to the CMA's regulation regarding "the Procedures and Instructions for Companies which have their shares listed in the stock market and have accumulated losses amounted to (20%) or more of their capital." In the event the accumulated losses reached (50%) or more, the Company will be subject to a number of more stringent requirements, particularly Article 150 of the Companies Law, which obliges any company's official or auditor, upon learning that the accumulated losses of the Company have reached (50%) or more of its capital to inform the Chairman of the Board of Directors of that, and the Chairman must inform the Board of Directors of that immediately. The Board of Directors must, within (15) days of their knowledge, invite the Extraordinary General Assembly to a meeting within (45) days from the date of the Board's knowledge of the losses to decide, either to increase or decrease the Company's capital to the extent that the percentage of losses decreases to less than half of the paid-up capital, or to dissolve the Company before the term specified in its Articles of Association. The Company would be considered terminated by the force of the regulation if the Extraordinary General Assembly did not meet during the period specified above, or if it met and could not issue a decision in this matter, or if it decided to increase the Capital in accordance with the conditions stipulated in Article 150 of the Companies Law, and the entire Capital increase has not been subscribed to within (90) days from the Assembly's decision to increase it. In the event that the Company is terminated according to Article 150 of the Companies Law or by a decision of the Extraordinary General Assembly, this will adversely and substantially affect the Company and its financial results and future prospects.

It should be noted that on 16/03/1442H (corresponding to 02/11/2020G) the Royal Decree No. (15016) was issued regarding the suspension of some provisions of the Articles of Companies Law. His Excellency the



Minister of Commerce Decision No. (348) was issued on 10/04/1442H. (Corresponding to 25/11/2020G) based on the Royal Decree suspending Article (150) of the Companies Law for a period of two years from 01/08/1441H (corresponding to 25/03/2020G).

2.1.30 Risks related to New Projects

The Group's strategies include continuing in the expansion of its business, as it is currently working on establishing two (2) entertainment centers and one (1) commercial center in the Kingdom of Saudi Arabia. The group may face many challenges and obstacles, including, but not limited to, the delay in completing the construction of projects and starting operations, or lack of demand for new projects of the Group after operation. Therefore, there is no guarantee that the expansion of the group and its entry into new projects will achieve success and will have the ability to achieve revenues and cover operating expenses and other costs, which could adversely and significantly affect the Group's business, results of operations, financial performance and future prospects.

2.1.31 Risks related to the Outbreak of Coronavirus "Covid-19" and Epidemics

With the beginning of the year 2020G, an infectious viral disease known as Corona virus and abbreviated "Covid-19" spread, as it began to spread in most countries of the world, including the Kingdom of Saudi Arabia, and as a result the World Health Organization classified it on March 11, 2020G as a global pandemic, and called for taking the necessary preventive measures to confront this virus and limit its spread. Accordingly, the government of the Kingdom of Saudi Arabia hurried to take strict decisions in this regard, resulting in, for example, but not limited to, the imposition of a partial or total curfew in some cities and governorates of the Kingdom, the closure of airports and commercial complexes and all activities within them except for foodstuff stores and pharmacies, and the reduction of the number of working hours for some sectors and some were obligated to work remotely. The group, like other companies operating in the Kingdom of Saudi Arabia, was affected by the precautionary decisions in particular with regard to the decisions issued by the Ministry of Human Resources and Social Development, and the Ministry of Municipal and Rural Affairs. The Company announced on 20/07/1441H (corresponding to 15/03/2020G) the temporary closure of all its entertainment centers in the Kingdom of Saudi Arabia, starting from Sunday, March 15, 2020G until further notice. On 16/08/1441H (corresponding to 09/04/2020G), the Company announced that its revenues were directly affected as a result of implementing the precautionary decisions regarding limiting the spread of the Corona virus (Covid-19), as it closed all its entertainment centers in the Kingdom, and it also closed a number of restaurants and hotels temporarily to reduce expenses and maintain cash flow. With reference to the Royal Decree issued on June 20, 2020G regarding the complete lifting of the curfew and permitting the return of all economic and commercial activities, the Company announced, on 29/10/1441H (corresponding to 21/06/2020G), the gradual reopening of a number of its entertainment centers with commitment to all Governmental directives related to public health and safety practices, which include temperature checking, using of medical face masks, hand sterilization, limiting the number of visitors inside recreational sites, imposing the use of personal protective equipment among all workers in all recreational sites, distributing protective masks and hand sanitizers at all entrances to recreational centers, and encouraging the use of electronic payment methods, in addition to adhering to social distancing measures.

On the date of 11/01/1442G (corresponding to 30/08/2020G), the Company announced that its business was affected by the spread of the Corona virus (Covid-19) and the precautionary and preventive measures taken by the Kingdom to limit its spread. It also announced the measures it had taken to mitigate the effects of this pandemic, and the initiatives of the government to support private sector companies that the Company has benefited from. They are all explained below:

1. The reasons that led to the Company being affected by this pandemic are as follows:
 - ✓ Closing all entertainment sites from March 15, 2020G to June 20, 2020G, due to the precautionary and preventive measures taken by the Kingdom to control the corona virus, which led to a lack of revenues for the Company's entertainment sites during this period. The Company's revenues dropped by SAR 224.5 million during the four-month period from the beginning of March 2020 to the end of June 2020, compared to the same period of the previous year.
 - ✓ Precautionary measures led to a decrease in occupancy rates for the Company's hotel sector, and all meetings and weddings were stopped during the period of suspension of commercial activities,

based on the decision of the Ministry of Municipal and Rural Affairs to cancel gatherings to reduce the risks of spreading the virus and preserve the health of citizens and residents.

- ✓ Suspension of all domestic and international flights, which affected the Company's business in all sectors.
2. The Company's management has taken a series of measures to mitigate the effects of the Corona Virus (Covid-19) pandemic on its operations, as follows:
- ✓ The gradual reopening of the Company's recreational centers, supported by the Royal Decree issued on June 20, 2020G regarding lifting the curfew completely and allowing the return of all economic and commercial activities, while following all preventive measures issued by the Ministry of Health in all commercial activities of the Company, imposing temperature check procedures and distributing protective masks and sterilizers, in addition to adhering to social distancing measures as stated in the Company's announcement on 29/10/1441H (corresponding to 21/06/2020G).
 - ✓ Working to reduce operating expenses by reducing the salaries and wages in proportion to the actual working hours, and reducing rental expenses by obtaining discounts from lessors and other operating expenses.
 - ✓ Continuing to maintain the positive cash flow of the Company and its strong banking relationships.
 - ✓ The Company contracted with the Ministry of Health to occupy some of its hotels as health quarantines.
3. The Company has benefited from some government initiatives to support private sector companies affected by the Corona Virus (Covid 19) pandemic, as follows:
- ✓ Sanad system initiative, where the General Organization for Social Insurance bore 60% of the salaries of Saudi employees, which does not exceed 70% of the total number of Saudi employees.
 - ✓ Hadaf program to support 30% of the salary or SAR 3,000, whichever is less, to support Saudi employees who have been employed in the private sector as of the beginning of July 2019.
 - ✓ Postponing loan repayments for all bank facilities and value added tax.
 - ✓ Some other government initiatives such as reducing the electricity bill, extending employee resident permits, and others.

On 22/06/1442H (corresponding to 02/04/2021G), the Company announced the closure of all entertainment centers inside and outside the malls, restaurants, cinemas, and cafes affiliated with the Group in the Kingdom of Saudi Arabia, starting at ten 10:00 pm of Thursday 22/06/1442H (corresponding to 04/02/2021G) for a period of ten (10) days, subject to extension. In addition to stopping all events, celebrations, wedding halls and meeting rooms belonging to the hotel sector of the Group, for a period of thirty (30) days that can be extended. This is in compliance with the precautionary measures taken by the Kingdom's government to limit the emergence of a second outbreak of the Corona virus "Covid-19" in the Kingdom. As of the date of this Prospectus, the Company is evaluating the financial impact of closing these centers and facilities and will announce any developments in this regard on the Company's page on the Saudi Stock Exchange website "Tadawul".

The precautionary measures taken by the Kingdom's government to limit the spread of the "Covid-19" virus have greatly affected all economic sectors, including the sector in which the Group operates, and since there is no expected date for the end of this epidemic until the date of this Prospectus, the Company cannot determine the period of time for the end of the impact of this epidemic on its business, and does not guarantee the existence of consequences in the future that may adversely and materially affect the Group's business, operational results, financial condition and future prospects.



2.2 Risks Related to the Market and Industry

2.2.1 Risks related to the Economic Performance of the Kingdom

The Company's future performance depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation factors, GDP growth, average per capita income, and so on. The Kingdom's macro and micro economic depends mainly on oil and oil industries, which still control a large share of the GDP. Accordingly, any unfavorable fluctuations that occur in oil prices will have direct and substantial impact on the plans and growth of the Kingdom's economy in general and on the government spending rates, which would adversely affect the Company's financial performance as it works within the Kingdom's economic system and it is affected by the government spending rates.

The continued growth of the Kingdom's economy also depends on several other factors, including the continued growth of the population and investments of the public and private sectors in the infrastructure. Therefore, any negative change in any of these factors will have a significant impact on the economy and thus will adversely and substantially affect the Company's business, financial results and future prospects.

2.2.2 Risks related to Political and Economic Instability in the Middle East

Many countries in the Middle East suffer from political or security instability at the present time. There are no guarantees that the economic and political conditions in those countries or any other countries will not have a negative impact on the Kingdom's economy and thus on the ability of the Company's clients to renew their relationship with it and the inability of the Company to obtain new clients. This will adversely affect the Company's business, results of operations, financial condition and future prospects.

2.2.3 Risks related to Domestic or International Flights Movement

The room rates and occupancy levels of hotels for the Company's hospitality sector are affected by various factors that adversely affect the number of domestic or international flights, such as local or international regulatory changes, epidemics, wars, political unrest, increased travel costs in general or natural disasters. These factors would lead to a decrease in the demand for the hospitality sector in general and a decrease in the demand for the Company's hotels in particular, which adversely and substantially affects the Company's business, operations results and future prospects.

2.2.4 Risks related to Seasonal Factors and Climatic Conditions

The Company's operations are affected by seasonal factors during the summer, climatic conditions and vacation periods, where the hospitality sector is affected by reductions in room rates and low levels of occupancy, while the entertainment sector is affected by the decrease in the number of visitors or their average spending, which adversely affects the Company's business, results of operations and future prospects.

2.2.5 Risks related to the Companies Law and the Corporate Governance Regulations

The Company, in its management and conduct of its various business and activities, is subject to the provisions of the Companies Law issued on 28/01/1437H (corresponding to 11/11/2015G), and amended by Royal Decree No. (M/79) dated 25/07/1439H (corresponding to 11/04/2018G). In addition, the CMA's Board issued under resolution No. (8-127-2016) dated 16/01/1438H (corresponding to 17/10/2016G) the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies, as amended by the CMA's Board Resolution No. (4-122-20-2) dated 03/04/1442H (corresponding to 18/11/2020G). In addition, the CMA's Board issued under resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G) the Corporate Governance Regulations which were then amended by the CMA's Board Resolution No. (1-07-2021) dated 01/06/1442H (corresponding to 14/01/2021G). The Companies Law and the Corporate Governance Regulations impose some new requirements related to the regulation and corporate governance that the Company must adhere to. Also, the Companies Law imposes stricter penalties for violating its provisions and rules, which are mandatory for all companies. Therefore, the Company, members of its Board of Directors or its executive management may be subject to such penalties including fines, imprisonment, or both (for example, the Companies Law stipulates that any manager, official, member of the Board of Directors, auditor, or liquidator records false or misleading data he will be punished by imprisonment for a period not exceeding 5 years and a fine not exceeding five million Saudi Riyals) in the event that it does not adhere to these provisions and rules. In the event that the Company fails to adhere

to all the articles of the Companies Law and all the mandatory articles in the Corporate Governance Regulation in the future, or in the event that some or all of the guiding articles in the Corporate Governance Regulation become mandatory, and the Company could not implement and adhere to them, it would be exposed to statutory penalties and fines, which will have a negative and substantial impact on the Company's business, results of operations, financial condition and future prospects

2.2.6 Risks related to Non-compliance with Existing Laws and Regulations and/or Issuance of New Laws and Regulations

The Company and its subsidiary companies are subject to the supervision of a number of government agencies in the Kingdom of Saudi Arabia, the United Arab Emirates and the Arab Republic of Egypt. Therefore, the Company and its subsidiaries are subject to the risks of changes in the laws, regulations, circulars and policies in these countries. The cost of compliance with these regulations are high, and in the event of changes to the current laws or regulations or the issuance of new laws or regulations, the Company and its subsidiaries may incur additional unforeseen financial expenses related to compliance with these regulations and meeting requirements of these laws, or otherwise they may be subject to penalties and fines imposed by the competent supervisory authorities if they continue not to comply with these regulations and laws, which will adversely affect their business, results of operations, financial condition and future prospects.

2.2.7 Risks related to the Competitive Environment

The Company operates in highly competitive sectors, where it faces competition from providers of hospitality and entertainment services, whether at the local or regional level. The licensing agreements of the hospitality sector are non-exclusive, which means that the Company faces competition at the local level from other companies which use the same licensor brand as the Company (e.g. Holiday Inn, Novotel). The Company's competitors may be willing to accept a profit margin less than the Company's in order to retain clients and licensors or to acquire new clients and licensors. This is in addition to competition from new local and international companies in the field of hospitality and entertainment. The Company's competitive position depends on many factors that include the strength of its financial position, the geographical scope of its business, and the reputation of the Company. There is no guarantee that the Company will continue to compete effectively with other companies that operate in the market in the same sectors of its business. The Competitors' pricing policies also greatly affect the Company's financial performance, and there is no guarantee that the Company will constantly be able to compete with those companies, which may lead to reducing the Company's share in the market and thus adversely and substantially affect the Company's business, financial results and future prospects.

2.2.8 Risks related to Value-added Tax (VAT)

The Kingdom issued a VAT system, which came into effect on January 1, 2018. This system imposes an added value of (5%) on a number of products and services. The Saudi government decided to increase the VAT rate from (5%) to (15%), which began to be applied from 1 July 2020G. Accordingly, the Company must adapt to the changes resulting from the application of the VAT and the increase in that. However, any violation or wrong application of the tax system by the Company's management or by its subsidiaries will expose them to fines, penalties or damage to their reputation. This will also increase costs and operating expenses, which could reduce the competitive position of the Company and its subsidiaries and the level of demand for their services, which will have a negative and material impact on the Company's financial condition, results of operations and future prospects.

2.2.9 Risks related to Fluctuations in Currency Exchange Rates

Some of the Company's transactions are subject to currencies other than the Saudi Riyal, particularly the UAE Dirham, the Egyptian Pound, the US Dollar and the European Euro. Fluctuations in the value of the Saudi Riyal against the foreign currencies used by the Company may lead to an increase in expenses, which will have a negative and material impact on the Company's business, results of operations, financial condition and future prospects.



2.2.10 Risks related to Health and Safety Requirements for the Entertainment Sector

There are health and safety risks in the Company's entertainment sector, as most of the Company's entertainment sites have recreational games that are stunts or other types of robotic games related. There are risks associated with these games that may result in accidents or injuries, God forbids, in any of the Company's entertainment sites. Such accidents or injuries may reduce the visit to the Company's entertainment sites, and lead the Company to be subject to legal claims, which could have a negative and material impact on the Company's business, financial results and future prospects. It should be noted that the Company's business is subject to oversight and examination by the Civil Defense Department responsible for the safety aspects of public property, and in the event the Company violates any of the health and safety requirements for its recreational sites, it will be subject to fines and legal action against it, which would have a negative and material impact on the Company's business, results of operations and future prospects.

2.3 Risks related to the Offered Securities

2.3.1 Risks related to Potential Fluctuation in the Price of the Rights Issue

The market price of the rights issue may be subject to large fluctuations due to a change in factors affecting the Company's share. This fluctuation may be large due to the difference between the permissible daily fluctuation percentage (being 10% up and down from the closing price of the previous day) for rights, compared to the allowed daily fluctuation percentage for the Company's shares. The rights trading price depends on the trading price of the Company's shares and the market's view of the fair price of the rights. These factors may adversely affect the trading price of the rights.

2.3.2 Risks related to Potential Fluctuations in the Share Price

The market price of the rights during the trading period may not be an indication of the market price of the Company's shares after the Offering. Also, the Company's share price may not be stable and may be affected significantly due to fluctuations resulting from market conditions related to the Company's current rights or shares. These fluctuations may also result from many factors, including but not limited to, stock market conditions, poor performance of the Company, inability to implement the Company's future plans, entry of new competitors to the market, change in the vision or estimates of experts and analysts of the stock market, and any announcement of the Company or any other of its competitors related to strategic mergers and acquisitions or alliances.

The sale of large quantities of shares by the shareholders or the belief that such sale is likely to occur will adversely affect the price of the Company's shares in the market. In addition, shareholders may not be able to sell their shares in the market without negatively affecting the share price. There is no guarantee that the market price of the Company's shares will not be lower than the Offering price, and if this happens after investors have subscribed to the new shares, the subscription cannot be canceled or modified, and as a result the investors may incur losses. In addition to the above, there is no guarantee that the shareholder will be able to sell his shares at a price equal to or greater than the offer price after subscribing to the new shares.

2.3.3 Risks related to Unprofitability or Sale of Rights

There is no guarantee of profitability of the share by trading it at a higher price. In addition, there is no guarantee that it will be sold at all, which indicates that there is no guarantee of sufficient demand in the market to exercise the priority rights or receive compensation from the Company. It should be noted that the investor who did not subscribe or sell his rights, and the owners of fractional shares, may not obtain any consideration if the sale was made in the remaining offering period at the Offering price.

2.3.4 Risks related to Future Data

The future results and performance data of the Company cannot be actually predicted and may differ from what is contained in this Prospectus. The Company's achievements and ability to develop are what determine the actual results, which cannot be expected or determined. The inaccuracy of data and results is one of the risks that the shareholder must know so as not to affect his investment decision, considering that in the event that the future results and performance data are fundamentally different from what is mentioned in this Prospectus, this will lead to the shareholders losing part or all of their investment in the Company's shares.

2.3.5 Risks related to the Possibility of Issuing New Shares

The issuance of any new shares by the Company depends on the approval of the extraordinary general assembly of the shareholders. In the event that the Company decides to issue new shares as priority rights to increase its capital, and the extraordinary general assembly of shareholders approves this decision, and the shareholders do not exercise their rights by subscribing to the new shares, the ownership of the shares will decrease proportionately as well as its appendices of the right to vote and obtain profits, which will affect the market price of the share.

2.3.6 Risks related to Reduced Demand for Rights and Shares of the Company

There is no guarantee that there will be sufficient demand for the rights during the trading period, to enable the Rightsholder (whether a registered shareholder or a new investor) to sell the rights and make a profit on them, or to enable them to sell the rights at all. Also, there is no guarantee that there will be sufficient demand for the Company's shares by investment institutions during the remaining offering period. In the event that the investment institutions do not submit offers for the remaining shares at a high price, there may not be sufficient compensation to be distributed to the holders of priority rights who did not exercise their right to subscribe, or to the holders of fractional shares. Moreover, there is no guarantee that there will be sufficient demand in the market for the shares obtained by a subscriber either through the exercise of the priority rights for these shares, or through the residual offering or through the open market.

2.3.7 Risks related to Low Ownership Percentage

If the holders of priority rights do not fully subscribe to their right in the new shares, their ownership and voting rights will decrease. Also, there is no guarantee that if the restricted rights holder wishes to sell his priority rights during the trading period, the return he receives will be sufficient to fully compensate him for the decrease in his ownership percentage in the Company's capital as a result of the increase in its capital. There is also no guarantee that there will be a compensation amount distributed to the eligible shareholders who have not exercised their right to subscribe or to the owners of fractional shares in the event that the investment institutions during the remaining offering period do not offer offers for the remaining shares at a high price, or that the compensation amount (if any) is sufficient to compensate The decrease in the percentage of ownership in the capital of the Company.

2.3.8 Risks related to Failure to Exercise Priority Rights in a Timely Manner

The subscription period begins on Monday 16/12/1442H (corresponding to 26/07/2021G) and will end on Thursday 26/12/1442H (corresponding to 05/08/2021G). The rights owners and the financial intermediaries they represent must take appropriate measures to follow all necessary instructions before the subscription period expires. If the eligible shareholders are not able to properly exercise the subscription rights by the end of the subscription period, based on their priority rights, there is no guarantee that there will be a compensation amount distributed to the eligible shareholders who are not participating or who have not performed the procedures for practicing the subscription properly, or to the fractional share holders.

2.3.9 Risks related to the Distribution of Dividends to Shareholders

Future earnings per share depend on a number of factors, including the Company's profitability, maintaining its good financial condition, capital needs and distributable reserves, the Company's available credit strength, and general economic conditions. Increasing the Company's capital may lead to a decrease in earnings per share in the future because the Company's profits will be distributed to a larger number of shares as a result of the increase in its capital. The Company does not guarantee that any dividends on the shares will be actually distributed, nor does it guarantee the amount that will be distributed in any particular year. Dividend distribution is subject to certain restrictions and conditions stipulated in the Company's articles of association.

2.3.10 Risks related to Speculation in Priority Rights

Speculation in rights is subject to risks that may cause material losses. The permissible daily fluctuation range of the trading price of the rights priority is greater than the permissible daily fluctuation range of the market price (which is 10% up and down from the closing price of the previous day). There is also a proportional relationship between the Company's share price and the indicative value of the right. Accordingly, the daily price limits (ie the daily volatility range) for rights trading will be affected by the daily price limits for shares trading. In the event that the shareholder does not sell the rights before the end of the trading period, he will



have two options: either to exercise these rights to subscribe to the new shares before the end of the subscription period, or not to do so. In the event of failure to exercise the rights, the investor may be subject to a loss or decrease in the value of his investment portfolio, or profit in the event of selling shares in the remaining offering period at a price higher than the Offering price. Therefore, investors should review the full details of the mechanism for listing and trading new rights and shares and how they work, and be familiar with all the factors affecting them, in order to ensure that any investment decision is based on full awareness and knowledge. (Please refer to Section (13) "Information related to the Shares and the Offering Terms and Conditions" of this Prospectus).

2.3.11 Risks related to Suspension of Trading or Cancellation of the Company's Shares due to not Publishing the Financial Statements within the Statutory Period

In the event that the issuer is unable to publish its financial information within the statutory period (30 days from the end of the financial period for the initial financial statements, and three months from the end of the financial period for the annual financial statements), the procedures for suspending the listed securities will be applied in accordance with the listing rules approved by the decision of the Board of the Capital Market Authority No. (1-10-2019) dated 24/05/1440H (corresponding to 30/01/2019G), which stipulate that the Market (Tadawul) suspends trading of securities for a period of one trading session following the expiry of the statutory period. In the event that the financial information is not published during the twenty trading sessions following the first suspended trading session, the Saudi Tadawul Company shall announce the re-suspension of the Company's securities until it announces its financial results. In the event that the suspension of trading the Company's shares continues for a period of six months without the Company taking the appropriate measures to correct that suspension, the Authority may cancel the listing of the Company's securities. The Capital Market lifts the suspension after one trading session has passed, following the announcement of the Company's financial results. However, if the Company is late in announcing its financial results, or if it is unable to publish them within the statutory period referred to above, this will cause the Company's shares to be suspended or to cancel the listing of its shares, which would adversely and significantly affect the interest of the Company's shareholders, the Company's reputation and results of operations. In addition, the Capital Market Authority may cancel the Offering of the Company's priority rights shares in the event that it deems that the Offering may not be in the interest of the shareholders.

3 Company Background and Nature of Business

3.1 Company Overview

Abdalmohsen Alhokair Group Company for Tourism and Development (hereinafter referred to as “the Company” or “the Issuer” or “Alhokair Group”) was initially established as a sole proprietorship establishment under the name of “Abdalmohsen Alhokair Group for Trading and Industry” and it was registered under the Commercial Registration No. (1010014211), dated 16/8/1398H (corresponding to 22/07/1978G). On 08/04/1424H (corresponding to 09/06/2003G) the name of the Company was changed to “Abdalmohsen Alhokair Group for Operation and Maintenance”, and on 21/03/1427H (corresponding to 19/04/2006G) the name of the Company was changed to “Abdalmohsen Alhokair Group for Tourism and Development”. On 11/08/1427H (corresponding to 03/09/2006G), the legal entity of the Company was transferred from a sole proprietorship to a closed joint stock company. According to Ministerial Resolution No. (2161), dated 28/08/1435H (corresponding to 26/06/2014G), the entire shares of the Company totaling fifty five million (55,000,000) ordinary shares were listed on the main Saudi Stock Market, with a nominal value of ten (10) Saudi Riyals per share, and thus converted into a Saudi public joint stock company.

The Head Office of the Company is located in Riyadh- Al-Morouj District - the Northern Ring - between Exit 4 and 5 – next to Double Tree Hilton Hotel, PO Box 57750 Riyadh 11584 Kingdom of Saudi Arabia.

The current capital of the Company is three hundred and forty-three million (343,000,000) Saudi Riyals, divided into thirty-four million and three hundred thousand (34,300,000) ordinary shares, with a fully paid nominal value of ten (10) Saudi Riyals per share.

3.2 Substantial Shareholders of the Company

The following table shows, as of the date of this Prospectus, the number of shares and the percentage of the Substantial Shareholders’ ownership in the Company (who own 5% or more of the Company's shares) before the Offering:

Table No. (1): Substantial Shareholders of the Company.

Name	Shares Owned			
	Direct		Indirect	
	Number	Percentage	Number	Percentage
Abdalmohsen Alhokair and Sons Holding Company	10,804,500	31.50%	-	-
Abdul-Mohsen Abdulaziz Fahd Alhokair *	4,273,780	12.46%	6,170,570	17.99%
Total	15,078,280	43.96%	6,170,570	17.99%

Source: the Company

* The indirect ownership of Mr. Abdalmohsen Abdulaziz Fahad Alhokair results from his ownership of (57.10%) of Abdalmohsen Alhokair and Sons Holding Company which owns (31.50%) of the shares of Abdalmohsen Alhokair Group for Tourism and Development.

3.2.1 Abdalmohsen Alhokair and Sons Holding Company

A Saudi limited liability company as per the Commercial Registration No. (1010168806) dated 10/06/1422H (corresponding to 29/08/2001G) issued in Riyadh, with a capital of ten million (10,000,000) Saudi Riyals, divided into ten thousand (10,000) cash shares, the value of each is one thousand (1,000) Saudi Riyals. Its activity, as mentioned in the commercial registration, includes marketing services to others, importing and exporting to others, purchasing lands for the purpose of constructing buildings and investing them by selling and renting for the benefit of the Company.



3.3 The Company's History and the Most Important Developments in its Capital Structure

- Abdulmohsen Alhokair Group for Tourism and Development was established, in the beginning, as a sole proprietorship establishment under the name of "Abdulmohsen Alhokair Group for Trading and Industry", and it was registered under Commercial Registration No. (1010014211) dated 16/08/1398H (corresponding to 22/7/1978G) with a capital of two hundred and seventy-four thousand (274,000) Saudi Riyals.
- In 1991G, the capital was increased from two hundred seventy-four thousand (274,000) Saudi Riyals to seventy-one million six hundred seventy-four thousand (71,674,000) Saudi Riyals, thus increasing the number of shares from (27,400) cash shares to (7,167,400) cash shares of equal value of (10) Saudi Riyals per each. The increase of seventy-one million and four hundred thousand (71,400,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 08/04/1424H (corresponding to 09/06/2003), the name of the Company was changed to "Abdulmohsen Alhokair Group for Operation and Maintenance".
- In 2005G, the capital was increased from seventy-one million six hundred and seventy-four thousand (71,674,000) Saudi Riyals to two hundred forty-nine million (249,000,000) Saudi Riyals, and thus increasing the number of shares from (7,167,400) cash shares to (24,900,000) cash shares. The increase of one hundred seventy-seven million three hundred and twenty-six thousand (177,326,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 21/03/1427H (corresponding to 19/04/2006G), the name of the Company was changed to "Abdulmohsen Alhokair Group Company for Tourism and Development".
- On 01/01/1427H (corresponding to 01/31/2006G), the capital was increased from two hundred forty-nine million (249,000,000) Saudi Riyals to two hundred seventy-one million six hundred and seventy-four thousand (271,674,000) Saudi Riyals, and thus increasing the number of shares from (24,900,000) cash share to (27,167,400) cash share of equal value of (10) Saudi Riyals per each. The increase of twenty-two million six hundred and seventy-four thousand (22,674,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 11/08/1427H (corresponding to 03/09/2006G), the legal entity of the Company was transferred from a sole proprietorship to a closed joint stock company, according to Ministerial Resolution No. (2161) issued by the Minister of Commerce approving the announcement of the establishment of Abdulmohsen Alhokair Group for Tourism and Development as a closed joint stock company.
- On 06/07/1430H (corresponding to 29/06/2009G) the extraordinary general assembly of shareholders approved the increase of the Company's capital from two hundred seventy-one million six hundred and seventy-four thousand (271,674,000) Saudi Riyals to four hundred seven million five hundred and eleven thousand (407,511,000) Saudi Riyals, and thus increasing the number of the Company's shares from twenty-seven million one hundred sixty-seven thousand four hundred (27,167,400) ordinary shares, to forty million seven hundred and fifty-one thousand and one hundred (40,751,100) ordinary shares, of equal value of ten (10) Saudi Riyals per share. The increase of one hundred thirty-five million eight hundred and thirty-seven thousand (135,837,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 23/07/1434H (corresponding to 02/06/2013G), the extraordinary general assembly of the shareholders approved the increase of the Company's capital from four hundred seven million five hundred and eleven thousand (407,511,000) Saudi Riyals to five hundred and fifty million (550,000,000) Saudi Riyals. Consequently, the number of the Company's shares increased from forty million seven hundred and fifty-one thousand and one hundred (40,751,100) ordinary shares, to fifty-five million (55,000,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share. The increase of one hundred forty-two million and four hundred eighty-nine thousand (142,489,000) Saudi Riyals, was fulfilled by transferring the amount of eighty-three million nine hundred fifty thousand one hundred seventy-five (83,950,175) Saudi Riyals from the statutory reserve account, and transferring the amount

of fifty-eight million five hundred and thirty-eight thousand eight hundred and twenty five (58,538,825) Saudi Riyals from the retained earnings account.

- On 08/07/1435H (corresponding to 07/05/2014G), the Saudi Capital Market Authority (CMA) approved the Offering of sixteen million five hundred thousand (16,500,000) shares for public subscription, which represent (30%) of the Company's shares of fifty-five million (55,000,000) Ordinary shares, for the purpose of listing the Company's shares on the main Saudi stock market.
- On 28/08/1435H (corresponding to 26/06/2014G) (after completion of the above-mentioned offering process), the entire shares of the Company of fifty-five million (55,000,000) ordinary shares, were listed on the main Saudi stock market, with a nominal value of ten (10) Saudi Riyals per share, after obtaining approval of the Capital Market Authority and the Saudi Stock Exchange (Tadawul).
- On 03/08/1439H (corresponding to 19/04/2018G), the Company announced the transfer of its head office from Al-Dirah District- Qasr Al-Hukm Area- Al-Ta'meer markets, to its new head office at Al-Murooj District - Northern Ring - between Exit 4 and 5 – next to Double Tree Hilton Hotel.
- On 10/03/1442H (corresponding to 27/10/2020G), the Company's Board of Directors recommended the following:
 - 1) Reduce the Company's capital by (37.64%), from five hundred fifty million (550,000,000) Saudi Riyals to three hundred forty-three million (343,000,000) Saudi Riyals, and accordingly reduce the number of shares from fifty-five million (55,000,000) ordinary shares, to thirty-four million three hundred thousand (34,300,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, by canceling twenty million seven hundred thousand (20,700,000) shares of the Company's shares. This means the reduction of (1) share for each (2.6570) shares, for the purpose of restructuring the Company's capital to amortize the accumulated losses as of September 30, 2020G, amounting to two hundred and seven million (207,000,000) Saudi Riyals, after obtaining all the necessary statutory approvals and the approval of the extraordinary general assembly.
 - 2) Increase the Company's capital by (89.50%) (after completing the aforementioned capital reduction process), from three hundred forty-three million (343,000,000) Saudi Riyals to six hundred fifty million (650,000,000) Saudi Riyals, and thus increase the number of shares from thirty four million and three hundred thousand (34,300,000) ordinary shares, to sixty five million (65,000,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, through a rights issue of thirty million seven hundred thousand (30,700,000) shares, valued three hundred and seven millions of (307,000,000) Saudi Riyals, after obtaining all necessary regulatory approvals as well as approval of the extraordinary general assembly.
- On **/ **/ **** H (corresponding to **/ **/ **** G), the extraordinary general assembly of shareholders of the Company approved the following:
 - 1) Reduce the Company's capital by (37.64%), from five hundred fifty million (550,000,000) Saudi Riyals to three hundred forty-three million (343,000,000) Saudi Riyals, and accordingly reduce the number of shares from fifty-five million (55,000,000) ordinary shares, to thirty-four million three hundred thousand (34,300,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, by canceling twenty million seven hundred thousand (20,700,000) shares of the Company's shares. This means the reduction of (1) share for each (2.6570) shares, for the purpose of restructuring the Company's capital to amortize the accumulated losses as of September 30, 2020G, amounting to two hundred and seven million (207,000,000) Saudi Riyals.
 - 2) Increase the Company's capital by (89.50%) (after completing the aforementioned capital reduction process), from three hundred forty-three million (343,000,000) Saudi Riyals to six hundred fifty million (650,000,000) Saudi Riyals, and thus increase the number of shares from thirty four million and three hundred thousand (34,300,000) ordinary shares, to sixty five million (65,000,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, through a rights issue of thirty million seven hundred thousand (30,700,000) shares, valued three hundred and seven millions of (307,000,000) Saudi Riyals.



3.4 Company's Main Activities

The Company operates under Commercial Registration No. (1010014211), dated 16/08/1398H (corresponding to 22/07/1978G).

The Company's activities, as mentioned in its commercial registration, include hotels, hotel apartments, resorts, tourist accommodation facilities, amusement parks, entertainment facilities, entertainment centers, organizing entertainment events, and operating entertainment facilities.

The activities of the Company, as stated in its Articles of Association, are represented in conducting and carrying out the following purposes:

- 1) Establishing, managing, operating and maintaining sport cities and gymnasiums, sports clubs, sport events, recreational centers, resorts and spa.
- 2) Establishing, managing, operating and maintaining restaurants, cafes, restrooms and parks.
- 3) Establishing, managing, operating and maintaining hotels and hotel apartments.
- 4) Establishing, managing, operating and maintaining commercial centers, training, educational and residential centers.
- 5) Maintaining and repairing safety devices and equipment, computers, school devices and educational aids.
- 6) Providing tourism services and organizing tourist trips/tours.
- 7) Providing passenger transport services within and around cities.
- 8) Travel and tourism agents.
- 9) Commercial agencies for importing, exporting and marketing services for others.
- 10) Wholesale and retail trade in foodstuffs, sweets, pastries, chocolate, their imports, fabrics, furnishings, textiles, shoes, utensils, furniture, household appliances, hotel supplies, building materials, electrical and sanitary tools, machinery and equipment, perfumes, cosmetics, pure metals, jewelry, gemstones, machinery and photographic tools, watches, glasses, prayer beads, beads, antiques, toys, musical instruments, bicycles of all kinds, leather goods, decorative materials, hotels and restaurants.
- 11) Buying, selling and renting real estate and land for the benefit of the Company.
- 12) Providing cooked and uncooked catering services.

The Company carries out its activities according to the relevant regulations and after obtaining the necessary licenses and permits from the competent authorities, if any.

The main activities of the Company are concentrated in the following sectors:

3.4.1 Hospitality Sector

The Company has occupied a distinguished place in the hospitality sector in the Kingdom due to its diversity in the methods of managing and operating hotels as it manages and operates many international hotels of three, four and five-stars categories in addition to operating some hotel apartments. The hospitality sector is considered one of the largest sources of income for the Company. The percentage of revenues from the hospitality sector (55%), (56%), (54%) and (68%) as of December 31, 2017, 2018, 2019, and September 30, 2020 respectively. The hospitality sector is divided into two parts, explained as follows:

A. Hotels

As of the date of this Prospectus, the Company manages and operates 34 hotels. These hotels are associated with international hotel companies that own well-known brands such as the Holiday Inn, Hilton, Novotel, Radisson Blue, and Golden Tulip. In addition to these brands, the Company established and registered the Mena Hotels and Resorts brand. The Company's hotels cover a wide geographical area of the Kingdom of Saudi Arabia and the United Arab Emirates. The Company's hotels provide high-quality accommodation services, a clean environment, a wide variety of food and beverages, and various types of restaurants, cafes,

meeting, conference and party rooms, and health clubs, to all of its customers and clients who come to them during their travels, whether they are visitors for tourism or business. The Company manages and operates these hotels through four different operating models, which are as follows:

- 1) Hotels managed by the Company in accordance with licensing (franchise) agreements, which are sixteen (15) hotels.
- 2) Hotels managed by a global hotel operator according to management agreements, which are eight (8) hotels.
- 3) Hotels supervised by the Company for the benefit of other parties, which are three (3) hotels.
- 4) Local hotels managed by the Company, which are eight (8) hotels.

The following table shows the hotels that the Company manages and operates as of the date of this Prospectus:

Table (2): Hotels

Hotel	Country	Number of branches
InterContinental Hotels - Holiday Inn	Kingdom of Saudi Arabia	7
Accor Hotels – Novotel	Kingdom of Saudi Arabia	3
Golden Tulip	Kingdom of Saudi Arabia	5
Hilton	Kingdom of Saudi Arabia	3
Radisson Blu	Kingdom of Saudi Arabia	5
Oyo Andalusia	Kingdom of Saudi Arabia	1
Local hotels (Riyadh Mena- Haql Resort- Tabuk Mena- Regency Jeddah- Red Sea Palace Mena- Taif Mena- Al Hamra Jeddah- Airport Mena)	Kingdom of Saudi Arabia	8
Mena Al Barsha- Dubai	United Arab Emirates	1
Mena Albilad	Kingdom of Saudi Arabia	1
Total		34

Source: The Company

B. Hotel Apartments

The Company manages and operates three (3) hotel apartments. These hotel apartments provide ideal accommodation for guests who stay for long periods of time.

The following table shows the hotel apartments that the Company manages and operates as of the date of this Prospectus:

Table No. (3): Hotel Apartments.

Hotel Apartments	Country	Number of Branches
Sahara Complex, Al-Khobar	Kingdom of Saudi Arabia	1
Mena Hotel Apartments	United Arab Emirates	1
Regency Apartments, Jeddah	Kingdom of Saudi Arabia	1
Total		3

Source: The Company

3.4.2 Restaurant Sector

The Company has developed the restaurants sector in an effort to acquire a share of the Saudi market for such activities and to compete better, which makes the Company one of the pioneers in such an industry, especially the future Vision opens great horizons for development and excellence in light of the focus on entertainment in particular and keeping pace with the development and the Kingdom's 2030 vision. The Company has acquired a group of international brands (such as: petzo, sugar-mo, and also surf and fries), in addition to some locally created and developed brands (such as: Lamoud Coffee Shop, Fantasia Restaurant, Grape and Fig Restaurant, and Fish Market Restaurant. The Company's restaurants are spread over a wide geographical area in more than 5 major cities in the Kingdom (Riyadh, Jeddah, the Eastern Sector, Tabuk, and Jizan). As



of the date of this Prospectus, the Company has forty-six (46) restaurants offering a variety of foods to meet the needs of its customers with new modern concept. The following table shows the restaurants that the Company manages and operates as of the date of this Prospectus:

Table (4): Restaurants

Restaurant	Country	Number of Branches
Petzo	Kingdom of Saudi Arabia	14
Lamoud Coffee Shop	Kingdom of Saudi Arabia	27
Grape and Fig Restaurant	Kingdom of Saudi Arabia	2
Fantasia Restaurant	Kingdom of Saudi Arabia	1
Fish Market Restaurant	Kingdom of Saudi Arabia	1
Sugar Mo	Kingdom of Saudi Arabia	1
Total		46

Source: The Company

3.4.3 The Entertainment Sector

In addition to the hospitality sector, the entertainment sector is the other main pillar of the Company's operations. As of the date of this Prospectus, the Company manages and operates ninety-five (95) entertainment centers, of which eighty-three (83) are entertainment centers in the Kingdom of Saudi Arabia, and ten (10) entertainment centers are in the United Arab Emirates and (2) entertainment centers are in the Arab Republic of Egypt.

The Company's entertainment sites covered a wide geographical area, as they spread over (19) cities in the Kingdom of Saudi Arabia, (5) cities in the United Arab Emirates and two cities in the Arab Republic of Egypt. These centers offer various recreational games, kids and youth games. These recreational games and vehicles provided by entertainment centers for families differ from one center to another, but in general these centers offer electronic games. The Company always strives to create an attractive environment for customers and add fun to family members when they visit family entertainment centers. It has provided over the years many new games within the family entertainment centers by furnishing these centers with the latest new games available in the global markets.

The following table shows the entertainment centers that the Company manages and operates as of the date of this Prospectus:

Table (5) Entertainment Centers.

Entertainment Center	Country	Numbers
Sparky's	Kingdom of Saudi Arabia	44
Snowy Forest	Kingdom of Saudi Arabia	20
Sky Zone	Kingdom of Saudi Arabia	13
Other brands	Kingdom of Saudi Arabia	6
Sparky's	United Arab Emirates	6
Other brands	United Arab Emirates	4
Sparky's	Arab Republic of Egypt	2
Total		95

Source: The Company

3.4.4 Commercial Centers

As of the date of this Prospectus, the Company manages and operates nine (9) commercial centers in the Kingdom of Saudi Arabia, which contain stores and outlets that sell a mixture of local and international brands. The following table shows the commercial centers that the Company manages and operates as of the date of this Prospectus:

Table (6): Commercial Centers.

Commercial Centers	City
Tabuk Commercial Center, Tabuk	Tabuk
Alhokair Time Rabwah	Riyadh
Alhokair Time Al Malqa	Riyadh
Alhokair Time Madinah	Al-Madinah Al-Monawarah
Alhokair Time Taif	Taif
Alhokair Time Azizia	Al-Khobar
Alhokair Time Dammam	Dammam
Alhokair Time Jizan	Jizan
Alhokair Time Al-Ahsa	Al-Ahsa

Source: The Company

3.5 Company's Vision

To lead the hospitality and entertainment sectors in every country in which it operates, and to be the preferred choice for customers, investors and employees, according to the international standards and the domestic spirit.

3.6 Company Mission

Alhokair Group strives to be the best reliable choice for its clients to deliver quality, value and luxury and also to maintain its continuous growth for customers, shareholders and employees.

3.7 Corporate Strategy

In the hospitality sector, Alhokair Group aims to maintain its focus on the Kingdom's market by strengthening its leading position in the market in various regions. The Company is enhancing its market position by developing its existing hotel portfolio, in line with the volume of demand and based on the Company's deep market knowledge and experience in identifying new locations. The Company continues to primarily target businessmen and local leisure travelers. As for the entertainment sector, the Company aims to reinforce its leading position in the Kingdom and the United Arab Emirates. The Company is working on growth and expansion through the opening of family entertainment centers, in addition to establishing independent centers in selected sites based on the market situation in which these centers are located. The Company will mainly target the young, children and to some extent the older age groups, by exploiting its brands and developing various new entertainment concepts. The Company generally seeks to expand its entertainment options by introducing modern entertainment concepts such as entertainment with education, kinetic entertainment, cinema and event management through establishing strategic partnerships with international companies of extensive experience in this field. The group has appointed a specialized international company to develop the Company's strategic plan for the next five years from 2021 to 2025 in order to grow in various sectors and to look into other opportunities and areas to diversify the sources of income and enhance the competitiveness of the group.



3.8 Company's Strengths and Competitive Advantages

- More than 30 years of experience in the hospitality and entertainment sectors.
- The Company deals with a group of the most prominent international hotel companies by signing licensing and management agreements with a number of leading global hotel companies (such as the Holiday Inn, Hilton, Novotel, Radisson Blue, and Golden Tulip).
- Successful strategic partnerships with many leading companies in the field of operating hotels and shopping centers.
- Large-scale and diversified operations in hospitality, entertainment and commercial centers sectors. As of the date of this Prospectus, the Company manages and operates 36 hotels (including 3 hotel apartments) in the Kingdom and the United Arab Emirates. Also, the Company manages and operates 46 restaurants in the Kingdom, and 95 entertainment centers in the Kingdom, the United Arab Emirates and the Arab Republic of Egypt. In addition, it manages and operates 9 commercial centers in the Kingdom. (For more information, please refer to subsection (3.4) "Company's Main Activities" of Section (3) "Company Background and Nature of Business" of this Prospectus).
- Experience, quality and high efficiency of the work team and senior management in managing the Company's business.

3.9 Company's Subsidiaries

The Company has three subsidiary companies (one of which is considered a substantial subsidiary, which is Sparky's Land Entertainment Company), the details of which are shown in the following table. (For more information about subsidiaries, please refer to subsection (10.8) "Subsidiaries" of Section (10) "Legal Information" of this Prospectus).

Table (7): Subsidiaries.

Name of the Company	Capital (Saudi Riyals)	Place of Incorporation	Main Place of Operations		Activities	Ownership Percentage
Sparky's Land for Fun Games (Sparky's Emirates)	150,000	United Arab Emirates	United Arab Emirates	Abu Dhabi	Owning and operating electronic game halls, children's entertainment halls and electric games	99%*
Asateer for Entertainment and Tourism	24,000	Arab Republic of Egypt	Arab Republic of Egypt	Cairo	Establishing an amusement park inside 6th October City and establishing and operating hotels and tourism villages	99%**
Osool Al Mazaya Hotels	100,000	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Riyadh	Maintenance and cleaning of public, residential and commercial buildings, educational facilities, import and export services, marketing	85%***



					to others, wholesale and retail trading in building materials, electrical tools and their spare parts	
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Source: The Company

* Sami bin Abdul-Mohsen bin Abdulaziz Alhokair owns 1% of Sparky's Land Entertainment Games LLC. as a legal ownership, where the Company signed an agreement with him stating that his legal ownership, which represents 1%, is owned for the benefit of the Company, and this procedure has been taken as the Company regulations applied in the United Arab Emirates require that the limited liability companies be owned by at least two partners, and accordingly it was agreed with Sami bin Abdulmohsen Alhokair is to remain a partner of 1% legally for the benefit of the Company in order to be able to abide by the applicable laws in this regard. Sparky's Land Games LLC also owns the following companies (Sparky's Digital Company, Sparky's Oceana Company, Sparky's Ras Al Khaimah Company, Sparky's Land Flash Bowling Company) in the United Arab Emirates with 99% ownership and Sami bin Abdulmohsen bin Abdulaziz Alhokair owns 1% for the Company's benefit.

** Sami bin Abdul-Mohsen bin Abdulaziz Alhokair owns 1% of Asateer Entertainment and Tourism Company as a legal ownership, but the beneficial ownership belongs to the Company, due to the fact that the companies' regulations applied in the Arab Republic of Egypt require that limited liability companies have at least two partners.

*** Abdullah bin Mohammed bin Abdullah Al-Nuwaiser owns 15% of Osool Al Mazaya Hotel Company.



3.10 Companies Invested In

The following table shows the companies in which the Company has invested:

Table (8): Companies invested in.

The Company	Capital (Saudi Riyals)	Place of Incorporation	Main Place of Operations		Activities	Ownership Percentage
			Country	City		
Real Estate Development and Tourism Company	100,000,000	Saudi Arabia	Saudi Arabia	Riyadh	Maintenance, Cleaning and Operations Contracting	48.5%
Asateer Entertainment Projects Company Ltd	500,000	Saudi Arabia	Saudi Arabia	Riyadh	Maintenance and operation of entertainment centers	50.0%
Luxury Entertainment Company	5,000,000	Saudi Arabia	Saudi Arabia	Riyadh	Screening of films in covered and open cinemas and other activities for showing films	31.0%
Al-Qassim Trading Company Limited	500,000	Saudi Arabia	Saudi Arabia	Qassim	Owns, manages, operates and leases commercial and entertainment complexes	50.0%
Tarfeeh Tourism and Projects Company Ltd.	1,000,000	Saudi Arabia	Saudi Arabia	Riyadh	Maintenance and operation of entertainment centers	50.0%
Al-Khaleejiah Entertainment Company Ltd.	100,000	Saudi Arabia	Saudi Arabia	Riyadh	Establishment, management, operation and maintenance of entertainment cities and trading	50.0%

Source: The Company

3.11 Business Interruption

There was no interruption in the business of the Company or any of its subsidiary companies that could affect or have had a significant impact on the financial conditions during the last (12) months, with the exception of closing all entertainment sites of the Company from March 15, 2020G to June 20, 2020G, due to the precautionary measures and preventive measures taken by the state to control the Coronavirus "Covid-19" (refer to Risk No. (2.1.30) "Risks related to the Outbreak of the Corona Virus Pandemic "Covid-19" in Section (2) "Risk Factors" of this Prospectus).

3.12 Employees and Saudization

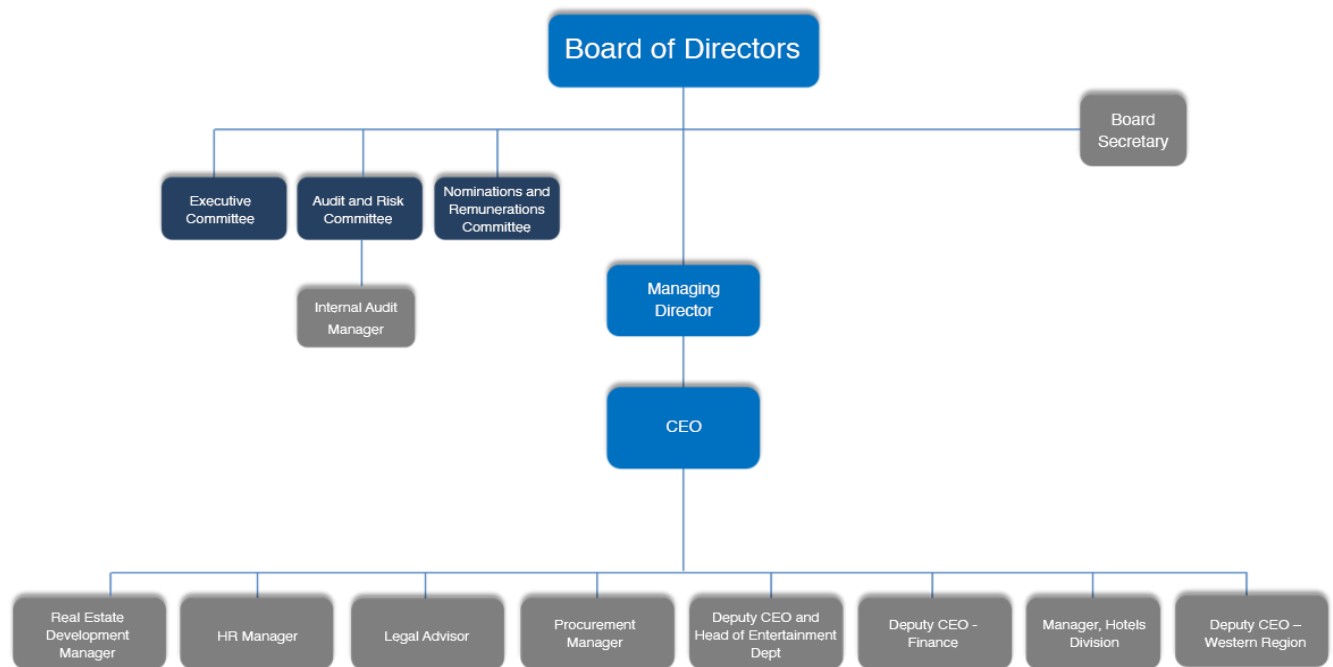
As of the date of this Prospectus, the number of the Company's employees is (2,296) employees, of whom (727) are Saudis and (1,569) are non-Saudis. According to the Nitaqat program issued by the Ministry of Human Resources and Social Development, the rate of Saudization as of the date of this Prospectus is approximately (31.7%), and the Company is classified within the "low green" range (Nitaq).

4 Company's Organization Structure

4.1 Organization Structure

The following figure shows the organization structure of the Company:

Figure No. (1): Company's Organization Structure.



Source: The Company



4.2 Board of Directors

The following table displays the Company's Board of Directors:

Table No. (9): The Company's Board of Directors

Board Members								
The Company's Board of Directors appointed on 06/09/1442H (corresponding to 18/04/2021G)*								
Name	Position	Membership capacity	Nationality	Age	Owned Shares			
					Direct No.	Direct %	Indirect** No.	Indirect** %
Majed Abdulmohsen Abdulaziz Alhokair ***^	Chairman	Non-executive Non-Independent	Saudi	54	-	-	713,440	2.08%
Amr Abdulaziz Abdullah Al-Jalal ***	Deputy Chairman	Non-executive Non-Independent	Saudi	41	-	-	-	-
Sami Abdulmohsen Abdulaziz Alhokair ***	Managing Director	Non-executive Non-Independent	Saudi	53	-	-	713,440	2.08%
Bandar Khaled Abdulmohsen Alhokair	Member	Non-executive Non-Independent	Saudi	43	272,065	0.49%	-	-
Iyad Abdul Rahman Muhammad Al-Bunyan	Member	Independent Non-executive	Saudi	46	-	-	-	-
Raed Abdulaziz Hamid Abu Zinada	Member	Independent Non-executive	Saudi	48	-	-	-	-
Ramzi Kanaan Youssef Abu Khadra	Member	Independent Non-executive	Saudi	56	-	-	-	-
Faisal Muhammad Amin Shaker	Member	Independent Non-executive	Saudi	45	-	-	-	-
Khaled Anib	Member	Independent Non-executive	Finnish	56	-	-	-	-

Source: The Company

* The Company's Ordinary General Assembly, in its meeting held on 06/09/1442H (corresponding to 18/04/2021G), agreed to elect the aforementioned members of the Board of Directors for the current session, which began on 07/09/1442H (corresponding to 19/04/2021G) for a period of three years ending on 09/10/1445H (corresponding to 18/04/2024G).

** The Board of Directors decided in its meeting held on 07/09/1442H (corresponding to 19/04/2021G) to appoint Mr. Majed Abdulmohsen Abdulaziz Alhokair as Chairman of the Board, and Mr. Amr Abdulaziz Abdullah Al Jalal as Deputy Chairman of the Board of Directors, and Mr. Sami Abdulmohsen Abdulaziz Alhokair as Managing Director.

*** The indirect ownership referred to in the above table results from the ownership of each of them by (6.60%) in Abdulmohsen Alhokair & Sons Holding Company, which owns (31.50%) of the shares of Abdulmohsen Alhokair Group for Tourism and Development.

4.3 Company's Committees

Following is a description of the Company's committees, their responsibilities and the current members of each committee:

4.3.1 Audit Committee

The Ordinary General Assembly, in its meeting held on 06/09/1442H (corresponding to 04/18/2021G), approved the formation of the Audit Committee, defined its duties, working regulations, and remunerations of its members for the current session, as started on 07/09/1442H (corresponding to 19/04/2021G) for a period of three years ending on 09/10/1445H (corresponding to 04/18/2024G). The following table shows the members of the Audit Committee:

Table No. (10): Audit Committee Members

Name	Function
Ramzi Kanaan Youssef	Chairman
Amr Abdulaziz Abdullah Al-Jalal	Member
Suleiman Muhammad Al-Quhaidan	Member

Source: The Company

Summary of Duties and Responsibilities of Audit Committee

- ✓ Studying the Company's preliminary and annual financial statements before presenting them to the Board of Directors, expressing its opinion and recommendation in them, supervising the performance and activities of the company's internal audit department, studying internal audit reports and following up on the implementation of corrective actions for the notes contained therein.
- ✓ Recommend the Board of Directors to nominate auditors and determine their remunerations.
- ✓ Study the auditor's report and his notes on the financial statements and following up on what was taken in their regard.
- ✓ Verify the Company's compliance with relevant laws, regulations, policies and instructions.
- ✓ Review the contracts and transactions proposed to be conducted by the Company with the related parties and present its views on this to the Board of Directors.

4.3.2 Executive Committee

The Board of Directors, in its meeting held on 07/09/1442H (corresponding to 19/04/2021G), approved the appointment of the members of the Executive Committee for the current session, which began on 07/09/1442H (corresponding to 19/04/2021G) for a period of three years ending on 09/10/1445H (corresponding to 04/18/2024G). The following table shows the members of the Executive Committee:

Table No. (11): Executive Committee Members

Name	Position
Sami Abdulmohsen Abdulaziz Alhokair	Chairman
Faisal Muhammad Amin Shaker	Member
Raed Abdulaziz Hamid Abu Zinada	Member
Meshaal Abdulmohsen Abdulaziz Alhokair	Member
Khaled Anib	Member

Source: The Company



Summary of Duties and Responsibilities of Executive Committee

- ✓ Approve the group's strategy to obtain the final approval of the Board.
- ✓ Review governance policies and procedures followed by the group and the basic governance documents such as the group's By-Laws and make recommendations to the Board of Directors in this regard.
- ✓ Approve the transactions of related parties according to the limits of the powers granted to them and the cases in which the CEO is a party to the transactions of related parties, and submit recommendations to the Board of Directors on the transactions that exceed the limits of their powers.
- ✓ Review periodic management reports, evaluate performance and review and approve new investments according to the limits of their authority before submitting them to the Board for final approval.
- ✓ Review annual budgets and plans and investigate the essential differences related to the budget before they are presented to the Board of Directors.
- ✓ Assist the Board in carrying out its responsibilities, especially with regard to the tasks entrusted to it by the Board.

4.3.3 Nominations and Remunerations Committee

The Board of Directors, in its meeting held on 09/07/1442H (corresponding to 19/04/2021G), approved the appointment of the members of the Nominations and Remunerations Committee for the current session, which started on 07/09/1442H (corresponding to 19/04/2021G) for a period of three years ending on 09/10/1445H (corresponding to 04/18/2024G). The following table shows the members of the Nominations and Remunerations Committee:

Table No. (12): Nominations and Remunerations Committee Members

Name	Position
Iyad Abdul Rahman Muhammad Al-Bunyan	Chairman
Faisal Ibrahim Al-Malek	Member
Faisal Muhammad Amin Shaker	Member

Source: The Company

Summary of Duties and Responsibilities of Nominations and Remunerations Committee

- ✓ Suggest clear policies and criteria for membership in the Board of Directors and the Executive Management.
- ✓ Recommend to the Board of Directors the nomination for membership of the Board and re-nomination of members in accordance with the approved policies and standards.
- ✓ Provide advice to the Board of Directors regarding the selection of senior executives who have appropriate qualities and qualifications for the operations of the group.
- ✓ Ensure on an annual basis the independence of the independent board members and the absence of any conflict of interest if the member is a member of another board of directors.
- ✓ Annual review of the necessary needs for skills or appropriate expertise for membership of the Board of Directors and executive management functions.
- ✓ Identify weaknesses and strengths in the Board of Directors and proposing solutions to address them in line with the company's interest.
- ✓ Prepare a clear policy for the remuneration of board members and members of the committees emanating from the board and the executive management and submitting it to the Board of Directors for consideration in preparation for its approval by the General Assembly.

- ✓ Recommend to the Board of Directors the remuneration of the members of the Board and the committees emanating from the Board and the senior executives of the Company in accordance with the approved policy.

4.4 Executive Management

The following table shows the Company's Executive Management details:

Table No. (13): Executive Management Members

Name	Post	Nationality	Age	Date of Appointment	Owned Shares			
					Direct No.	Direct %	Indirect ** No.	Indirect ** %
Sami Abdulmohsen Alhokair *	Managing Director, and Designate Chief Executive Officer	Saudi	53	29/02/2020G	-	-	713,440	2.08%
Meshaal Abdulmohsen Abdulaziz Alhokair	Deputy Chief Executive Officer and Director of Entertainment	Saudi	37	01/01/2012G	-	-	713,440	2.08%
Adel Ahmed Salem Al Gamdi	Deputy Chief Executive Officer for Financial Affairs	Saudi	41	01/09/2019G	-	-	-	-
Bader Abdulmohsen Al Hoakair	Deputy Chief Executive Officer, Western Province	Saudi	42	01/01/2012G	-	-	-	-
Cliff Julian Smith	Manager of Hotels Sector	British	53	08/09/2018G	-	-	-	-
Abdulmajeed Mohammed Abdullah Al Omair	Director of Real Estate Development	Saudi	39	26/08/2019G	-	-	-	-
Hayel Ali Fayeze Al Shaalan	Legal Advisor	Saudi	48	01/12/2020G	-	-	-	-
Mubarak Mohsen Nassir Al Hajjri	Director of Procurements	Saudi	51	09/01/2011G	-	-	-	-
Sultan Abdulgaffar Aziz al Ayyash	Human Resources Director	Saudi	36	26/12/2013G	-	-	-	-
Farooq Hamdan Fayeze Sulaiman	Director of Internal Audit	Jordanian	42	16/03/2013G	-	-	-	-

Source: The Company

* The Board of Directors decided on 06/15/1441H (corresponding to 09/02/2020G) to entrust the Managing Director, Mr. / Sami Abdulmohsen Abdulaziz Alhokair with the authorities of the Chief Executive Officer, as from 05/07/1441H (corresponding to 29/02/2020G) until a new Chief Executive Officer of the Company is appointed in replacement of the former Chief Executive Officer, Mr./ Omar Sami Samara, who resigned for personal reasons.

** The indirect ownership of Mr./ Sami Abdulmohsen Abdulaziz Alhokair and Mr./ Meshaal Abdulmohsen Abdulaziz Alhokair results from the ownership of each of them at (6.60%) in Abdulmohsen Alhokair and Sons Holding Company, which owns (31.50%) of the shares of Abdulmohsen Alhokair Group Company for Tourism and Development.



4.5 Remunerations of Board and Executive Management Members

Responsibility for proposing compensation and remuneration to members of the Board of Directors and senior executives' rests with the Nomination and Remuneration Committee. The following table shows the amounts of salaries, bonuses and allowances received by the members of the Board of Directors and the top five executive managers during the past three years:

Table No. (14): Remunerations of Board and Executive Management Members

SAR	Fiscal Year Ending on 31 Dec. 2017	Fiscal Year Ending on 31 Dec. 2018	Fiscal Year Ending on 31 Dec. 2019
Board Members	1,878,000	2,250,699	2,158,000
Top Five Executive	6,239,502	6,473,286	6,152,725
Total	8,117,502	8,723,985	8,310,725

Source: The Company



5 Employees

5.1 Employees' share programs existing prior to filing the application for registration and offering the securities under this Prospectus

As of the date of this Prospectus, the Company does not have any share allocation programs for its employees.

5.2 Arrangements for Participation of Employees in the Capital

As of this Prospectus, there are no arrangements for participation of the employees in the Company's capital.



6 Financial Information and Discussion of the Management Analysis

6.1 Introduction

This section reviews the "Management Discussion, Financial Situation Analysis and Results of Operations" analysis of the operating performance and financial position of Abdul Mohsen Alhokair Tourism and Development Group ("The Company") during the financial years ended December 31, 2017G, 2018G, 2019G and the nine-month period ended September 30, 2020G.

This section was prepared based on audited consolidated financial statements for the financial years ended December 31, 2017G, 2018G and 2019G and the summary consolidated preliminary financial statements (examined) for the nine months ended on September 30, 2020G which the Company and its subsidiaries prepared and were audited by Ernst & Young Co. (Chartered Accountants) in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and the standards and other versions adopted by the Saudi Organization for Certified Public Accountants (SOCPA). The Company and its subsidiaries applied the International Financial Reporting Standards (IFRS) along with their interpretations issued by the International Financial Accounting Standards (IFRS) Board adopted in the Kingdom of Saudi Arabia as well as the other versions of the standards adopted by the Saudi Organization for Certified Public Accountants (SOCPA), referred to as "International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia" for the years ended December 31, 2017G, 2018G and 2019G and the nine-month period ended September 30, 2020G.

Neither Ernst & Young Co. (chartered accountants) nor any of its subsidiaries own any stake or interest of any kind in the Company and its subsidiaries. Written approval has been given without hesitation in relation to the publication of their name and logo and their statement in this prospectus as auditors of the Company for the years referred to above.

This segment may contain statements of a futuristic nature based on management's current plans and expectations regarding profit growth, results of operations and financial conditions. Consequently, it contains uncertain risks and expectations that may lead to a fundamental difference from the Company's actual results due to multiple factors and events, including those discussed in this section of the prospectus or elsewhere, particularly those in Section 2 "Risk Factors" in this prospectus.

All financial information in this section has been displayed in Saudi Riyals unless otherwise stated. The amounts and percentages were rounded to the nearest integer. Thus, if the figures in the tables were added up, the totals mentioned in those tables or in the Company's consolidated financial statements may not match the totals mentioned in those tables.

6.2 Directors' Declarations for Financial Statements

The Company's Board members, as they know and believe, declare that:

1. All substantive facts relating to the Company, its subsidiaries and its financial performance have been disclosed in this Prospectus, and that there is no information, documents or other facts that, if omitted, will cause the statements contained in this Prospectus to become misleading.
2. The financial information contained in this prospectus has been extracted from the Company's audited consolidated financial statements for the three years ending on December 31, 2017G, 2018G and 2019G, and the condensed consolidated interim financial statements for the nine-month period ending on September 30, 2020G, and the accompanying notes without making any material amendment Accordingly, and that it includes financial information presented on a consolidated basis in a format that is consistent with the financial statements that the Company approves annually in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Certified Public Accountants (SOCPA)

3. That the Company has incurred losses during the financial years ended December 31, 2018G and 2019G and the nine-month period ended September 30, 2020G. In exception of what was disclosed in this Prospectus in relation to accumulated losses, there has been no substantial negative change in the Company's financial and commercial position during the three financial years ended on December 31, 2017G, 2018G and 2019G and the nine-month period ended on September 30, 2020G, which immediately preceded the application date for issuance of the securities subject to this Prospectus in addition to the end of the period covered by the Chartered Accountant Report until the prospectus is approved.
4. The Company has sufficient working capital for at least 12 months immediately following the issuance date of this prospectus.
5. The Company and its affiliate do not have any other loans or debts, including overdrafts from bank accounts. They also acknowledge that there are no guarantee obligations (including personal guarantee, or those not covered by a personal guarantee, guaranteed or unsecured by a mortgage), acceptance obligations, acceptance credit, lease purchase obligations, or any debt instruments issued and outstanding or debt instruments approved but not issued, or term loans, except for what was disclosed in subsection (6.6.4.3) "loans" of this section, and subsection Sub (10.10.4) "Credit Facilities and Loans" from Section (10) "Legal Information" of this prospectus.
6. As far as they know, there are no mortgages, rights, or any burdens or costs on the Company's property or its affiliate as in the date of this Prospectus, except for what has been disclosed in the subsection (6.6.4.3) "Loans" of this section, and in the subsection (10.10.4) "Credit Facilities and Loans" of section (10) "Legal Information" of this Prospectus.
7. No commissions, discounts, brokerage fees or non-cash compensation have been awarded by the Company and its affiliates to any of the board members, senior executives, offerors of securities or experts during the three years immediately preceding the date of submitting the application for the issuance of priority rights shares subject to this prospectus.
8. That the Company and its affiliates do not have any holdings in contractual securities or other assets which value is subject to volatility or whose value is difficult to ascertain, which significantly affects the valuation of the financial position.
9. The Company and its subsidiary do not have any potential obligations, guarantees or any important fixed assets intended to be purchased or leased other than as disclosed in the subsection (6.6.2.1) "Properties, machinery and equipment" of this section.
10. The capital of the Company and its subsidiaries is not subject to the option right as at the date of this prospectus
11. The Company is not aware of any seasonal factors or activity-related economic cycles that may have an impact on the Company's business and financial situation except as disclosed in section (2) "risk factors" of this Prospectus.
12. The Company has no information on any government, economic, financial, monetary, political policies or other factors that have substantially affected or may affect (directly or indirectly) the Company's operations except as disclosed in section (2) "risk factors" of this Prospectus.

6.3 Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with accounting standards generally accepted in the Kingdom. The following is a statement of the most important accounting policies used:

6.3.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and the other standards and versions approved by the Saudi Organization for Certified Public Accountants (hereinafter referred to as the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia). These consolidated financial statements have been prepared on the basis of the historical cost. The consolidated financial statements are presented in Saudi Riyals, and all amounts are rounded to the nearest (thousand Saudi Riyals), unless otherwise indicated.

6.3.2 The Basis for Consolidating Financial Statements

Consolidated financial statements include the accounts of the Company and its subsidiaries as of December 31, 2019G. Control is achieved when the Company becomes vulnerable or has the right to receive volatile returns from its association with its investor company, and the Company has the ability to influence these returns through its authority over the Company invested in it. In particular, the group controls the invested company if, and only if, the Company has:

- Authority over the invested establishment (e.g., the existence of existing rights that give it the current ability to direct the activities related to the invested company).
- Exposure to risks and have rights to obtain volatile returns from their association with the invested establishment.
- The ability to use its authorities over its invested (property) company to influence its returns.

In general, there is an assumption that the possession of the majority of voting rights will lead to control. In order to reinforce this assumption and when the Company has a lower level than the majority of voting rights or similar rights in the Company invested in, the Group takes into account all relevant facts and circumstances when assessing whether the Company has control over the invested property, and these facts and circumstances include the following:

- Contractual arrangement(s) with others who are entitled to vote in the invested company.
- Rights arising from other contractual arrangements.
- Voting rights and potential voting rights of the Company.

The Company reassesses whether it exercises control over the invested property or not if the facts and circumstances indicate that there has been a change in one or more of the three elements of control. The consolidation of the subsidiary begins from the date of the Company's control and continues until that control of the Company over the subsidiary is removed. The assets, obligations, revenues and expenses of the acquired or sold subsidiary during the period are included in the consolidated financial statements from the date of commencement of control by the Group to the date of the Company's loss of control of the subsidiary.

Statement of profit or loss and each other element of comprehensive income is distributed to the Company's shareholders and non-controlling shares even if this distribution will result in a deficit in the balance of non-controlling rights.

When necessary, adjustments are made to the financial statements of subsidiaries in order to be consistent with accounting policies of the Group. All assets, obligations, equity, income, expenses and cash flows relating to transactions between the group's companies are excluded entirely when consolidating financial statements.

Any change in the ownership stake in a subsidiary that does not result in a loss of control as an equity transaction is calculated. If the Company loses control over a subsidiary, it excludes assets, liabilities, non-controlling shares and other property elements, while the resulting profit or loss is recognized in the statement of loss or profit. The remaining investment in the previous subsidiary is recognized at fair value upon losing control.

6.3.3 Changes in Accounting Policies as a Result of Adopting New Standards

The accounting policies used in preparing the consolidated financial statements are similar to those used in preparing the annual consolidated financial statements of the Group for the year ended December 31, 2018G, except for following the new standards that went into effect as of January 1, 2019G. The Group did not early adopt any standards, interpretations, or other amendments issued but not yet effective.

The Group has, for the first time, applied IFRS (16) "Leases", and in accordance with IAS (1), the nature and impact of these changes are disclosed below.

Several other amendments and interpretations are applied for the first time in 2019G, but do not have any impact on the Group's interim condensed consolidated financial statements

International Financial Reporting Standard (IFRS) No. (16) "Leases

The International Financial Reporting Standard (IFRS) No. (16) "Leases" was issued in January 2016G and it supersedes IAS No. (17) "Leases" and interpretation No. 4, issued by the International Financial Reporting Interpretations Committee - determining whether the arrangement involves a lease contract, and Interpretation No. 15 issued. From the Permanent Interpretation Committee - Operating Lease Contracts, Incentives, and Interpretation No. 27 issued by the Permanent Interpretation Committee to evaluate the essence of transactions that take the legal form of the lease. International Financial Reporting Standard No. (16) defines principles for establishing, measuring, presenting and disclosing leases, and it requires tenants to account for all leases as items listed in the statement of financial position that is equivalent to the accounting for finance leases in accordance with International Accounting Standard No. (17). The standard includes two exemptions for recognizing the lease - leases for "low value" assets (for example, personal computers) and short-term leases (leases that are for 12 months or less).

On the commencement date of the lease, the lessee will recognize the lease payments obligations (i.e. lease obligations), and the asset that represents the right to use the relevant assets during the lease period (i.e. the right of use of asset). The standard requires lessees to recognize the commission expense on rental liabilities and the depreciation expense on the right of independently use the asset.

Tenants are also required to re-measure the rental obligations when certain events occur (such as a change in the lease period, or a change in future lease payments as a result of a change in the indicator or the rate used to determine those payments). The lessee will generally recognize the amount of remeasurement of the lease liability as a settlement to the right of use of asset.

The Group chose the modified retrospective approach permitted under IFRS 16, and as a result of the initial application of IFRS 16, the lease obligations were measured at the present value of the remaining lease payments, discounted using the Group's additional borrowing rate at the date of initial implementation (January 01, 2019G). The leased right-of-use of assets were measured at an amount equivalent to the lease obligations, and adjusted for any pre-paid or due lease payments related to those contracts recognized in the statement of financial position immediately prior to the initial application date.

Right-of-Use Assets / Lease Obligations

Upon initial recognition, and upon the development of the lease contract, the group must evaluate whether the contract is a lease or a lease contract. The contract is a lease or a lease contract if the contract conveys the right to control the use of a specific asset for a period of time in exchange for compensation. Control is determined if most of the benefits accrue to the group and the group can direct the use of those assets.

Right-of-Use Assets

The Group applies the cost model, measuring right-of-use assets at cost;

- A. Less any accumulated depreciation and any accumulated impairment losses; if any and**
- B. Amended for re-measurement of lease obligations as a result of a lease amendment; if any.**



In general, right-of-use assets will be equal to the lease obligations; yet, if there are additional costs such as site preparation, non-refundable insurances, ordering costs, other transaction related expenses, etc., and then, they should be added to the value of the right-of-use assets

Obligations of Lease Contracts

Upon the initial recognition, the lease obligations represent the current value of all remaining payments to the lessors. After the commencement date, the Group measures the lease obligations as follows:

- A. Increase the book value to reflect the financing rate on the lease obligations.
- B. Reduce the book value to reflect the lease payments; and
- C. Re-measurement of the book value to reflect a revaluation or adjustment of leases; if any.

Amendments to IAS (19): Plan Amendment, Curtailment or Settlement

Amendments to IAS (19) address the accounting method when there is an amendment to the plan, curtailment or settlement during the period of preparing the financial statements. When the plan is amended, curtailed, or settled during the preparation period of the financial statement, the entity must:

- Determine the cost of the current service for the remaining period after the plan is amended, curtailed, or settled using the actuarial assumptions used to reassess the specific liabilities (assets) that reflect the benefits provided under the plan and the plan assets after that event.
- Determine the net benefit for the remainder of the period of plan amendment, curtailment, or repayment using: Net specified liabilities (assets) that reflect the benefits provided under the plan and plan assets after that event; and the discount rate used to revalue the Net Identifiable Assets (liabilities).

The amendments also outline that the entity shall first determine any past service cost or profit or loss for settlement, without taking into account the effect of the asset ceiling. This amount is recognized in the statement of income. Then the authority determines the effect of the asset ceiling after amending, curtailing or settling the plan. Any change in this effect, except for amounts included in net **interest**, is recognized in other comprehensive income.

These amendments will not have any impact on the preliminary summarized consolidated financial statements of the group, as the group did not amend, curtail or settle the plan during the period.

Amendments to IAS (28): “Investments in Associates and Joint Ventures”: Long-term stakes (Interests) in Associates and Joint Ventures

The amendments clarify that entities apply IFRS 9 to long-term stakes in associates or joint ventures to which the equity method does not apply but, in substance, form part of the net investment in the associate or joint venture (long-term interests) . This explanation is appropriate as it implies that the Expected Credit Loss (ECL) method in IFRS 9 applies to these long-term interests.

The amendments also clarify that when applying IFRS 9, the entity does not take into account any losses related to the associate or joint venture or any impairment losses arising from net investment that are recognized as adjustments to the net investment in the associate or joint venture as a result of the Application of International Accounting Standard (28) - Investments in associates and joint ventures.

These amendments will not have any impact on the preliminary summarized consolidated financial statements of the group as the group does not have long-term interests (stakes) in its associate company and joint ventures and the equity method is not applied to them, but in essence, it forms part of the investment.

Interpretation (23) issued by the International Financial Reporting Standards (IFRS) Interpretations Board - Uncertainty over Income Tax Treatments

The interpretation addresses accounting for income tax when tax treatments are accompanied by doubts affecting the application of IAS (12). This interpretation does not apply to taxes or fees that fall outside the scope of IAS (12). It also does not specifically include requirements related to interest and penalties related to uncertain tax treatments. The interpretation specifically addresses the following:

- Whether the entity considers uncertain tax treatments independently.
- Assumptions that a firm makes about the examination of tax treatments by the tax authorities.
- How the entity determines taxable profits (tax losses), tax bases, unused tax losses, unused tax exemptions and tax brackets.
- How the entity takes into account changes in facts and circumstances.

These amendments do not have a material impact on the group's consolidated financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortized cost or fair value through other comprehensive income, provided that it results in contractual cash flows that “represent payments from the principal amount and commission on the outstanding principal amount” (SPPI standard) and the instrument held within the business model appropriate for this classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI standard regardless of the event or circumstance that leads to early termination of the contract and regardless of which party pays or receives reasonable compensation for early termination of the contract.

These amendments do not have a material impact on the group's consolidated financial statements.

Annual Improvements Cycle for the Years 2015G to 2017G (Issued in December 2017G)

These improvements include:

IFRS 3: Business Combinations

The amendments clarify that when a entity obtains control over a business that is considered a joint operation, it applies the requirements for a business combination that was completed in stages, including re-measuring previously acquired interests in the joint operation's assets and liabilities at fair value. In doing so, the acquiring company re-measures its entire previously acquired interest in the joint operation.

The entity applies these amendments to business combinations whose acquisition date is on or after the beginning of the first annual financial period beginning on or after January 1, 2019G, with early adoption permitted. These amendments do not apply now to the group but may apply to future business combinations of the group.

IFRS 11: Joint Arrangements

A party that participates in a joint operation, but does not have joint control over it, may gain joint control over the joint operation in which the joint operation activity constitutes a business as stipulated in IFRS (3). The amendments clarify that previously acquired interests in that joint operation are not re-measured.

An entity applies these amendments to transactions in which it acquires joint control on or after the beginning of the first annual fiscal period beginning on or after 1 January 2019G, with early adoption permitted. These amendments do not apply now to the Group but may apply to future transactions.

International Accounting Standard 12 - Income Tax

The adjustments clarify that the effects of income tax on dividends are directly related to previous transactions or events that have generated more distributable profits than the dividends to owners. Thus, the establishments recognize the effects of income tax on dividends in profit or loss, other comprehensive



income, or property rights according to the place where it is recognized in the asset with those transactions or previous events.

The entity applies the amendments to the annual fiscal period beginning on or after 1 January 2019G, with early adoption permitted. When an entity applies these adjustments for the first time, it applies them to the income tax consequences of dividends recognized in it on or after the beginning of the first comparative period.

As the group's current practice is in line with these amendments, they did not have an impact on the group's consolidated financial statements.

International Accounting Standard (22): Borrowing Costs

The amendments clarify that the facility considers any loans made as part of the general loans in order to develop a qualifying asset upon the completion of all necessary activities in order for the qualifying asset to be ready for the purpose for which it was established for or for sale.

An entity applies these adjustments to borrowing costs incurred on or after the commencement of the annual financial period in which the entity first applies these adjustments. An entity applies these amendments to annual fiscal periods beginning on or after January 1, 2019G, with early adoption permitted.

As the current practice of the Group is in agreement with these amendments, the Group does not expect any impact thereof on its consolidated financial statements.

6.3.4 Summary of Significant Accounting Policies

The following are the most important accounting policies followed by the Group when preparing these consolidated financial statements:

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured by the total consideration transferred, which is measured at the fair value at the acquisition date and the amount of non-controlling interest in the acquired company. For each business combination, the group measures the non-controlling interest in the acquiree either at fair value or by its share in the net identifiable assets of the acquiree. Acquisition costs incurred are expensed and included in the administrative expenses.

In assets, goodwill is measured at cost (which represents the increase in the total consideration transferred and the amount of non-controlling interest that has been recognized, and any previous interest retained), over the net identifiable assets acquired and liabilities assumed. In the event that the fair value of the net assets exceeds the total consideration transferred, the Group reassesses whether it has correctly identified all the acquired assets and liabilities that have been properly undertaken, and it reviews the procedures followed in determining the amounts that will be recorded on the date of acquisition. In the event that the re-evaluation indicated an increase in the fair value of the net assets acquired, over the total compensation, the profit is recognized in the consolidated statement of comprehensive income. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

Investments in Joint Ventures

A joint venture is a form of a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control represents a contractually agreed sharing of control, when decisions regarding the related activities require the consensus of the parties sharing control. Considerations set forth to ascertain whether there is significant influence or joint control are similar to that necessary to determine control over subsidiaries.

The group's investments in joint ventures are accounted for in accordance with the equity method. Accordingly, investments are recorded in the consolidated statement of financial position at cost adjusted by the changes in the group's share in the net assets of the joint ventures after the acquisition less impairment. Goodwill related to joint ventures is included in the carrying amount of the investment and is not independently tested for impairment.

The consolidated statement of comprehensive income reflects the group's share of the net results of the joint ventures. Any change in the investee companies' other comprehensive income items is reported as part of the group's other comprehensive income items. Unrealized profits and losses resulting from transactions between the group and the joint ventures are eliminated in the amount of the group's share in the joint ventures.

The financial statements of the joint ventures are prepared for the same reporting period as the group. When necessary, adjustments are made to bring the accounting policies in line with those followed by the group.

After applying the equity method, the group affirms whether it is necessary to recognize an impairment loss in the value of its investment in joint ventures. On the date of preparing the financial statements, the group ensures that there is objective evidence of impairment in the value of investment in joint ventures. When such evidence exists, the group calculates the impairment amount as the difference between the recoverable value of the joint ventures and its carrying value, and the loss is recognized as "share in the loss of the group and a joint venture" in the consolidated statement of comprehensive income.

Upon loss of joint control over the joint venture, the group measures and recognizes the investment held at fair value. The difference between the disposal proceeds and the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment will be recognized in the consolidated statement of comprehensive income.

Recognition of revenue

The group provides hospitality and entertainment services to customers. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the compensation to which the Group is expected to be entitled to in exchange for that goods or services. The group has found that it operates as a principal in all of its revenue arrangements.

Revenue from Hotels

Revenue is recognized from the hotel's operations, including rental of rooms, sales of food and beverages and related services, when rooms are occupied, rendering of services and sale of food and beverages.

Revenue from Amusement Parks

Revenue from amusement park ticket sales is recognized when tickets are used. For rechargeable unfinished game cards, revenue is recognized based on management's estimated usage pattern derived from historical usage patterns.

Rental Income

Lease income arising from subleases of leased properties under operating leases is recognized on a straight-line basis over the lease term and is included in the revenue in the consolidated statement of comprehensive income due to its operational nature.

Foreign Currency

The consolidated financial statements of the group are reflected in Saudi Riyals, which is also the Company's functional currency. For each entity, the group determines the functional currency, and the items included in the financial statements of each entity are measured using that functional currency. The group uses the direct consolidation method (direct consolidation means to enter the currency effect for each subsidiary separately within the group). When excluding external operations, the profits or losses reclassified to profit or loss reflect the amount resulting from using this method.

Transactions and Balances

Originally, foreign currency transactions are converted by the group companies at the spot rates in the functional currency on the first date that the transactions become eligible for recognition.

Monetary assets and liabilities in foreign currencies are retranslated at the rates prevailing on the date of the consolidated financial statements. All differences are recognized in the consolidated statement of comprehensive income.



Group Companies Translation

The financial statements of foreign operations are translated into Saudi Riyals at transfer rates prevailing on the date of each consolidated statement of financial position for assets and liabilities, and at the average exchange price for each period in relation to revenues, expenses, profits and losses. The equity components, except for retained earnings, are translated at the transfer rate prevailing at the inception of each component. Transfer differences resulting from translation are recognized in other comprehensive income. When any external operation is excluded, other comprehensive income items relating to that external operation are recognized in the consolidated statement of comprehensive income.

Property, equipment and projects under construction

Property and equipment are stated at cost, less accumulated depreciation and / or accumulated impairment losses, if any. This cost includes the cost of replacing parts of property and equipment and financing costs related to long-term construction projects if the recognition criteria are met. All repair and maintenance costs are recognized in the consolidated statement of income when incurred. The present value of the expected cost of removing an asset after its use is included in the cost of the relevant asset if the recognition criteria related to the provision for removal of the asset are fulfilled. Improvements that materially increase the value or life of the relevant asset are capitalized.

Under construction projects are not depreciated and are listed at cost less accumulated impairment losses, if any, and these assets are transferred to property and equipment, when the assets are available for their intended use.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Leasehold improvements are depreciated over their useful life or the lease term, whichever is less.

The residual value, useful lives and methods of depreciation of property and equipment are reviewed when preparing the financial statements, and future adjustments are made, if necessary.

Lease Contracts

The group is a lessor

Leases, in which the Group does not transfer all of the significant benefits and risks associated with ownership of the asset, are classified as operating leases. Direct costs incurred during the negotiation and arrangement of an operating lease contract are added to the carrying value of the leased asset, and are recognized over the lease term according to the lease income bases. Lease incentives granted to lessees are recognized in the consolidated statement of comprehensive income as an integral part of the total rental income over the term of the lease.

Cost Financing

Finance costs directly related to the purchase, construction or production of an asset that takes a long time to be ready for its purpose or for sale are capitalized as part of the cost of that asset. All other finance costs are expensed during the period in which they are incurred. Finance costs consist of commissions and other costs that the entity incurs in obtaining loans.

Financial Instruments

A financial instrument is any contract that results in a financial asset for one entity and a financial obligation or equity instrument for another entity.

1) Financial Assets

Recognition and Initial Measurement

Financial assets are classified, upon initial recognition, as being measured subsequently at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The classification of financial assets upon initial recognition depends on the cash flow characteristics of the financial asset and the group's business model for managing them. With the exception of trade receivables, which do not include a significant financing component, the Group originally measures the financial assets at fair value plus transaction costs. Trade receivables are measured at the specified transaction price in

accordance with IFRS 15. Please refer to the accounting policies in Note (2-4) concluded with clients "Revenue from contracts concluded with clients".

Trade Receivables

Account's receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active financial market. After initial measurement, these financial instruments are subsequently measured at amortized cost. After initial recognition, they are subsequently measured at amortized cost. Impairment losses are recognized using the ECL method in the consolidated statement of comprehensive income. This category generally applies to commercial and other receivables.

A financial asset (or, when applicable, part of it or part of a group of similar financial assets) is discontinued when:

- The rights to receive cash flows from the asset have expired, or
- The group transfers the right to receive cash flows from the asset or the undertaking to fully repay the received cash flows to another party without any delay in accordance with the "immediate arrangements" agreement, and if:
 - A. The Group has transferred most of the risks and rewards associated with the asset, or
 - B. The Group has not transferred or retained most of the benefits and risks associated with the asset, but rather has transferred control of the asset.

Impairment of Financial Assets

For trade receivables and contract assets, the Group uses the simplified method when calculating the Expected Credit Losses (ECL). Accordingly, the Group does not monitor changes in credit risk but instead recognizes a loss allowance based on lifetime expected credit losses at the date of preparing each financial statement. The Group has established a provision matrix based on past experience with credit losses, which was adjusted for future factors specific to receivables and the economic environment.

2) Financial Liabilities

Originally, all financial liabilities are recognized at fair value, and for loans and payables, they are reflected after deducting the transaction costs directly related to them.

The group's financial liabilities include trade and other payables, loans and murabaha financing.

Loans and Murabaha Financing

This category is the most important financial liability of the group. After initial recognition, the commission-linked loans are subsequently measured at amortized cost using the actual commission rate method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are no longer recognized, as well as through the effective commission (Interest) amortization rate method.

Amortized cost is calculated after taking into account the premium or discount upon acquisition, as well as the fees or costs that are an integral part of the effective commission rate. The amortization of the effective commission rate is included as financing costs in the consolidated statement of comprehensive income.

Derecognition

Financial liabilities are derecognized when the obligation under these liabilities is paid, canceled or expired. In the event that the financial liabilities are exchanged with others from the same lender under completely different conditions, or the terms of the current liabilities are substantially modified, then such change or amendment shall be considered as a derecognition of the original liabilities and recognizing new liabilities. The difference between the relevant carrying values is recognized in the consolidated statement of comprehensive income.

3) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and are listed by net in the consolidated statement of financial position when there is a legally binding right to offset the recognized amounts and when there is an



intention to settle the assets with liabilities on a net basis, or to sell the assets and pay the liabilities simultaneously.

Goods

Goods are stated at cost or net sales value, whichever is lower. The net selling value represents the estimated selling price during the normal business cycle minus the cost of closing (completing the sale). The cost is determined using the weighted average method. An appropriate allowance is set aside for slow moving goods, if any.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash with banks which are payable on demand and form an integral part of the group's cash management.

Unbilled Revenue

Unbilled revenue represents the value of services performed and for which no invoices were submitted as at the date of the consolidated statement of financial position. These amounts will be invoiced in the subsequent period.

Deferred Revenue

Deferred revenue represents amounts received in advance from customers and hotel tenants for future periods, and will be recognized as revenue in the consolidated statement of comprehensive income for periods subsequent to the consolidated statement of financial position date when it is realized.

Franchise Fee and Management Fee

This clause includes franchise fees, licensing, marketing and reservation fees that are paid to franchisees on a monthly basis. Management fees include amounts paid to hotel operators for providing management services on a monthly basis. Franchise fees and management fees are recognized as an expense in the consolidated statement of comprehensive income.

Impairment of Non-Financial Assets

On the date of preparing the consolidated financial statements, the Group reviews the carrying value of the long-term, tangible and intangible assets to ensure that there is evidence of any loss arising from impairment of those assets. If any such evidence exists, the recoverable amount of that asset is estimated in order to determine the amount of the impairment loss. In cases where the recoverable amount of that asset cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit to which that asset belongs.

The recoverable amount represents the fair value less disposal costs or the present value, whichever is higher. The present value is evaluated based on the estimated future cash flows discounted to their present value using a pre-tax / Zakat discount rate.

In cases where the recoverable value of the asset or the cash-generating unit is estimated to be less than its carrying value, then the carrying amount of that asset or the cash-generating unit is reduced to its recoverable value, and the impairment is recognized in the consolidated statement of comprehensive income.

If the impairment is subsequently reversed, then the carrying amount of the asset or the cash-generating unit is increased to the recoverable and adjusted value, provided that the increased carrying amount does not exceed the carrying amount that was supposed to be determined if the impairment of the asset was not recognized in the previous years. The reversal of impairment is recognized immediately in the consolidated statement of comprehensive income

Provisions

General

Provisions are recognized when the Group has legal obligations (present or anticipated) arising from past events. It is probable that resources with economic benefits may be required to settle the obligation and the amount of the obligation can be estimated reliably. If the effect of the time value of money is material,

provisions are discounted using the current discount rate that reflects, as appropriate, the risks associated with that obligation. When the discount is used, the increase in the provision resulting from the passage of time is recognized as finance costs in the consolidated statement of comprehensive income.

Obligations of Employees' End of Service Benefits

Retirement benefits subject to the regulations of the General Organization for Social Insurances (GOSI) represent a defined contribution program. The group has no obligation, except for the contribution due to the General Organization for Social Insurances. The group recognizes the contribution due to the General Organization for Social Insurances as an expense upon maturity.

In addition to the foregoing, an end-of-service bonus provision for employees is set aside in accordance with the requirements of the Saudi Labor Law and the Group's policies (in the case of subsidiary companies, an end-of-service reward provision for employees is set aside in accordance with the relevant regulations in the countries of incorporation). The end of service award is a defined benefit plan. The defined-benefit plan represents post-employment benefits other than defined contribution plans. The net liabilities recognized in the consolidated statement of financial position relating to the post-employment benefits program represent the present value of the expected liabilities at the date of the consolidated statement of financial position. Liabilities under the expected post-employment benefits program are calculated annually by qualified actuaries using the projected unit credit method. Re-measurement amounts, if any, are recognized and included within other reserves in the statement of changes in the consolidated shareholders' equity while recording the corresponding account (debtor / creditor) in the other comprehensive income items. Such amounts and of the actuarial gains and losses resulting from obligations under the post-employment benefit program.

Zakat

Provision for Zakat is provided according to the Saudi Zakat collection and distribution system. The provision is recognized in the consolidated statement of comprehensive income. The Group withholds taxes on some transactions with non-resident parties in the Kingdom of Saudi Arabia, as required by the financial systems in the Kingdom of Saudi Arabia. Zakat liabilities are included in the consolidated financial statements on a discretionary basis and are accounted for, in final form, at the end of the year. Any additional amounts, if any, that are due upon completion of the Zakat assessments are recognized in the year in which they are terminated.

Dividends

The group recognizes cash or non-cash dividends to shareholders as a liability when the dividend is approved and that the dividend is no longer dependent on the group's desire. Final dividends are recognized as liabilities when approved by the General Assembly. Interim dividends are recognized when approved by the Board of Directors. The corresponding amount to the liability is recognized directly in the consolidated statement of equity.

Operational sectors

For administrative purposes, the group consists of the following business sectors based on its operations and reports are reported on:

- Hotel Sector: It operates in the field of hotels and tourism, health resorts (spas), furnished apartments, restaurants and cafes.
- Entertainment Sector: it operates in the field of establishing, managing, operating and maintaining entertainment cities, entertainment centers, parks and public parks.
- Others: This includes head office operations, trade center, and other sectors.



6.3.5 Standards Issued but Not yet Effective

The following is a statement of the standards and interpretations issued but not yet effective as on the date of issuance of the Group's consolidated financial statements. The Group intends to follow these standards when they become effective and as applicable.

Amendments to International Financial Reporting Standard No. (10) and International Accounting Standard No. (28) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 when dealing with the loss of control over a subsidiary that has been sold or contributed to an associate or a joint venture. The amendments clarify that all profits or losses resulting from selling or contributing to the assets, which are considered as a business, are recognized in accordance with what is specified in the International Financial Reporting Standard No. (3) - Business Combinations, between the investor and its associate company or joint venture. However, any profits or losses arising from the sale or contribution to assets that are not considered to be a business are recognized only to the extent of the unrelated investors' shares in the associate or joint venture. The International Accounting Standards Board (IASB) has postponed the effective date of these amendments indefinitely, but an entity that follows these amendments early must apply them prospectively.

6.4 Key financial performance indicators

The following table shows the Company's main performance indicators for the financial years ended December 31, 2017G, 2018G and 2019G and the nine months ended September 30, 2019G and 2020G.

Table No (15): Key Performance Indicators

KPIs	Indicator unit	Fiscal year 2017	Fiscal year 2018	Fiscal year 2019	Annual growth 2017-2018 (% points)	Annual growth 2018-2019 (% points)	Compound growth 2017-2019 (% points)	Nine-month period ended 30 September 2019	Nine-month period ended 30 September 2020	Change 30 September 2019-2020 (% points)
Growth Rate in Total Revenue *	%	(4.20%)	2.40%	(3.60%)	6,6	(5,9)	0,7	(3.60%)	(46.20%)	(42,5)
Net growth rate (loss) / profit for the year **	%	(93.10%)	(975.40%)	88.00%	(882,3)	1063,4	181,1	1786.50%	123.90%	(1662,6)
Gross profit margin	%	23.90%	19.80%	24.50%	(4,1)	4,7	0,6	26.30%	8.20%	(18,1)
G&A expenses as % from revenues	%	17.80%	17.40%	17.60%	(0,4)	0,3	(0,2)	17.00%	26.40%	9,4
Operations profit (loss) margin	%	0.60%	(4.30%)	0.80%	(4,9)	5,1	0,2	3.30%	(23.50%)	(26,8)
Net profit / (loss) margin for the year	%	0.80%	(6.60%)	(12.90%)	(7,4)	(6,3)	(13,7)	(5.50%)	(22.70%)	(17,2)
Return on total assets	%	0.50%	(4.30%)	(4.60%)	(3,9)	(0,3)	(4,1)	N/A	(4.50%)	N/A
Return on total equity	%	1.30%	(13.10%)	(32.50%)	(11,8)	(19,5)	(31,2)	N/A	(31.40%)	N/A
Debt to total equity	Once	0.9	1.1	1.4	16.00%	31.90%	23.70%	N/A	2.1	N/A
Current assets / current liabilities	Once	0.7	0.6	0.4	(17.70%)	(39.70%)	(29.50%)	N/A	0.4	N/A
Total assets / total liabilities	Once	1.6	1.5	1.2	(6.00%)	(22.20%)	(14.50%)	N/A	1.2	N/A

Source: Management Information

* Growth rate in revenues for the fiscal year 2017, compared to the revenues of the fiscal year 2016, and growth rate in revenues for the nine-month period ending on September 30, 2019, compared to revenues for the nine-month period ending on September 30, 2018.

** Growth rate in net profit for the fiscal year 2017, compared to the net profit of the fiscal year 2016, and growth rate in net profit for the nine-month period ending on September 30, 2019, compared to the net profit for the nine-month period ending on September 30, 2018.

6.5 Results of Operations – Statement of Comprehensive Income

Table No (16): Statement of comprehensive income for the fiscal years ended on December 31, 2017, 2018 and 2019 and the nine-month period ended on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Audited)	Fiscal year 2018 (Audited)	Fiscal year 2019 (Audited)	Annual growth 2017- 2018	Annual growth 2018- 2019	CEGR --2017 2019	Nine-month period ended September 2019 (Reviewed)	Nine-month period ended September 2020 (Reviewed)	Change for the 30 September 2019-2020
Revenues									
Hotels	613,289	650,021	596,413	6.0%	(8.2%)	(1.4%)	460,921	313,919	(31.9%)
Entertainment	469,078	443,809	449,134	(5.4%)	1.2%	(2.1%)	348,728	125,195	(64.1%)
Other	41,722	57,116	64,472	36.9%	12.9%	24.3%	51,863	24,750	(52.3%)
Total revenue	1,124,089	1,150,946	1,110,019	2.4%	(3.6%)	(0.6%)	861,512	463,864	(46.2%)
Direct costs									
Hotels	(502,307)	(541,052)	(466,221)	7.7%	(13.8%)	(3.7%)	(357,324)	(225,762)	(36.8%)
Entertainment	(316,663)	(334,170)	(307,939)	5.5%	(7.8%)	(1.4%)	(229,059)	(171,472)	(25.1%)
Other	(36,596)	(48,198)	(63,779)	31.7%	32.3%	32.0%	(48,265)	(28,423)	(41.1%)
Total direct costs	(855,566)	(923,420)	(837,939)	7.9%	(9.3%)	(1.0%)	(634,648)	(425,657)	(32.9%)
Gross profit	268,523	227,526	272,080	(15.3%)	19.6%	0.7%	226,864	38,207	(83.2%)
Expenses									
Selling and marketing	(62,073)	(77,673)	(68,038)	25.1%	(12.4%)	4.7%	(52,024)	(24,775)	(52.4%)
General and administrative	(199,819)	(199,689)	(195,651)	(0.1%)	(2.0%)	(1.0%)	(146,525)	(122,421)	(16.5%)
Total expenses	(261,892)	(277,362)	(263,689)	5.9%	(4.9%)	0.3%	(198,549)	(147,196)	(25.9%)
Profit (loss) of operations	6,631	(49,836)	8,391	(851.6%)	(116.8%)	12.5%	28,315	(108,989)	(484.9%)
Financial burdens on loans	(20,483)	(26,365)	(30,629)	28.7%	16.2%	22.3%	(22,500)	(22,000)	(2.2%)
Financial burdens on lease contract obligations	0	0	(97,209)	0.0%	0.0%	N/A	(70,219)	(48,573)	(30.8%)
Other income (expenses), net	1,355	(17,391)	(39,803)	(1383.5%)	128.9%	N/A	6,270	1,853	(70.4%)
Share in net results of joint ventures	21,260	15,950	16,261	(25.0%)	1.9%	(12.5%)	11,178	(5,567)	(149.8%)
Profits from adjusting lease contracts	0	0	0	0.0%	0.0%	0.0%	0	76,884	0.0%
(Loss) before Zakat	8,763	(77,642)	(142,989)	(986.0%)	84.2%	N/A	(46,956)	(106,392)	126.6%
Zakat	(76)	1,594	0	(2197.4%)	(100.0%)	0.0%	0	1,243	0.0%
Net (loss) for the year	8,687	(76,048)	(142,989)	(975.4%)	88.0%	N/A	(46,956)	(105,149)	123.9%

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

Revenues

The Company's revenues are based on two main sectors, namely: (1) the hotel sector, which constitutes about 55% of the total revenues as an average rate during the fiscal years 2017G, 2018G and 2019G and the nine-month period ending on September 30, 2020G, and (2) the entertainment sector, which constitutes about 40 % of total revenue, as an average rate, during the fiscal years 2017G, 2018G, and 2019G, and for the nine-



month period ending on September 30, 2020G. The Company also leases shops, mainly in the commercial centers that it is renting, and also manages and operates a number of restaurants. It should be noted that these revenues are categorized within other sectors. The Company currently manages about 32 hotels in the Kingdom of Saudi Arabia (8 of them are operated by other parties that have been commissioned by the Company), in addition to 109 entertainment centers, distributed among the Kingdom of Saudi Arabia, the United Arab Emirates and Egypt.

Revenues increased by 2.4% from SAR 1,124.1 million in fiscal year 2017G to SAR 1,151.0 million in fiscal year 2018G. This is mainly attributed to the increase in hotel revenues by 6.0% and by SAR 36.7 million due to: (1) The increase in food and beverage revenues by an amount of SAR 16.7 million, as the Company started to provide tobacco products in fiscal year 2018G and the demand was large, (2) room revenues increased by SAR 8.5 million, as a result of adding 3 hotels in 2018G and (3) revenues of hotel restaurants increased by SAR 8.3 million. This is due to the Company starting to run most of these restaurants instead of renting them for a fixed rent. This was accompanied by an increase in the income of other activities by 36.9% and by SAR 15.4 million due to the increase in food and restaurant revenues by SAR 12.2 million as 25 restaurants were added in 2018G, and the increase in rental income from commercial complexes by SAR 3.2 million due to the opening of Commercial centers between 2017G and 2018G. This was offset by a decrease in entertainment revenues by 5.4% and by SAR 25.3 million due to a decrease in the revenues of electronic games and recreational vehicles by SAR 17.9 million as a result of a decrease in the number of visitors by 10.1%, due to the decrease in the number of incoming expatriates, the imposition of new taxes and high inflation rates.

Revenues decreased by 3.6% from SAR 1,151.0 million in fiscal year 2018G to SAR 1,110.0 million in fiscal year 2019G, mainly due to a decrease in hotel revenues by 8.2% and an amount of SAR 53.6 million due to the: (1) Decrease room revenues by SAR 17.5 million; as the average daily room rate decreased by 7.7% due to increased competition in the labor market, (2) a decrease in food and beverage revenues by SAR 15.1 million due to a decline in the sale of tobacco products as a result of the imposition of taxes on tobacco, and (3) a decrease in hotel restaurant revenues by SAR 16.0 million, as the Company has changed the classification of the revenues of most of these restaurants and considered them among other revenues and not within the hotel revenues. This was offset by an increase in entertainment revenues by 1.2% and by SAR 5.3 million due to an increase in the revenues of electronic games and recreational vehicles by 2.2%, as a result of the increase in the rate of revenue per visitor by 5.5%, with a decrease in the number of visitors by 2.4% compared to the previous year. This was accompanied by an increase in the income of other activities by 12.9% and by SAR 7.4 million due to the increase in food and restaurant revenues by SAR 20.5 million as a result of the change in the classification of hotel restaurants revenues and the increase in the revenues of basic restaurants. This was offset by a decrease in rental income from commercial complexes by SAR 13.7 million, as the Company did not renew the contract for Fanateer Mall, in addition to the decrease in the number of lessees in Tabuk Mall due to proceeding to new centers in the region.

Revenues decreased by 46.2% from SAR 861.5 million in the nine-month period ended 30 September 2019G to SAR 463.9 million in the nine-month period ended 30 September 2020G, mainly due to the effects of the Corona pandemic, which had a complete impact on all sectors' revenues especially since the Company's activities are fully linked to the affected sectors such as hotels, entertainment and other activities that include shopping malls and restaurants. Hotel revenues decreased by 31.9% by SAR 147.0 million due to a decrease in room revenues by SAR 150.2 million as the average daily room rate decreased by 23.6% and by SAR 93 per room, and the occupancy rate decreased by 11.25 percentage points. This was offset by an increase in the revenues of other services within hotels by SAR 68.0 million as a result of leasing some hotels to the Ministry of Health and converting them to a place of residence for quarantined persons upon their return from travel. The decrease in hotel revenues was accompanied by a decrease in entertainment revenues by 64.1%, by SAR 223.5 million, mainly due to the closure of most entertainment complexes from the beginning of the Corona pandemic to the mid-Eid Al-Fitr period date. Other activities' revenues decreased by 52.3% and by SAR 27.1 million due to the decrease in rental income from commercial complexes by 52.8%, as a result of giving discounts on rent, and the decrease in food and restaurant revenues by 50.7%.

Direct Costs

The direct costs consist of three main sectors, namely, hotels, entertainment and other sectors represented by leasing shops in commercial centers and operating a number of restaurants. Direct costs increased by 7.9%

from SAR 855.6 million in fiscal year 2017G to SAR 923.4 million in fiscal year 2018G, mainly due to the increase in direct costs of the hotel sector by 7.7% and by SAR 38.7 million, as a result of the increase in revenues by 6.1% during this period, this led to an increase in rental costs as a result of adding three hotels and an increase in employee salaries and benefit expenses due to the increase in the number of hired labor. The increase in direct costs for the hotel sector was accompanied by an increase in direct costs for the entertainment sector by SAR 17.5 million, and for other sectors by SAR 11.6 million. The direct costs of the entertainment sector increased, as a result of the increase in rental costs by SAR 10.0 million, due to the addition of 14 new centers in the Kingdom of Saudi Arabia in fiscal year 2018G, and the increase in expenses related to salaries and benefits of employees by SAR 5.8 million as a result of the increase in government fees related to fees for work visas, iqamas and the increase the number of hired labor. The direct costs of other sectors also increased, as a result of the increase in the direct costs of restaurants, in line with the increase in revenues during this period. The gross profit margin decreased from 23.9% in fiscal year 2017G to 19.8% in fiscal year 2018G, due to the decline in the gross profit margin in the entertainment sector by about 7.8 percentage points, due to the decrease in revenues from the main entertainment centers (which existed before the year 2017G) and the inability of the new entertainment centers to make up for this difference.

Direct costs decreased by 9.3% from SAR 923.4 million in fiscal year 2018G to SAR 837.9 million in fiscal year 2019G, mainly due to the decrease in direct costs of the hotel sector by 13.8% and by SAR 74.8 million, as a result of adopting the International Financial Reporting Standard. No. (16) in accounting for lease contracts, which requires tenants to register all lease contracts as items included in the statement of financial position (except for some of them according to certain conditions) and treat them as finance leases. Under this standard, the lessee will recognize the asset that represents the right of use of relevant assets during the lease period, and also the commission expense on rental obligations and depreciation expense on the right to use the asset in the comprehensive income statement. This led to a decrease in rental costs by SAR 136.9 million, compared to an increase in depreciation costs by SAR 100.7 million. In addition, other direct costs in the hotel sector, such as salaries and benefits for employees, food and beverages, decreased in line with the decline in revenues during this period. The decrease in the direct costs of the hotel sector was accompanied by a decrease in the costs of the entertainment sector by SAR 26.2 million, as a result of adopting the International Financial Reporting Standard No. (16) in accounting for lease contracts, in addition to a decrease in employee salaries and benefit expenses, as the Company reduced the number of essential employees as a result of their replacement with rented labor, which has also reduced expenses related to iqama fees and work visas. The decrease in the direct costs of the hotel and entertainment sector was offset by an increase in direct expenses for other sectors by SAR 15.6 million, as a result of the increase in the direct costs of restaurants, in line with the increase in revenues during this period. The gross profit margin increased from 19.8% in fiscal year 2018G to 24.5% in fiscal year 2019G CE, due to the increase in the gross profit margin in the entertainment sector by about 6.7 percentage points and the increase in the gross profit margin in the hotel sector by about 5.1 percentage points, as a result of the adoption of the International Financial Reporting Standard No. (16) in accounting for lease contracts. In addition to that, the expenses of salaries and benefits for employees were reduced in relation to the entertainment and hotels sector. This increase was offset by a 14.5 percentage point decrease in gross profit margin from other sectors, as a result of the decline in rental income of commercial centers.

Direct costs decreased by 32.9% from SAR 634.6 million in the nine-month period ended 30 September 2019G to SAR 425.7 million in the nine-month period ended 30 September 2020G, mainly due to lower costs in all sectors. The direct costs in the hotel sector decreased by SAR 131.6 million, as the management agreed with the main shareholder of the group "Abdul Mohsen Alhokair Holding Group Company" (the owner of the majority of the lands and hotels managed by the Company), during the second quarter of 2020G, to change the lease terms and amend Contracts for a number of leased hotels, whereby the rent is transferred from the fixed rental fees to a rental fee based on a certain percentage of the hotels' revenues. It should be noted that these contracts are no longer counted among the rights of use assets according to the International Financial Reporting Standard No. (16), which also led to a decrease in depreciation expenses by SAR 47.4 million. In addition, employee salaries and benefit expenses have decreased, as a result of the Company's reduction of salaries and staffing due to the Corona pandemic. In addition, direct costs decreased in the entertainment sector and other sectors as a result of reducing salaries and staffing, in addition to obtaining discounts on rental fees.



The gross profit margin decreased from 26.3% in the nine months period ended September 30, 2019G to 8.2% in the nine months period ended September 30, 2019G, mainly due to the decrease in gross profit margin in the entertainment sector by 71.3 percentage points due to the decrease of revenue during this period as a result in Corona pandemic and the Company's inability to reduce the direct costs to offset the decrease. There was an increase in the gross profit margin of the hotel sector by 5.6 percentage points, as the Ministry of Health rented some hotels, which mitigated the decline in revenues, in addition to the decrease in direct costs within this sector.

Selling and Marketing Expenses

Selling and distribution expenses mainly consist of expenses related to gifts, promotion, and advertising, in addition to salary expenses and the like. Selling and marketing expenses increased by 25.1% from SAR 62.1 million in fiscal year 2017G to SAR 77.7 million in fiscal year 2018G, due to the increase in sales commissions by 944.6%, in the amount of SAR 10.7 million, as a result of the change in the way these costs are calculated. The Company started declaring it separately and not deducting it from the revenues. Additionally, promotional and advertising expenses increased by 9.7%, in the amount of SAR 3.1 million.

Selling and marketing expenses decreased by 12.4% from 77.7 million in fiscal year 2018G AD to 68.0 million in fiscal year 2019G CE, mainly due to the decrease in the expenses of gifts, promotion, advertising and advertising by 19.5%, and by 6.8 million, The Company reduced the budget for these expenses, and also reduced sales commissions by 13.4%, and by 1.6 million, due to the decline in revenues.

Selling and marketing expenses decreased by 52.4% from SAR 52.0 million in the nine-month period ended 30 September 2019G to SAR 24.8 million in the nine-month period ended 30 September 2020G, mainly due to the closure that occurred due to the Corona pandemic.

General and Administrative Expenses

General and administrative expenses mainly consist of administrative staff salaries, in addition to government fees and rental costs. General and administrative expenses remained constant at the level of SAR 199 million between the fiscal year 2017G and the fiscal year 2018G. General and administrative expenses decreased by 2.0% from SAR 199.7 million in fiscal year 2018G to SAR 195.7 million in fiscal year 2019G, mainly due to the decrease in employees' salaries expenses by 12.2%, in the amount of SAR 16.1 million, as a result of the Company's reduction of salaries and staffing. This was offset by an increase in the reversal of the provision for a impairment of commercial receivables in the amount of SAR 8.9 million, and an increase in government fees by 20.4% in the amount of SAR 2.0 million.

General and administrative expenses decreased by 16.5% from SAR 146.5 million in the nine-month period ended 30 September 2019G to SAR 122.4 million in the nine-month period ended 30 September 2020G, mainly due to a decrease in administrative staff salaries expenses by 31.1% in the amount of SAR 27.1 million, as a result of the Company's reduction of salaries and the number of employees during this period as a result of the Corona pandemic.

Financial Burdens on Loans

The Company pays financial burdens on seven loans from different banks for the purpose of financing investment and operational operations. Financial burdens on loans increased by 28.7% from SAR 20.5 million in fiscal year 2017G to SAR 26.4 million in fiscal year 2018G, due to the increase in the value of financial withdrawals from the total value of loans available from banks. Financial burdens on loans increased by 16.2% from SAR 26.4 million in the fiscal year 2017G to SAR 30.6 million in the fiscal year 2019G, as a result of the increase in the total value of loans to finance capital expenditures and the Company's rescheduling of some loans at higher financing rates than before (for more Information, please see subsection (6.6.4.3) "Loans" in this prospectus). The financial burdens on loans decreased by 2.2% from SAR 22.5 million in the nine-month period ended 30 September 2019G to SAR 22.0 million in the nine-month period ended 30 September 2020G, despite the increase in the overall loan value during this period. This is mainly due to obtaining facilities from banks due to the Corona pandemic.

Financial Burdens on Lease Contract Obligations

The Company records financial burdens on lease contract obligations in the International Financial Reporting Standard No. (16), which was approved and applied at the beginning of the fiscal year 2019G. The financial

burden on lease contract obligations decreased by 27.8% from SAR 97.2 million in the nine-month period ended 30 September 2019G to SAR 48.6 million in the nine-month period ending 30 September 2020G, as the Company changed the lease terms and amended contracts for a number of leased hotels by changing the rent from fixed consideration to a rental allowance based on a certain percentage of hotel revenues. This led to a decrease in the rights-of-use assets and lease-contract obligations, as these contracts are no longer counted among the rights-of-use assets in accordance with the International Financial Reporting Standard No. (16).

(Expenses) Other Income, Net

Net expenses and other income decreased from a surplus of SAR 1.4 million in the fiscal year 2017G to a loss of SAR 17.4 million in fiscal year 2018G, due to a loss of SAR 17.4 million as a result of excluding property and equipment. Net expenses and other income decreased by 128.9%, in the amount of SAR 22.4 million in fiscal year 2019G, due to the payment of a fine for terminating the lease contract of the Marriott Hotel and Qadisiyah Center in the amount of SAR 18.2 million, and an increase in the loss due to excluding property and equipment in the amount of SAR 12.8 million. This was offset by a refund of funds related to fines paid in excess to the Ministry of Interior and the Ministry of Labor amounting to SAR 4.2 million, and a profit from the disposal of the right of use of assets in the amount of SAR 3.3 million.

Net expenses and other income decreased by 70.4%, from SAR 6.3 million in the nine-month period ended 30 September 2019G to SAR 1.9 million in the nine-month period ended 30 September 2020G, mainly due to the decrease in the refund of funds from the Ministry of Interior and the Ministry Labor for the overpayment of SAR 4.2 million, and the decrease of the funds recovered from the Ministry of Water related to the fine paid in the amount of SAR 1.1 million. This was offset by realizing a gain on disposal of property and equipment in the amount of SAR 1.5 million.

Share in Net Results of Joint Ventures

The Company owns investments in several limited liability companies (please refer to subsection (6.6.2.2) "Investments in Joint Ventures" of this prospectus). These investments are accounted for through equity. Thus, the consolidated statement of comprehensive income reflects the group's share in the net results of the companies. The share in the net results of joint ventures decreased by 25.0% from SAR 21.3 million in the financial year 2017G to SAR 16.0 million in fiscal year 2018G, due to the decrease in the profits of Asateer Enterprises Ltd. for recreational projects and Al-Qassim Trading Company. The share in the net results of joint ventures increased by 1.9% from SAR 15.9 million in fiscal year 2018G to SAR 16.3 million in fiscal year 2019G, as a result of the increase in the profits of Al-Qassim Trading Company and of the Tourism and Real Estate Development Company in light of the decline in the profits of the Asateer Company for Entertainment Projects Ltd. The share in the net results of joint ventures decreased by 149.8% from SAR 11.2 million in the nine-month period ended 30 September 2019G to a net loss of SAR 5.6 million in the nine-month period ended 30 September 2020G, due to the decrease in the profits of the invested companies due to Corona pandemic.

Profits from Amending Lease Contracts

The Company realized profits from amending the lease contracts of some hotels in the second quarter of the fiscal year 2020G, as the management agreed with the main shareholder of the group "Abdul Mohsen Alhokair Holding Group Company" (the owner of 18 hotels managed by the Company) during the second quarter of 2020G to change lease terms and amending contracts for 18 leased hotels. Based upon this agreement, the lease contracts were changed from fixed consideration (fixed annual payment) to rent allowance (rent allowance of 20% of hotel revenues). This resulted in the cancellation of right-of-use assets of SAR 682 million and lease obligations of SAR 759 million.

Zakat

The Company submitted its Zakat declarations to the General Authority for Zakat and Income ("the Authority") for all years up to the fiscal year 2019G, and the Company received Zakat assessments for the years from 2007G to 2017G. During the year 2020G, the Zakat and Tax Dispute Resolution Committee issued its final ruling and required the Company to pay an additional Zakat amounting to SAR 1.97 million. Accordingly, the Company reversed the Zakat provision of SAR 1.6 million. The Zakat provision was reflected in the summarized consolidated statement of comprehensive income during the second quarter of



2020G. It should be noted that the main shareholder (Abdalmohsin Alhokair and Sons Holding Company) pledged to pay any additional Zakat on behalf of the Company in relation to any amounts in excess of the incoming Zakat provision in the consolidated financial statements of the Company for all the years until December 31, 2013G. This happened because the new investors, who participated in the increase in the capital in 2014G, were spared (exempted) from any Zakat amounts related to the work and results of the Company prior to 2014G.

Net (Loss) Income for the Year

The net income for the year decreased by 975.4% from SAR 8.7 million in the financial year 2017G to a loss of SAR 76.0 million in fiscal year 2018G, mainly due to the decrease in the gross profit margin from 23.9% in the financial year 2017G selling and marketing expenses increased. This resulted in the decrease of the net profit margin (loss) for the year from a surplus of 0.8% to a loss of 6.6%.

The net income for the year decreased by 88.0% from a loss of SAR 76.0 million in fiscal year 2018G to a loss of SAR 143.0 million in fiscal year 2019G, mainly due to the decrease in total revenues during this period, especially from the hotel sector, in addition to lower net expenses and other income.

The net income for the year decreased by 123.9% from a loss of SAR 47.0 million in the nine-month period ended September 30, 2019G to a loss of SAR 105.1 million in the nine-month period ended September 30, 2020G as a result of the massive decrease in revenues caused by the Corona pandemic.

6.5.1 Revenue by Country and Activity

Table No (17): Revenues by region and activity for the years ending on December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Management information)	Fiscal year 2018 (Management information)	Fiscal year 2019 (Management information)	Annual growth 2017- 2018	Annual growth 2018- 2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Saudi Arabia									
Hotels	613,289	650,021	596,413	6.0%	(8.2%)	(1.4%)	460,921	313,919	(31.9%)
Entertainment	411,850	394,734	408,700	(4.2%)	3.5%	(0.4%)	316,717	119,076	(62.4%)
Other	41,722	57,116	64,472	36.9%	12.9%	24.3%	51,863	24,750	(52.3%)
Total - Saudi Arabia	1,066,862	1,101,871	1,069,584	3.3%	(2.9%)	0.1%	829,500	457,745	(44.8%)
UAE									
Entertainment	55,901	47,607	39,030	(14.8%)	(18.0%)	(16.4%)	31,099	5,387	(82.7%)
Total - UAE	55,901	47,607	39,030	(14.8%)	(18.0%)	(16.4%)	31,099	5,387	(82.7%)
Egypt									
Entertainment	1,326	1,467	1,404	10.6%	(4.3%)	2.9%	912	732	(19.7%)
Total - Egypt	1,326	1,467	1,404	10.6%	(4.3%)	2.9%	912	732	(19.7%)
Total areas and activities	1,124,089	1,150,946	1,110,019	2.4%	(3.6%)	(0.6%)	861,512	463,865	(46.2%)
KPIs									
State as a percentage of total revenue									
Saudi Arabia	94.9%	95.7%	96.4%	0.83	0.62	1.45	96.3%	98.7%	2.40
UAE	5.0%	4.1%	3.5%	(0.84)	(0.62)	(1.46)	3.6%	1.2%	(2.45)
Egypt	0.1%	0.1%	0.1%	0.01	0.01	0.01	0.1%	0.2%	0.05
Activity as a percentage of the state's total revenue									
Saudi Arabia									
Hotels	57.5%	59.0%	55.8%	1.51	(3.23)	(1.72)	55.6%	68.6%	13.01
Entertainment	38.6%	35.8%	38.2%	(2.78)	2.39	(0.39)	38.2%	26.0%	(12.17)
Other	3.9%	5.2%	6.0%	1.27	0.84	2.12	6.3%	5.4%	(0.85)
UAE									
Entertainment	100.0%	100.0%	100.0%	N/A	N/A	N/A	100.0%	100.0%	N/A
Egypt									
Entertainment	100.0%	100.0%	100.0%	N/A	N/A	N/A	100.0%	100.0%	N/A

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

Revenues from the Kingdom of Saudi Arabia

The revenues from the Kingdom of Saudi Arabia consist of the hotel sector, entertainment sector, and finally from other sectors represented by leasing shops and managing and operating a number of restaurants. The Company currently operates 32 hotels in the Kingdom of Saudi Arabia, and all of these hotels are leased under different lease agreements. The Company also manages and operates 93 entertainment centers in the Kingdom of Saudi Arabia.

The revenues from the Kingdom of Saudi Arabia increased by 3.3% from SAR 1,066.9 million in the fiscal year 2017G to SAR 1,101.9 million in the financial year 2018G, mainly due to the increase in the hotel sector revenues by 6.0% by the amount of SAR 36.7 million, and the increase in the revenues of other sectors by 36.9%, in the amount of SAR 15.4 million. Hotel revenues increased due to an increase in food and beverage revenues by SAR 16.7 million as a result of the increase in revenues from the sale of tobacco products (which accounted for 15% of food and beverage revenues in the fiscal year 2018G), and the increase in room revenues by SAR 8.5 million, as the percentage of sold rooms increased as a result of adding 3 hotels in 2018G, and finally, an increase in hotel restaurant revenues by SAR 8.3 million. This is due to the Company starting to manage most of these restaurants and refrain from renting them to outside parties. Revenues of other sectors increased, due to an increase in food and restaurant revenues by SAR 12.2 million, where 25 restaurants were added in 2018G, and an increase in rental income from commercial complexes by SAR 3.2 million was achieved due to the opening of 5 commercial centers between 2017G and 2018G. The increase in the revenues of hotels and other sectors was offset by a decrease in entertainment revenues by 14.8%, amounting to SAR 8.3 million as a result of a decrease in the number of visitors by 9.9%, from SAR 10.2 million visitors in the fiscal year 2017G to SAR 8.9 million visitors in the financial year 2018G. A large portion of the overall decline comes from the main trade centers.

The revenues from the Kingdom of Saudi Arabia decreased by 2.9% from SAR 1,101.9 million in fiscal year 2018G to SAR 1,069.6 million in fiscal year 2019G, mainly due to the decrease in the hotel sector revenues by 8.2% in the amount of SAR 53.6 million, due to the decrease in room revenues by SAR 17.5 million, as the average daily room rate decreased by 7.7%, as a result of increased competition in the market, and a decrease in food and beverage revenues by SAR 15.1 million due to the imposition of taxes on tobacco, which affected the sales of tobacco products, and finally a decrease in hotel restaurant revenues by SAR 16.0 million, as the Company changed the classification of the revenues of the majority of hotel restaurants and considered them among other revenues and not within the revenues of hotels. The decrease in hotel revenues was offset by an increase in entertainment revenues in the amount of SAR 14.0 million and an increase in other income by SAR 7.4 million. The reason behind the increase in the revenues of the entertainment sector is due to the increase in the average return per visitor by 6.1%, and this mainly comes from the new centers that were added in fiscal year 2018G. The revenues of other sectors also increased as a result of the increase in food and restaurant revenues by SAR 20.5 million due to the change in the classification of hotel restaurants revenues and the increase in the revenues of basic restaurants (that existed prior to fiscal year 2017G). This was offset by a decrease in rental income from commercial complexes by SAR 13.7 million due to the non-renewal of AL Fanateer Mall contract and a decrease in rental income from Tabuk Mall Complex.

Saudi Arabia's revenues decreased by 44.8% from SAR 829.5 million in the nine-month period ended 30 September 2019G to SAR 457.7 million in the nine-month period ended 30 September 2020G, due to the Corona pandemic that led to a decline in shipping and the closure of commercial and entertainment centers for a long period of time. The decrease in hotel revenues was accompanied by a decrease in entertainment revenues by 62.4%, in the amount of SAR 197.6 million, mainly due to the decrease in the number of visitors by 65.3%, as a result of the closure that occurred in the second quarter of fiscal year 2020G. Other activities' revenues decreased by 52.3% in the amount of SAR 27.1 million due to the decrease in rental income from commercial complexes by 52.8%, and the decrease in food and restaurant revenues by 50.7%, as a result of reducing rental fees for lessees and closing restaurants due to the Corona pandemic.

Revenues from the United Arab Emirates (UAE)



The revenues from the UAE consist of the entertainment sector only, and the Company manages and operates 15 entertainment centers in this country. Entertainment revenues in the UAE decreased by 14.8% from SAR 55.9 million in fiscal year 2017G to SAR 47.6 million in fiscal year 2018G due to a decrease in the number of visitors by 13.1%, and this comes directly from the main entertainment centers that existed prior to 2017G financial year especially in the Emirate of Abu Dhabi, due to the decrease in the number of expatriates and the high prices.

Entertainment revenues in the UAE decreased by 18.0% from SAR 47.6 million in fiscal year 2018G to SAR 39.0 million in fiscal year 2019G mainly due to the decrease in the number of visitors by 17.2% (due to the closure of two entertainment centers in Dubai and Abu Dhabi, and also the decrease in the number of visitors who frequented the primary centers (which existed prior to FY17).

Entertainment revenues in the UAE decreased by 82.7% from SAR 31.1 million in the nine-month period ended 30 September 2019G to SAR 5.4 million in the nine-month period ending 30 September 2020G, mainly due to a decrease in the number of visitors by 83.0% because of the closures that affected all centers in the aftermath of the Corona pandemic.

Revenues from Egypt

The revenues from the state of Egypt consist mainly of the entertainment sector only. The Company manages and operates one entertainment center in this country. Entertainment revenues in Egypt increased by 10.6% from SAR 1.3 million in the 2017G fiscal year to 1.5 million in the 2018G fiscal year, due to the increase in the number of visitors.

Entertainment revenues in Egypt decreased by 4.3% from SAR 1.5 million in fiscal year 2018G to SAR 1.4 million in fiscal year 2019G, mainly due to the decrease in the average rate of revenue per visitor, due to the decline in purchasing power as a result of the currency depreciation.

Entertainment revenues in Egypt decreased by 19.7% from SAR 0.9 million in the nine-month period ended September 30, 2019G to SAR 0.7 million in the nine-month period ended September 30, 2020G, mainly due to the general closures that occurred due to the Corona pandemic.

6.5.2 Company Revenues in the Kingdom of Saudi Arabia, by Region and Activity

Table No (18): Revenues of the Company in the Kingdom of Saudi Arabia by region and activity for the years ending December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Management information)	Fiscal year 2018 (Management information)	Fiscal year 2019 (Management information)	Annual growth 2017- 2018	Annual growth 2018-2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Central Region									
Rooms and services	135,139	121,094	126,849	(10.4%)	4.8%	(3.1%)	84,815	81,378	(4.1%)
Food and beverages	49,954	45,576	43,381	(8.8%)	(4.8%)	(6.8%)	32,007	22,432	(29.9%)
Restaurants	3,281	4,896	705	49.2%	(85.6%)	(53.6%)	564	115	(79.7%)
Total hotels	188,374	171,567	170,935	(8.9%)	(0.4%)	(4.7%)	117,386	103,925	(11.5%)
Total entertainment	171,369	163,802	167,062	(4.4%)	2.0%	(1.3%)	128,910	46,454	(64.0%)
Commercial complexes	24,710	24,183	17,747	(2.1%)	(26.6%)	(15.3%)	14,773	7,312	(50.5%)
Restaurants and food	612	1,246	4,555	103.6%	265.5%	172.8%	3,185	3,062	(3.9%)
Other	26	53	627	106.1%	1087.8%	394.7%	627	0	(100.0%)
Total other activities	25,348	25,482	22,928	0.5%	(10.0%)	(4.9%)	18,584	10,374	(44.2%)
Central region total revenue	385,091	360,850	360,925	(6.3%)	0.02%	(3.2%)	264,881	160,753	(39.3%)
Western Region									
Rooms and services	192,932	221,408	201,620	14.8%	(8.9%)	2.2%	168,445	83,251	(50.6%)
Food and beverages	60,220	70,896	67,374	17.7%	(5.0%)	5.8%	56,852	20,857	(63.3%)
Restaurants	850	8,607	0	912.6%	(100.0%)	0.0%	0	0	0.0%
Total hotels	254,002	300,911	268,994	18.5%	(10.6%)	2.9%	225,297	104,107	(53.8%)
Total entertainment	177,790	168,410	174,286	(5.3%)	3.5%	(1.0%)	134,668	53,844	(60.0%)
Commercial complexes	1,317	6,008	6,457	356.1%	7.5%	121.4%	4,452	3,822	(14.1%)
Restaurants and food	0	2,707	9,416	0.0%	247.8%	0.0%	7,611	1,938	(74.5%)
Other	0	0	0	0.0%	0.0%	0.0%	0	0	0.0%

Total other activities	1,317	8,715	15,873	561.6%	82.1%	247.1%	12,062	5,760	(52.2%)
Total revenue of the western region	433,109	478,036	459,154	%10.4	(4.0%)	3.0%	372,028	163,712	(56.0%)
Eastern Province									
Rooms and services	109,634	106,950	98,460	(2.4%)	(7.9%)	(5.2%)	74,338	80,771	8.7%
Food and beverages	57,026	67,406	58,023	18.2%	(13.9%)	0.9%	43,899	25,116	(42.8%)
Restaurants	4,253	3,187	0	(25.1%)	(100.0%)	0.0%	0	0	0.0%
Total hotels	170,913	177,543	156,483	3.9%	(11.9%)	(4.3%)	118,237	105,887	(10.4%)
Total entertainment	62,691	62,522	67,352	(0.3%)	7.7%	3.7%	53,139	18,777	(64.7%)
Commercial complexes	15,057	14,086	6,376	(6.5%)	(54.7%)	(34.9%)	5,787	681	(88.2%)
Restaurants and food	0	8,833	19,295	0.0%	118.4%	0.0%	15,429	7,936	(48.6%)
Other	0	0	0	0.0%	0.0%	0.0%	0	0	0.0%
Total other activities	15,057	22,919	25,671	52.2%	12.0%	30.6%	21,216	8,616	(59.4%)
Total revenue of the eastern region	248,661	262,984	249,506	5.8%	(5.1%)	0.2%	192,591	133,280	(30.8%)
The total revenue of the Kingdom of Saudi Arabia	1,066,862	1,101,871	1,069,584	3.3%	(2.9%)	0.1%	829,500	457,745	(44.8%)

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

The revenues of the Kingdom of Saudi Arabia increased by 3.3% from SAR 1,066.9 million in fiscal year 2017G to SAR 1,101.9 million in fiscal year 2018G, mainly due to the increase in the revenues of the western region by 10.4% in the amount of 44.9 million as a result of the increase in the hotel sector's revenues due to the addition of the Radisson Blue Corniche Hotel in 2018G fiscal year. The revenues of the Eastern Region increased by 5.8% in the amount of SAR 14.3 million mainly due to the increase in revenues of the other activities sector as a result of the addition of 12 restaurants and the increase in hotel revenues due to the increase in food and beverage revenues. This was offset by a decrease in the revenues of the Central Region by 6.3%, in the amount of SAR 24.2 million, mainly due to the decline in revenues in the hotel sector, as a result of lower occupancy rates and the average room rate for the day.

The revenues of the Kingdom of Saudi Arabia decreased by 2.9% from SAR 1,101.9 million in fiscal year 2018G to SAR 1,069.6 million in fiscal year 2019G mainly due to the decrease in the revenues of the Western region by 4.0% in the amount of 18.9 million due to lower hotel revenues, as a result of closing two hotels and reclassifying hotel restaurant revenues from the hotel sector to the other activities sector. This was accompanied by a decrease in revenues of the Eastern Region by 5.1%, in the amount of 13.5 million driven by a decrease in hotel revenues due to the decline in revenues from rooms, services, food and beverages.

The Kingdom of Saudi Arabia's revenues decreased by 44.8% from SAR 829.5 million in the nine-month period ended 30 September 2019G to SAR 457.7 million in the nine-month period ending 30 September 2020G, mainly due to the effects of the Coronavirus pandemic. This affected all sectors of the Company and decreased their revenues, as the revenues of the Western Region decreased by 56.0%, in the amount of SAR 208.3 million. The revenues of the central region decreased by 39.3%, in the amount 104.1 million. Finally, the revenues of the Eastern Region decreased by 30.8%, in the amount 59.3 million.

Central Region Revenues

The revenues of the central region accounted for about 33.9% of the total revenues in the Kingdom of Saudi Arabia as an average rate during the previous years. The revenues of the central region are concentrated in the hotel sector, which constituted about 50.6% of the total revenues of this region as an average rate during the previous years. The revenues of the central region decreased by 6.3% from SAR 385.1 million in 2017G financial year to SAR 360.8 million in 2018G fiscal year, mainly due to the decline in revenues from the hotel sector by 8.9% in the amount of 16.8 million. Decreased revenues for rooms and services by SAR 14.0 million due to a decrease in the room occupancy rate by 5.3 percentage points and a decrease in the average room rate for the day by 6.3%, and this came due to increased competition in the labor market. Food and beverage revenues decreased by 8.8%, in the amount of 4.4 million. This was offset by an increase in restaurant revenues by 49.2% in the amount of SAR1.6 million, as the Company started managing restaurants in fiscal year 2018G, instead of leasing them to other parties as was the case in the 2017G fiscal year. The decline in the revenues of the hotel sector was accompanied by a decrease in the revenues of the entertainment



sector by 4.4%, by 7.6 million, mainly due to the decrease in the number of visitors by 16.7%, due to the decrease in the number of expatriates and the high prices.

The revenues of the Central Region remained at the same total level and slightly increased by 0.02% from SAR 360.8 million in fiscal year 2018G to SAR 360.9 million in fiscal year 2019G, due to an increase in the entertainment sector revenues by 2.0% in the amount of SAR 3.33 million, leading to a 6.9% increase in revenues per visitor, especially in the new centers that were inaugurated in FY 2018G. This was offset by a decrease in the revenues of the other activities sector by 10.0% in the amount of SAR 2.5 million, mainly from the rents of commercial centers, due to the decrease in the number of lessees in Tabuk Mall. This was accompanied by a slight decrease in the revenues of the hotel sector by 0.4%, in the amount of SAR 632 thousand.

Central region revenues decreased by 39.3% from SAR 264.9 million in the nine-month period ended 30 September 2019G to SAR 160.7 million in the nine-month period ended 30 September 2020G, mainly due to the decline in revenues in all sectors. The effects of the Corona pandemic, which completely affected all sectors' revenues, especially the Company's activities are fully linked to the affected sectors such as hotels, entertainment and other activities that include shopping malls and restaurants. In particular, the big decline was in the entertainment sector, where revenues decreased by 64.0% in the amount of SAR 82.4 million, as a result of the closure of most entertainment complexes from the beginning of the Corona pandemic to the mid-Eid al-Fitr period. It should be noted that the Ministry of Health has rented some hotels in the Central Region, which led to mitigating the effects of the decline in revenues that decreased by 11.5% in the amount of SAR 13.5 million.

Western Region Revenues

The revenues of the Western Region accounted for about 41.5% of the total revenues in the Kingdom of Saudi Arabia as an average rate during the previous years. The revenues of the western region are concentrated in the hotel sector, which constituted about 60.9% of the total revenues of this region as an average rate during the previous years. The revenues of the Western Region increased by 10.4% from SAR 433.1 million in fiscal year 2017G to SAR 478.0 million in fiscal year 2018G, mainly due to the increase in the hotel sector's revenues by 18.5% in the amount of SAR 46.9 million. This comes as a result of an increase in room and service revenues by 14.8%, in the amount of SAR 28.5 million, due to the addition of the Radisson Blue Corniche Hotel. Food and beverage revenues increased by 17.7% coinciding with the increase in room revenues, and restaurants' revenues by SAR 7.8 million, as the Company started managing restaurants in the FY 2018G, instead of leasing them to other parties as was the case in the FY 2017G. This was accompanied by an increase in the revenues of other activities by 561.6%, in the amount of SAR 7.4 million. This came as a result of the increase in the revenues of commercial complexes by SAR 4.7 million wherein the Company added a new center in Taif. This was offset by a decrease in the entertainment sector's revenues by 5.3%, in the amount of SAR 9.4 million, as a result of the decrease in the number of visitors by 8.4%, especially in the main centers (which existed prior to FY 2017G).

The revenues of the Western Region decreased by 4.0% from SAR 478.0 million in fiscal year 2018G to SAR 459.1 million in fiscal year 2019G, mainly due to the decrease in hotel revenues by 10.6% in the amount of SAR 31.9 million as a result of closing two hotels as well as the decrease of the average room rate for the day by 6.2%. In addition, the Company transferred the revenues of hotel restaurants from the hotel sector to the other activities sector. This was offset by an increase in the revenues of the other activities sector by SAR 7.2 million, and the income of the entertainment sector by SAR 5.9 million. Other activities revenue increased due to the transfer of hotel restaurants revenues from the hotel sector to the other activities sector. The entertainment sector revenues increased due to the addition of four new entertainment centers.

The revenues of the Western Region decreased by 56.0% from SAR 372.0 million in the nine-month period ended 30 September 2019G to SAR 163.7 million in the nine-month period ending 30 September 2020G, mainly due to the effects of the Corona pandemic that affected entirely impacted all revenues of all sectors of the Company. Hotel revenues decreased by 53.8% in the amount of SAR 121.2 million, as a result of a decrease in the occupancy rate by 18.6 percentage points, and also a decrease in the number of rooms available for sale by 26.6% as the Company closed the Marriott Hotel. This was accompanied by a 60.0% decrease in the entertainment sector's revenues that amounted to SAR 80.8 million, as a result of the closure of most entertainment complexes from the beginning of the Corona pandemic to the mid-Eid al-Fitr date, which in turn affected the number of visitors that decreased by 63.9%. Finally, the revenues of the other

activities sector decreased by 52.2% in the amount of SAR 6.3 million, due to a decrease in the revenues of restaurants and food by 42.8%.

Eastern Region Revenues

The revenues of the Eastern Region accounted for about 24.6% of the total revenues in the Kingdom of Saudi Arabia as an average rate during the previous years. The revenues of the eastern region are concentrated in the hotel sector, which constituted about 68.0% of the total revenues of this region as an average rate during the previous years. The revenues of the Eastern Region increased by 5.8% from SAR 248.6 million in fiscal year 2017G to SAR 263.0 million in fiscal year 2018G, mainly due to the increase in the revenues of the other activities sector by 52.2% in the amount of SAR 7.9 million as a result of the increase in the restaurant sector's revenues, due to the addition of about 12 new restaurants. This was accompanied by an increase in hotel revenues by 3.9%, in the amount of SAR 6.6 million, as a result of the increase in food and beverage revenues, as the Company started providing tobacco products in fiscal year 2018G and the its demand was large. This was offset by a slight decrease in the revenues of rooms and services by 2.4% in the amount of SAR 2.7 million due to a decrease in the average daily room rate by 11.6%. This was accompanied by a decrease in restaurant revenues by SAR 1.6 million as a result of the closure of two restaurants.

The revenues of the Eastern Region decreased by 5.1% from SAR 263.0 million in fiscal year 2018G to SAR 249.5 million in fiscal year 2019G, mainly due to the decrease in hotel revenues by 11.9% in the amount of SAR 21.1 million as a result of the decrease in the revenues of rooms and services by 7.9% in the amount of SAR 8.5 million due to the decrease in the average daily room rate by 11.7%, as a result of the increase in competition in the market due to the increase in the number of new hotels. This was accompanied by a decrease in food and beverage revenues by 13.9%, as the demand for tobacco products decreased due to the increase in their price as a result of government taxes. This was accompanied by a complete decrease in restaurant revenues in the amount of SAR 3.2 million, as a result of reclassifying all restaurants' revenues to the other activities sector. This was offset by an increase in the entertainment sector by SAR 4.8 million, as a result of the addition of 3 new entertainment centers. Finally, the revenues of the other activities sector increased by 12.0% in the amount of SAR 2.7 million, and that was a result of the increase in restaurant revenues by 118.4% in the amount of SAR 10.5 million, and this mainly came from the new restaurants. This was offset by a decrease in the revenues of commercial complexes by 54.7%, in the amount of SAR 7.7 million as a result of the non-renewal of Fanateer Mall contract.

The revenues of the Eastern Region decreased by 30.8% from SAR 192.6 million in the nine-month period ended 30 September 2019G to SAR 133.3 million in the nine-month period ending 30 September 2020G, mainly due to the effects of the Corona pandemic that affected all sectors of the Company and the decline in revenues therein, especially the entertainment sector, in which revenues decreased by 64.7% in the amount of SAR 34.4 million, as a result of the closure of most entertainment complexes from the beginning of the Corona pandemic to the mid-Eid al-Fitr date. Hotel revenues decreased by 10.4% in the amount of SAR 12.3 million, and this was due to a decrease in food and beverage revenues by 42.8% in the amount of SAR 18.8 million. This was offset by an 8.7% increase in room and service revenues in the amount of SAR 6.4 million, as a result of the Ministry of Health renting of some hotels and making them quarantines for those returning from travel. The revenues of the other activities sector also decreased by 59.4% as a result of the decrease in the revenues of the commercial complexes by 88.2% in the amount of SAR 5.1 million, and the reduction in rental fees for tenants at the beginning of the Corona pandemic, and also to the decrease in the revenues of restaurants and food by 48.6% in the amount of SAR 7.5 million during the period.



Table No (19): Performance indicators for the Company in the Kingdom of Saudi Arabia by region and activity for the fiscal years ending on December 31, 2017, 2018 and 2019 and the nine-month periods ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Management information)	Fiscal year 2018 (Management information)	Fiscal year 2019 (Management information)	Annual growth 2017-2018	Annual growth 2018-2019	CAGR 2017G-2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
KPIs									
Region as a percentage of total revenues of the Kingdom of Saudi Arabia									
Central Region	36.1%	32.7%	33.7%	(3.35)	1.00	(2,35)	31.9%	35.1%	3,19
Western Region	40.6%	43.4%	42.9%	2.79	(0.46)	2,33	44.8%	35.8%	(9,08)
Eastern Region	23.3%	23.9%	23.3%	0.56	(0.54)	0,02	23.2%	29.1%	5,90
Hotel performance measurement indicators									
According to occupancy rate									
Central Region	59.4%	54.2%	61.1%	(5.25)	6.90	1,65	56.7%	46.5%	(10,17)
Western Region	54.4%	55.4%	54.8%	0.96	(0.61)	0,35	57.5%	38.9%	(18,65)
Eastern Region	60.3%	59.8%	60.8%	(0.47)	0.94	0,47	59.6%	58.0%	(1,59)
Total	57.5%	56.1%	58.1%	(1.38)	2.02	0,64	57.8%	46.5%	(11,25)
Number of rooms									
Central Region	1,417	1,460	1,469	3.0%	0.6%	1.8%	1,461	1,360	(6.9%)
Western Region	2,143	2,299	2,268	7.3%	(1.3%)	2.9%	2,339	1,717	(26.6%)
Eastern Region	1,066	1,190	1,225	11.6%	3.0%	7.2%	1,226	1,151	(6.1%)
Total	4,626	4,948	4,962	7.0%	0.3%	3.6%	5,026	4,228	(15.9%)
Average room rate per day									
Central Region	411	385	365	(6.3%)	(5.3%)	(5.8%)	351	274	(21.9%)
Western Region	500	459	430	(8.2%)	(6.2%)	(7.2%)	444	329	(25.8%)
Eastern Region	437	386	341	(11.6%)	(11.7%)	(11.7%)	352	299	(14.9%)
Total	454	419	387	(7.6%)	(7.7%)	(7.7%)	394	301	(23.6%)
Total KSA									
Total KSA									
Central Region	1,882	1,799	1,835	(4.4%)	2.0%	(1.3%)	1,416	510	(64.0%)
Western Region	358	339	351	(5.3%)	3.5%	(1.0%)	271	108	(60.0%)
Eastern Region	321	320	344	(0.3%)	7.7%	3.7%	272	96	(64.7%)
Total KSA	526	504	522	(4.2%)	3.5%	(0.4%)	404	152	(62.4%)
Number of guests (Thousand)									
Central Region	3,756	3,131	2,986	(16.7%)	(4.6%)	(10.8%)	2,356	810	(65.6%)
Western Region	4,729	4,332	4,269	(8.4%)	(1.5%)	(5.0%)	3,291	1,187	(63.9%)
Eastern Region	1,673	1,685	1,673	0.8%	(0.7%)	(%0.0)	1,325	419	(68.4%)
Total KSA	10,158	9,148	8,928	(9.9%)	(2.4%)	(6.2%)	6,972	2,416	(65.3%)
Revenue per guest									
Central Region	46	52	56	14.7%	6.9%	10.7%	55	57	4.8%
Western Region	38	39	41	3.4%	5.0%	4.2%	41	45	10.9%
Eastern Region	37	37	40	(1.0%)	8.5%	3.7%	40	45	11.8%
Total KSA	41	43	46	6.4%	6.1%	6.3%	45	49	8.5%

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

6.5.3 Direct Costs and Profit Margin by Country and Activity

Table No (20): Direct costs by country and activity for the fiscal years ending on December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Management information)	Fiscal year 2018 (Management information)	Fiscal year 2019 (Management information)	Annual growth 2017-2018	Annual growth 2018-2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Kingdom of Saudi Arabia									
Hotels	502,307	541,051	466,221	7.7%	(13.8%)	(3.7%)	357,324	225,762	(36.8%)
Entertainment	264,582	285,627	267,705	8.0%	(6.3%)	0.6%	199,750	156,165	(21.8%)
Other	36,596	48,198	63,779	31.7%	32.3%	32.0%	48,265	28,423	(41.1%)
Total KSA	803,485	874,876	797,705	8.9%	(8.8%)	(0.4%)	605,339	410,350	(32.2%)
UAE									
Entertainment	51,138	47,770	39,198	(6.6%)	(17.9%)	(12.4%)	28,680	14,842	(48.3%)
Total UAE	51,138	47,770	39,198	(6.6%)	(17.9%)	(12.4%)	28,680	14,842	(48.3%)
Egypt									
Entertainment	943	773	1,035	(18.1%)	33.9%	4.8%	629	465	(26.1%)
Total Egypt	943	773	1,035	(18.1%)	33.9%	4.8%	629	465	(26.1%)
Total	855,566	923,419	837,938	7.9%	(9.3%)	(1.0%)	634,648	425,657	(32.9%)
KPIs									
Profit margin as a percentage of the state revenue									
KSA	24.7%	20.6%	25.4%	(4.09)	4.82	0.73	27.0%	10.4%	(16.67)
UAE	8.5%	(0.3%)	(0.4%)	(8.86)	(0.09)	(8.95)	7.8%	(175.5%)	(183.29)
Egypt	28.9%	47.3%	26.3%	18.44	(21.05)	(2.60)	31.0%	36.5%	5.47
Total	23.9%	19.8%	24.5%	(4.12)	4.74	0.62	26.3%	8.2%	(18.10)
Profit margin as a percentage of the state revenue									
Kingdom of Saudi Arabia									
Hotels	18.1%	16.8%	21.8%	(1.33)	5.07	3.73	22.5%	28.1%	5.61
Entertainment	35.8%	27.6%	34.5%	(8.12)	6.86	(1.26)	36.9%	(31.1%)	(68.08)
Other	12.3%	15.6%	1.1%	3.33	(14.54)	(11.21)	6.9%	(14.8%)	(21.77)
UAE									
Entertainment	8.5%	(0.3%)	(0.4%)	(8.86)	(0.09)	(8.95)	7.8%	(175.5%)	(183.27)
Egypt									
Entertainment	28.9%	47.3%	26.3%	18.45	(21.07)	(2.62)	31.0%	36.5%	5.48

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

Direct Costs to Saudi Arabia

The direct costs in the Kingdom of Saudi Arabia are distributed over the three main sectors, in which the Company's revenues are concentrated, which are: hotels, entertainment, and other sectors represented by leasing shops and operating a number of restaurants. Direct costs in the Kingdom of Saudi Arabia increased by 8.9% from SAR 803.5 million in fiscal year 2017G to SAR 874.9 million in fiscal year 2018G, mainly due to the increase in direct costs of the hotel sector by 7.7%, in the amount of SAR 38.7 million, and the increase in the direct costs of the entertainment sector by 8.0% in the amount of SAR 21.0 million. The direct costs of the hotel sector have increased due to the increase in rental costs, as a result of adding three hotels in fiscal year 2018G, and the increase in expenses related to the salaries and benefits of employees, as the Company increased the number of hired workers during this period. Finally, the increase in food and beverage expenses due to the increase in their revenues. In addition, the direct costs of the entertainment sector increased, as a result of the increase in rental costs by SAR 10.5 million, due to the addition of 14 new centers in fiscal year 2018G, and the increase in expenses related to salaries and benefits of employees by SAR 6.7 million, due to the increase in government fees related to iqamas, work visas and the increase in the number of hired workers, and finally an increase in depreciation expenses by SAR 5.3 million, as a result of additions to the entertainment equipment. The increase in the direct costs of the hotel and entertainment sector was accompanied by an increase in the direct costs of other sectors by SAR 11.6 million, as a result of the increase in the direct costs of restaurants, which is in line with the increase in revenues during this period. The decline



in gross profit margin in the Kingdom of Saudi Arabia from 24.7% in fiscal year 2017G to 20.6% in fiscal year 2018G due to the decline in gross profit margin in the entertainment sector by about 8.1 percentage points, was caused by the decrease in revenues from the main centers and the inability of the new centers to make up for this difference.

Direct costs in the Kingdom of Saudi Arabia decreased by 8.8% from SAR 874.9 million in fiscal year 2018G to SAR 797.7 million in fiscal year 2019G, mainly due to the decrease in the direct costs of the hotel sector by 13.8% in the amount of SAR 74.8 million, as a result of adopting International Financial Reporting Standard No. (16) in accounting for lease contracts, which led to a decrease in rental costs by SAR 136.9 million, compared to an increase in depreciation costs by SAR 100.7 million. In addition, other direct costs such as employee salaries and benefits, food and beverages, decreased in line with the decline in revenues during this period. The decrease in the direct costs of the hotel sector was accompanied by a decrease in the direct costs of the entertainment sector by SAR 17.9 million, as a result of adopting the International Financial Reporting Standard No. (16) in accounting for lease contracts, which led to a decrease in rental costs by SAR 90.5 million, in contrast to increase in depreciation costs of SAR 81.8 million. In addition to that, there was a decrease in the expenses related to the salaries and benefits of employees, as the Company reduced the number of basic employees and replaced them with hired labor, which also led to a decrease in the expenses related to iqama fees and work visas. The decrease in the direct costs of the entertainment and hotels sector was offset by the increase in the direct costs of the other sectors by SAR 15.6 million, as a result of the increase in the direct costs of restaurants, which is in line with the increase in revenues during this period. The gross profit margin in the Kingdom of Saudi Arabia increased from 20.6% in fiscal year 2018G to 25.4% in fiscal year 2019G, due to the increase in the gross profit margin in the entertainment sector by about 6.9 percentage points. The gross profit margin in the hotel sector increased by about 5.1 percentage points, as a result of adopting the International Financial Report Standard No. (16) in accounting for lease contracts, in addition to the decline in employee salaries and benefits. This increase was offset by a 14.5 percentage point decrease in gross profit margin from other sectors, as a result of the significant decline in rental income from commercial centers.

Direct costs in the Kingdom of Saudi Arabia decreased by 32.2% from SAR 605.3 million in the nine-month period ended 30 September 2019G to SAR 410.4 million in the nine-month period ended 30 September 2020G, mainly due to the decrease in direct costs of the hotel sector by a percentage 32.2% in an amount of SAR 131.6 million, as a result of the decrease in revenues due to the Corona pandemic. All direct expenses for the hotel sector, mainly salaries and benefits for employees, decreased by SAR 51.5 million, as the Company reduced the salaries and numbers of employees during this period, in addition to the decline in depreciation expenses as a result of the change in the lease contracts of some hotels, which made it unnecessary to adopt IFRS 16 and the decline in the right-of-use assets. The decrease in direct costs of the hotel sector was accompanied by a decrease in the costs of the entertainment sector by SAR 43.6 million and a decrease in the costs of other sectors by SAR 19.8 million. The gross profit margin in the Kingdom of Saudi Arabia decreased from 27.0% in the nine-month period ended September 30, 2019G to 10.4% in the nine-month period ended September 30, 2020G, and this mainly comes from the entertainment sector, where the gross profit margin decreased by 68.1 percentage points as a result of the Company's inability to reduce the direct costs of this sector especially the fixed ones, such as salaries, electricity and water services expenses, with a large percentage consistent with the decline in revenues.

UAE Direct Costs

The direct costs of the UAE consist of the entertainment sector, and the direct costs of the entertainment sector in the UAE decreased by 6.6% from SAR 51.1 million in fiscal year 2017G to SAR 47.8 million in the 2018G fiscal year, mainly due to the decrease in the cost of participating in entertainment events by an amount of SAR 1.3 million, which is in line with the decline in revenues, in addition to a decrease in salaries and benefits for employees by SAR 0.8 million. The gross profit margin in the UAE decreased from 8.5% in the 2017G fiscal year to a loss of 0.3% in fiscal year 2018G, as a result of the decrease in revenues from the main entertainment centers, especially in the Emirate of Abu Dhabi.

The direct costs of the entertainment sector in the UAE decreased by 17.9% from SAR 47.8 million in fiscal year 2018G to SAR 39.2 million in fiscal year 2019G, mainly due to the adoption of the International Financial Reporting Standard No. (16), which led to a decrease in rental costs by SAR 15.2 million, compared

to an increase in depreciation costs by SAR 7.6 million. The gross profit margin in the UAE did not change in fiscal year 2019G compared to fiscal year 2018G reaching a loss of 0.3%.

The direct costs of the entertainment sector in the UAE decreased by 48.3% from SAR 28.7 million in the nine-month period ended 30 September 2019G to SAR 14.8 million in the nine-month period ended 30 September 2020G, mainly due to the significant decline in revenues by 82.7 %. In particular, the rental costs decreased by SAR 7.6 million, due to rent deductions obtained by the Company from the owners (some of them are shareholders in the Company and others are external parties). The salaries and benefits of employees decreased by SAR 3.1 million, as the Company reduced the salaries and the numbers of employees during this period. The gross profit margin in the UAE decreased from 7.8% in the nine-month period ended September 30, 2019G to a loss of 175.5% in the nine-month period ended September 30, 2020G, as a result of the massive decline in revenues.

Direct Costs to Egypt

The direct costs to Egypt consist of the entertainment sector. The direct costs of the entertainment sector in Egypt decreased by 18.1% from 0.9 million in the 2017G fiscal year to 0.8 million in the 2018G fiscal year, mainly due to the decline in the number of visitors, due to the high prices. The profit margin in Egypt increased from 28.9% in the 2017G fiscal year to 47.3% in the 2018G fiscal year, due to the increase in revenues that coincided with the decrease in direct costs.

The direct costs of the entertainment sector in Egypt increased by 33.9% from 0.8 million in fiscal year 2018G to 1.0 million in fiscal year 2019G, mainly due to the increase in depreciation expenses by SAR 0.2 million, as a result of the additions in entertainment equipment. This led to a decrease in the profit margin in Egypt from 47.3% in the 2018G financial year to 263% in the 2019G fiscal year, as it coincided with a decrease in revenues by 4.3%.

The direct costs of the entertainment sector in Egypt decreased by 26.1% from SAR 0.6 million in the nine-month period ended 30 September 2019G to SAR 0.5 million in the nine-month period ending 30 September 2020G, mainly due to a decrease in the depreciation expenses due to the disposal of a number of entertainment equipment, and also reduced rental costs due to discounts from the owners. This led to an increase in the profit margin in Egypt from 31.0% in the nine-month period ended September 30, 2019G to 36.5% in the nine-month period ended September 30, 2020G, despite the decline in revenues during the same period.

6.5.4 Saudi Arabia Costs by Region and Activity

Table No. (21): Costs of the Kingdom of Saudi Arabia by region and activity for the fiscal years ending on December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Management information)	Fiscal year 2018 (Management information)	Fiscal year 2019 (Management information)	Annual growth 2017-2018	Annual growth 2018-2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Central Region									
Rooms and services	130,213	119,952	109,325	(7.9%)	(8.9%)	(8.4%)	80,132	60,679	(24.3%)
Food and beverages	11,907	11,356	10,694	(4.6%)	(5.8%)	(5.2%)	7,918	5,978	(24.5%)
restaurants	1,084	3,020	678	178.5%	(77.5%)	(20.9%)	512	96	(81.3%)
Total hotels	143,205	134,329	120,697	(6.2%)	(10.1%)	(8.2%)	88,562	66,754	(24.6%)
Total Entertainment	96,371	99,140	95,716	2.9%	(3.5%)	(0.3%)	71,581	62,233	(13.1%)
Commercial complexes	12,226	9,224	8,887	(24.6%)	(3.7%)	(14.7%)	6,672	5,051	(24.3%)
Restaurants and food	1,934	3,433	7,441	77.5%	116.8%	96.1%	5,035	4,054	(19.5%)
Other	3,979	4,782	4,745	20.2%	(0.8%)	9.2%	3,148	3,816	21.2%
Total other activities	18,140	17,439	21,073	(3.9%)	20.8%	7.8%	14,855	12,921	(13.0%)
Total central region costs	257,716	250,908	237,486	(2.6%)	(5.3%)	(4.0%)	174,998	141,907	(18.9%)
Western Region									
Rooms and services	203,755	234,004	203,675	14.8%	(13.0%)	(0.0%)	160,856	78,731	(51.1%)
Food and beverages	15,028	18,025	16,372	19.9%	(9.2%)	4.4%	13,758	5,490	(60.1%)
restaurants	1,126	9,361	77	731.1%	(99.2%)	(73.9%)	58	(888)	(1639.3%)
Total hotels	219,909	261,390	220,124	18.9%	(15.8%)	0.0%	174,671	83,333	(52.3%)
Total Entertainment	115,993	124,431	114,960	7.3%	(7.6%)	(0.4%)	84,889	63,387	(25.3%)



Commercial complexes	3,275	5,110	4,431	56.0%	(13.3%)	16.3%	3,318	3,108	(6.3%)
Restaurants and food	0	2,151	9,540	0.0%	343.5%	0.0%	7,092	2,936	(58.6%)
Other	0	0	0	0.0%	0.0%	0.0%	0	0	0.0%
Total other activities	3,275	7,261	13,971	121.7%	92.4%	106.5%	10,410	6,044	(41.9%)
Total Western region costs	339,178	393,081	349,054	15.9%	(11.2%)	1.4%	269,970	152,764	(43.4%)
Eastern Region									
Rooms and services	121,362	127,322	112,625	4.9%	(11.5%)	(3.7%)	84,483	71,055	(15.9%)
Food and beverages	13,294	14,309	12,772	7.6%	(10.7%)	(2.0%)	9,604	6,301	(34.4%)
restaurants	4,537	3,702	3	(18.4%)	(99.9%)	(97.2%)	3	(1,680)	(48984.7%)
Total hotels	139,193	145,333	125,401	4.4%	(13.7%)	(5.1%)	94,091	75,676	(19.6%)
Total Entertainment	52,219	62,057	57,028	18.8%	(8.1%)	4.5%	43,280	30,545	(29.4%)
Commercial complexes	15,181	14,882	12,567	(2.0%)	(15.6%)	(9.0%)	10,826	1,433	(86.8%)
Restaurants and food	0	8,615	16,169	0.0%	87.7%	0.0%	12,175	8,026	(34.1%)
Other	0	0	0	0.0%	%0.0	0.0%	0	0	0.0%
Total other activities	15,181	23,497	28,735	54.8%	22.3%	37.6%	23,001	9,458	(58.9%)
Total Eastern region costs	206,592	230,887	211,164	11.8%	(8.5%)	1.1%	160,371	115,679	(27.9%)
Total Costs, KSA	803,485	874,876	797,705	8.9%	(8.8%)	(0.4%)	605,339	410,350	(32.2%)

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

Table No. (22): KPIs indicators for costs of the Kingdom of Saudi Arabia by region and activity for the fiscal years ending on December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Management information)	Fiscal year 2018 (Management information)	Fiscal year 2019 (Management information)	Annual growth 2017-2018	Annual growth 2018-2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Profit margin for region revenues									
Central Region	33.1%	30.5%	34.2%	(2.61)	3.73	1.12	33.9%	11.7%	(22.21)
Western Region	21.7%	17.8%	24.0%	(3.92)	6.21	2.29	27.4%	6.7%	(20.75)
Eastern Region	16.9%	12.2%	15.4%	(4.71)	3.16	(1.55)	16.7%	13.2%	(3.52)
Total	24.7%	20.6%	25.4%	(4.09)	4.82	0.73	27.0%	10.4%	(16.67)
Profit margin for region activities									
Central Region									
Hotels	24.0%	21.7%	29.4%	(2.27)	7.69	5.41	24.6%	35.8%	11.21
Entertainment	43.8%	39.5%	42.7%	(4.29)	3.23	(1.06)	44.5%	(34.0%)	(78.44)
Other activities	28.4%	31.6%	8.1%	3.13	(23.47)	(20.34)	20.1%	(24.6%)	(44.62)
Western Region									
Hotels	13.4%	13.1%	18.2%	(0.29)	5.03	4.75	22.5%	20.0%	(2.52)
Entertainment	34.8%	26.1%	34.0%	(8.64)	7.92	(0.72)	37.0%	(17.7%)	(54.69)
Other activities	(148.7%)	16.7%	12.0%	165.34	(4.70)	160.64	13.7%	(4.9%)	(18.62)
Eastern Region									
Hotels	18.6%	18.1%	19.9%	(0.42)	1.72	1.30	20.4%	28.5%	8.11
Entertainment	16.7%	0.7%	15.3%	(15.96)	14.58	(1.38)	18.6%	(62.7%)	(81.23)
Other activities	(0.8%)	(2.5%)	(11.9%)	(1.71)	(9.41)	(11.12)	(8.4%)	(9.8%)	(1.36)

Source: Management analysis of financial indicators.

6.5.5 Direct Costs by Activity and Segments

Table No. (23): Direct costs of the Kingdom of Saudi Arabia by region and activity for the fiscal years ending on December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Management information)	Fiscal year 2018 (Management information)	Fiscal year 2019 (Management information)	Annual growth 2017-2018	Annual growth 2018-2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Hotels									
Depreciation	74,431	76,519	177,237	2.8%	131.6%	54.3%	134,956	87,592	(35.1%)
Salaries and other benefits	121,660	127,943	114,144	5.2%	(10.8%)	(3.1%)	87,503	56,222	(35.7%)
Benefits	42,583	47,940	41,639	12.6%	(13.1%)	(1.1%)	32,238	20,623	(36.0%)
Food and beverage expenses	41,587	48,686	39,837	17.1%	(18.2%)	(2.1%)	31,281	17,770	(43.2%)
Management benefits and concession fees	32,227	32,485	30,826	0.8%	(5.1%)	(2.2%)	23,533	12,994	(44.8%)
Rent	130,465	143,267	6,376	9.8%	(95.5%)	(77.9%)	5,891	1,533	(74.0%)
Other	59,353	64,213	56,161	8.2%	(12.5%)	(2.7%)	41,922	29,029	(30.8%)
Total Hotels	502,307	541,052	466,221	7.7%	(13.8%)	(36.7%)	357,324	225,762	(36.8%)
Entertainment									
Depreciation	74,703	80,827	170,364	8.2%	110.8%	51.0%	126,939	134,481	5.9%
Salaries and other benefits	72,986	78,830	72,941	8.0%	(7.5%)	(0.0%)	54,184	36,087	(33.4%)
Benefits	19,876	22,534	21,966	13.4%	(2.5%)	5.1%	16,872	8,082	(52.1%)
Rent	104,827	114,858	9,135	9.6%	(92.0%)	(70.5%)	5,860	(19,610)	(434.6%)
Food and beverage expenses	1,513	67	0	(95.6%)	(100.0%)	0.0%	0	0	0.0%
Other	42,758	37,054	33,532	(13.3%)	(9.5%)	(11.4%)	25,204	12,433	(50.7%)
Total Entertainment	316,663	334,170	307,939	5.5%	(7.8%)	(1.4%)	229,059	171,472	(25.1%)
Other activities									
Depreciation	5,443	9,322	16,992	71.3%	82.3%	76.7%	12,768	12,656	(0.9%)
Salaries and other benefits	6,773	11,732	17,293	73.2%	47.4%	59.8%	13,203	8,081	(38.8%)
Rent	19,749	16,281	7,675	(17.6%)	(52.9%)	(37.7%)	6,623	(206)	(103.1%)
Food and beverage expenses	682	4,579	10,120	571.4%	121.0%	285.2%	7,531	3,823	(49.2%)
Other	3,949	6,284	11,699	59.1%	86.2%	72.1%	8,140	4,069	(50.0%)
Total other activities	36,596	48,198	63,779	31.7%	32.3%	32.0%	48,265	28,423	(41.1%)
Total	855,566	923,420	837,939	7.9%	(9.3%)	(1.0%)	634,648	425,657	(32.9%)
No. of employees									
Number of staff									
Under direct costs	3,500	3,138	2,498	(10.3%)	(20.4%)	(15.5%)	2,523	1,737	(31.2%)

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

6.5.6 Selling and Marketing Expenses

Table No. (24): Sales and distribution expenses for the fiscal years ending on December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Audited)	Fiscal year 2018 (Audited)	Fiscal year 2019 (Audited)	Annual growth 2017-2018	Annual growth 2018-2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Gifts, promotion, and advertising	32,073	35,176	28,323	9.7%	(19.5%)	(6.0%)	21,977	8,969	(59.2%)
Salaries and equivalents	14,884	16,228	16,439	9.0%	1.3%	5.1%	12,051	7,825	(35.1%)
Sales commissions	1,128	11,783	10,203	944.6%	(13.4%)	200.8%	7,924	2,746	(65.3%)
Marketing fees	8,798	9,497	8,996	7.9%	(5.3%)	1.1%	6,888	3,523	(48.9%)
Other	5,190	4,989	4,077	(3.9%)	(18.3%)	(11.4%)	3,184	1,712	(46.2%)
Total	62,073	77,673	68,038	25.1%	(12.4%)	4.7%	52,024	24,775	(52.4%)
Key performance measurement indicators as a percentage of total revenue									
sales and marketing expenses	%5.5	6.7%	6.1%	1,2	(0,6)	0,6	6.0%	5.3%	(0,7)
Number of staff									
Under sales and marketing expenses	85	94	88	10.6%	(6.4%)	1.7%	87	56	(35.6%)

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and management information for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

Selling and Marketing Expenses

Selling and distribution expenses mainly consist of expenses related to gifts, promotion, advertising in addition to salary expenses and the like. Selling and marketing expenses increased by 25.1% from SAR 62.1 million in fiscal year 2017G to SAR 77.7 million in fiscal year 2018G, due to the increase in sale commissions by 944.6%, and by SAR 10.7 million, as a result of the change in the method of calculating these costs. Whereas, the Company started counting it separately in the comprehensive income statement and not deducting it from the revenues. This was accompanied by an increase in the expenses of gifts, promotion, advertising, and advertising by 9.7%, and by 3.1 million, due to the Company entering into new agreements with two advertising companies. Also, the expenses of salaries and the like increased by 9.0%, and by 1.3 million, as a result of the increase in the number of employees by 10.6%, during this period.

Selling and marketing expenses decreased by 12.4% from SAR 77.7 million in fiscal year 2018G to SAR 68.0 million in fiscal year 2019G, mainly due to the decrease in gifts, promotion and advertising expenses by 19.5%, in the amount of SAR 6.8 million as the Company did not renew its advertising contracts with the concerned companies, due to the reduction of the budget for these expenses. Also, sales commissions decreased by 13.4%, in the amount of SAR 1.6 million, due to the decline in revenues.

Selling and marketing expenses decreased by 52.4% from SAR 52.0 million in the nine-month period ended 30 September 2019G to SAR 24.8 million in the nine-month period ended 30 September 2020G, mainly because the Company reduced these expenses due to the closures and the decline in the revenue caused by the Corona pandemic. Gifts, promotion and advertising expenses decreased by 59.2%, in the amount of SAR 6.8 million, due to the Company's failure to contract with advertising companies during this period. Expenses related to selling and advertising commissions decreased by 65.3% in the amount of 5.2 million, as a result of the decline in sales and revenues. Expenses for salaries and the like decreased by 35.1% in the amount of SAR 4.2 million, as a result of the decrease in the number of employees from 87 to 56 employees. Marketing fee expenses decreased by 48.9% in the amount of SAR 3.4 million, as the Company reduced the number of marketing activities during this period.

6.5.7 General and Administrative Expenses

Table No. (25): Sales and distribution expenses for the fiscal years ending on December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Audited)	Fiscal year 2018 (Audited)	Fiscal year 2019 (Audited)	Annual growth 2017-2018	Annual growth 2018-2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Salaries and equivalents	126,955	132,016	115,918	4.0%	(12.2%)	(4.4%)	87,118	60,002	(31.1%)
Government fees	6,554	9,868	11,886	50.6%	20.4%	34.7%	7,917	8,892	12.3%
Bank fees	6,689	8,447	8,387	26.3%	(0.7%)	12.0%	6,334	3,986	(37.1%)
Maintenance	4,502	5,306	5,924	17.9%	11.6%	14.7%	4,086	3,871	(5.3%)
(Reverse) provision for decrease in the value of commercial receivables, net	2,573	(4,285)	4,634	(266.5%)	(208.1%)	34.2%	5,501	4,214	(23.4%)
Utilities	5,342	4,399	4,536	(17.7%)	3.1%	(7.9%)	3,545	2,755	(22.3%)
Professional fees	9,969	3,677	4,516	(63.1%)	22.8%	(32.7%)	3,067	4,947	61.3%
Travel	4,573	4,680	4,085	2.3%	(12.7%)	(5.5%)	2,854	1,721	(39.7%)
Hospitality	4,158	3,026	3,246	(27.2%)	7.3%	(11.6%)	2,525	744	(70.5%)
Insurance	3,776	3,353	3,220	(11.2%)	(4.0%)	(7.7%)	2,490	2,600	4.4%
Rent	5,173	4,790	2,009	(7.4%)	(58.1%)	(37.7%)	2,016	10,653	428.4%
Pre-operating expenses	670	3,874	983	478.2%	(74.6%)	21.1%	870	300	(65.5%)
Other	18,885	20,538	26,307	8.8%	28.1%	18.0%	18,202	17,736	(2.6%)
Total	199,819	199,689	195,651	(0.1%)	(2.0%)	(1.0%)	146,525	122,421	(16.5%)
Key performance measurement indicators as a percentage of total revenue									
Administrative and general expenses	17.8%	17.3%	17.6%	(0.43)	0.28	(0.15)	17.0%	26.4%	9.38
Number of staff									
Under administrative and general expenses	845	805	778	(4.7%)	(3.4%)	(4.0%)	786	571	(27.4%)

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and management information for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

Salaries and the like

Expenses of salaries and the like increased by 4.0% from SAR 127.0 million in fiscal year 2017G to SAR 132.0 million in fiscal year 2018G, due to the increase in employee salaries and government fees related to work visas and renewal of iqamas.

Expenses for salaries and the like decreased by 12.2% from SAR 132.0 million in fiscal year 2018G to SAR 115.9 million in fiscal year 2019G, due to the reduction of salaries and the number of employees, which also led to a decrease in the expenses related to work visas.

Expenses for salaries and the like decreased by 31.1% from SAR 87.1 million in the nine-month period ended 30 September 2019G to SAR 60.0 million in the nine-month period ended 30 September 2020G, mainly due to the decrease in the number of employees from 786 employees to 571 employees.

Governmental Fees

Government fees consist of expenses associated with work and residence permits, in addition to fees for the municipality and the Chamber of Commerce. Government fees increased by 50.6% from SAR 6.6 million in



the 2017G fiscal year to SAR 9.9 million in 2018G fiscal year, as a result of the high cost of work and residence permit fees by the government.

Government fees increased by 20.4% from SAR 9.9 million in the 2018G fiscal year to SAR 11.9 million in the 2019G fiscal year, as the government raised the iqama renewal fees again.

Government fees increased by 12.3% from SAR 7.9 million in the nine-month period ending on September 30, 2019G to SAR 8.9 million in the nine-month period ending September 30, 2020G, due to the increase in iqama renewal fees by the government for the third consecutive year.

Bank Fees

These are credit card commissions and bank fees associated with the opening and closing of documentary credits and letters of guarantee. It should be noted that changes in these expenses are largely in line with changes in revenues.

Maintenance

This is related to the maintenance of staff accommodation and workers at the Company's sites, in addition to administrative offices, buildings, cars, and computers. These expenses did not change much during the previous period due to the slight additions to these assets.

(Reversal) of Provision for Impairment of Trade Receivables, Net

With regard to trade receivables and contract assets, the group relies on IFRS 9 and uses the simplified method when calculating expected credit losses. The group does not follow up on changes in credit risk but instead recognizes a loss allowance based on lifetime expected credit losses at the date of preparing all financial statements. The Group has established a provision matrix based on past experience with credit losses, which is adjusted for future factors related to receivables and the economic environment.

Public Utilities

Utility expenses are generally related to expenditures related to water and electricity in particular.

Professional Fees

These fees are associated with expenses paid to the financial auditor and other advisors who assist the Company in implementing certain financial accounting and other financial consultations. Professional fees decreased by 63.1% from SAR 10.0 million in fiscal year 2017G to SAR 3.7 million in fiscal year 2018G, as the Company did not seek the help of financial consultants especially in matters related to accounting reports and improving profitability.

Travel

It is related to administrative employees' travel expenses, and it was decreased by 39.7% from SAR 2.9 million in the nine-month period ending on 30 September 2019G to SAR 1.7 million in the nine-month period ending on 30 September 2020G as a result of the Corona pandemic.

Hospitality

It is related to the hospitality expenses of visitors such as foreign delegations, and it was decreased by 27.2% from SAR 4.2 million in fiscal year 2018G to SAR 3.0 million in fiscal year 2019G as a result of the decrease in the number of delegations and visitors. It was also decreased by 70.5% from SAR 2.5 million in the nine-month period ending on 30 September 2019G to SAR 0.7 million in the nine-month period ending on 30 September 2020G, as a result of the Corona pandemic.

Insurance

It is related to insuring the Department's buildings and cars and did not witness any major changes during the previous period as a result of the constant cost.

Rentals

The rental expenditures are mainly related to the rental costs of the corporate main Headquarters, and the main office of the hotel management as well as the regional offices of the entertainment division and the

accommodation of the Company's staff. Rental expenses decreased by 58.1% from SAR 4.8 million in fiscal year 2018G to SAR 2.0 million in fiscal year 2019G, mainly due to the adoption of the International Financial Reporting Standard No. (16). Rental expenses increased by 428.4% from SAR 2.0 million in the nine-month period ended 30 September 2019G to SAR 10.6 million in the nine-month period ended 30 September 2020G, due to the increase in rental expenses of canceled projects, which were counted among additions to the comprehensive income.

Pre-Operating Expenses

These expenses are related to the centers and hotels that the Company intends to inaugurate, which increased by 487.2% from SAR 0.7 million in fiscal year 2018G to SARV3.9 million in fiscal year 2019G, as a result of the addition of three hotels.

Other Expenses

Other expenses include stationary, publications, transportation, cleaning, shipping and training expenses. These expenses increased by 28.1% from SAR 20.5 million in 2018G fiscal year to SAR 6.3 million in 2019G fiscal year, as a result of the increase in training expenses.

6.5.8 Other Income (Expenses)

Table No. (26): Net other income (expenses) for the fiscal years ending on December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Management information)	Fiscal year 2018 (Management information)	Fiscal year 2019 (Management information)	Annual growth 2017-2018	Annual growth 2018-2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Profit (loss) disposal of property and equipment	862	(17,442)	(30,228)	(2123.4%)	73.3%	N/A	959	157	(83.6%)
Sale of scrap assets	367	236	13	(35.7%)	(94.5%)	(81.2%)	13	91	600.0%
Foreign exchange difference	126	41	34	(67.5%)	(17.1%)	(48.1%)	24	147	512.5%
Loss in purchase of a partner's investment	0	(226)	0	N/A	(100.0%)	N/A	0	0	N/A
Lease termination fee	0	0	(18,185)	N/A	N/A	N/A	0	0	N/A
Profit from disposing of the right to use assets	0	0	3,289	N/A	N/A	N/A	0	1,458	N/A
Refund from the Ministry of Interior / Ministry of Labor for overpayment	0	0	4,163	N/A	N/A	N/A	4,163	0	(100.0%)
Refund from the Ministry of Water for the fine paid	0	0	1,129	N/A	N/A	N/A	1,129		(100.0%)
Other	0	0	(18)	N/A	N/A	N/A	(18)	0	(100.0%)
Total	1,355	(17,391)	(39,803)	(1383.5%)	128.9%	N/A	6,270	1,853	(70.4%)
Key performance measurement indicators as a percentage of total revenue									
Other income (expenses)	%0.1	(1.5%)	(3.6%)	(1.63)	(207)	(371)	0.7%	0.4%	(0.33)

Source: Management information for the financial years ended December 31, 2017, 2018 and 2019 and for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

Table No. (27): Net profits for the fiscal years ending on December 31, 2017, 2018 and 2019 and the nine-month period ending on September 30, 2019 and 2020.

(SAR'000)	Fiscal year 2017 (Management information)	Fiscal year 2018 (Management information)	Fiscal year 2019 (Management information)	Annual growth 2017-2018	Annual growth 2018-2019	CAGR 2017G- 2019G	Nine-month period ending on September 30, 2019 (Management information)	Nine-month period ending on September 30, 2020 (Management information)	Change for 30 September 2019- 2020
Profit (loss) before Zakat	8,763	(77,642)	(142,989)	(986.0%)	84.2%	N/A	(46,956)	(106,392)	126.6%
Zakat	(76)	1,594	0	(2197.4%)	(100.0%)	%0.0	0	1,243	0.0%
Profit (loss) of the year/period	8,687	(76,048)	(142,989)	(975.4%)	88.0%	N/A	(46,956)	(105,149)	123.9%
Other comprehensive income	(1,715)	(1,406)	470	(18.0%)	(133.4%)	N/A	100	(60)	(160.0%)
Total comprehensive income	6,972	(77,454)	(142,519)	(1210.9%)	84.0%	N/A	(46,856)	(105,209)	124.5%

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

6.6 Consolidated Statement of Financial Position

Table No. (28): Consolidated Statement of Financial Position as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	September 30 2020 (Reviewed)
Assets				
Current assets				
Cash and cash equivalent	62,045	53,655	33,828	76,343
Receivables	80,947	104,426	105,554	104,146
Prepaid expenses and other current assets	191,709	160,856	108,303	109,567
Inventory	29,549	27,868	26,122	26,515
Total current assets	364,250	346,805	273,807	316,571
Non-current assets				
Investing in joint ventures	98,628	96,644	114,795	104,564
Property, equipment and projects in progress	1,334,426	1,309,606	1,215,666	1,119,988
Right-to-use assets	0	0	1,500,485	795,049
Total non-current assets	1,433,054	1,406,250	2,830,946	2,019,601
Total assets	1,797,304	1,753,055	3,104,753	2,336,172
Liabilities and shareholders' equity				
Current liabilities				
Payables and other current liabilities	316,002	362,315	253,185	246,264
Short-term loans and current instalment of long-term loans	182,696	219,279	243,156	380,772
Current instalment of lease obligations	0	0	269,719	221,747
Provision for Zakat	18,472	16,878	16,878	13,542
Total current liabilities	517,170	598,472	782,938	862,325
Non-current liabilities				

Rent due	105,424	102,199	0	0
Non-current instalment of long-term loans	436,415	405,486	379,061	331,614
Non-current instalment of lease obligations	0	0	1,440,865	756,052
Provision for employees indemnity	68,686	64,566	62,076	51,577
Total non-current liabilities	610,525	572,251	1,882,002	1,139,243
Total liabilities	1,127,695	1,170,723	2,664,940	2,001,568
Shareholders' equity				
Share capital	550,000	550,000	550,000	550,000
Statutory reserve	71,693	71,693	0	0
Other reserves	(7,073)	(8,479)	(8,009)	(8,069)
Retained profits (accumulated losses)	54,989	(30,882)	(102,178)	(207,327)
Total shareholders' equity	669,609	582,332	439,813	334,604
Total liabilities and shareholders' equity	1,797,304	1,753,055	3,104,753	2,336,172
Performance measurement indicators				
Return on assets	0.5%	(4.3%)	(4.6%)	(4.5%)
Return on equity	1.3%	(13.1%)	(32.5%)	(31.4%)
Current ratio	0.70	0.58	0.35	0.37
Average days of Receivables	24	29	35	62
Average lives of inventory	12	11	12	17
Average days of payables	34	39	43	62
Cash transfer cycle	2	1	2	17

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

The Company's assets amounted to SAR 2,336.2 million as on September 30, 2020G, and they consisted directly of non-current assets, which constituted 86.4% of the total as of September 30, 2020G.

The assets did not witness a fundamental change in fiscal year ending on December 31, 2018G compared to the fiscal year ending on December 31, 2017G but they increased from SAR 1,406.2 million as on December 31, 2018G to SAR 2,830.9 million as on December 31, 2019G, as a result of the increase in the rights of use assets by SAR 1,500.5 million. This is due to the adoption of the International Financial Reporting Standard No. (16) which requires lessees to account for all lease contracts as items included in the statement of financial position (with the exception of some of them according to certain conditions) and to account for them as finance leases. Under this standard, the lessee will recognize the asset that represents the right of use of the assets in question during the lease period. The assets decreased from SAR 2,830.9 million as on December 31, 2019G to SAR 2,336.2 million as on September 30, 2020G. This is due to the disposal of right-of-use assets in the amount of SAR 682.0 million, as the management agreed with the main shareholder of the group, "Abdul Mohsen Group Company" Alhokair Holding "(the owner of most of the lands and hotels managed by the Company), during the second quarter of 2020G, to change the lease terms and amend the contracts for a number of leased hotels. Based on this agreement, the lease contracts were changed from the fixed consideration (fixed annual payment) to a rental fee (Rental allowance based on a certain percentage of hotel revenues).

The Company's liabilities amounted to SAR 2,001.5 million as on September 30, 2020G, and they consisted of non-current liabilities, which constituted 56.9% of the total liabilities as on September 30, 2020G. Liabilities did not witness a significant change in fiscal year 2018G, but increased from SAR 1,170.7 million as on December 31, 2018G to SAR 2,664.9 million as on December 31, 2019G, as a result of the increase in lease contract obligations in the amount of 1,440.9 million. This is due to the adoption of the International

Financial Reporting Standard No. (16). Liabilities decreased from SAR 2,664.9 million as on 31 December 2019G to SAR 62 million as on 30 September 2020G, due to the disposal of lease contract obligations as a result of changing the terms of the hotel lease contracts.

6.6.1 Current Assets

Table No. (29): Current Assets as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	September 30 2020 (Management information)
Cash and cash equivalent	62,045	53,655	33,828	76,343
Receivables	80,947	104,426	105,554	104,146
Prepaid expenses and other current assets	191,709	160,856	108,303	109,567
Inventory	29,549	27,868	26,122	26,515
Total current assets	364,250	346,805	273,807	316,571

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020, and Management analysis of financial indicators.

6.6.1.1 Cash and Cash Equivalents

Table No. (30): Cash and cash equivalent as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	September 30 2020 (Management information)
Cash in hand	2,713	5,278	3,458	73,070
Cash at banks	59,332	48,377	30,370	3,273
Total	62,045	53,655	33,828	76,343

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and Management information for the nine-month period ended September 30, 2019 and 2020.

6.6.1.2 Receivables

Table No. (31): Receivables as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	September 30 2020 (Management information)
Trade receivables	89,306	115,987	121,379	124,177
Less: provision for doubtful debts	(8,359)	(11,561)	(15,825)	(20,031)
Total	80,947	104,426	105,554	104,146

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and Management information for the nine-month period ended September 30, 2019 and 2020.

The receivables balance amounted to SAR 124.2 million as of September 30, 2020G, and the percentage of trade receivables from governmental and semi-government agencies is 54.0% of the total receivables. It should be noted that 24.8% of the receivables' balance is related to receivables that are overdue by more than 360 days, which in turn relate mainly to governmental and semi-governmental entities.

The balance of receivables increased from SAR 89.3 million as on December 31, 2017G to SAR 116.0 million as on December 31, 2018G, mainly due to the delay in payment of receivables from government and semi-government agencies, increased revenues and the level of commercial activity in general.

The receivables' balance increased from SAR 116.0 million as on December 31, 2018G to SAR 121.4 million as on December 31, 2019G, due to the increase in revenues from government agencies that take more time than other parties to pay their owed receivables.

The balance of receivables increased from SAR 121.4 million as on December 31, 2019G to SAR 124.2 million as on September 30, 2020G, due to the increase in the balance of debts from the Ministry of Health by SAR 48.5 million as a result of renting some hotels and the Company did not collect all these amounts as on September 30, 2020G, in addition to the delay of government and semi-government agencies and private companies in paying their debts. It should be noted that the Company collected most of its dues from the Ministry of Health during the last quarter of the fiscal year 2020G.

With regard to provision for doubtful debts, the Group relies on IFRS 9 by applying the simplified method of the standard that calculates lifetime expected credit losses. The group has also established a provision matrix based on the group's past experience with credit losses, adjusted for future factors related to receivables and the economic environment. It should be noted that the Company started implementing IFRS 9 in fiscal year 2018G, which led to a decrease in the receivables' balance by 7.5 million, but this standard had no effect on the value of receivables in subsequent periods. The Company takes additional provisions for doubtful receivables by creating a provision of 50% of the balances that are more than 360 days old and equivalent to 100.0% of the balances that are more than 720 days old.

Table No. (32): Movement in doubtful accounts provision as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	September 30 2020 (Management Information)
At the beginning of the year	5,889	8,359	11,561	15,825
Impact of implementing IFRS 9	0	7,522	0	0
Charged (reversed) during the year	2,573	(4,285)	4,634	4,214
Amounts written off during the year	(103)	(35)	(370)	(8)
At the end of the year	8,359	11,561	15,825	20,031

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and Management information for the nine-month period ended September 30, 2019 and 2020.

Table No. (33): Ages of receivables as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	Total	Not past due and not impaired			Overdue and not written down		Overdue and depreciated
		Less than 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	More than 180 days	
December 31, 2017	89,306	17,476	10,371	9,836	15,358	32,040	4,225
December 31, 2018	115,978	15,123	10,743	21,634	31,528	35,841	1,108
December 31, 2019	121,379	15,193	8,467	19,669	27,683	49,259	1,108
September 30 2020	124,176	10,103	7,697	35,339	22,548	48,489	0

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and Management information for the nine-month period ended September 30, 2019 and 2020.

6.6.1.3 Prepaid Expenses and Other Current Assets

Table No. (34): Prepayments and current assets as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	September 30 2020 (Management information)
Prepaid expenses	89,212	60,775	25,385	23,693
Amounts due from related parties	38,170	47,364	34,702	41,904
Advance payments to suppliers	44,820	26,128	19,672	17,992
Unbilled revenue	6,007	12,861	11,937	13,523

Employee receivables	2,968	2,520	2,048	1,630
Other current assets	10,532	11,208	14,559	10,825
Total	191,709	160,856	108,303	109,567

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and Management information for the nine-month period ended September 30, 2019 and 2020.

The prepaid expenses and other current assets decreased from SAR 191.7 million as on 31 December 2017G to SAR 160.9 million as on 31 December 2018G, due to the decrease in prepaid expenses by SAR 28.4 million, as a result of a decrease of the balance of prepaid rentals amounted to SAR 30.7 million, due to the Company's failure to pay rent dues for some hotels and entertainment centers in advance, as stipulated in the contracts, due to a decrease in liquidity. This was accompanied by a decrease in the balance of payments made to suppliers by SAR 18.7 million, as a result of their entitlement and the Company's receipt of the supplied goods related to electronic games.

The decrease in prepaid expenses and the balance of payments made to suppliers was offset by an increase in the balance of amounts due from related parties by SAR 9.2 million, mainly related to operating and investment expenses, due to the transfer of expenses of under construction projects, property and equipment to the main shareholder. Also, the non-billed revenues increased by SAR 6.8 million, which is in line with the increase in revenues.

Prepaid expenses and other current assets decreased from SAR 160.9 million as of December 31, 2018G to SAR 108.3 million as on December 31, 2019G, mainly due to a decrease in prepaid expenses in the amount of SAR 35.4 million. This was due to a decrease in the balance of the prepaid rentals amounting in the amount of SAR 35.3 million, due to the adoption of the International Financial Reporting Standard No. (16) which led to the computation of part of these payments within the rights-of-use assets. This was accompanied by a decrease in the balance of the amounts due from the related parties in the amount of SAR 12.7 million, as a result of the Company deducting the rent value owed to the main shareholder from the total balance of the amounts due from the holding company in exchange for other due payments. In addition, there was a decrease in the payments made to suppliers in the amount of SAR 6.5 million, due to the reclassification of these expenses among the additions in the fixed assets.

Prepaid expenses and other current assets increased from SAR 108.3 million as on December 31, 2019G to SAR 109.6 million as on September 30, 2020G, due to an increase in the balance of amounts due from the relevant parties in the amount of SAR 7.2 million due to the increase in the amounts owed from the luxury entertainment company related to the procurement of entertainment equipment. This was accompanied by an increase in the balance unbilled revenues in the amount of SAR 1.6 million associated with the Ministry of Health. This was offset by a decrease in the balance of other current assets in the amount of SAR 3.7 million due to the decrease in the balance of other receivables in the amount of SAR 3.3 million caused by the Company's recovering of prepaid amounts related to the operations of the hotels that were closed. In addition, the balance of prepaid expenses decreased by SAR 1.7 million due to a decrease in the expenses of prepaid iqama renewals due to the reduction in the number of employees. Also, the balance of advance payments to suppliers decreased by SAR 1.7 million.

6.6.1.4 Inventory

Table No. (35): Inventory as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Management information)
Spare parts	11,604	11,000	12,306	12,758
Raw materials and supplies	8,415	8,248	7,582	6,935
Toys	6,791	6,766	4,983	7,378
Food and beverages	3,836	4,056	3,790	2,760
Other	3,752	3,251	3,183	3,257
Total	34,398	33,321	31,844	33,088
Less: provision for slow moving goods	(4,849)	(5,453)	(5,722)	(6,573)
Net	29,549	27,868	26,122	26,515

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and Management information for the nine-month period ended September 30, 2019 and 2020.

Table No. (36): Ages of inventory as on December 31, 2020.

(SAR'000)	Type	Total	Less than 30 days	31-60 days	61-90 days	91-180 days	More than 180 days
30 September 2020	Spare parts	12,758	1,587	509	2	209	10,451
	Other	20,330	6,870	2,896	1,622	1,913	7,029

Source: Management information for the nine-month period ended September 30, 2019 and 2020.

Spare parts accounted for an average of 36.0% of the total inventory over the years from December 31, 2017G to September 30, 2020G, which is considered the largest category among stock accounts. The total inventory decreased from SAR 34.4 million as on December 31, 2017G to SAR 23.3 million as on December 31, 2018G, due to the decrease in the spare parts inventory by SAR 604 thousand as a result of the fact that the Company's need to use the spare parts inventory is greater than the purchases during this period. Other inventory that includes cleaning and washing materials decreased by SAR 501 thousand.

The inventory decreased from SAR 27.9 million as on December 31, 2018G to SAR 26.1 million as on December 31, 2019G due to the decrease in the stock of children's toys by SAR 1.8 million, and the raw material inventory by SAR 666 thousand. In addition to the food and beverage inventory, which amounted to SAR 266 thousand due to selling them and not backfilling this difference. This was also offset by an increase in the spare parts inventory in the amount of SAR 1.3 million.

The inventory increased slightly from SAR 26.1 million as on December 31, 2019G to SAR 26.5 million as on September 30, 2020, due to the increase in the inventory of children's toys by SAR 2.4 million.

The spare parts inventory also increased by SAR 452 thousand as a result of the decline in revenues. This was offset by a decrease in food and beverage inventory by SAR 1.0 million as a result of selling them and the inability of the procurements to backfill this difference during the activity due to its decline.

The slow-moving inventory provision relates mainly to spare parts based on net realizable value plus the lost parts.

6.6.2 Non-Current Assets

Table No. (37): Other current assets as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	September 30 2020 (Reviewed)
Investment in joint ventures	98,628	96,644	114,795	104,564
Property, equipment and projects under construction	1,334,426	1,309,606	1,215,666	1,119,988
Right-of-use assets	0	0	1,500,485	795,049
Total non-current assets	1,433,054	1,406,250	2,830,946	2,019,601

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

The net book value of property and equipment represented 55.5% of total non-current assets as on September 30, 2020G, while net right-of-use assets accounted for 39.4% of total non-current assets as on September 30, 2020G.

6.6.2.1 Property, Machinery and Equipment

Table No. (38): Net book value of property, machines and equipment as on December 31, 2017, 2018, 2019 and September 30, 2019 and 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	September 30 2020 (Reviewed)
Leasehold Improvements	718,945	822,567	786,237	732,104
Entertainment Equipment	243,699	233,439	213,014	190,739
Furniture and fixtures	84,854	85,234	77,838	67,195
Cars	5,323	2,926	1,112	372
Air conditioning devices	37,714	36,994	34,720	30,262
Computers	23,985	21,622	17,267	13,908
Tools	78,020	69,772	61,202	53,035
Total	1,192,540	1,272,554	1,191,390	1,087,615
Projects under construction	141,886	37,052	24,276	32,373
Net book value	1,334,426	1,309,606	1,215,666	1,119,988

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

Table No. (3940): Useful lives of basic asset categories as on December 31, 2020.

Asset class	Estimated useful life
Leasehold improvements	Useful lives or lease term, whichever is shorter
Entertainment Equipment	4 to 10 years
Furniture and fixtures	4 to 8 years
Cars	4 to 5 years
A/Cs	4 to 10 years
Computers	4 years
Tools	3 to 10 years

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

Table No. (41): Additions to property, machines and equipment as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	September 30 2020 (Reviewed)
Leasehold improvements	50,166	32,503	27,925	7,828
Entertainment Equipment	68,217	36,399	19,713	11,847
Furniture and fixtures	5,270	8,883	10,657	3,722
Cars	723	13	237	82
A/Cs	5,212	4,040	3,848	736
Computers	5,018	5,926	4,837	1,963
Tools	2,162	2,073	988	271
Total	136,768	89,837	68,205	26,449
Projects under construction	236,917	78,088	36,600	12,374
Net book value	373,685	167,925	104,805	38,823

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

Table No. (42): Deprecation of property, machines and equipment as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
Leasehold improvements	51,679	63,218	67,516	48,499
Entertainment Equipment	46,942	48,109	43,506	32,263
Furniture and fixtures	21,786	20,805	20,325	14,443
Cars	2,815	2,411	2,023	815
A/Cs	6,133	7,273	8,084	6,124
Computers	10,823	10,911	10,145	5,364
Tools	14,399	13,941	12,772	8,621
Total	154,577	166,668	164,371	116,129

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

In accordance with the corporate strategy, which is consistent with the practices of international hotel management companies, the Company chooses to lease assets rather than own them. Knowing that most of the hotels are built on lands owned by related parties, amounting to (24) hotels, which constitute about 70% of the total hotels of the Company as of the date of this prospectus. Property, machinery and equipment consisted mainly of leasehold improvements that accounted for 65.4% of the total net book value. All of the Company's assets were recorded at historical costs less depreciation charges.

Leasehold Improvements

The value of additions made to improvements in rented buildings, in fiscal year 2018G, amounted to SAR 32.5 million that were related to capital maintenance expenditures for existing entertainment centers and hotels. Moreover, additions were transferred from the projects under construction estimated at SAR 152.5 million, related to the Park Inn Al-Jubail Hotel, the Radisson Blu Jeddah, and Sky Zone Hokair Time. This was offset by net disposals in the amount of SAR 49.7 million.

The value of additions made to the improvements on rented buildings, in fiscal year 2019G, amounted to SAR 27.9 million and this was related to capital maintenance expenditures for the existing entertainment and commercial centers and hotels. Moreover, the additions were transferred from under construction projects, estimated at SAR 31.8 million, mainly related to major hotel renovations. This was offset by a net disposal of SAR 70.6 million related to closed spaces during this period, especially the entertainment centers.

The value of additions made to the improvements of leased buildings in the nine-month period ending on September 30, 2020G amounted to SAR 7.8 million which were related to capital maintenance expenditures for the existing entertainment and commercial centers and hotels. Moreover, additions were transferred from under construction projects estimated at SAR 2.8 million, mainly related to major hotel renovations and an entertainment center in Al-Ahsa. This was offset by net disposals of SAR 4.3 million related to closed spaces during this period, especially the entertainment centers (amusement parks) inside the Kingdom.

Entertainment Equipment

The value of additions made to entertainment equipment in fiscal year 2018G amounted to SAR 36.4 million and they were related to the existing entertainment centers. Moreover, additions were transferred from under construction projects, estimated at SAR 3.2 million, related to Sky Zone Alhokair Time. This was offset by a net disposal of SAR 24.8 million related to indoor spaces.

The value of additions introduced to entertainment equipment in fiscal year 2019G amounted to SAR 19.7 million, and it was related to the existing entertainment centers. Also, additions were transferred from the under-construction projects, estimated at SAR 5.6 million related to Cora Arena Jeddah. This was offset by a net disposal of SAR 23.4 million related to indoor spaces.

The value of additions introduced to the improvements of leased buildings in the nine-month period ending on September 30, 2020G amounted to SAR 11.8 million that were related to the existing entertainment centers. This corresponds to net disposals of SAR 8.6 million related to closed spaces during this period.

Projects Under Construction

The net book value as of September 30, 2020G amounted to SAR 32.4 million. Projects under construction include the total cost incurred for the construction of new entertainment centers and renovation projects for several hotels in addition to a new mall in the Kingdom of Saudi Arabia. This resulted in capital obligations of SAR 30.6 million. The following table shows the projects under construction as on December 31, 2017G, 2018G, 2019G and September 30, 2020G:

Table No. (43): Projects in progress as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	Contract Amount	Completion rate %	Expected project completion date	Amounts paid as on 30 September 2020 (Reviewed)	Amounts incurred as on 30 September 2020 (Reviewed)
Cordoba Gallery, Riyadh	4,564	45,3	End of the first quarter of 2022	2,067	2,067
Alhokair Time Al-Ahsa Project	9,304	87,3	End of the first quarter of 2022	7,128	8,119
Renovation of various hotel projects	24,860	85.4	End of the first quarter of 2021	5,633	21,224
Various entertainment projects	7,677	12.5	End of the first quarter of 2022	963	963
Total	46,405	69.8	N/A	15,791	32,373

Source: Management information.

Other Assets (Furniture and Fixtures, Cars, Air-Conditioners, Computers and Tools)

The value of additions made to other assets in fiscal year 2018G amounted to SAR 30.9 million and were related to furniture, fixtures, computers and air conditioners that were added to the existing company's offices, entertainment centers and hotels. Also, additions were transferred from the projects under construction estimated at SAR 22.8 million related to the Park Inn Al-Jubail Hotel, the Radisson Blu Jeddah, Sky Zone Alhokair Time, and the Annual Thumama Riyadh. This was offset by net disposals of SAR 9.0 million, related to indoor spaces.

The value of additions introduced to other assets in fiscal year 2018G amounted to SAR 20.7 million that were related to furniture, fixtures, computers and air conditioners added in the Company's offices, entertainment centers and existing hotels. Moreover, additions were transferred from under construction projects estimated at SAR 11.9 million, Cora Arena in Jeddah and Rwaq Cordoba Center in Riyadh. This was offset by net disposals of SAR 3.5 million, related to indoor spaces.

The value of additions made to other assets during the nine-month period ending on September 30, 2020G amounted to SAR 6.8 million which were related to furniture, fixtures and computers in the Company's existing offices, entertainment centers and hotels. This was offset by net disposals of SAR 1.8 million, related to indoor spaces.

6.6.2.2 Investments In Joint Ventures

Table No. (44): Investment in joint ventures as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	Ownership % ownership percentage %				31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
	31 December 2017	31 December 2018	31 December 2018	30 September 2020				
Tourism and Real Estate Development Company	48.5	48.5	48.5	48.5	62,981	62,081	65,427	66,373
Asateer Entertainment Enterprises Ltd.	50.0	50.0	50.0	50.0	21,388	18,449	20,122	17,573
luxury Entertainment Company	0.0	0.0	31.0	31.0	0	0	17,318	15,919
Al-Qassim Trading Company Ltd.	50.0	50.0	50.0	50.0	11,702	12,437	8,152	2,651
Tarfeeh for Tourism and Projects Co. Ltd.	50.0	50.0	50.0	50.0	2,507	3,627	3,726	1,998
Gulf Entertainment Company Ltd	50.0	50.0	50.0	50.0	50	50	50	50
Total					98,628	96,644	114,795	104,564

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

Table No. (45): Movement in investment in joint ventures as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
At the beginning of the year	99,588	98,628	96,644	114,795
Additions during the year	0	0	17,869	0
Share in net results	21,260	15,950	16,261	(5,567)
Share of other comprehensive loss items	0	(97)	0	0
Losses incurred	5,019	5,956	5,476	2,836
Dividend	(27,239)	(23,793)	(21,455)	(7,500)
At the end of the year	98,628	96,644	114,795	104,564

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

Investments in joint ventures consist of 6 companies divided by the invested amounts and the ownership percentage shown in the above table. The points at the bottom show the activity and capital of each company:

1. **Tourism and Real Estate Development Company:** The Company establishes and operates hotels, and its capital is estimated at SAR 100.0 million.
2. **Asateer Entertainment Projects Company Ltd.:** The Company maintains and operates entertainment centers, and its capital is SAR 500 thousand.
3. **Luxury Entertainment Company:** The Company displays films in indoor and outdoor cinemas, and other activities for screening films. Its capital is SAR 5.0 million.

4. **Al-Qassim Trading Company Ltd.:** The Company owns, manages, operates and leases commercial and entertainment complexes. Its capital is SAR 500 thousand.
5. **Tarfeeh Company for Tourism and Projects Ltd.:** The Company maintains and operates entertainment centers. Its capital is SAR 1.0 million.
6. **Gulf Entertainment Company Ltd.:** The Company establishes, manages, operates and maintains entertainment and trade cities. Its capital is SAR 100 thousand.

On September 30, 2020G, the Company had the investments shown in the above table through direct ownership, which represent limited liability companies with the exception of the Tourism and Real Estate Development Company, which is a closed Saudi joint stock company. All the above-mentioned companies are registered in the Kingdom of Saudi Arabia. The Group's investments in joint ventures are accounted for using the equity method in the consolidated financial statements. During the second quarter ending on June 30, 2019G, the Company invested in Luxury Entertainment Company (a new joint venture), a limited liability company registered in Riyadh that will engage in the activity of establishing movie theaters at the beginning of the fiscal year 2021G. The consolidated statement of comprehensive income reflects the group's share of the net corporate results. Any change in the other comprehensive income items of the investee companies is shown as part of the group's other comprehensive income. Unrealized profits and losses resulting from transactions between the group and the companies are eliminated to the extent of the group's share in the companies.

6.6.2.3 Right-of-Use Assets

Table No. (46): Right of use assets as on September 30, 2020.

(SAR'000)	Lands	Buildings and offices	Commercial center spaces	Housing units	Total as of September 30, 2020
Cost:					
Beginning of the year	159,703	937,605	569,861	10,118	1,677,287
Additions	26,807	0	86,531	837	114,175
Disposal resulting from modification of lease contracts	(29,515)	(746,207)	(6,187)	0	(781,909)
End of the period	156,995	191,398	650,205	10,955	1,009,553
Depreciation:					
Beginning of the year	15,136	81,816	75,988	3,862	176,802
Charges during the year	11,118	37,605	52,438	2,990	104,151
Disposal resulting from modification of lease contracts	(2,108)	(62,916)	(1,425)	0	(66,449)
End of the period	24,146	56,505	127,001	6,852	214,504
Net book value:					
As on September 30, 2020	132,849	134,893	523,204	4,103	795,049

Source: Reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

International Financial Reporting Standard No. (16) was issued in January 2016G and it supersedes the International Accounting Standard No. (17) Lease contracts. The Company began applying it in fiscal year 2019G. International Financial Reporting Standard No. (16) defines principles for recognizing, measuring, presenting and disclosing lease contracts. This requires lessees to account for all lease International Financial Reporting Standard No. (16) was issued in January 2016G and it supersedes the International Accounting Standard No. (17) Lease contracts. The Company began applying it in fiscal year 2019G. International Financial Reporting Standard No. (16) defines principles for recognizing, measuring, presenting and

disclosing lease contracts. This requires lessees to account for all lease contracts as items listed in the statement of financial position. The standard includes two exemptions to recognize a lease - leases for "low-value" assets (for example, personal computers) and short-term leases (leases of a 12 months' period or less). On the commencement date of the lease, the lessee will recognize the lease payments obligations (i.e., the lease obligations), and recognition of the asset that represents the right of use of the relevant assets during the lease period (i.e., the right of use of the asset). The standard requires lessees to recognize the commission expense on rental liabilities and the depreciation expense for the right of use of the asset independently. The Group has chosen the modified retrospective approach permitted under IFRS 16, and as a result of the initial application of IFRS 16, the lease obligations are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate on the date of initial application (1 January 2019G). The leased right-of-use assets were measured at an amount equal to the lease obligations and adjusted for any pre-paid or due lease payments related to those contracts that are recognized in the statement of financial position immediately prior to the date of initial application.

The Company's right-of-use assets include lands and buildings represented by hotels and entertainment centers, and spaces in centers, commercial spaces and residential units. The information about the assets leased by the group is as shown in the above table.

During the second quarter of 2020G, the management agreed with the main shareholder of the group "Abdul Mohsen Abdulaziz Alhokair Holding Group Company" to change the lease terms and amend the contracts for a number of leased hotels. Based on this agreement, the lease contracts were changed from the fixed consideration (fixed annual payment) to a rental allowance (a rental allowance based on a certain percentage of the hotel revenues). The amendments that took place on April 1, 2020G resulted in the disposal of right-of-use assets and lease contract obligations amounting to SAR 682.0 million and SAR 759.0 million, respectively, and profits amounting to SAR 77.0 million, which were recognized in the consolidated statement of comprehensive income as profits from amending lease contracts.

6.6.3 Current Liabilities

Table No. (47): Current Liabilities as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
Payables and other current liabilities	316,002	362,315	253,185	246,264
Short-term loans and current installment of long-term loans	182,696	219,279	243,156	380,772
Current installment of lease contract obligations	0	0	269,719	221,747
Zakat provision	18,472	16,878	16,878	13,542
Total current liabilities	517,170	598,472	782,938	862,325

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

Short-term loans and current installment of long-term loans constituted 44.2% of the total current liabilities as of September 30, 2020G. Payable balance and other current liabilities accounted for 28.6% of the total current liabilities as of September 30, 2020G.

6.6.3.1 Payables and Other Current Liabilities

Table No. (48): Payables and other current liabilities as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Management information)
Trade payables	101,752	100,462	101,427	90,960
Expenses payable	86,827	84,704	70,310	91,179
Rent due	68,643	138,380	15,935	18,610
Deferred revenue	25,790	27,940	22,462	17,338
Due amounts to related parties	31,035	1,226	35,025	13,877
Other liabilities	1,955	9,603	8,026	14,300
Total	316,002	362,315	253,185	246,264
Performance indicators				
Average Accounts Payable Days (Day)	34	39	43	62

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and Management information for the nine-month period ended September 30, 2019 and 2020.

Table No. (49): Ages of Accounts payable as on December 31, 2017, 2018, 2019 and September 30, 2020.

SAR'000	Total	Less than 30 days	31-60 days	61-90 days	91-180 days	More than 180 days
30 September 2020	90,960	20,600	6,273	6,015	18,279	39,794

Source: Management information for the nine-month period ended September 30, 2019 and 2020.

Trade Payables

The hotel sector accounted for 52.2% of the total balance of trade payables as on September 30, 2020G, and the entertainment sector also constituted 47.8% of the total balance of trade payables as on September 30, 2020G. Trade payables are related to purchases from contractors related to maintenance and hotel renovations, in addition to rental expenses, entertainment equipment, children's toys, food, nutriment and insurance. The balance of trade payables decreased by SAR 1.3 million in fiscal year 2018G, despite the increase in purchases and direct costs. This is due to the Company's expedited payment of its dues, which is in line with the decrease in the average days of accounts payable.

The balance of trade payables increased from SAR 100.5 million as on December 31, 2018G to SAR 101.4 million as on December 31, 2019G, despite the decrease in purchases and direct costs due to the Company's delay in paying the rental dues.

The balance of trade payables decreased from SAR 101.4 million as on December 31, 2019G to SAR 91.0 million as on September 30, 2020G, mainly due to the decline in purchases and direct costs. However, it should be noted that this decline coincided with an increase in the average days of accounts payables by nearly 100%, due to the Company's delay in paying the rental expenses and the amounts owed to the contractors working on the renovation of hotels because of the decrease in liquidity.

Expenses Payable

Expense's payable amounted from SAR 91.2 million as of September 30, 2020G, and consisted mainly of employee benefit expenses (23.0%), management dues, royalties (15.8%), and general utility expenses (14.5%). Expense's payable was kept at a constant level between the end of the years 2017G and 2018G, amounting to SAR 86.8 million as on December 31, 2017G, and SAR 84.7 million as on December 31, 2018G.

Expense's payable has decreased from SAR 84.7 million as on 31 December 2018G to SAR 70.3 million as on 31 December 2019G, driven by a decrease in employee due benefits in the amount of 7.5 million, as a result of a decrease in these expenses, and a decrease in management dues and royalties in the amount of SAR 2.5 million, due to the decline in revenues.

Expenses due for payment increased from SAR 70.3 million as on December 31, 2019G to SAR 91.2 million as on September 30, 2020G, and this is due to the Company's failure to pay some of its dues on time, due to the decline in liquidity, and the postponement of others as a result of the Corona pandemic. These receivables include management and franchising fees, financing expenses, utility expenses and maintenance expenses. In addition, the Company took a provision related to five-year rental expenses owed by the Company and linked to the lease contracts for the Al-Muzahmeya project, which was canceled by the Company.

Rent Payable

The rents payable is mainly related to the rentals of hotels and entertainment centers. The rent due increased from SAR 68.6 million as on 31 December 2017G to SAR 138.4 million as on 31 December 2018G, driven by the increase in rental expenses and the Company's delinquency in paying these dues during the 2018G fiscal year.

The rents due decreased from SAR 138.4 million as on 31 December 2018G to SAR 15.9 million as on 31 December 2019G, due to the adoption of the International Financial Reporting Standard No. (16) wherein most of the rents due were calculated under the lease contract obligations.

The rents due increased from SAR 15.9 million as on December 31, 2019G to SAR 18.6 million as on September 30, 2020G, due to the Company's delinquency in paying the lease expenses that are not accounted for in the International Financial Reporting Standard No. (16) due to obtaining discounts on rental costs.

Deferred Revenues

Deferred revenues represent amounts received in advance from customers and hotel tenants for future periods, and will be recognized as revenues in the consolidated statement of comprehensive income for periods subsequent to the date of the consolidated statement of financial position when realized.

Amounts Owed to Related Parties

The amounts payable is mainly related to operating expenses. The amounts owed to related parties decreased from SAR 31.0 million as on 31 December 2017G to SAR 1.2 million as on 31 December 2018G, mainly due to the decrease in the amounts due from Al-Qassim Trading Company Ltd. in the amount of SAR 30.1 million, which represent management fees for the entertainment centers. The Company paid all dues to Al-Qassim Trading Company during the fiscal year 2018G.

Amounts owed to related parties increased from SAR 1.2 million as on December 31, 2018G to SAR 35.0 million as on December 31, 2019G, as a result of the Company's failure to pay the dues to Al-Qassim Trading Company Ltd. during the fiscal year 2019G, which amounted to SAR 32.7 million.

The amounts owed to related parties decreased from SAR 35.0 million as on December 31, 2019G to SAR 13.9 million as on September 30, 2020G, due to the decline in revenues and the Company's payment of most of its dues, especially to Al-Qassim Trading Company.

Other Liabilities

Other liabilities amounted to SAR 14.3 million as of September 30, 2020G, and mainly consisted of taxes payable to the municipality (61.0%) and value added taxes payable (30.0%). Other liabilities increased by SAR 7.6 million during the fiscal year 2018G, as a result of the introduction of value-added taxes and the Company's delay in paying municipality taxes. Other liabilities decreased from SAR 9.6 million as on 31 December 2018G to SAR 8.0 million as on 31 December 2019G, due to the cancellation of the provision taken to replace the furniture of the Marriott hotel due to the closure of the hotel during this year.

Other liabilities increased from SAR 8.0 million as on December 31, 2019G to SAR 14.3 million as on September 30, 2020G, due to the increase in the value-added tax from 5.0% to 15.0% and the extension of the deadline for paying municipality taxes due to the Corona pandemic.

6.6.3.2 Provision for Zakat

Table No. (50): Movement of Provision for Zakat as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
At the beginning of the year	18,396	18,472	16,878	16,878
Set aside during the year	76	(1,594)	0	380
Paid during the year	0	0	0	(2,093)
Reversed during the period	0	0	0	(1,623)
At the end of the year	18,472	16,878	16,878	13,542

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

The Company submitted its Zakat returns to the General Authority of Zakat and Income (“the Authority”) for all years until 2019G. The Company received Zakat assessments for the years from 2007G to 2019G. Based on these assessments, the Authority required the Company to pay additional Zakat obligations amounting to SAR 9.25 million. The Company filed an objection to these assessments to the Initial Zakat Tax Objection Committee. The Tax Zakat Initial Objection Committee confirmed the assessments issued by the Authority for the years from 2007 to 2011. Accordingly, during 2018, the Company appealed to the Appeal Committee against this decision. During 2018, the Appeal Committee issued its decision, which was in the interest of the Company. During 2020, the Committee for the Settlement of Zakat and Tax Disputes in the Authority issued its final ruling and demanded that the Company pay an additional zakat of SAR 1.97 million, and accordingly the Company reversed the Zakat provision of SAR 1.6 million, which was set aside in excess of the final Zakat claim for the year 2012. The provision for Zakat was reversed on the interim condensed consolidated statement of comprehensive income during the second quarter of 2020.

It should be noted that the main shareholder has pledged to pay any additional Zakat on behalf of the Company in respect of any amounts in excess of the Zakat provision included in the Company’s consolidated financial statements for all years up to December 31, 2013.

The Zakat provision decreased from SAR 18.5 million as on December 31, 2017G to SAR 16.9 million as on December 31, 2018, due to an amount set aside during the year of SAR 1.7 million.

Zakat provision decreased from SAR 16.9 million as on December 31, 2019G to SAR 13.5 million as on September 30, 2020G as a result of an amount paid during the year of SAR 2.1 million, in addition to an amount that was reversed during the year by SAR 1.6 million.

6.6.4 Non-current liabilities

Table No. (51): non-current liabilities as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
Rent payable	105,424	102,199	0	0
Non-current installment of long-term loans	436,415	405,486	379,061	331,614
Non-current installment of lease obligations	0	0	1,440,865	756,052
Provision for employees' end of service	68,686	64,566	62,076	51,577
Total non-current liabilities	610,525	572,251	1,882,002	1,139,243

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

6.6.4.1 Employees end of service provision

Table No. (52): Movement of Provision for employees end of service benefits as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
Opening balance of the present value of the provision for employees' end of service benefits	68,468	68,686	64,566	62,076
Total bonus expense	13,256	12,974	13,676	7,114
Paid bonuses	(16,180)	(18,619)	(15,209)	(16,800)
Transferred from related parties	100	198	(634)	(813)
Actuarial (profits) losses for employees' end of service benefits	1,847	1,327	(323)	0
Addition from a new hotel	1,195	0	0	0
Closing balance of the present value of employees' end of service benefits	68,686	64,566	62,076	51,577

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and Management information for the nine-month period ended September 30, 2019 and 2020.

The net liabilities recognized in the consolidated statement of financial position relating to the post-employment benefits program represents the present value of the expected liabilities at the consolidated statement of financial position date. The obligations under the expected post-employment benefit program are calculated annually by qualified actuaries using the projected unit credit method. Re-measurement amounts, if any, are recognized and included in other reserves in the consolidated statement of changes in shareholders' equity with the entry of the corresponding account (debit / credit) in other comprehensive income items and it consists of actuarial gains and losses resulting from obligations of the post-employment benefits program. This complies with International Accounting Standard (19).

6.6.4.2 Lease contract obligations

Table No (5354): Lease contract obligations as on December 31, 2017, 2018, 2019 and September 30, 2020.

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
Current Instalment	0	0	269,719	221,747
Non-current Instalment	0	0	1,440,865	756,052
Total	0	0	1,710,584	977,799

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

The Company started applying IFRS (16) in fiscal year 2019G, according to which the Company calculates lease obligations as outlined previously. The lease commitments represent the present value of all remaining payments to the lessors. After the commencement date, the Group measures its lease commitments as follows:

- Increase the book value to reflect the financing rate on the lease contract obligations.
- Reducing the carrying amount to reflect the lease payments; and the
- Remeasurement of the carrying amount to reflect a revaluation or amendment of the lease contracts; if any.

Lease obligations decreased from SAR 1,710.6 million as on December 31, 2019G to SAR 977.8 million as on September 30, 2020G, due to the change in lease terms during the second quarter of 2020G and the amendment of contracts for a number of leased hotels based on this agreement. Lease contracts were changed from the fixed consideration (fixed annual payment) to the rent allowance (rent allowance based on a certain

percentage of the hotel revenues), which resulted in a decrease in the current part in the amount of SAR 48.0 million, and a decrease in the non-current part by SAR 684.8 million during the period.

6.6.4.3 Loans

Table No (55): non-current installment of long-term loans as on December 31, 2017, 2018, 2019 and September 30, 2020

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
Current installment of long-term loans	177,696	163,279	174,980	274,072
Short term loans	5,000	56,000	68,176	106,700
Total Current Installments	182,696	219,279	243,156	380,772
Non-current installment of long-term loans	436,415	405,486	379,061	331,614
Total loans	619,111	624,765	622,217	712,386
Financing Structure (%)	92.5	107.3	141.5	212.9

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

Loans represent Murabaha financing obtained from seven local banks, with a total value of SAR 712.4 million, as on September 30, 2020G. The Company used 90.0% of the facilities offered to it from banks. In addition, the Company must repay 75.0% of the total loans at the end of the 2022G fiscal year and 100.0% at the end of the 2027G fiscal year.

The Company took these banking facilities to finance capital expenditures related to the rehabilitation and renovation of hotels and the procurement of entertainment equipment. These facilities accounted for about 70.0% of the total loans and were obtained from the Saudi Investment Bank, Al-Rajhi Bank, and the Saudi British Bank. 30% of the loans were used to finance the Company's operating capital and are directly represented in short-term loans.

Loan agreements include undertakings mainly related to maintaining certain leverage ratios, total debt to equity, and other pledges (undertakings). Under the terms of these agreements, banks are entitled to request immediate repayment of loans if any of these pledges are not fulfilled. The Group was committed to the pledges (undertakings) of these loans as of December 31, 2019G and 2018G, with the exception of some obligations, which pertain to three banks. The Group obtained letters of exemption from these pledges from banks before the end of the FY 2019G. The Company contacted the banks and took their approval for the approved capital increase according to this prospectus.

Loans increased from SAR 622.2 million as on December 31, 2019G to SAR 712.4 million as on September 30, 2020G. This is attributed to the increase in short-term loans by SAR 137.6 million, as a result of the increase in facilities to finance the Company's operating capital, on top of which is the Gulf International Bank facilities in the amount of SAR 57.4 million.

The following is the schedule of loan repayment to the Company per bank and year in which the payment was agreed upon.

The Company has loans with 7 different banks as shown in the above table.

Saudi British Bank: A total of SAR 198.3 million, and a remaining amount for payment of SAR 87.1 million divided over the years according to the table shown below.

Gulf International Bank: A total of SAR 299.6 million, and a remaining amount for repayment of SAR 211.0 million divided over the years according to the table shown below.

Arab National Bank: A total of 85.2 million, and a remaining repayment amount of 9.6 million divided over the years according to the table below.

Bank Al-Jazira: A total of SAR 76.8 million, and a remaining amount for payment of SAR 66.6 million divided over the years according to the table shown below.

Saudi Investment Bank: A total of SAR 255.8 million, and a remaining amount for payment of SAR 143.5 million divided over the years according to the table shown below.

Al-Rajhi Bank: A total of SAR 227.6 million, and a remaining amount for repayment of SAR 165.8 million divided over the years according to the table shown below.

Bank Al-Bilad: A total of SAR 108.7 million, and a remaining amount for repayment of SAR 28.7 million divided over the years according to the table shown below.

Table No (56): Schedule of Bank Agreements as on September 30, 2020

(SAR'000)	Facilities limits	Amounts used until September 30, 2020	Purpose
British Saudi Bank	114,387	87,146	Credit facilities for purchase of rides and equipment for entertainment outlets and hotel renovation
Gulf International Bank	213,000	211,042	Credit facilities for refinancing the purchase of goods from suppliers, and for direct medium and short financing, guarantees of non-use for financing working capital
Arab National Bank	15,625	9,625	Credit facilities for the renewal of hotels and entertainment sites.
Al Jazeera Bank	100,000	66,616	Credit facilities for the purchase of tours and machines and the renewal of sites
Saudi Investment Bank	147,200	143,478	Credit facilities for the purchase of machinery and equipment
Al Rajhi Bank	169,632	165,799	Credit facilities for purchase of rides and equipment for entertainment outlets and hotel furniture
Al-Bilad Bank	28,679	28,679	Credit facilities for the renewal of hotels and entertainment sites
Total Facilities	788,522	712,386	

Source: Management Information for the nine-month period ending September 30, 2020.

Table No (57): Loan repayment schedule for banks as on September 30, 2020

SAR'000	Date of obtaining the loan	Principal amount	During 2020	During 2021	During 2022	During 2023	During 2024	During 2025	During 2026	During 2027	Total
British Saudi Bank	24/05/2018	198,296	20,799	48,747	13,668	3,932	0	0	0	0	87,146
Gulf International Bank	13/11/2019	299,560	48,659	87,563	29,466	25,138	17,875	2,341	0	0	211,042
Arab National Bank	15/01/2017	85,250	9,625	0	0	0	0	0	0	0	9,625
Al Jazeera Bank	7/5/2018	76,757	7,808	20,291	17,334	14,275	6,909	0	0	0	66,616
Saudi Investment Bank	20/04/2017	255,847	29,619	57,173	23,858	15,985	16,259	585	0	0	143,478
Al Rajhi Bank	9/3/2021	227,598	0	20,000	24,667	24,667	24,667	24,667	24,667	24,667	168,000
Al-Bilad Bank	11/6/2015	108,679	18,679	10,000	0	0	0	0	0	0	28,679
Total		1,251,987	135,189	243,774	108,993	83,997	65,710	27,593	24,666	24,666	712,386

Source: Management Information for the nine-month period ending September 30, 2020.

* On 13/09/1442H (corresponding to 25/04/2021G), the Company announced the signing of an agreement to reschedule the banking facilities agreement with Al Rajhi Bank as shown in the above table.

6.6.5 Shareholders' Equity

Table No (58) Shareholders' equity as on December 31, 2017, 2018, 2019 and September 30, 2020

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Reviewed)
Capital	550,000	550,000	550,000	550,000
Statutory reserve	71,693	71,693	0	0
Other reserves	(7,073)	(8,479)	(8,009)	(8,069)
Retained earnings (accumulated losses)	54,989	(30,882)	(102,178)	(207,327)
Total Shareholder Equity	669,609	582,332	439,813	334,604

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and reviewed financial statements for the nine-month period ended September 30, 2019 and 2020.

6.6.5.1 Other Precautions

Table No (59): Other provisions as on December 31, 2017, 2018, 2019 and September 30, 2020

(SAR'000)	31 December 2017 (Audited)	31 December 2018 (Audited)	31 December 2019 (Audited)	30 September 2020 (Management information)
Actuarial losses of end of service benefits	(4,608)	(6,032)	(5,709)	(8,009)
Currency translation differences for foreign transactions	(2,465)	(2,447)	(2,300)	(60)
Total	(7,073)	(8,479)	(8,009)	(8,069)

Source: Consolidated audited financial statements for the financial years ended December 31, 2017, 2018 and 2019 and Management information for the nine-month period ended September 30, 2019 and 2020.

The authorized, issued and fully paid-up company's capital consists of 55 million shares, with the value of each share being SAR 10. As per the article of association of the Company, 10.0% of net income for the year is to be transferred to statutory reserve. The Company may stop making such a transfer if the total reserve reaches 30.0% of the capital. This reserve is not distributable. The Board of Directors, in its meeting held on Rabi Al Thani 1, 1441H (corresponding to November 28, 2019G), approved the amortization of part of the accumulated company losses by transferring an amount of SAR 71.7 million from the Company's statutory reserve. The accumulated losses as of December 31, 2019G represent 37.7% of the Company's capital.

While the capital of Sparky's Land for Entertainment Games (a subsidiary company) amounted to (SAR 150 thousand), and the capital of Asateer Entertainment and Tourism Company (a subsidiary company) amounted to (SAR 24 thousand), and the capital of Osool Al Mazaya Hotel Company (a subsidiary company) reached (SAR 100 thousand). There have been no changes to the capital of the subsidiaries since their incorporation until the date of this prospectus.

6.7 Statement of Cash Flows

Table No (60): Statement of cash flows for the years ending on December 31, 2017, 2018, and 2019 and the nine-month period ending on September 30, 2020.

SAR'000	Fiscal Year 2017 (Audited)	Fiscal Year 2017 (Audited)	Fiscal Year 2017 (Audited)	9 months period ended on 30 Sep.2019 (Reviewed)	9 months period ended on 30 Sep.2020 (Reviewed)
Operating activities					
(Loss) income before Zakat	8,763	(77,642)	(142,989)	(46,956)	(106,392)
Modifications for:					
Depreciation of property and equipment	154,577	166,668	164,371	122,123	116,129
Depreciation of right-of-use assets	0	0	200,222	155,511	104,151

(Reverse) provision for impairment of trade receivables	2,573	(4,285)	4,634	5,501	4,214
Provision for slow moving goods	557	625	579	69	851
Share in the net results of joint ventures	(21,260)	(15,950)	(16,261)	(11,178)	5,567
Loss (profit) on disposal of property and equipment	(862)	17,442	30,228	0	0
Financial burdens on loans	23,651	28,173	30,629	22,500	22,000
Financial burdens on lease obligations	0	0	97,209	70,219	48,573
Provision for employees' end of service benefits, net	(1,729)	(5,645)	(1,533)	73	(9,686)
Impairment of property and equipment	0	0	0	0	14,449
Rent discount	0	0	0	0	(47,194)
Profits from modifying lease contracts	0	0	0	0	(76,884)
Gain on disposals of right-of-use assets	0	0	0	(959)	(1,615)
Net adjustments	166,270	109,386	367,089	316,903	74,163
Changes in operating assets and liabilities					
Receivables and other current assets	33,181	(14,871)	94,846	32,773	(21,366)
Inventory	(4,003)	1,056	1,167	(66)	(1,244)
Payables and other current liabilities	104,866	68,801	(67,075)	(33,865)	4,320
Cash from operations	300,314	164,372	396,027	315,745	55,873
Paid financial charges	(23,473)	(26,377)	(30,804)	(22,586)	(20,085)
Zakat paid	0	0	0	0	(2,093)
Net cash flow from operating activities	276,841	137,995	365,223	293,159	33,695
Investment activities					
Additions to property and equipment	(136,768)	(89,837)	(68,205)	(52,952)	(26,449)
Additions to projects under construction	(236,917)	(78,088)	(36,600)	(26,902)	(12,374)
Dividends received from joint ventures	9,457	13,043	1,455	1,455	0
Proceeds from disposal of property and equipment	16,177	2,826	3,752	2,661	4,080
Add a joint project	0	0	(17,869)	(17,869)	0
The net cash flow used in investing activities	(348,051)	(152,056)	(117,467)	(93,607)	(34,743)
financing activities					
Loans received	277,974	232,073	230,600	153,411	305,439
Repaid loans	(183,679)	(226,420)	(233,148)	(171,403)	(215,270)
Dividends Paid	(35,750)	0	0	0	0
Payment of lease obligations	0	0	(265,182)	(185,578)	(46,546)
Net cash flow from financing activities	58,545	5,653	(267,730)	(203,570)	43,623
Net (decrease) increase in cash and cash equivalents	(12,665)	(8,408)	(19,974)	(4,018)	42,575



Currency translation differences for foreign operations	132	18	147	(100)	(60)
Cash and cash equivalents at the beginning of the year	74,578	62,045	53,655	53,655	33,828
Cash and cash equivalents at the end of the year	62,045	53,655	33,828	49,537	76,343

Source: The audited consolidated financial statements for the financial years ending on December 31, cash and cash equivalent at the end of the year, 2018 and 2019 and the reviewed financial statements on September 30, 2020.

Net Cash Available from (used in) Operating Activities

The net cash available from operating activities decreased from SAR 276.8 million in fiscal year 2017G to a net cash available from operating activities of SAR 138.0 million in fiscal year 2018G> This is due to the loss realized by the Company in the amount of 77.6 million.

Net cash available from operating activities increased from SAR 138.0 million in fiscal year 2018G to a net cash available from operating activities in the amount of SAR 365.2 million in fiscal year 2019G, due to the decrease in receivables and other current assets by SAR 94.8 million as a result of the decrease in other current assets caused by the reclassification of advance rental expenses to right-of-use assets.

Net cash available from operating activities decreased from SAR 293.2 in the nine-month period ended September 30, 2019G, to SAR 33.7 million in the nine-month period ended September 30, 2020G, due to the loss realized by the Company in the amount of SAR 106.4 million.

Net Cash Available from (used in) Investment Activities

The net cash used in investment activities decreased from SAR 384.1 million in fiscal year 2017G to a net cash used in investment activities in the amount of SAR 152.1 million in FY 2018G. This is due to a decrease in the additions to property and equipment in the amount of SAR 47.0 million in the amount of SAR 89.8 million in the FY 2018, and the decrease in the additions to the under-construction projects by SAR 158.8 million to reach SAR 78.1 million FY 2018G. This was offset by an increase in dividends received from joint ventures by SAR 3.6 million, reaching a total of SAR 13.0 million in the FY 2018G. Proceeds from disposals of property and equipment decreased by SAR 13.4 million to reach SAR 2.8 million in FY 2018G.

Net cash used in investment activities decreased from SAR 152.1 million in fiscal year 2018G to a net cash used in investment activities in the amount of SAR 117.5 million in FY 2018G. This is due to a decrease in the additions to property and equipment by SAR 21.6 million, to reach a total of SAR 68.2 million in fiscal year 2019G, and the decrease in the additions to under construction projects by SAR 41.5 million, reaching a total of SAR 36.6 million in fiscal year 2019G. Dividends received from the joint ventures decreased by SAR 11.6 million to a total of SAR 1.4 million in fiscal year 2019G. Proceeds from disposals of property and equipment increased by SAR 926 thousand to reach a total of SAR 3.7 million in fiscal year 2019G. Additions to a joint venture amounted to SAR 17.9 million.

The cash used in investment activities amounted to SAR 93.6 million in the nine-month period ending on September 30, 2019G, compared with the cash used in investment activities in the amount of SAR 34.7 million in the nine-month period ending on September 30, 2020G. This decrease is due to the additions in property and equipment to a total of SAR 26.4 million. Also, the additions to the under-construction projects decreased to reach a total of SAR 12.4 million. Dividend distribution from joint ventures decreased during the year. This was offset by a rise in proceeds from disposals of property and equipment in the amount of SAR 4.1 million.

Net Cash Available from (used in) Financing Activities

The net cash available from financing activities decreased from SAR 58.5 million in FY 2017G to a net cash available from investment activities in the amount of SAR 5.6 million in FY 2018G. This is due to a decrease in the loans received in the amount of SAR 45.9 million to reach SAR 232.1 million in FY 2018G, and the increase in the paid-off loans to reach SAR 226.4 million. Finally, no profits were distributed during the fiscal year 2018G.

The net cash available from financing activities decreased from SAR 5.6 million in fiscal year 2018G to a net cash used in financing activities by SAR 267.7 million in fiscal year 2019G. This is due to a decrease in



loans received in the amount of SAR 1.5 million, to reach a total of SAR 230.6 million, and the increase in loans paid off the amount of SAR 6.7 million, to reach a total of SAR 233.1 million, in addition to the payment of rental contract obligations in the amount of SAR 265.2 million.

Cash used in financing activities amounted to SAR 203.6 million in the nine-month period ended September 30, 2019G, compared to cash available from financing activities in the amount of SAR 43.6 million in the nine-month period ended September 30, 2020G. This is due to the decrease in loans received in the amount of SAR 305.4 million. This was offset by repayable loans in the amount of SAR 215.3 million in addition to the payment of lease contract obligations in the amount of SAR 46.5 million during the year.

7 Using the Offering Proceeds and Future Projects

7.1 Net Offering Proceeds

The total proceeds from the Rights Offering is estimated to be three hundred and seven million (SAR 307,000,000) Saudi Riyals, of which about five million eight hundred thousand (SAR 5,800,000) Saudi Riyals will be paid, to cover the Offering costs, which include the fees of the Financial Advisor, Lead Manager, Underwriter, Legal Advisor, and Auditor, as well as marketing, printing, distribution and other Offer-related expenses.

The net proceeds of the Offering will be about three hundred and one million two hundred thousand (SAR 301,200,000) Saudi Riyals, which will be used for raising the Company's financial solvency (through working capital financing) and for strategic expansion (through entering into new projects such as cinemas and fitness centers) and improving the operational and financial performance (Through the renovation of a number of the Company's hotel, leisure and commercial sites) and the borrowing rates and costs incurred from that (through repayment of part of the Company's bank loans). The shareholders will not receive any of the proceeds arising from the Offering. The Company will also disclose to the public on the Saudi Stock Exchange website (Tadawul) when there is a difference of (5%) or more between the actual use of the Offering Proceeds compared to what was disclosed in this prospectus as soon as it becomes aware of it. This is in accordance with Paragraph (b) of Article (54) of the Rules on the Offering Securities and Continuing Obligations, which states that "the issuer must disclose to the public when there is a difference of 5% or more between the actual use of the proceeds of the Rights Issue to what was disclosed in the relevant Prospectus as soon as the Company becomes aware of the variation."

7.2 Using the Offering Proceeds

The net proceeds from the Offering will be used mainly to raise the Company's financial solvency and for the strategic expansion and to improve operational and financial performance, borrowing rates and costs incurred for that. The shareholders will not receive any of the proceeds arising from the Offering.

The Company will use the net proceeds from the Offering to fund the following projects:

- 1) **Paying Bank loans:** The Company will use an amount of (80) million Saudi Riyals to pay off part of the bank loans owed by the Company, which totals (SAR 712.4) million Saudi Riyals as of September 30, 2020. (Please refer to the subsection (6.6.4.3) "Loans" of Section (6) "Financial Information and Management Discussion and Analysis" of this Prospectus).
- 2) **Renovation of a number of hotels, entertainment and commercial sites:** The Company seeks to use the amount of (110) million Saudi Riyals to renovate and maintain a number of hotels, entertainment and commercial sites affiliated with it, which will help in raising operating efficiency. Below is an explanation of what will be used from the offering proceeds for each project:

Table No. (61): The expected use of the offering proceeds for the renovation projects of hotels, entertainment and commercial sites

Project	Location	Expected Use of the Offering Proceeds (SAR '000)	Expected Project Start Date	Expected Project Completion Date	Expected Operating Date	Property Age	Depreciation Percentage
Golden Tulip Hotel	Al-Khobar	5,000	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	12	60%
Holiday Inn Hotel	Al-Khobar	5,000	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	19	78%
Holiday Inn Hotel	Riyadh	12,000	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	14	78%

Novotel Hotel	Riyadh	3,000	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	8	70%
Novotel Hotel	Dammam	8,861	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	9	76%
Holiday Inn Resort Half Moon Beach	Dammam	9,000	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	16	50%
Golden Tulip Hotel	Hail	3,000	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	11	63%
Hilton hotel	Riyadh	10,000	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	11	75%
Hilton hotel	Dhahran	11,056	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	7	55%
Radisson Blu Hotel	Jizan	3,200	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	5	56%
Tabuk Commercial Center	Tabuk	15,000	3 rd Quarter 2021G	4 th Quarter 2022G	4 th Quarter 2022G	16	55%
Sparky's	Riyadh	5,548	3 rd Quarter 2021G	2 nd Quarter 2022G	2 nd Quarter 2022G	6	51%
Sparky's	Madinah	10,268	3 rd Quarter 2021G	2 nd Quarter 2022G	2 nd Quarter 2022G	12	78%
Sparky's	Jizan	9,067	3 rd Quarter 2021G	2 nd Quarter 2022G	2 nd Quarter 2022G	10	58%
Total		110,000					

Source: The Company

3) Financing Cinemas and Fitness Center Projects: The Company seeks to use an amount of (45) million Saudi Riyals to finance projects for the construction of cinemas and fitness centers:

- a. **Cinema:** The Company will invest an amount of (5) million Saudi Riyals in the Luxury Entertainment Company, one of the companies in which the Company invests (31%) (please refer to subsection (3.10) “invested companies” in this prospectus) which is working to establish cinemas.
- b. **Fitness Centers:** The Company will invest an amount of (40) million Saudi Riyals to establish three (3) fitness centers (GYM) for men and women on leased lands in Riyadh, Jeddah and the Eastern Province in the Kingdom of Saudi Arabia. It is expected to start the implementation of the projects during the third quarter of 2021, and to be completed and starting-up during the third quarter of 2022. The financial impact of these projects is expected to be positive on the Company's results, as the Company expects its revenues to rise in 2023 by (73) million Saudi Riyals. The following is a description of the stages of establishing fitness centers and the licenses that the Company intends to obtain:
 1. Choosing strategic locations and finalizing contractual procedures.
 2. Obtaining the statutory licenses (municipal license, civil defense, VAT registration, and any additional licenses that may be required by the regulatory authorities).
 3. Preparing the sites for improvements to the leased property (dyeing, decoration, air conditioning, lighting, finishes, etc.)
 4. Supply and installation of hardware and equipment and start-up.



The following table shows the expected use of the Offering Proceeds:

Table (62): The Expected use of the Offering Proceeds.

SAR '000	2021		2022		Total
	Q3	Q4	Q1	Q2	
Repayment of bank loans	20,000	20,000	20,000	20,000	80,000
Renovation of a number of hotels, entertainment and commercial sites	20,000	30,000	30,000	30,000	110,000
Financing of Projects for cinemas and fitness centers	20,000	20,000	5,000	-	45,000
Financing of the Working Capital	50,000	16,200	-	-	66,200
Offering costs	5,800	-	-	-	5,800
Total	115,800	86,200	55,000	50,000	307,000

Source: The Company

It should be noted that the aforementioned projects will be funded exclusively from the Offering proceeds.



8 Experts Statement

The advisors whose names appear in pages (V) and (VI) have given their written consents to the publication of their names, logos and statements in the form included in the Prospectus and have not withdrawn such a consent up to the date of this Prospectus.

None of the above advisers or their employees or any of their relatives has any shareholding or interest of any kind in the Company and its subsidiaries up to the date of this Prospectus that may jeopardize their independence.



9 Declarations

As at the date of this Prospectus, the Company's Directors declare that:

1. Except as stated in subsection (3.11) "Business Interruption" and in Risk No. (2.1.31) "Risks Related to the Outbreak of the Coronavirus Pandemic "Covid-19" in Section (2) "Risk Factors" of this Prospectus, there was no interruption in the business of the Company or any of its subsidiaries that could affect or have had a significant impact on the financial condition during the last (12) months.
2. No commissions, discounts, brokerage fees, or any non-monetary compensation were granted by the Company or any of its subsidiaries during the three years immediately preceding the date of filing the securities registration and offering in relation to the issuance or offering of any securities.
3. Except as stated in Risk No. (2.1.29) "Risks Related to Accumulated Losses" of Section (2) "Risk Factors" in this Prospectus, there has been no material negative change in the financial and commercial status of the Company or any of its subsidiaries during the three years immediately preceding the date of filing the securities registration and offering subject to this Prospectus, in addition to the accounting period covered by the auditors' report until the approval date of this Prospectus.
4. Other than what is stated in pages (IV.35.105) of this Prospectus, and Risk No. (2.1.26) "Risks related to Transactions with Related Parties" of Section (2) "Risk Factors" in this Prospectus, the members of the Board of Directors or any of their relatives do not have any shares or interest of any kind in the Company or its subsidiaries.
5. The Company did not keep treasury shares, and the Extraordinary General Assembly of the Company did not approve the purchase of the Company's shares.

10 Legal Information

10.1 The Company

Abdalmohsen Alhokair Group Company for Tourism and Development (hereinafter referred to as “the Company” or “the Issuer” or “Alhokair Group”) was initially established as a sole proprietorship establishment under the name of “Abdalmohsen Alhokair Group for Trading and Industry” and it was registered under the Commercial Registration No. (1010014211), dated 16/8/1398H (corresponding to 22/07/1978G). On 08/04/1424H (corresponding to 09/06/2003G) the name of the Company was changed to “Abdalmohsen Alhokair Group for Operation and Maintenance”, and on 21/03/1427H (corresponding to 19/04/2006G) the name of the Company was changed to “Abdalmohsen Alhokair Group for Tourism and Development”. On 11/08/1427H (corresponding to 03/09/2006G), the legal entity of the Company was transferred from a sole proprietorship to a closed joint stock company. According to Ministerial Resolution No. (2161), dated 28/08/1435H (corresponding to 26/06/2014G), the entire shares of the Company totalling fifty five million (55,000,000) ordinary shares were listed on the main Saudi Stock Market, with a nominal value of ten (10) Saudi Riyals per share, and thus converted into a Saudi public joint stock company.

The Head Office of the Company is located in Riyadh- Al-Morouj District - the Northern Ring - between Exit 4 and 5 – next to Double Tree Hilton Hotel, PO Box 57750 Riyadh 11584 Kingdom of Saudi Arabia.

The current capital of the Company is three hundred and forty-three million (343,000,000) Saudi Riyals, divided into thirty-four million and three hundred thousand (34,300,000) ordinary shares, with a fully paid nominal value of ten (10) Saudi Riyals per share.

10.2 Company’s History and Most Important Developments in its Capital Structure

- Abdalmohsen Alhokair Group for Tourism and Development was established, in the beginning, as a sole proprietorship establishment under the name of “Abdalmohsen Alhokair Group for Trading and Industry”, and it was registered under Commercial Registration No. (1010014211) dated 16/08/1398H (corresponding to 22/7/1978G) with a capital of two hundred and seventy-four thousand (274,000) Saudi Riyals.
- In 1991G, the capital was increased from two hundred seventy-four thousand (274,000) Saudi Riyals to seventy-one million six hundred seventy-four thousand (71,674,000) Saudi Riyals, thus increasing the number of shares from (27,400) cash shares to (7,167,400) cash shares of equal value of (10) Saudi Riyals per each. The increase of seventy-one million and four hundred thousand (71,400,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 08/04/1424H (corresponding to 09/06/2003), the name of the Company was changed to “Abdalmohsen Alhokair Group for Operation and Maintenance”.
- In 2005G, the capital was increased from seventy-one million six hundred and seventy-four thousand (71,674,000) Saudi Riyals to two hundred forty-nine million (249,000,000) Saudi Riyals, and thus increasing the number of shares from (7,167,400) cash shares to (24,900,000) cash shares. The increase of one hundred seventy-seven million three hundred and twenty-six thousand (177,326,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 21/03/1427H (corresponding to 19/04/2006G), the name of the Company was changed to “Abdalmohsen Alhokair Group Company for Tourism and Development”.
- On 01/01/1427H (corresponding to 01/31/2006G), the capital was increased from two hundred forty-nine million (249,000,000) Saudi Riyals to two hundred seventy-one million six hundred and seventy-four thousand (271,674,000) Saudi Riyals, and thus increasing the number of shares from (24,900,000) cash share to (27,167,400) cash share of equal value of (10) Saudi Riyals per each. The increase of twenty-two million six hundred and seventy-four thousand (22,674,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.



- On 11/08/1427H (corresponding to 03/09/2006G), the legal entity of the Company was transferred from a sole proprietorship to a closed joint stock company, according to Ministerial Resolution No. (2161) issued by the Minister of Commerce approving the announcement of the establishment of Abdulmohsen Alhokair Group for Tourism and Development as a closed joint stock company.
- On 06/07/1430H (corresponding to 29/06/2009G) the extraordinary general assembly of shareholders approved the increase of the Company's capital from two hundred seventy-one million six hundred and seventy-four thousand (271,674,000) Saudi Riyals to four hundred seven million five hundred and eleven thousand (407,511,000) Saudi Riyals, and thus increasing the number of the Company's shares from twenty-seven million one hundred sixty-seven thousand four hundred (27,167,400) ordinary shares, to forty million seven hundred and fifty-one thousand and one hundred (40,751,100) ordinary shares, of equal value of ten (10) Saudi Riyals per share. The increase of one hundred thirty-five million eight hundred and thirty-seven thousand (135,837,000) Saudi Riyals was fulfilled by capitalizing the retained earnings.
- On 23/07/1434H (corresponding to 02/06/2013G), the extraordinary general assembly of the shareholders approved the increase of the Company's capital from four hundred seven million five hundred and eleven thousand (407,511,000) Saudi Riyals to five hundred and fifty million (550,000,000) Saudi Riyals. Consequently, the number of the Company's shares increased from forty million seven hundred and fifty-one thousand and one hundred (40,751,100) ordinary shares, to fifty-five million (55,000,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share. The increase of one hundred forty-two million and four hundred eighty-nine thousand (142,489,000) Saudi Riyals, was fulfilled by transferring the amount of eighty-three million nine hundred fifty thousand one hundred seventy-five (83,950,175) Saudi Riyals from the statutory reserve account, and transferring the amount of fifty-eight million five hundred and thirty-eight thousand eight hundred and twenty-five (58,538,825) Saudi Riyals from the retained earnings account.
- On 08/07/1435H (corresponding to 07/05/2014G), the Saudi Capital Market Authority (CMA) approved the Offering of sixteen million five hundred thousand (16,500,000) shares for public subscription, which represent (30%) of the Company's shares of fifty-five million (55,000,000) Ordinary shares, for the purpose of listing the Company's shares on the main Saudi stock market.
- On 28/08/1435H (corresponding to 26/06/2014G) (after completion of the above-mentioned offering process), the entire shares of the Company of fifty-five million (55,000,000) ordinary shares, were listed on the main Saudi stock market, with a nominal value of ten (10) Saudi Riyals per share, after obtaining approval of the Capital Market Authority and the Saudi Stock Exchange (Tadawul).
- On 03/08/1439H (corresponding to 19/04/2018G), the Company announced the transfer of its head office from Al-Dirah District- Qasr Al-Hukm Area- Al-Ta'meer markets, to its new head office at Al-Murooj District - Northern Ring - between Exit 4 and 5 – next to Double Tree Hilton Hotel.
- On 10/03/1442H (corresponding to 27/10/2020G), the Company's Board of Directors recommended the following:
 - 1) Reduce the Company's capital by (37.64%), from five hundred fifty million (550,000,000) Saudi Riyals to three hundred forty-three million (343,000,000) Saudi Riyals, and accordingly reduce the number of shares from fifty-five million (55,000,000) ordinary shares, to thirty-four million three hundred thousand (34,300,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, by canceling twenty million seven hundred thousand (20,700,000) shares of the Company's shares. This means the reduction of (1) share for each (2.6570) shares, for the purpose of restructuring the Company's capital to amortize the accumulated losses as of September 30, 2020G, amounting to two hundred and seven million (207,000,000) Saudi Riyals, after obtaining all the necessary statutory approvals and the approval of the extraordinary general assembly.
 - 2) Increase the Company's capital by (89.50%) (after completing the aforementioned capital reduction process), from three hundred forty-three million (343,000,000) Saudi Riyals to six hundred fifty million (650,000,000) Saudi Riyals, and thus increase the number of shares from thirty four million and three hundred thousand (34,300,000) ordinary shares, to sixty five million (65,000,000) ordinary shares, of equal value of ten (10) Saudi Riyals per share, through a rights

issue of thirty million seven hundred thousand (30,700,000) shares, valued three hundred and seven millions of (307,000,000) Saudi Riyals, after obtaining all necessary regulatory approvals as well as approval of the extraordinary general assembly.

10.3 Company Purposes

The Company operates under Commercial Registration No. (1010014211), dated 16/08/1398H (corresponding to 22/07/1978G).

The Company's activities, as mentioned in its commercial registration, include hotels, hotel apartments, resorts, tourist accommodation facilities, amusement parks, entertainment facilities, entertainment centers, organizing entertainment events, and operating entertainment facilities.

The activities of the Company, as stated in its Articles of Association, are represented in conducting and carrying out the following purposes:

- 1) Establishing, managing, operating and maintaining sport cities and gymnasiums, sports clubs, sport events, recreational centers, resorts and spa.
- 2) Establishing, managing, operating and maintaining restaurants, cafes, restrooms and parks.
- 3) Establishing, managing, operating and maintaining hotels and hotel apartments.
- 4) Establishing, managing, operating and maintaining commercial centers, training, educational and residential centers.
- 5) Maintaining and repairing safety devices and equipment, computers, school devices and educational aids.
- 6) Providing tourism services and organizing tourist trips/tours.
- 7) Providing passenger transport services within and around cities.
- 8) Travel and tourism agents.
- 9) Commercial agencies for importing, exporting and marketing services for others.
- 10) Wholesale and retail trade in foodstuffs, sweets, pastries, chocolate, their imports, fabrics, furnishings, textiles, shoes, utensils, furniture, household appliances, hotel supplies, building materials, electrical and sanitary tools, machinery and equipment, perfumes, cosmetics, pure metals, jewelry, gemstones, machinery and photographic tools, watches, glasses, prayer beads, beads, antiques, toys, musical instruments, bicycles of all kinds, leather goods, decorative materials, hotels and restaurants.
- 11) Buying, selling and renting real estate and land for the benefit of the Company.
- 12) Providing cooked and uncooked catering services.

The Company carries out its activities according to the relevant regulations and after obtaining the necessary licenses and permits from the competent authorities, if any.

The main activities of the Company are concentrated in the following sectors:

10.4 Company Duration

Article Six (6) of the Articles of Association stipulates that the term of the Company shall be 99 Gregorian years, starting from the date of the issuance of the Minister of Commerce's decision announcing its conversion. This period may always be extended by a decision issued by the extraordinary general assembly at least one year before the expiry of its term.



10.5 Board of Directors

10.5.1 Board formation

In accordance with Article Eighteen (18) of the Articles of Association, the Company is managed by a board of directors consisting of nine (9) members elected by the ordinary general assembly of shareholders for a period not exceeding three years.

Table No. (63): Company's Board Members

Board Members								
The Company's Board of Directors appointed on 06/09/1442H (corresponding to 18/04/2021G)*								
Name	Position	Membership capacity	Nationality	Age	Owned Shares			
					Direct No.	%	Indirect** No.	%
Majed Abdulmohsen Abdulaziz Alhokair ***^	Chairman	Non-executive Non-Independent	Saudi	54	-	-	713,440	2.08%
Amr Abdulaziz Abdullah Al-Jalal ***	Deputy Chairman	Non-executive Non-Independent	Saudi	41	-	-	-	-
Sami Abdulmohsen Abdulaziz Alhokair ***	Managing Director	Non-executive Non-Independent	Saudi	53	-	-	713,440	2.08%
Bandar Khaled Abdulmohsen Alhokair	Member	Non-executive Non-Independent	Saudi	43	272,065	0.49%	-	-
Iyad Abdul Rahman Muhammad Al-Bunyan	Member	Independent Non-executive	Saudi	46	-	-	-	-
Raed Abdulaziz Hamid Abu Zinada	Member	Independent Non-executive	Saudi	48	-	-	-	-
Ramzi Kanaan Youssef Abu Khadra	Member	Independent Non-executive	Saudi	56	-	-	-	-
Faisal Muhammad Amin Shaker	Member	Independent Non-executive	Saudi	45	-	-	-	-
Khaled Anib	Member	Independent Non-executive	Finnish	56	-	-	-	-

Source: The Company

* The Company's Ordinary General Assembly, in its meeting held on 06/09/1442H (corresponding to 18/04/2021G), agreed to elect the aforementioned members of the Board of Directors for the current session, which began on 07/09/1442H (corresponding to 19/04/2021G) for a period of three years ending on 09/10/1445H (corresponding to 18/04/2024G).

** The Board of Directors decided in its meeting held on 07/09/1442H (corresponding to 19/04/2021G) to appoint Mr. Majed Abdulmohsen Abdulaziz Alhokair as Chairman of the Board, and Mr. Amr Abdulaziz Abdullah Al Jalal as Deputy Chairman of the Board of Directors, and Mr. Sami Abdulmohsen Abdulaziz Alhokair as Managing Director.

*** The indirect ownership referred to in the above table results from the ownership of each of them by (6.60%) in Abdulmohsen Alhokair & Sons Holding Company, which owns (31.50%) of the shares of Abdulmohsen Alhokair Group for Tourism and Development.

The Company complies with the Companies' Law and the Corporate Governance Regulations which provide that the number of board members shall not be less than three (3) and shall not exceed 11 members. The Company also complies with Article sixteen (16) of the Corporate Governance Regulations, which provides

that the majority of listed companies board members shall be non-executive, and that the independent members of the board shall not be less than two members or one third of the total number of board directors, whichever is higher.

10.5.2 Chairman of the Board, Deputy Chairman, Managing Director and Secretary

In accordance with Article twenty-three (23) of the Company's Articles of Association, the Board of Directors shall appoint a chairman and deputy chairman from its members. It may also appoint a managing director. The chairman of the board may not hold any other executive position in the Company. The Board of Directors shall also appoint a secretary to the board from the board members or others.

The Company complies with the Companies' Law, its Articles of Association, and the Corporate Governance Regulations in respect of appointments in the board members' posts as follows:

Table No. (64): Posts of Board members

Name	Post
Majed Abdulmohsen Alhokair	Chairman
Amro Abdulaziz Abdullah Al Jalal	Deputy Chairman
Sami bin Abdulmohsen bin Abdulaziz Alhokair	Managing Director and Chief Executive Officer (Designate)
Khaled bin Ali bin Saleh Mekbaa	Secretary

Source: The Company

The powers of the Board of Directors are specified in article twenty-one (21) of the Company's Articles of Association, and the powers of the chairman, deputy chairman, managing director and secretary are prescribed in article twenty-three (23) of the Company's Articles of Association. The secretary of the Board of Directors shall assume the tasks and authorities determined to him by the Board of Directors.

10.5.3 Board Remunerations:

The Articles of Association stipulate that the annual remuneration of the members of the Board of Directors, including the chairman, shall be financial or in-kind rewards and benefits not exceeding 500 thousand Riyals for each member and within the limits stipulated in the Companies' Law and its Regulations. The report of the Board of Directors submitted to the ordinary general assembly shall include a comprehensive statement of all the remunerations, expenditure allowances as well as other benefits received by Board of Directors during the fiscal year. The report shall also include a statement of the amounts received by Board members in their capacity as workers or administrators or the amounts received by them against technical, administrative, or advisory works. In addition, the report shall include a statement of the number of board sessions and the number of sessions attended by each member as from the date of the last General Assembly meeting.

The report of the Board of Directors for the fiscal year which ended on 31 December 2019G, and was approved by the Ordinary General Assembly on 09/10/1441H (corresponding to 01/06/2020G), includes a comprehensive statement of all salaries, share of profits, attendance and expenditure allowances obtained as well as other benefits received by members of the Board of Directors during the fiscal year. The said report also included a statement of the amounts received by Board members in their capacity as employees or administrators, or the amounts received by them against technical, administrative, or advisory works.

The remunerations of the members of the Board of Directors reached one million and eight hundred and seventy-eight thousand (1,878,000) Saudi Riyals, as stated in the report of the Board of Directors for the fiscal year which ended on 31 December 2017G. They also received two million, two hundred and fifty thousand and six hundred and ninety-nine (2,250,699) Saudi Riyals, as stated in the Board of Directors' report for the fiscal year which ended on 31 December 2018G. In addition, Board members received two million,



one hundred and fifty-eight thousand (2,158,000) Saudi Riyals, as stated in the Board of Directors' report for the fiscal year which ended on 31 December 2019G.

(For more information, please refer to subsection (5.4) “Compensations and Remunerations of Board Members and Senior Executives”) of this Prospectus).

10.5.4 Board meetings

In line with Article Twenty-Four (24) of the Articles of Association, the Board shall hold two meetings at least annually by invitation of its Chairman. The invitation shall be made under a notification by the secretary to Board members of the date and venue of the meeting. The agenda and information related to the meeting topics shall be attached to the invitation, which may be sent by registered mail, fax, telegraph, or e-mail, two weeks prior to the date of the meeting, unless otherwise agreed upon by Board members. The Chairman shall call the board to meet upon request by two board members.

Per the Board of Directors report for the fiscal year which ended 31 December 2018G, the number of Board meetings was four (4) meetings and per the Board of Directors report for the fiscal year which ended 31 December 2019G, the number of Board meetings was five (5) meetings.

10.5.5 Board Committees

Below is a description of the Company committees, their responsibilities, and the current members of each committee:

8.5.5.1 Audit Committee

In its meeting held on 06/09/1442H (corresponding to 18/04/2021G), the Ordinary General Assembly approved to form the Audit Committee, and determine its tasks, work controls and remuneration of its members for the current session, which began on 07/09/1442H (corresponding to 19/04/2021G) for three years term ending on 09/10/1445H (corresponding to 18/04/2024G). The following table shows the members of the Audit Committee:

Table No. (63): Audit Committee Members

Name	Post
Ramzi Kenaan Yousef	Chairman
Amr Abdulaziz Abdullah al Jalal	Member
Sulaiman Mohammed AL Gehaidan	Member

The Audit Committee held seven (7) meetings during the fiscal year which ended on 31 December 2018G, and held five (5) meetings during the fiscal year which ended on 31 December 2019G.

8.5.5.2 Executive Committee

In its meeting held on 07/09/1442H (corresponding to 19/04/2021G), the Board of Directors approved the appointment of the Executive Committee members for the current session, which began on 07/09/1442H (corresponding to 19/04/2021G) for three years term ending on 09/10/1445H (corresponding to 18/04/2024G). The following table shows the members of the Executive Committee:

Table No. (64): Executive Committee Members

Name	Post
Sami Abdulmohsen Abdulaziz Alhokair	Chairman
Faisal Mohammed Amin Shaker	Member
Raed Abdulaziz Abu Zwnada	Member
Meshaal Abdulmohsen Abdulaziz Alhokair	Member
Khaled Anib	Member

Source: The Company

The Executive Committee held three (3) meetings during the fiscal year which ended on 31 December 2018G, and held three meetings during the fiscal year which ended on 31 December 2019G.

The Executive Committee work bylaws was approved by the Ordinary General Assembly in its meeting held on 23/07/1434H (corresponding to 02/06/2013G). The amendment of the Executive Committee work by-laws was approved based on the resolution of the Ordinary General Assembly in its meeting held on 21/07/1438H (corresponding to 18/04/2017G).

8.5.5.3 Nominations and Remunerations Committee

In its meeting held on 07/09/1442H (corresponding to 19/04/2021G), the Board of Directors approved the appointment of the Nominations and Remunerations Committee members for the current session, which began on 07/09/1442H (corresponding to 19/04/2021G) for three years term ending on 09/10/1445H (corresponding to 18/04/2024G). The following table shows the members of the Executive Committee

Table No. (65): Nominations and Remunerations Committee Members

Name	Post
Eyad Abdulrahman Mohammed Al Benyaan	Chairman
Faisal Mohammed Ibrahim Al Malik	Member
Faisal Mohammed Amin Shaker	Member

Source: The Company

The Nominations and Remunerations Committee work bylaws was approved by the Ordinary General Assembly in its meeting held on 23/07/1434H (corresponding to 02/06/2013G). The amendment of the Nominations and Remunerations Committee work by-laws was approved based on the resolution of the Ordinary General Assembly in its meeting held on 21/07/1438H (corresponding to 18/04/2017G).

The Nominations and Remunerations Committee meets four (4) times at least annually. The invitation to attend the committee meetings is made by the Committee Chairman. The Committee held two (2) meetings during the fiscal year which ended on 31 December 2018G and held two (2) meetings during the fiscal year which ended 31 December 2019G.

10.6 The Executive Management

The following table shows the details of the Executive Committee of the Company:

Table No. (65): Executive Management of the Company

Name	Post	Nationality	Age	Date of Appointment	Owned Shares			
					Direct No.	%	Indirect No.	** %
Sami Abdulmohsen Alhokair *	Managing Director, and Designate Chief Executive Officer	Saudi	53	29/02/2020G	-	-	713,440	2.08%
Meshaal Abdulmohsen Abdulaziz Alhokair	Deputy Chief Executive Officer and Director of Entertainment	Saudi	37	01/01/2012G	-	-	713,440	2.08%
Adel Ahmed Salem Al Gamdi	Deputy Chief Executive Officer for Financial Affairs	Saudi	41	01/09/2019G	-	-	-	-



Bader Abdulmohsen Al Hoakair	Deputy Chief Executive Officer, Western Province	Saudi	42	01/01/2012G	-	-	-	-
Cliff Julian Smith	Manager of Hotels Sector	British	53	08/09/2018G	-	-	-	-
Abdulmajeed Mohammed Abdullah Al Omair	Director of Real Estate Development	Saudi	39	26/08/2019G	-	-	-	-
Hayel Ali Fayeze Al Shaalan	Legal Advisor	Saudi	48	01/12/2020G	-	-	-	-
Mubarak Mohsen Nassir Al Hajjri	Director of Procurements	Saudi	51	09/01/2011G	-	-	-	-
Sultan Abdulgaffar Aziz al Ayyash	Human Resources Director	Saudi	36	26/12/2013G	-	-	-	-
Farooq Hamdan Fayeze Sulaiman	Director of Internal Audit	Jordanian	42	16/03/2013G	-	-	-	-

Source: The Company

* The Board of Directors decided on 06/15/1441H (corresponding to 09/02/2020G) to entrust the Managing Director, Mr. / Sami Abdulmohsen Abdulaziz Alhokair with the authorities of the Chief Executive Officer, as from 05/07/1441H (corresponding to 29/02/2020G) until a new Chief Executive Officer of the Company is appointed in replacement of the former Chief Executive Officer, Mr./ Omar Sami Samara, who resigned for personal reasons.

** The indirect ownership of Mr./ Sami Abdulmohsen Abdulaziz Alhokair and Mr./ Meshaal Abdulmohsen Abdulaziz Alhokair results from the ownership of each of them at (6.60%) in Abdulmohsen Alhokair and Sons Holding Company, which owns (31.50%) of the shares of Abdulmohsen Alhokair Group Company for Tourism and Development.

10.7 Government Approvals and Licenses for the Company and its branches

The Company obtained several regulatory and operational licenses and certificates from the competent authorities. These licenses and certificates are renewed periodically. The following table shows the current licenses and approvals obtained by the Company and its branches

Table No. (66): Government approvals and licenses obtained by the Company and its branches

Type of License	Purpose	License Owner	License No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority	Remarks
Head Office							
Commercial Registrations	Registering the Company in the commercial Companies Registration (joint stock company)	Abdulmohsen Alhokair Group Company for Tourism and Development	1010014211	16/08/1398	06/11/1442	Ministry of Commerce	Valid
Chamber of Commerce and Industry Membership Certificate (first class)	In compliance with the commercial registration system	Abdulmohsen Alhokair Group Company for Tourism and Development	101000029753	05/02/2000	16/06/2021	Riyadh Chamber	Valid
Zakat and Income Certificate	To point out that the Company has submitted its annual declaration and paid Zakat	Abdulmohsen Alhokair Group Company for Tourism and Development	1110732288	20/09/1442	29/09/1443	General Authority of Zakat and Tax	Valid



Value Added Tax Registration Certificate	To point out that the Company is registered in the value added tax	Abdulmohsen Alhokair Group Company for Tourism and Development	300045859100003	30/11/1438	-	General Authority of Zakat and Tax	Issued for one time only
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Abdulmohsen Alhokair Group Company for Tourism and Development	20002104014329	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Social Insurance Certificate	The Company complies with the laws of the General Organization for Social Insurance	Abdulmohsen Alhokair Group Company for Tourism and Development	38242447	07/09/1442	07/10/1442	General Organization for Social Insurance	Valid
Riyadh Region							
Riyadh Amusement City - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the commercial Companies Registration	Riyadh Amusement City - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010016056	17/05/1398	07/11/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Riyadh Amusement City - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	36-5010	22/09/1436	07/05/1444	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Riyadh Amusement City - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2-000215062-14	22/10/1441	22/10/1442	General Directorate of Civil Defense	Valid
Olaya Palace Hotel, Holiday Inn – Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Olaya Palace Hotel, Holiday Inn – Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010234415	01/06/1428	01/06/1444	Ministry of Commerce	Valid
Municipal License	Commercial Activity practicing license	Olaya Palace Hotel, Holiday Inn – Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40092177498	-	29/08/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Olaya Palace Hotel, Holiday Inn – Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	38	30/07/1439	30/07/1440	General Directorate of Civil Defense	Expired and is undue renewal



Tourism License	Licensing the operation and classification of tourist accommodation facilities	Olaya Palace Hotel, Holiday Inn	41000291	16/02/1440	15/02/1443	Saudi Commission for Tourism and National Heritage	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Olaya Palace Hotel, Holiday Inn	2000210014135	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Mena Andalusia Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Mena Andalusia Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010242089	26/12/1428	26/12/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Mena Andalusia Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40102416799	12/06/1411	12/06/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Mena Andalusia Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	247 DF	1435	1436	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Andalusia Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4100170	03/01/1431	02/01/1434	Saudi Commission for Tourism and National Heritage	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Andalusia Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2000210200826 2	25/06/1442	25/09/1442	Ministry of Human Resources and Social Development	Valid
Mena Riyadh Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Mena Riyadh Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010256559	20/09/1429	20/09/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Mena Riyadh Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40031765490	-	28/11/1442	Ministry of Municipal and Rural Affairs	Valid

Safety Certificate	The Company complies with the Civil Defense safety requirements	Mena Riyadh Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	226 DF	27/05/1429	27/05/1440	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Riyadh Mena	41000288	17/11/1438	16/11/1441	Saudi Commission for Tourism and National Heritage	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Riyadh Mena Hotel	2000210401415 2	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Al Naseriya Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Al Naseriya Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010267683	17/05/1430	17/05/1445	Ministry of Commerce	Valid
Municipality License - Hotels	Commercial activity practicing license	Al Naseriya Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	19211	22/06/1432	22/06/1443	Ministry of Municipal and Rural Affairs	Valid
Municipality License - Restaurants	Commercial activity practicing license	Abdulmohsen Alhokair Group Company for Tourism and Development	40102430264	21/09/1436	21/09/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Al Naseriya Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	213 DF	21/04/1439	21/04/1440	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Al Naseriya Golden Tulip	41000171	03/07/1440	02/07/1443	Saudi Commission for Tourism and National Heritage	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Al Naseriya Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2000210401415 6	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid



Sparky's Hayat Mall - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010287566	24/05/1431	24/05/1446	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	201070	25/02/1429	25/02/1444	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2-000229324-41	23/04/1442	23/04/1443	General Directorate of Civil Defense	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Abdulmohsen Alhokair Group Company for Tourism and Development	20002102008270	25/06/1442	25/09/1442	Ministry of Human Resources and Social Development	Valid
Sparky's Panorama Mall – Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010302884	10/03/1432	10/03/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40102421862	-	24/03/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3-15260-41	30/06/1441	30/06/1442	General Directorate of Civil Defense	Expired and is under renewal
Novotel Suite Hotel							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Novotel Suite Hotel	1010337612	11/06/1433	11/06/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Novotel Suite Hotel	40031842054	24/03/1434	24/03/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Novotel Suite Hotel	1-000210764-39	26/03/1440	26/06/1441	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing tourist hospitality facilities	Novotel Suite Hotel	4/41000634	19/08/1441	19/08/1442	Ministry of Tourism	Valid



Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Novotel Suite Hotel	20002104014209	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Hilton Garden Inn Hotel, Olaya – Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Hilton Garden Inn Hotel, Olaya – Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010356627	18/01/1434	20/01/1446	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Hilton Garden Inn Hotel, Olaya – Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40031768032	21/06/1430	21/06/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Hilton Garden Inn Hotel	1-000537797-41	26/08/1441	26/08/1442	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing tourist hospitality facilities	Hilton Garden Inn Hotel	41000292	26/08/1441	26/08/1444	Ministry of Tourism	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Hilton Garden Hotel	20002104014184	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Tim Tech Rimal Center - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010380886	13/08/1434	13/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	29-465	10/06/1429	10/06/1440	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Sparky's Salam Mall - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010380887	13/08/1434	13/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1907	10/05/1427	10/05/1444	Ministry of Municipal and Rural Affairs	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002101036183	18/06/1442	18/09/1442	Ministry of Human Resources and Social Development	Valid



Hilton Double Tree – Al Morouj							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Hilton Double Tree – Al Morouj	1010406424	02/05/1435	02/05/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Hilton Double Tree – Al Morouj	40031867056	12/06/1436	12/06/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Hilton Double Tree – Al Morouj	2-000117108-41	05/05/1441	05/05/1442	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing tourist hospitality facilities	Hilton Double Tree	41001262	20/08/1441	20/08/1444	Ministry of Tourism	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Hilton Double Tree	20002104014121	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group for Tourism and Development Comp	1010407971	17/05/1435	17/05/1445	Ministry of Commerce	Valid
Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1010438915	29/01/1437	29/01/1446	Ministry of Commerce	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002104014225	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Ataib Omniah Sweets and Nuts							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Ataib Omniah Sweets and Nuts	1010464530	08/01/1438	08/01/1443	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Ataib Omniah Sweets and Nuts	40031894518	-	09/02/1447	Ministry of Municipal and Rural Affairs	Valid
Sparky's Al Forsan – Al Kharj - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1011024490	26/08/1438	26/08/1443	Ministry of Commerce	Valid

Municipality License	Commercial activity practicing license	Sparky's	40092190823	29/08/1438	29/03/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Sparky's Al Forsan – Al Kharj	2-000023573-40	21/04/1441	21/04/1442	General Directorate of Civil Defense	Expired and is under renewal
Al Qassim Area							
Al Nakheel Plaza - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1131032022	12/06/1431	11/06/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3909429919	-	05/11/1442	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1-000192879-93	14/10/1439	14/10/1440	General Directorate of Civil Defense	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002104014183	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Eastern Province							
Park Inn Hotel - Dammam							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Park Inn Hotel - Dammam	2050048839	13/06/1426	07/11/1442	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Park Inn Hotel - Dammam	40112507573	15/02/1441	10/07/1442	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Safety Certificate	The Company complies with the Civil Defense safety requirements	Park Inn Hotel - Dammam	2-000-124190-42	19/01/1442	19/01/1443	General Directorate of Civil Defense	Valid
Tourism License	Licensing tourist hospitality facilities	Park Inn Hotel - Dammam	41002827	17/07/1441	17/07/1444	Ministry of Tourism	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Park Inn Hotel - Dammam	20002104014159	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid



Events Oasis - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Events Oasis	2050066010	27/07/1430	27/08/1445	Ministry of Commerce	Valid
Novotel Hotel, Dammam - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Novotel Dammam Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2050067617	22/11/1430	21/11/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Novotel Dammam Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3909108084	13/09/1437	15/02/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Novotel Hotel – Dammam	1-000371002-40	25/11/1440	25/11/1441	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing tourist hospitality facilities	Novotel Hotel – Dammam	5/41000230	02/08/1441	02/08/1444	Ministry of Tourism	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Novotel Hotel – Dammam Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002104014168	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Branch of Abdulmohsen Alhokair Group Company for Tourism and Development - Dammam							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2050070879	11/06/1431	11/06/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3909110004	22/09/1436	21/09/1442	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002102008278	25/06/1442	25/09/1442	Ministry of Human Resources and Social Development	Valid
La Mode, Dammam - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2050092804	13/08/1434	13/08/1444	Ministry of Commerce	Valid

Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40112490740	07/11/1440	06/11/1445	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3-000261116-42	16/04/1442	16/04/1443	General Directorate of Civil Defense	Valid
Sparky's Darin Mall - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2050092806	13/08/1434	13/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40112507941	02/12/1438	18/11/1442	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1-000356967-40	26/10/1440	26/10/1441	General Directorate of Civil Defense	Expired and is under renewal
Snowy Ibn Khaldun - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2050105501	30/06/1436	29/06/1442	Ministry of Commerce	Expired and is under renewal
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	390842320	09/08/1439	09/08/1442	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1-000227794-40	06/03/1441	06/03/1442	General Directorate of Civil Defense	Expired and is under renewal
Alhokair Time – Cornice, Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2051019710	03/08/1414	07/11/1442	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3910679143	16/10/1449	16/10/1442	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2-000099122-42	18/02/1442	18/02/1443	General Directorate of Civil Defense	Valid



Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2002104014230	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Al Khobar Holiday Inn Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Holiday Inn Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2051029506	26/03/1425	07/11/1442	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Al Khobar Holiday Inn Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	39111431027	15/08/1438	14/08/1443	Ministry of Municipal and Rural Affairs	Valid
Municipality License	Commercial activity practicing license	Al Khobar Holiday Inn – La Mode Terrace	41123672482	14/01/1442	14/01/1447	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Al Khobar Holiday Inn Hotel	1439021719688	17/02/1439	17/02/1442	General Directorate of Civil Defense	Expired and is under renewal
Chamber of Commerce and Industry Membership Certificate (first class)	In compliance with the Commercial Registration Law	Al Khobar Holiday Inn Hotel	1525	30/09/2018	17/06/2021	Chamber of Commerce – Eastern Province	Valid
Tourism License	Licensing tourist hospitality facilities	Al Khobar Holiday Inn Hotel	8/41000445	04/02/1441	03/02/1444	Ministry of Tourism	Valid
Golden Tulip Suites Hotel – Al Khobar							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Golden Tulip Suites Hotel – Al Khobar- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2051040466	15/07/1430	14/07/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Golden Tulip Suites Hotel – Al Khobar- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	87704005202	-	11/11/1442	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Golden Tulip Suites Hotel	1-00054599-41	11/01/1442	11/01/1443	General Directorate of Civil Defense	Valid
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Golden Tulip Furnished Suites Hotel	5/42003659	16/09/1440	16/09/1443	Ministry of Tourism	Valid



Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Golden Tulip Suites Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002104014165	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Holiday Inn Hotel – Al Khobar Corniche							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Holiday Inn Hotel – Al Khobar Corniche Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2051040595	05/08/1430	04/08/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Abdulmohsen Alhokair Group Company for Tourism and Development – Holiday Inn Al Khobar Branch	39111431025	09/05/1438	08/05/1443	Ministry of Municipal and Rural Affairs	Valid
Municipality License	Commercial activity practicing license	Holiday Inn Al Khobar Branch Abdulmohsen Alhokair Group Company for Tourism and Development - Black Coffee	41123670587	14/01/1442	14/01/1445	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Holiday Inn Al Khobar Corniche	1-000535764-41	23/08/1441	23/08/1442	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing tourist hospitality facilities	Holiday Inn Al Khobar Corniche	6/41003481	23/08/1441	23/08/1444	Ministry of Tourism	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Holiday Inn Al Khobar Corniche-Branch of Abdulmohsen Alhokair Group Company	20002104014160	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Golden Tulip Suites Hotel – Al Khobar							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Golden Tulip Suites – Al Khobar	2051064794	05/01/1436	04/01/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Golden Tulip Suites – Al Khobar	40031810482	-	09/03/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Golden Tulip Furnished Suites – Al Khobar	1-000535764-41	23/08/1441	23/08/1442	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Golden Tulip Furnished Suites – Al Khobar	5/42003659	16/09/1440	16/09/1443	Ministry of Tourism	Valid



Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Golden Tulip Suites Hotel – Al Khobar	20002104014279	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Enab W Teen Restaurant							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Enab W Teen Restaurant	2051221904	02/11/1436	02/11/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Enab W Teen Lebanese Taste Restaurant	41123657463	04/02/1442	04/02/1445	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Enab W Teen Lebanese Taste Restaurant	1-000580117-41	03/02/1442	03/02/1443	General Directorate of Civil Defense	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Enab W Teen Restaurant	20002104014269	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Holiday Inn Resort Half Moon Bay							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Holiday Inn Resort Half Moon Bay	2051230760	06/11/1441	06/11/1446	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Half Moon Bay Resort Company	410634255221	16/07/1441	16/07/1442	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Safety Certificate	The Company complies with the Civil Defense safety requirements	Half Moon Bay Resort Company	14381222233082	22/12/1438	22/12/1439	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Half Moon Bay Resort	4300078	01/08/1439	30/07/1442	Ministry of Tourism	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Holiday Inn Resort - Half Moon Bay	20002101036190	18/06/1442	18/09/1442	Ministry of Human Resources and Social Development	Expired and is under renewal
Hilton Double Tree Hotel							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Hilton Double Tree Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2052002230	03/08/1434	03/08/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Hilton Double Tree Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40021710907	17/04/1435	16/04/1443	Ministry of Municipal and Rural Affairs	Valid

Safety Certificate	The Company complies with the Civil Defense safety requirements	Hilton Double Tree - Dhahran	255693	26/09/1441	26/12/1441	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Hilton Double Tree Hotel	41001263/4	11/07/1440	10/07/1443	Ministry of Tourism	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Hilton Double Tree Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2000210401419 2	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Alhokair Time Cordoba Sparky's - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2052002234	13/08/1434	13/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40042001971	15/04/1440	15/04/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2-000229330-41	18/02/1440	18/02/1443	General Directorate of Civil Defense	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2002104014212	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2053028718	13/08/1434	13/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Abdulmohsen Alhokair Group Company for Tourism and Development	40102474865	24/10/1440	23/10/1442	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Abdulmohsen Alhokair Group Company for Tourism and Development	2-0003451-41	27/02/1442	27/02/1443	General Directorate of Civil Defense	Valid
Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2055019963	03/08/1434	03/08/1445	Ministry of Commerce	Valid



Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2000210401420 2	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Sparky's Al Jubail							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2055021242	26/01/1435	28/01/1445	Ministry of Commerce	Valid
Commercial activity license	Establishing, managing, and operating Games Cities and Amusement Centers	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4174	19/03/1435	17/03/1443	Royal Commission for Jubail	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2000210401425 4	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Fanateer - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2055022124	10/05/1435	06/05/1445	Ministry of Commerce	Valid
Commercial activity license	Establishing, managing, and operating Games Cities and Amusement Centers	Abdulmohsen Alhokair Group Company	3582	08/10/1432	03/05/1441	Royal Commission for Jubail	Expired and is under renewal
Sparky's Lulu – Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2055024282	30/10/1436	21/01/1443	Ministry of Commerce	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Abdulmohsen Alhokair Group Company for Tourism and Development	2-000225283-41	07/02/1441	07/02/1442	General Directorate of Civil Defense	Expired and is under renewal
Park Inn Hotel – Al Jubail							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2055026409	21/04/1436	21/04/1444	Ministry of Commerce	Valid
Commercial License	Operating Park Inn Hotel in Al Jubail	Abdulmohsen Alhokair Group Company for Tourism and Development	5269	14/05/1439	15/08/1443	Royal Commission in Jubail	Valid
Occupancy Certificate	Enabling the Company to move to its facility and occupy it	Abdulmohsen Alhokair Group Company for Tourism and Development	-	05/06/1440	-	Royal Commission in Jubail	Valid



Tourism License	Licensing the operation and classification of tourist accommodation facilities	Hotel of the Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	41003789	27/04/1439	26/04/1442	Saudi Commission for Tourism and National Heritage	Expired and is under renewal
Saudization certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2000210401424 1	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Lulu Snowy – Al Ahsa							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	22510617574	07/07/1436	07/07/1443	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3909456434	18/07/1439	17/07/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	79/2a/b	25/02/1439	25/02/1440	General Directorate of Civil Defense	Expired and is under renewal
Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3350024259	23/07/1431	23/03/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3909280068	16/05/1438	16/05/1443	Ministry of Municipal and Rural Affairs	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company under Nitaqat scheme	Golden Tulip Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2000210401419 6	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Sparky's - Hail							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3350043419	26/06/1436	06/06/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Abdulmohsen Alhokair Group Company for Tourism and Development	40011644402	21/10/1437	21/10/1442	Ministry of Municipal and Rural Affairs	Valid



Safety Certificate	The Company complies with the Civil Defense safety requirements	Safari amusement – Samah Center	1209/33	26/02/1439	25/02/1440	General Directorate of Civil Defense	Expired and is under renewal
Safety Certificate	The Company complies with the Civil Defense safety requirements	Abdulmohsen Alhokair Group Company	14/109	02/09/1438	01/09/1439	General Directorate of Civil Defense	Expired and is under renewal
Mena Hotel - Tabuk							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Mena Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3550122233	16/05/1436	16/05/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Mena Hotel - Tabuk	390810248	03/08/1439	03/08/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Mena Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1-000319517-40	21/12/1440	21/12/1441	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Mena Hotel	41004086	16/05/1440	15/15/1444	Saudi Commission for Tourism and National Heritage	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002104014255	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	3553001103	01/07/1435	29/06/1445	Ministry of Commerce	Valid
Mena Red Sea Palace Hotel							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Mena Red Sea Palace Hotel	4030181477	26/07/1429	01/12/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Mena Red Sea Palace Hotel	39111273489	06/08/1437	05/08/1442	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Safety Certificate	The Company complies with the Civil Defense safety requirements	Mend Red Sea Palace Hotel	1-000538684-41	07/09/1441	07/09/1442	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Mena Red Sea Palace Hotel	3/41000591	26/08/1441	26/08/1444	Saudi Commission for Tourism and National Heritage	Valid



Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Mena Red Sea Palace Hotel	20002102008299	25/06/1442	25/09/1442	Ministry of Human Resources and Social Development	Valid
Red Sea Mall - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4030200693	21/05/1431	21/05/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	39111332198	08/06/1436	07/06/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2-00013433-40	12/03/1440	20/03/1441	General Directorate of Civil Defense	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002102008301	25/06/1442	25/09/1442	Ministry of Human Resources and Social Development	Valid
Alhamra Hotel							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Alhamra Hotel	4030237084	20/01/1434	20/01/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Alhamra Hotel	39111402299	14/08/1435	13/08/1443	Ministry of Municipal and Rural Affairs	Valid
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Alhamra Hotel	3/41000347	06/04/1441	06/04/1444	Saudi Commission for Tourism and National Heritage	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002101036169	18/06/1442	18/09/1442	Ministry of Human Resources and Social Development	Expired and is under renewal
Golden Tulip - Jeddah							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Golden Tulip - Jeddah	4030249135	25/07/1434	25/07/1436	Ministry of Commerce	Valid
Al Salam Holiday Inn Hotel							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Al Salam Holiday Inn Hotel	4030249136	25/07/1434	25/07/1444	Ministry of Commerce	Valid



Municipality License	Shop opening license	Al Salam Holiday Inn	1100053467	26/08/1435	25/08/1438	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Safety Certificate	The Company complies with the Civil Defense safety requirements	Al Salam Holiday Inn Hotel	1-000528185-41	14/09/1441	14/09/1442	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Al Salam Holiday Inn	41000586	06/09/1441	06/09/1444	Saudi Commission for Tourism and National Heritage	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Al Salam Holiday Inn Hotel	20002102008303	25/06/1442	25/09/1442	Ministry of Human Resources and Social Development	Valid
Regency Jeddah							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4030257504	25/12/1434	25/12/1444	Ministry of Commerce	Valid
Holiday Inn Jeddah Gateway							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Holiday Inn Jeddah Gateway	4030274467	08/10/1435	08/10/1445	Ministry of Commerce	Valid
Municipality License	Shop opening license	Holiday Inn Jeddah Gateway	39111445721	05/05/1439	04/05/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Holiday Inn Jeddah Gateway	37273-000032	12/06/1437	29/05/1438	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Holiday Inn Jeddah Gateway	41001125	12/05/1441	12/05/1444	Saudi Commission for Tourism and National Heritage	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Holiday Inn Jeddah gateway	20002101036212	18/06/1442	18/09/1442	Ministry of Human Resources and Social Development	Expired and is under renewal
Radisson Blu Plaza Hotel - Jeddah							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Radisson Blu Plaza Hotel – Jeddah	4030279954	22/07/1436	22/03/1446	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Radisson Blu Plaza Hotel for Celebrations	39111407026	23/09/1436	22/09/1442	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Municipality License	Commercial activity practicing license	Radisson Blu Plaza Hall for Celebrations	41073442516	13/07/1441	13/07/1442	Ministry of Municipal and Rural Affairs	Expired and is under renewal

Municipality License	Commercial activity practicing license	Liwan Restaurant (Radisson Blu Plaza Hotel - Jeddah	39111413264	17/11/1436	16/11/1446	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Radisson Blu Plaza Hall for Celebrations	2-000480962-42	02/05/1442	20/05/1443	General Directorate of Civil Defense	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Radisson Blu Plaza Hotel - Jeddah	2-000477739-42	16/05/1442	16/05/1443	General Directorate of Civil Defense	Valid
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Radisson Blu Plaza Hotel – Jeddah	410002834	30/05/1441	30/05/1444	Saudi Commission for Tourism and National Heritage	Valid
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Radisson Blu Plaza Hotel - Jeddah	2000201101229 6	23/03/1442	27/06/1442	Ministry of Human Resources and Social Development	Expired and is under renewal
Mena Hotel - Jeddah							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Mena Hotel	4030296237	30/11/1438	30/11/1443	Ministry of Commerce	Valid
Radisson Blu Hotel - Cornich							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Radisson Blu Hotel – Cornich	4030296407	21/12/1438	21/12/1443	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Radisson Blu Hotel – Jeddah Cornich	41062972975	02/06/1441	01/06/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Radisson Blu Hotel - Cornich	2-000470628-42	13/06/1442	13/06/1443	General Directorate of Civil Defense	Valid
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Radisson Blu Hotel - Corniche	1/41003770	06/04/1439	06/04/1442	Saudi Commission for Tourism and National Heritage	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Radisson Blu Hotel – Jeddah Cornich	2000210401427 2	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Mall of Arabia - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4030296434	22/12/1438	22/12/1444	Ministry of Commerce	Valid



Municipality License	Shop opening license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	39111402674	11/07/1435	10/07/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1-0002664771-40	20/04/1440	20/04/1441	General Directorate of Civil Defense	Expired and is under renewal
Jeddah Sparky's Al Andalus Mall - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4030303482	28/08/1436	28/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	39111407388	11/02/1436	10/02/1443	Ministry of Municipal and Rural Affairs	Valid
Sparky's Aziz Mall - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4030303483	28/08/1436	28/08/1444	Ministry of Commerce	Valid
Municipality License	Shop opening license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	39111330629	01/03/1436	01/03/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2-000235646-41	01/04/1441	01/04/1442	General Directorate of Civil Defense	Expired and is under renewal
Sparky's Fantasia - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4030303484	28/08/1436	28/08/1444	Ministry of Commerce	Valid
Municipality License	Shop opening license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	39111330629	01/03/1436	01/03/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2-000235646-41	01/04/1441	01/04/1442	General Directorate of Civil Defense	Expired and is under renewal



University Mall Snowy - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4030303485	28/08/1436	28/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40072078877	18/07/1440	18/07/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1-000263638-40	23/06/1440	23/06/1441	General Directorate of Civil Defense	Expired and is under renewal
Sparky's Al Roshan Mall - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4030303486	28/08/1436	28/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	39111328481	08/09/1439	07/09/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1-000263638-40	23/06/1440	23/06/1441	General Directorate of Civil Defense	Expired and is under renewal
Sparky's Haifa Mall - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4030303487	28/08/1436	28/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	49111441555	16/05/1439	15/05/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2-000538495-41	13/01/1442	12/01/1443	General Directorate of Civil Defense	Valid
Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4031059490	24/06/1431	23/06/1443	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Pizzo	3909528526	29/10/1438	28/10/1443	Ministry of Municipal and Rural Affairs	Valid



Tulip Inn Hotel - Taif							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Mena Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4032030089	21/05/1431	21/05/1446	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Mena Plaza – Taif	3911990737	12/07/1437	12/07/1442	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Safety Certificate	The Company complies with the Civil Defense safety requirements	Tulip Inn	2-000072375-40	27/07/1440	27/07/1441	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Tulip Inn - Taif	3/4100901	10/05/1435	09/05/1436	Saudi Commission for Tourism and National Heritage	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Hotel of Abdulmohsen Alhokair Group Company for Tourism and Development	2000210401418 0	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Al Sadad Park – Taif - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4032046198	18/12/1435	01/12/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	La Mode Cafe	41063245476	10/06/1441	10/06/1444	Ministry of Municipal and Rural Affairs	Valid
Municipality License	Commercial activity practicing license	Pizzo	42013679539	07/01/1442	07/01/1445	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	La Mode Café	2-000492789-42	13/06/1442	13/06/1443	General Directorate of Civil Defense	Valid
Sparky's Noor Mall – Al Madinah Al Monawarah							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4650043933	01/02/1430	29/01/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Abdulmohsen Alhokair Group Company for Tourism and Development	40031762791	16/10/1437	15/01/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Abdulmohsen Alhokair Group Company for Tourism and Development	1-00025612791- 40	09/07/1440	07/09/1443	General Directorate of Civil Defense	Valid

Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development (Alnahla)	2000210401417 9	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Al Manar Mall – Al Madinah Al Monawarah							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4650065155	13/08/1434	13/08/1444	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Al Manar Entertainment Hall	40052025263	25/12/1436	24/12/1442	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Al Manar Entertainment Hall	392005	22/05/1439	22/05/1440	General Directorate of Civil Defense	Expired and is under renewal
Sparky's Snowy Al Rashid Mall							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4650065156	13/08/1434	13/08/1444	Ministry of Commerce	Valid
Municipality license	Commercial activity practicing license	Abdulmohsen Alhokair Group Company for Tourism and Development	40021703654	02/12/1429	26/11/1442	Ministry of Municipal and Rural Affairs	Valid
Novotel Suite Hotel – Yanbu'							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Novotel Suite Hotel	4700010581	02/12/1428	01/12/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40102442244	09/09/1437	08/09/1442	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Safety Certificate	The Company complies with the Civil Defense safety requirements	Novotel Suite Hotel	1-000624478-42	01/04/1442	01/04/1443	General Directorate of Civil Defense	Valid
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Suite Novotel	41003319	07/01/1441	07/01/1444	Saudi Commission for Tourism and National Heritage	Valid



Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Novotel Suite Hotel	2000210200799 4	25/06/1442	25/09/1442	Ministry of Human Resources and Social Development	Valid
Yanbu Snowy - Branch of Abdulmohsen Alhokair Company							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	4700012736	10/11/1431	09/11/1442	Ministry of Commerce	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Abdulmohsen Alhokair Group Company for Tourism and Development	5	13/03/1440	13/03/1441	General Directorate of Civil Defense	Expired and is under renewal
Golden Tulip Al Baha Palace Hotel							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	5800010267	06/06/1426	06/06/1443	Ministry of Commerce	Valid
Municipality License	Shop License	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	32/211	25/11/1432	24/11/1438	Ministry of Municipal and Rural Affairs	Expired and is under renewal
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	1217/74	15/05/1439	14/05/1440	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Golden Tulip Al Baha Palace Hotel	41000210	03/01/1431	16/01/1437	Saudi Commission for Tourism and National Heritage	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Hilton Double Tree Hotel - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	2000210401418 2	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Sparky's - Abha							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	5850034581	18/06/1431	18/06/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	40092187877	09/09/1440	08/09/1443	Ministry of Municipal and Rural Affairs	Valid

Safety License	The Company complies with the Civil Defense safety requirements	Abdulmohsen Alhokair Group Company for Tourism and Development	1-000230970-40	03/09/1440	03/09/1443	General Directorate of Civil Defense	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002104014270	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Sparky's and Snowy – Al Rashid Mall – Jizan - Branch of Abdulmohsen Alhokair Group Company							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	900015242	05/02/1432	04/02/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Abdulmohsen Alhokair Group Company for Tourism and Development	40011586645	07/01/1440	07/01/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Branch of Abdulmohsen Alhokair Group Company	6/2/1209	07/01/1440	07/01/1441	General Directorate of Civil Defense	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Branch of Abdulmohsen Alhokair Group Company for Tourism and Development	20002104014265	01/09/1442	12/12/1442	Ministry of Human Resources and Social Development	Valid
Radisson Blu Hotel - Jizan							
Commercial Registration	Registering the Company in the Commercial Companies Registration	Radisson Blu Hotel – Jizan	5900028435	17/06/1435	17/06/1445	Ministry of Commerce	Valid
Municipality License	Commercial activity practicing license	Radisson Blu Hotel – Jizan	390995155	02/07/1438	12/07/1443	Ministry of Municipal and Rural Affairs	Valid
Safety Certificate	The Company complies with the Civil Defense safety requirements	Radisson Blu Hotel – Jizan	1-000537518-41	24/08/1441	24/08/1442	General Directorate of Civil Defense	Expired and is under renewal
Tourism License	Licensing the operation and classification of tourist accommodation facilities	Radisson Blu Hotel – Jizan	41001136	20/08/1441	20/08/1442	Saudi Commission for Tourism and National Heritage	Expired and is under renewal
Saudization Certificate	To point out that the Company is committed to the Saudization percentage required from the Company	Radisson Blu Hotel – Jizan	20002102008324	25/06/1442	25/09/1442	Ministry of Human Resources and Social Development	Valid

Source: The Company

10.8 Subsidiaries

The Company has three (3) subsidiaries, one of them was established in the Kingdom of Saudi Arabia while the other two subsidiaries were established outside the Kingdom. The table below shows the details of the Company subsidiaries:

Table No. (68): Details of the Company's subsidiaries

Name of Subsidiary	Commercial Registration No.	Capital (SAR)	Place of Establishment	Activity	Ownership Percentage
Sparky's Land Entertainment Games (UAE Sparky's	1137280	150,000	United Arab Emirates	Possessing and operating electronic games, children entertainment halls and electric games	99%*
Asateer for Entertainment and Tourism	55972	24,000	Arab Republic of Egypt	Establishing entertainment and amusement park in the city of 6 October, and establishing and operating tourist villages and hotels	99%**
Osool Al Mazaya Hotels Company	1010437372	100,000	Kingdom of Saudi Arabia	Maintenance and cleaning of public, residential and commercial buildings, educational facilities; importing, exporting, and marketing services for third parties; wholesale and retail sale of building materials, electrical devices, and their spare parts.	85%***

Source: The Company

* Sami bin Abdulmohsen bin Abdulaziz Alhokair owns 1% of Sparky's Land Entertainment Games Company, as legal ownership. The Company signed an agreement with Sami stating that his legal share at 1%, is owned for the benefit of the Company. This procedure was taken since the Companies Laws in the United Arab Emirates require that the limited liability companies shall be owned by at least by two partners. Accordingly, it has been agreed with Sami bin Abdulmohsen Alhokair that he shall remain a legal partner at 1% for the benefit of the Company in order for the Company to be able to abide by the laws applicable in this regard. Sparky's Land Games Ltd Company also owns the following companies (Sparky's Digital Company, Sparky's Oceanica Company, Sparky's Ras Al Khaimah Company, Sparky's Land Flash Bowling Company) at 99% in the United Arab Emirates. 1% is owned by Sami bin Abdulmohsen bin Abdulaziz Alhokair for the benefit of the Company.

** Sami bin Abdulmohsen bin Abdulaziz Alhokair has a legal ownership at 1% of Asateer Entertainment and Tourism Company. However, the Company shall have control over the beneficial ownership. The Companies Laws applicable in the Arab Republic of Egypt require that limited liability companies shall be owned by two partners, at least.

*** Abdullah bin Mohammed bin Abdullah Al-Nowaiser owns 15% of Osool Al Mazaya Hotels Company.

10.9 Continuing obligations imposed by the governmental authorities on the Company in its capacity as a licensee

8.9.1 Continuing obligations per the requirements of the Ministry of Commerce

- The Company complies with the Commercial Registration Law in terms of registering in the Commercial Registration Department in the city of Riyadh, where the head office is located. The Company is registered under certificate No. (1010014211), dated 16/8/1398H (corresponding to 22/07/1978G, and will expire on 6/11/1442H (corresponding to 16/6/2021G)
- The Company also complies with the Companies Law in terms of adopting the Company's articles of association in line with the amendments made to the current Companies Law.
- The Company has trademarks registered in the Trademarks Department in the Ministry of Commerce (formerly). (It is worth mentioning that the current governmental authority responsible for registering trademarks is << the Saudi Authority for Intellectual Property >>, based on the Council of Ministers Resolution No. (496) dated 14/09/1439H, corresponding to 29/05/2018G. This will enable the Company to place its name and logo on the external facade of the building or hotels operated by the Company, since it has registered the trademarks and has been granted the required legal protection in accordance with the Trademarks Law.
- In addition, the Company complies with the Commercial Registration Law in terms of obtaining a membership certificate in the Chamber of Commerce and Industry. The Company is registered under No. (101000029753,) dated 29/10/1420H, corresponding to 05/02/2000G and will expire on 06/11/1442H corresponding to 16/06/2021G.

8.9.2 Continuing obligations per the requirements of the General Authority of Zakat and Tax

- As any other company, the Company is obligated to submit its Zakat and tax assessments within (120) one hundred and twenty-one days as of the end of the fiscal year. This is in order to renew Zakat certificate issued by the General Authority of Zakat and Tax. The Company was registered as taxpayer under the distinct taxation identification number (3000458591). The Company submitted its Zakat assessment for the fiscal year which ended on 31/12/2020G and has obtained Zakat certificate from the General Authority of Zakat and Tax, under no. (1110732288), dated 20/09/1442H (corresponding to 02/05/2021G. The certificate is valid until 29/09/1443H, corresponding to 30/04/2022G.
- The Company complies with the Value Added Tax Law and its Implementing Regulations. The Company is registered in the General Authority of Zakat and Tax under tax identification no. (300045859100003), under the certificate issued on 2/12/1438H, corresponding to 25/08/2017G.

8.9.3 Continuing obligations per the requirements of the Ministry of Human Resources and Social Development

- A file has been opened in the Ministry of Human Resources and Social Development (Labor Office) under the unified no. 7018064233.
- As at the date of this prospectus, the Company avails the electronic services provided by the Ministry of Human Resources and Social Development. The Saudization certificate was obtained on 13/03/1441H under the license number (200001911008456) to state that the Company is committed to the Saudization percentage required under Nitaqat scheme. The Company is classified in the medium green Nitaqat range.

8.9.4 Continuing obligations per the requirements of the General Organization for Social Insurance

- The General Organization for Social Insurance (GOSI) issued a certificate number (35537192), dated 14/04/1442H corresponding to 29/11/2020G. The certificate states that the Company is registered under subscription number (502071079) and has fulfilled its obligations towards GOSI, in line with the data it has provided until the date on which the certificate has been issued.

8.9.5 Continuing obligations per the requirements of the Ministry of Municipal and Rural Affairs and Housing

- In addition to what has been stated in this section (Legal Information), the Company and its branches have rented offices, hotels, and shops for which a municipal license must be obtained in order to be operated by the Company.
- In addition to what has been stated in this section (Legal Information), the Company and its branches comply with the requirements of the Ministry of Municipal and Rural Affairs and Housing. It has obtained the licenses necessary for operating the said offices, hotels and shops that are owned or rented by the Company and through which activities are carried out.

8.9.6 Continuous obligations per the requirements of the General Directorate of Civil Defense (Ministry of Interior)

- In addition to what has been stated in this section (Legal Information), the Company complies with the safety standards required by the Civil Defense. The General Directorate of Civil Defense has issued a safety certificate for the Company's branches.

8.9.7 Continuous obligations per the requirements of the Ministry of Tourism

- In addition to what has been stated in this section (Legal Information), the Company has been committed to obtain a license from the Ministry of Tourism (the functions of the General Authority for Tourism and National Heritage was transferred to the Ministry of Tourism established on 1/7/1441H corresponding to 25/2/2020G) to operate and classify tourist accommodation facilities). Accordingly, the license to practice the tourist accommodation facilities activity is provided by the Ministry of Tourism, in accordance with the regulations and instructions.

8.9.8 Continuing obligations per the requirements of the Capital Market Authority

- The Capital Market Authority requests listed companies to comply with the rules on the Offering of Securities, Continuing Obligations, special instructions issued by the Authority and the listing rules, in particular the obligation of periodic disclosure of the material and financial developments and the Board of Directors report. The announcement forms stated in the special instructions for the announcement of companies' financial results shall be complied with. A statement of all reasons and effects of the change in the financial results for the current fiscal year in addition to the comparison period shall be submitted by the Company. The reasons shall include all items of financial results announcements.
- With respect to the Corporate Governance Regulations, the Company has an approved corporate governance regulation that conforms with the Corporate Governance Regulations issued by the Capital Market Authority.

10.10 Material Contracts

8.10.1 Contracts and transactions with the related parties

8.10.1.1 Lease contracts with the related parties

The table below shows lease contracts with related parties as at 31 December 2020G.

Table No. (69): Lease contracts with related parties:

Lessor	Lessee	Real Estate Type	Real Estate Location	Contract Date	Contract Duration	Contract Value (SAR)
Abdalmohsen Alhokair and Sons Holding Company	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of a building and all its annexes, including (a hotel, apartments, showrooms	Al Naseriya District, Riyadh	08/09/1428H	20 Gregorian years, renewable	2,165,000 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Riyadh Andalusia golden tulip hotel)	Olaya, District, Riyadh	11/12/1427H	26 Gregorian years, renewable	20% of total revenues
Sami Abdalmohsen Alhokair	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of (Golden Tulip Hotel – Al Khobar)	Al Khobar Cornice – Al Khobar City	22/12/1428H	25 years, renewable	20% of total revenues
Abdalmohsen Alhokair and Sons Holding Company	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of a building including commercial show rooms	Olaya Street, Riyadh	01/04/2007G	21 years, renewable	1,600,000 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Holiday Inn Hotel – Al Khobar	Al Khobar	11/12/1427H	26 years, renewable	20% of total revenues
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Tulip Inn Hotel building - Taif	Shabra District - Taif	16/04/2007	20 years, renewable	400,000 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Red Sea Hotel	Jeddah	01/01/2007G	26 years, renewable	20% of total revenues
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Suite Novotel Hotel, Olaya	Olaya Street, Riyadh	08/07/1430H	20 years, renewable	1,150,000 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of personnel accommodation (Radisson Blu)	Jizan	26/02/1437H	16 years	600,000 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of personnel accommodation	Riyadh	24/06/1439H	5 years	800,000 Saudi Riyals annually
Sami Alhokair Establishment	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Holiday Inn Hotel – Cornice personnel accommodation	Al Khobar	01/04/2020G	5 years renewed automatically	65,790 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Radisson Blu Hotel – Jeddah Cornice	Jeddah	17/03/1439H	20 years	20% of total revenues



Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Yanbu' Novotel Hotel	Yanbu	07/02/1433H	21 years	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Alhamra Hotel	Jeddah	14/11/1433H	20 years	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Golden Tulip Hotel	Al Jubail	18/05/1434H	25 years	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Radisson Blu Plaza Hotel, al Salhia	Jeddah	07/12/1435H	20 years	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Radisson Blu Hotel	Jizan	01/06/1435H	16.5 years	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Regency Hotel	Jeddah	01/01/2008G	25 ears	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Holiday Inn Hotel – Al Salam	Jeddah	22/02/1429H	24 years	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Holiday Inn Hotel – Jeddah Gateway	Jeddah	01/01/2012G	20 years	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Hotel building behind Holiday Inn – Jeddah Gateway	Jeddah	23/10/2017G	20 years	15% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Hilton Double Tree Hotel – Al Morouj	Riyadh	12/10/1430H	20 years	20% of total revenues
Riyadh Plastic Factory Company	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Al Baraka Warehouse	Riyadh	19/02/1434H	10 years	200,000 Saudi Riyals annually
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Sahara Mall	Al Khobar	04/01/1430H	20 years	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Hilton Double Tree Hotel - Dhahran	Al Khobar	08/04/1434H	20 years	20% of total revenues
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Alandalusia furnished suites – Park Inn	Dammam	01/01/2007G	26 years	20% of total revenues
Tanami Arabia Company Ltd.	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Real Estate Complex (Novotel Hotel)	Dammam	01/06/2011G	20 years	20% of total revenues
Tanami Arabia Company Ltd.	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of administrative office – Novotel Business Center	Dammam	25/10/2014G	One Gregorian year, renewable	57,500 Saudi Riyals annually
Abdulmohsen Abdulaziz Alhokair Holding Group	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Holiday Inn - Cornice	Khobar	14/12/20007G	16 years	20% of total revenues



Tabuk Company for Entertainment and Commercial Projects	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Tabuk Commercial Center	Tabuk	01/01/2007G	12 years	2,500,000 Saudi Riyals annually
Majed Abdalmohsen Alhokair and Heirs of Khalid Alhokair	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of land	Riyadh	37/3/2014G	10 years	The lessee is obliged to develop commercial warehouses the ownership of which shall be transferred to the lessor after expiry of the contract
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of recreational games sales center	Riyadh	01/01/2007G	26 years	50,000 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of personnel housing	North Al Khobar	01/04/2020G	10 years	100,000 Saudi Riyals annually
Musaed Abdalmohsen Alhokair	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Hilton Double Tree Hotel Personnel accommodation building – Khobar)	Al Khobar	08/12/2020G	5 years	585,000 Saudi Riyals annually
Musaed Abdalmohsen Alhokair	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Hilton Hotel Personnel accommodation– Dhahran)	Dhahran	08/12/2020G	5 years	585,000 Saudi Riyals annually
Musaed Abdalmohsen Alhokair	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of a building (1)	Riyadh	08/12/2020G	5 years	450,000 Saudi Riyals annually
Musaed Abdalmohsen Alhokair	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of a building (2)	Riyadh	08/12/2020G	5 years	450,000 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of Female workers Accommodation	Riyadh	01/01/2020G	5 years	200,000 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of property (offices)	Riyadh	07/04/2020G	10years	1,500,000 Saudi Riyals annually
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Lease of skeletal developed building	Jizan	01/01/2019G	13 years	1,200,0000 Saudi Riyals
Abdalmohsen Abdulaziz Alhokair Holding Group	Abdalmohsen Alhokair Group Company for Tourism and Development	Rabwa Entertainment Contract	Riyadh	01/08/2015G	5 years	4,500,000 Saudi Riyals

Source: The Company

8.10.1.2 Material contracts with related parties

The table below shows the material contracts with related parties as at 31 December 2020G

Table No. (70): Material contracts with related parties

Contract Parties	Purpose of Contract	Date of Contract	Term of Contract	Contract Value (SAR)
Abdulgohsen Alhokair Group for Tourism and Development and Abdulgohsen Abdulaziz Alhokair Holding Group	Operation and management agreement	29/07/2015G	5 years renewed automatically	4.5 million as return on investment
Al Naqaha Company and Abdulgohsen Alhokair Group Company for Tourism and Development	Contract for lease, management, and operation of health clubs	31/12/2010G	unlimited	18% of the monthly revenues value for each health club (save as 10% of Novotel Damman total revenues)
Majid Abdulgohsen Alhokair Printshop And Abdulgohsen Alhokair Group Company for Tourism and Development	Contract for the supply of design and printing works	08/12/2015G	5 years renewed automatically	Per purchase orders between the two parties
Alhokair Company for the Manufacture of Entertainment Games and Abdulgohsen Alhokair Group Company for Tourism and Development	Maintenance agreement	01/01/2013G	5 years renewed automatically	Per the assessment of maintenance works and spare parts for the games (to be agreed upon after submission of quotation)
Alhokair Company for the Manufacture of Entertainment Games and Abdulgohsen Alhokair Group Company for Tourism and Development	Games supply contract	13/07/2014G	3 years renewed automatically	Per the purchase orders between the parties
Abdulgohsen Alhokair High Institute for Hospitality and Abdulgohsen Alhokair Group Company for Tourism and Development	Personnel training agreement	16/04/2012G	One year renewed automatically	2,000 Saudi Riyals per trainee
Abdulgohsen Abdulaziz Fahad Holding Group and Abdulgohsen Alhokair Group Company for Tourism and Development	Contract for the management and operation of Mena Plaza Hotel	04/10/2017G	10 years	25% of the total revenues against basic management fees; 6% of total annual operation profits against incentivizing management fees and 2% of rooms revenues against marketing and advertising management fees
Abdulgohsen Abdulaziz Fahad Holding Group and Abdulgohsen Alhokair Group Company for Tourism and Development	Contract for the management and operation of Mena Hotel Apartments	04/10/2017G	10 years	25% of the total revenues against basic management fees; 6% of total annual operation profits against incentivizing management fees and 2% of rooms revenues against marketing and advertising management fees



Abdulmohsen Alhokair Group Company for Tourism and Development And Riyadh Plastic Factory Company	Materials supply contract	01/01/2010G	5 years renewed automatically	Per purchase orders between the parties
Abdulmohsen Abdulaziz Alhokair Holding Group and Abdulmohsen Alhokair Group Company for Tourism and Development	Contract for maintenance, operations, and cleaning services	01/11/2013G	One year renewed automatically	Monthly payments against the said services in addition to a profit margin at 10%

Source: The Company

8.10.2 Other material contracts

Within the ordinary course of its business, the Company concluded a number of contracts and agreements. The table below shows the details of material contracts and agreements concluded by the Company.

Table No. (71): Other material contracts

Contract Parties	Purpose of the Contract	Contract Date	Contract Term	Contract Value (SAR)
Oyoo Oraval Company And Al Andalusia Hotel	Agreement for the provision of marketing and operational consultations	16/06/1440H	One year renewed automatically	Paid under monthly invoices
Golden Tulip Middle East And Alhokair Group Establishment	Franchise agreement	21/06/2007G	3 years renewed automatically	Entry fees 15,000 USD Franchise fees First year: USD 20,000 Second year 22,5000 USD Third year and thereafter 25,000 USD The annual increase percentage agreed upon the by the parties shall be observed
Middle East Holiday Inn Ltd and Abdulmohsen Alhokair Group Company for Tourism and Development	Franchise agreement	29/03/2007G	20 years	Per the percentage agreed upon between the parties from the returns value or 50,000 whichever is higher And 35,000 Euros before opening and 50,000 USD as guarantee and The percentage agreed upon by the parties from the returns of other contributions
Golden Tulip Middle East and Abdulmohsen Alhokair Group Company for Tourism and Development	Franchise agreement	28/08/2018G	5 years renewed automatically	Entry fees: 20,000 USD and 28,000 USD annually as a franchise value Total fees are 49,550 USD
Saudi French Company for Hotel Management and Abdulmohsen Alhokair Group Company for Tourism and Development	Franchise agreement	21/10/2012G	10 years renewed automatically	Entry fees of 40,000 USD And the percentage agreed upon by the parties from the value of returns



G T Investment P V and Abdulmohsen Alhokair Group Company for Tourism and Development	Franchise agreement	01/01/2010G	5 years renewed automatically	Entry fees: 28.000 USD; franchise fees: 28.000 USD. The annual increase of 5% shall be observed 7.5% for the reservations linking system 10% to be paid for reservations made by phone 6% paid for reservations made via the internet
Golden Tulip Middle East and Alhokair Group Establishment	Franchise agreement	28/08/2018G	3 years renewed automatically	Entry fees: 150,000 USD Privilege Fees First year 20,000 USD Second Year 22,500 USD Third year and thereafter 25,000 USD The annual increase of 5% shall be observed
Holiday Inn Middle East Ltd and Abdulmohsen Alhokair Group Company for Tourism and Development	Franchise agreement	11/06/2009G	24 years	For the first five years: against the percentages agreed upon from rooms revenues and For the sixth year and thereafter: against the percentages agreed upon from room revenues or 50,000 USD
Rezidor Hotels Company - Denmark and Abdulmohsen Alhokair Group Company for Tourism and Development	Partnership agreement to develop Park Inn and Radisson Blu Hotels	15/11/2013G	15 years	Per the percentages agreed upon in addition to management fees
Holiday Inn Middle East Ltd and Abdulmohsen Alhokair Group Company for Tourism and Development	Franchise agreement	07/05/2009G	22 years	Paid under monthly invoices
Coral International and Alhokair Group Establishment	Management agreement	21/05/2013	20 years	Per the profit value percentages agreed upon by the parties
Golden Tulip Middle East And Alhokair Group Establishment	Franchise agreement	19/11/2018G	3 years	40,035 USD and 8,000 USD annually against training and 910 USD annually
Rezidor Hotels Company - Denmark and Abdulmohsen Alhokair Group Company for Tourism and Development	Agreement for international management of Park Inn Hotel - Jubail	06/05/2015G	15 years from the opening date	Per the percentages agreed upon by the parties from total returns value and operation returns
Holiday Inn Middle East Ltd and Abdulmohsen Alhokair Group Company for Tourism and Development	Franchise agreement	11/06/2009G	19 years	Total contract value is 450,021 USD



Saudi French Hotels Company and Abdulmohsen Alhokair Group Company for Tourism and Development	Franchise agreement	31/10/2013G Renewed automatically	10 years	Total contract value is 90,000 USD and Per the percentages agreed upon by the parties from the value of returns
Holiday Inn Middle East Ltd and Abdulmohsen Alhokair Group Company for Tourism and Development	Franchise agreement	30/09/2009G	26 years	Total contract value is 2,264.564
Abdulmohsen Alhokair Group Company for Tourism and Development and Iwan Al Shammal Trading and Contracting Company	Franchise contract for the trademark Snowy	26/01/202G	5 years	SAR 200,000 in addition to a percentage agreed upon from the returns
Rezidor Hotels Company - Denmark and Abdulmohsen Alhokair and Sons Holding Company and Abdulmohsen Alhokair Group Company for Tourism and Development	Agreement for international management of Radisson Blu - Jizan	15/09/2013G	15 years from the opening date	Per the percentages agreed upon by the two parties from total returns and total operation returns
Abdulmohsen Alhokair Group Company for Tourism and Development and Abdulmohsen Abdulaziz Fahad Alhokair and Hilton Worldwide	Agreement to manage Hilton Garden Inn – Al Morouj	29/03/2009G	20 years	Per the percentages agreed upon by the two parties from total returns and total operation returns
Rezidor Hotels Company - Denmark and Abdulmohsen Alhokair and Sons Holding Company and Abdulmohsen Alhokair Group Company for Tourism and Development	Agreement for International management of Radisson Blu - Jeddah	15/09/2013G	15 years from the opening date	Per the percentages agreed upon by the two parties from total returns and total operation returns

Source: The Company

8.10.3 Contracts and transactions related to real estate assets

8.10.3.1 Real estates owned by the Company

The Company has no real estates or lands registered in its name as an owner

8.10.3.2 Real Estate Lease Contracts

Table No. (72): Real Estate Lease Contracts

Lessor	Lessee	Type of Real Estate	Real Estate Location	Contract Date	Contract Term	Contract Value
Royal Commission for Jubail and Yanbu' "Royal Commission in Jubail"	Abdulmohsen Alhokair Group Company for Tourism and Development	Land plots no (2,3) square (1)	Mahalat Al Ola – Jalamouda District – Jubail Industrial City	04/04/1437H	20 hijra years	638,455,50 annually
Al Aila Trading Services Company	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of two land plots (1702, 1703) within approved layout no. 11/c/s	Jeddah old airport – King Abdullah Street - Jeddah	17/06/1435H	15 years	For the first five years of the contract duration, the lease annual amount shall be 1,200,000 Saudi Riyals; for the second five years of the contract, the lease amount shall be 1,400,000 Saudi Riyals; for the third five years of the contract, the lease amount shall be 1,600,000 Saudi Riyals
Rahati Al Shamaliya Establishment for real estate services	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of building 5, 6	Mesherfah District - Jeddah	23/05/1439H	5 years, renewable	1,000,000 Saudi Riyals
Multi-Purpose Cooperative Society	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of a building	Hail – Madinah Highway - Hail	01/02/1429H	20 years, renewable	800,000 Saudi Riyals annually
HRH prince Turki bin Migren bin Abdulaziz Al Saud	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of a hotel and all of its contents in addition to the front ear in full	Prince Turki bin Abdulaziz Street – Al Khobar	04/12/1428H	15 years, renewable	The lease amount against every year of the first ten years of the contract is 2,300,000 Saudi Riyals; the lease amount for the remaining five years of the contract is 3,000,000 Saudi Riyals per year

HRH prince/ Mohammed bin Saud bin Abdulaziz Al Saud	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of the green city	Riyadh	19/01/1428H	20 years	2,165,000 Saudi Riyals annually
HRH prince Turki bin Migren bin Abdulaziz Al Saud	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Holiday Inn	Al Khobar	04/12/1428H	16 years	2,300,000 Saudi Riyals annually for the first ten years And 3,000,000 Saudi Riyals annually until the end of the contract
Migren Abdulaziz al Migren	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Hilton Garden Hotel - Olaya	Riyadh	13/03/1428H	21 years	1,650,000 Saudi Riyals annually
HRH princess Nouf bint Abdulaziz Al Saud	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Novotel Sweets Hotel	Riyadh	14/01/1430H	2 years	1,150,000 Saudi Riyals annually for the first fifteen years and 1,500,000 annually as of the sixteenth (16) year
Abdullah bn Salim bin Khalban Al Khalban Al Qahtani	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease of Hotel building - Tabuk	Tabuk	04/04/2016G	15 years	SAR 1,200,000 for the first five years and SAR 1,450,000 for the next five years and SAR 1,600,000 for the last five years
Arabian Development and Investment Company	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease contract for Holiday Inn Palace Hotel	Riyadh	26/01/2020G	15 hijra years commencing 01/01/1443h	Total contract value is SAR 106,666,665
Abdullah Sulaiman Abdulmohsen Al Askar	Abdulmohsen Alhokair Group Company for Tourism and Development	Lease contract for Golden Tulip Sea Tower	Al Khobar	17/09/2015	15 hijra years	SAR 2,500,000 for the first five years and Increase of the percentage agreed upon between the parties in the years thereafter

Source: The Company

8.10.4 Credit Facilities and Loans

Within the ordinary course of its business, the Company concluded a number of finance and credit facilities agreements with some local banks. The table below shows the details of loans and credit facilities obtained by the Company:

Table No. (73): Details of credit facilities and loans

Bank Name	Type of Finance	Finance amount	Validity period	Guarantee provided by the Company	Remarks
Gulf International Bank – KSA	Murabaha Commodities Purchase Financing Agreement	191,000,000	13/11/2019G until, and is valid as long as there is a cooperation with the Gulf International Bank - KSA	Order Note in the amount of SAR 213,000,000	valid
Al Rajhi Bank	Credit facilities agreement	199,000,000	15/03/2020G to 30/11/2020G	-	Expired and is under renewal
Bank Al Jazira	Facilities agreement letter	100,000,000	07/05/2018G and is valid as long as there is a cooperation with Al Jazira Bank	Order Note in the amount of SAR 110,000,000	valid
Arab Bank	Shariah compliant credit facilities	15,625,000	06/11/2018G to 31/07/2021G	Order Note in the amount of SAR 15,625,000	valid
Saudi Investment Bank	Islamic guidelines compliant credit facilities	142,700,000	29/08/2019G to 30/06/2020G	Hotels insurance policy (Al Jubail Park Inn) against all risks covering 110% of the amount of SAR 41,700,000 provided the bank shall appear as the first beneficiary of its returns – Order note in the amount of SAR 142,700,000	Expired is under renewal
Al Bilad Bank	Credit facilities	28,679,000	19/02/2020G to 27/01/2021G	Order Note in the amount of SAR 29,632,000	Expired and is under renewal
Saudi British Bank	Credit facilities letter	89,624,486	03/09/2020G to 31/07/2021G	Order note in the amount of SAR 89,624,486	valid

Source: The Company



10.11 Lawsuits and Claims

As at the date of this prospectus, there are lawsuits filed by the Company, of a total value equal to three million, eighty thousand and seven hundred and twenty (3,080,720) Saudi Riyals, or filed against the Company by other parties, of total value of one million, eight hundred and eighty-four thousand and two hundred and twenty-one (1,884,221) Saudi Riyals approximately. The table below shows the details of the claims and lawsuits filed by and against the Company:

Table No. (74): Details of the lawsuits and claims filed by or against the Company

Date of Lawsuit	Lawsuit Location No.	Plaintiff	Defendant	Subject of Lawsuit	Status of Lawsuit
26/02/1431H	44590210 (General Court in Jeddah)	Abdulmohsen Alhokair Group for Tourism and Development.	Ahmad Saleh Al Kaaki (Al Kaaki Golden Tulip Hotel)	Lease amount	ongoing
16/09/1439H	391042658 (General Court in Riyadh)	Sulaiman Al Nomair	Abdulmohsen Alhokair Group for Tourism and Development.	Lease request in the amount of SAR 320,000	An appealable verdict that the amount is not due was issued in the session dated 22/05/1442H
16/03/1441H	411146236 (General Court in Jubail)	Abdulmohsen Alhokair Group for Tourism and Development.	Technical Contracting Company	Lease request in the amount of SAR 206,037	ongoing
27/01/1442H	42104382 (General Court in Taif)	Mohammed Mustafa Adam	Abdulmohsen Alhokair Group for Tourism and Development.	Labor Suitcase in the amount of SAR 104,515	The court obligated the defendant to pay an amount of 104,515 Saudi Riyals and the lawsuit was referred to the Court of Appeal to review the verdict
14/04/1441H	411228435 (General Court in Tabuk)	Abdulmohsen Alhokair Group for Tourism and Development	Munirah Al Balawi	Lease request in the amount of SAR 290,400	ongoing
18/05/1441H	411240757 (General Court in Riyadh)	Saudi Solidaire Company	Abdulmohsen Alhokair Group for Tourism and Development	Lease request	ongoing



12/03/1442H	421135805 (Labor Court in Riyadh)	Fawzia Masoud Al Seraiei	Abdalmohsen Alhokair Group for Tourism and Development	Labor suitcase	ongoing
14/10/1440H	401014200395253 (Implementation Court in Riyadh)	Abdalmohsen Alhokair Group for Tourism and Development	Khalid bin Abdulrahman bin Hmoud	Request to enforce payment of cheque No. (00000039) in the amount of 7,000 Saudi Riyals)	ongoing
14/10/1440H	401014200396413 (Implementation Court in Riyadh)	Abdalmohsen Alhokair Group for Tourism and Development	Khalid bin Abdulrahman bin Hmoud	Request to enforce payment of cheque No. (00000040) in the amount of 13,000 Saudi Riyals)	ongoing
14/10/1440H	401014200396287 (Implementation Court in Riyadh)	Abdalmohsen Alhokair Group for Tourism and Development	Khalid bin Abdulrahman bin Hmoud	Request to enforce payment of cheque No. (00000041) in the amount of 7,000 Saudi Riyals	ongoing
14/10/1440H	401014200395939 (Implementation Court in Riyadh)	Abdalmohsen Alhokair Group for Tourism and Development	Khalid bin Abdulrahman bin Hmoud	Request to enforce payment of cheque No. (00000042) in the amount of 13,000 Saudi Riyals	ongoing
14/10/1440H	401014200412107 (Implementation Court in Riyadh)	Abdalmohsen Alhokair Group for Tourism and Development	Khalid bin Abdulrahman bin Hmoud	Request to enforce payment of cheque No. (00000043) in the amount of 7,000 Saudi Riyals)	Valid



14/10/1440H	401014200412130 (Implementation Court in Riyadh)	Abdalmohsen Alhokair Group for Tourism and Development	Khalid bin Abdulrahman bin Hmoud	Request to enforce payment of cheque No. (00000044) in the amount of 13,000 Saudi Riyals)	Ongoing
14/10/1440H	401014200396216 (Implementation Court in Riyadh)	Abdalmohsen Alhokair Group for Tourism and Development	Khalid bin Abdulrahman bin Hmoud	Request to enforce payment of cheque No. (00000045) in the amount of 7,000 Saudi Riyals)	ongoing
14/10/1440H	401014200396158 (Implementation Court in Riyadh)	Abdalmohsen Alhokair Group for Tourism and Development	Khalid bin Abdulrahman bin Hmoud	Request to enforce payment of cheque No. (00000046) in the amount of 16,000 Saudi Riyals)	ongoing
14/10/1440H	401014200415168 (Implementation Court in Riyadh)	Abdalmohsen Alhokair Group for Tourism and Development	Ali Abdullah Ghanem	Request to enforce payment of an order note in the amount of 100,000 Saudi Riyals	ongoing
16/12/1442H	421300458 (General Court in Al Madinah Al Monwarah)	Bandar al Rubaian	Abdalmohsen Alhokair Group for Tourism and Development	Non-traffic injury Un-estimated	ongoing

Source: The Company



10.12 Trademarks

The Company has registered trademarks inside and outside the Kingdom of Saudi Arabia. The registration of these trademarks provides the Company with the necessary legal protection for its trademarks in accordance with the trademark laws in the countries where such trademarks were registered. The table below shows the main details of trademarks registered inside and outside the Kingdom of Saudi Arabia.

Table No. (75): The Company registered trademarks

Name of Trademark	Class of Trademark	Registration Country	The Owner Company	Registration No.	Registration Date	Start of Protection Date	End of Protection Date
La Mode	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	80/1383	20/12/1433H	07/04/1433H	06/04/1443H
Sparky's	28	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	64/1409	08/05/1434H	13/09/1433H	12/09/1443H
Sparky's	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	15/1380	08/11/1433H	20/02/1433H	19/02/1443H
Shabab w Farhah	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	81/1383	20/12/1433H	29/02/1433H	28/02/1443H



Umniah	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	89/1421	12/06/1434H	12/10/1434H	11/02/1444H
Train Lake	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	141600879	28/02/1417h	24/04/1436H	23/04/1446H
Juju Toys	28	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	90/1421	12/06/1434H	12/01/1434H	11/01/1444H
Digital Land	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142506403	26/06/1426H	24/10/1435H	23/10/1445H
Sharqawi	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142602109	27/10/1427H	28/03/1436H	27/03/1446H



Extreme	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1438000094	16/03/1438H	02/01/1438H	01/01/1448H
Al Andalusia	36	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	141101779	17/08/1411H	28/01/1441H	27/01/1451H
AL Andalusia	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1441101778	17/08/1441H	28/01/1441H	27/01/1451H
Alhokair Time	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1438001550	10/04/1438H	22/01/1438H	21/01/1448H
Riyadh Plaza	36	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	141302010	26/10/1413H	25/04/1433H	24/04/1443H



Al Sindbad	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	141101777	17/08/1411H	28/01/1441H	27/01/1451H
Abdulmohsen Alhokair Group Company for Tourism and Development	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142903654	19/03/1430H	08/04/1439H	07/04/1449H
Al Mashreq	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1439010273	19/07/1439H	06/05/1439H	05/05/1449H
Al Maalam	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1437013904	07/10/1437H	19/06/1437H	10/10/1447H
Angus Wings	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142709633	18/07/1432H	24/07/1442H	23/07/1452H



Prize Mine	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1440023629	28/11/1440H	16/09/1440H	15/09/1450H
Testahel	38	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1437021159	20/12/1437H	20/12/1437H	15/09/1447H
Testahel	45	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1437021160	20/12/1437H	20/12/1437H	15/09/1447H
A star-shaped caricature of a smiling child	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	143208266	17/06/1434H	09/08/1442H	08/08/1452H
Sparta	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1437015453	19/10/1437H	06/07/1437H	05/07/1447H



Serve and fries	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1441018678	12/10/1441H	03/07/1441H	02/07/1451H
Snowy Forest	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1435001117	03/05/1435H	18/01/1435H	17/01/1445H
Gyro Gearloose	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142200405	24/10/1422H	16/01/1442H	15/01/1452H
Ataa	45	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	14206776	19/03/1430H	18/06/1439H	17/06/1449H
Fun Town	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	141703916	06/08/1418H	16/11/1437H	16/11/1447H



Vortex	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	143010089	08/08/1431H	19/12/1440H	18/12/1450H
Carnaval of Winder	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1441013298	05/08/1441H	04/05/1441H	03/05/1451H
Carnaval of Winder	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1441013303	05/08/1441H	04/05/1441H	03/05/1451H
La Boucherie	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142800126	01/01/1428H	01/01/1428H	29/12/1447H
Marina	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142106203	24/04/1422H	10/09/1441H	09/09/1451H



Forest Restaurant	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142102928	10/11/1421H	07/05/1441H	06/05/1451H
King of Sweets	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142701312	19/05/1428H	12/02/1437H	11/12/1447H
Mena Grand	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	143107549	18/07/1432H	24/07/1441H	23/07/1451H
Mena Sweets	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	143107548	18/07/1432H	24/07/1441H	23/07/1451H
Mena resorts and hotels	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142908890	29/11/1430H	05/08/1439H	04/08/1449H



Nacho Hot	43	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	1437010243	-	-	05/05/1447H
Ya Hala	45	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142906777	19/03/1430H	18/06/1439H	17/06/1449H
Olaya House	42	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	141600115	18/07/1416H	29/01/1436H	28/01/1446H
Fun Studio	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	142703542	19/05/1428H	18/04/1437H	17/04/1447H
Aladdin Kingdom	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	141600735	30/03/1417H	28/05/1436H	27/05/1446H



Happy Land	41	Kingdom of Saudi Arabia	Abdulmohsen Alhokair Group Company for Tourism and Development	141600880	28//02/1417H	24/04/1436H	23/04/1446H
Snowy Forest	41	Sultanate of Oman	Abdulmohsen Alhokair Group Company for Tourism and Development	114773	27/11/2017G	10/04/2018G	27/11/2027G
Snowy Forest	41	Jordan	Abdulmohsen Alhokair Group Company for Tourism and Development	156647	26/11/2017G	26/11/2017G	26/11/2027G
Snowy Forest	41	United Arab Emirates	Abdulmohsen Alhokair Group Company for Tourism and Development	283624	29/11/2017G	21/06/2018G	29/11/2027G
Snowy Forest	41	Algeria	Abdulmohsen Alhokair Group Company for Tourism and Development	104892	29/05/2019G	27/11/2017G	27/11/2027G



Snowy Forest	41	Sudan	Abdulmohsen Alhokair Group Company for Tourism and Development	58843	27/11/2019G	27/11/2017G	27/11/2027G
Snowy Forest	41	Kuwait	Abdulmohsen Alhokair Group Company for Tourism and Development	195805	23/11/2017G	23/11/2017G	23/11/2027G
Snowy Forest	41	Yemen	Abdulmohsen Alhokair Group Company for Tourism and Development	82448	27/11/2017G	27/11/2017G	27/11/2027G
Snowy Forest	41	Tunisia	Abdulmohsen Alhokair Group Company for Tourism and Development	TN/E/2017/00824	24/11/2017G	13/02/2019G	24/11/2027G
Snowy Forest	41	Syria	Abdulmohsen Alhokair Group Company for Tourism and Development	141704	09/10/2018G	27/12/2017G	27/12/2027G



Snowy Forest	41	Malaysia	Abdulmohsen Alhokair Group Company for Tourism and Development	1911429	11/12/2017G	11/12/2017	11/12/2027G
Snowy Forest	41	Egypt	Abdulmohsen Alhokair Group Company for Tourism and Development	361551	06/12/2017G	04/12/2019G	04/12/2029G
Snowy Forest	41	Kingdom of Bahrain	Abdulmohsen Alhokair Group Company for Tourism and Development	121099	26/11/2017G	15/08/2018G	26/11/2027G
Snowy Forest	41	Lebanon	Abdulmohsen Alhokair Group Company for Tourism and Development	79006	28/11/2017G	07/12/2017G	07/12/2032G
Snowy Forest	41	Turkey	Abdulmohsen Alhokair Group Company for Tourism and Development	1074532017	16/04/2018G	27/11/2017G	27/11/2027G



Alhokair Time	41	Yemen	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	80929	13/08/2017G	08/04/2018G	13/08/2027G
Alhokair Time	41	Syria	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	140248	30/08/2017G	26/07/2018G	29/08/2027G
Alhokair Time	41	Qatar	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	116580	14/08/2017G	09/07/2018G	13/08/2027G
Alhokair Time	41	Jordan	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	155042	14/08/2017G	14/08/2017G	14/08/2027G
Alhokair Time	41	Algeria	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	102455	13/08/2017G	18/07/2018G	13/08/2027G



Alhokair Time	41	Kuwait	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	160304	17/08/2017G	17//08/2017G	17/08/2027G
Alhokair Time	41	Tunisia	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	TEN/E/2017/0 0550	15/08/2017G	17/10/2018G	15/08/2027G
Alhokair Time	41	Lebanon	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	181296	31/08/2017G	31/08/2017G	30/08/2032G
Alhokair Time	41	Kingdo m of Bahrain	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	120137	14/08/2017G	14/08/2017G	14/08/2027G
Alhokair Time	41	Morocco	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	187203	28/08/2017G	28/08/2017G	30/08/2027G



Alhokair Time	41	Sultanate of Oman	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	112218	15/08/2017G	19/12/2017G	15/08/2027G
Juju Toys	28	United Arab Emirates	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	242475	15/10/2015G	14/11/2016G	15/10/2025G
Juju Toys	28	Egypt	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	0324823	26/10/2015G	27/03/2017G	27/03/2027G
Sparky's	41	Bahrain	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	95207	25/12/2012G	25/12/2012G	25/12/2022G
Sparky's	41	Sudan	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	47222	1912/2012G	19/12/2012G	19/12/2022G



Sparky's	41	Algeria	Abdulmohsen Alhokair Group Company for Tourism and Development	84586	25/12/2012G	25/12/2012G	25/12/2022G
Sparky's	41	Jordan	Abdulmohsen Alhokair Group Company for Tourism and Development	127216	18/12/2012G	18/12/2012G	18/12/2022G
Sparky's	41	Kuwait	Abdulmohsen Alhokair Group Company for Tourism and Development	120746	20/12/2012G	20/12/2012G	19/12/2022G
Sparky's	41	Morocco	Abdulmohsen Alhokair Group Company for Tourism and Development	148924	26/12/2012G	26/12/2012G	26/12/2022G
Sparky's	41	Syria	Abdulmohsen Alhokair Group Company for Tourism and Development	127485	19/11/2012G	20/02/2014G	18/12/2022G



Sparky's	41	Qatar	Abdulmohsen Alhokair Group Company for Tourism and Development	78612	26/12/2012G	18/01/2015G	26/12/2022G
Sparky's	41	Lebanon	Abdulmohsen Alhokair Group Company for Tourism and Development	147277	28/12/2012G	28/12/2012G	27/12/2027G
Sparky's	41	Tunisia	Abdulmohsen Alhokair Group Company for Tourism and Development	TN/E/2012/02186	18/12/2012G	01/11/2013G	18/12/2023G
Sparky's	41	Sultanate of Oman	Abdulmohsen Alhokair Group Company for Tourism and Development	78042	24/12/2012G	03/11/2013G	03/11/2023G
Sparky's	41	Yemen	Abdulmohsen Alhokair Group Company for Tourism and Development	60861	18/12/2012G	18/12/2012G	18/04/2022G



Sparky's	41	India	Abdulmohsen Alhokair Group Company for Tourism and Development	3124082	11/12/2015G	11/12/2015G	11/12/2025G
Mena Resorts and Hotels	43	Jordan	Abdulmohsen Alhokair Group Company for Tourism and Development	123291	03/04/2012G	03/04/2012G	03/04/2022G
Mena Hotels & Resorts	43	Jordan	Abdulmohsen Alhokair Group Company for Tourism and Development	123292	03/04/2012G	03/04/2012G	03/04/2022G
Mena Hotels and Resorts	43	Sudan	Abdulmohsen Alhokair Group Company for Tourism and Development	46186	04/04/2012G	04/04/2012G	04/04/2022G
Mena Hotels and Resorts	43	Kuwait	Abdulmohsen Alhokair Group Company for Tourism and Development	120729	12/04/2012G	12/04/2012G	11/04/2022G



Mena Hotels and Resorts	43	Sultanate of Oman	Abdulmohsen Alhokair Group Company for Tourism and Development	73759	08/04/2012G	06/02/2013G	08/04/2022G
Mena Hotels and Resorts	43	Qatar	Abdulmohsen Alhokair Group Company for Tourism and Development	74173	16/04/2012G	06/08/2015G	16/04/2032G
Mena Hotels and Resorts	43	Algeria	Abdulmohsen Alhokair Group Company for Tourism and Development	82194	17/06/2012G	16/07/2013G	15/07/2023G
Mena Hotels and Resorts	43	Kingdom of Bahrain	Abdulmohsen Alhokair Group Company for Tourism and Development	91604	12/04/2012G	12/04/2012G	12/04/2012G
Mena Hotels and Resorts	43	Kingdom of Bahrain	Abdulmohsen Alhokair Group Company for Tourism and Development	91603	12/04/2012G	12/04/2012G	12/04/2012G

Mena Hotels and Resorts	43	Morocco	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	144171	04/04/2012G	04/04/2012G	03/04/2022G
Mena Hotels and Resorts	43	Yemen	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	58430	18/04/2012G	18/04/2012G	18/04/2022G
Mena Hotels and Resorts	43	Tunisia	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	TN/E/2012/00 452	12/03/2012G	16/02/2013G	12/03/2022G
Mena Hotels and Resorts	43	Lebanon	Abdulmoh sen Alhokair Group Company for Tourism and Developm ent	142393	19/04/2012G	19/04/2012G	18/04/2027G

Source: The Company

10.13 Insurance

The Company has insurance policies that cover the various risks which the Company may be exposed to. The table below summarizes the main details of insurance policies maintained by the Company:

Table (76): Summary of insurance policies maintained by the Company

Insurance Company	The Insured	Scope of Insurance	End of Coverage Date	Status
Medgulf	Abdulmohsen Alhokair Group Company for Tourism and Development	Fidelity Insurance (Entertainment Sector)	31/12/2021G	valid
Medgulf	Abdulmohsen Alhokair Group Company for Tourism and Development	Fidelity Insurance (Hotels Sector)	31/12/2021G	valid
Medgulf	Abdulmohsen Alhokair Group Company for Tourism and Development	Life Insurance	30/09/2021G	valid
Bupa Arabia for Cooperative Insurance	Abdulmohsen Alhokair Group Company for Tourism and Development	Medical Insurance	31/12/2021G	valid
Medgulf	Abdulmohsen Alhokair Group Company for Tourism and Development	Funds Insurance (Entertainment Sector)	31/12/2021G	valid
Medgulf	Abdulmohsen Alhokair Group Company for Tourism and Development	Funds Insurance (Hotels Sector)	31/12/2021G	valid
Medgulf	Abdulmohsen Alhokair Group Company for Tourism and Development	Property Insurance (Entertainment Sector)	31/12/2021G	valid
Medgulf	Abdulmohsen Alhokair Group Company for Tourism and Development	Property Insurance (Hotel Sector)	31/12/2021G	valid
Medgulf	Abdulmohsen Alhokair Group Company for Tourism and Development	General Liability Insurance (Entertainment Sector)	31/12/2021G	valid

Medgulf	Abdulmohsen Alhokair Group Company for Tourism and Development	General Liability Insurance (Hotels Sector)	31/12/2021G	valid
Gulf Union Cooperative Insurance Company	Abdulmohsen Alhokair Group Company for Tourism and Development	Vehicles Insurance (Entertainment Sector)	05/01/2022G	valid
Gulf Union Cooperative Insurance Company	Abdulmohsen Alhokair Group Company for Tourism and Development	Vehicles Insurance (Hotels Sector)	05/01/2022G	valid

Source: The Company

10.14 Material Information that has changed since the Capital Market Authority has approved the last prospectus.

Below is a summary of the most prominent information that has changed since the Capital Market Authority has approved the last prospectus (the initial public offering in the main market), which was issued on 23/07/1435H, corresponding to (22/05/2014G):

Below is a summary of the most prominent information which has changed since the Capital Market Authority has approved the last prospectus, which was issued on 08/05/2014G.

- The Articles of Association have been updated in line with the amendments made on the new Companies' Law.
- Financial Statements: The method of preparation has been amended to be in accordance with the International Financial Reporting Standards (IFRS).
- Capital: On ** / ** / ****H (corresponding to ** / ** / **** G), the extraordinary general assembly of the Company approved to reduce the capital at (37.64%) through canceling twenty million and seven hundred thousand (20,700,000) Company's shares. The main reason for reducing the capital is to amortize the accumulated losses, for which the Company obtained the prior approval of the Capital Market Authority. In addition, the Company's capital will be increased at (89.50%) by offering preemptive rights. Prior approval of the Capital Market Authority was obtained by the Company.
- Senior Management: The most important amendments made included the appointment of a new chief executive officer (for more details, please refer to Subsection No. (6.10)) "Executive Management" under this section.
- Board of Directors: Some amendments related to the Board of Directors were made including the appointment of a number of members and resignation of some other members, and were approved by the Shareholders' General Assembly
- Governance: The Company amended its Governance Regulations to be in line with the Corporate Governance Regulations issued by the Board of the Capital Market Authority.
- Company Restructuring: The Company made some amendments to its branches. The most prominent changes made included the cancellation of some branches of the Company as follows:



- Tim Tech Al Rimal Center, a branch of Abdulmohsen Alhokair Group for Tourism and Development, registered in Riyadh under commercial registration in number (1010380886) dated 13/08/1434H was closed.
- Fanateer, a branch of Abdulmohsen Alhokair Group, registered in Jubail under commercial registration number (2055022124), dated 10/05/1435H was closed.
- Airport Mena Hotel in Jeddah, registered in the city of Jeddah under commercial registration number (4030296237), dated 30/11/1438H was closed.
- Golden Tulip Hotel in Al Baha, registered in the city of Al Baha under commercial registration number (5800010267), dated 09/09/1429H was closed.
- New Branches of the Company: The Company opened branches for Abdulmohsen Alhokair Company for Tourism and Development as follows:
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, registered in the city of Riyadh under commercial registration number (1010407971), dated 17/05/1435H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, registered in the city Riyadh, under commercial registration number (1010438915), dated 29/01/1437H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Ataib Umniah Shop for Sweets and Nuts, registered in the city of Riyadh under commercial registration number (1010464530) dated 2908/01/1438H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Sparky's Al Fursan and Nuts, registered in the city of Al Kharj under commercial registration number (1011024490) dated 26/08/1438H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Snowy Ibn Khaldun, registered in the city of Dammam under commercial registration number (2050105501) dated 30/06/1436H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Golden Tulip Al-Khobar Suites Hotel registered in the city of Al Khobar under commercial registration number (2051064794), dated 05/01/1436H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Enab W Teen Restaurant, registered in the city of Al Khobar under commercial registration number (2051221904), dated 02/11/1436H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Half Moon Bay Resort, registered in the city of Al Khobar under commercial registration number (2051230760), dated 11/06/1441H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Lulu Sparky's, registered in the city of Jubail under commercial registration number (2055024282), dated 030/10/1436H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Park Inn Jubail Hotel, registered in the city of Al Jubail under commercial registration number (2055026409), dated 21/04/1436H.
 - Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Lulu Snowy, registered in the city of Al Hafouf under commercial registration number (2251061574), dated 07/07/1436H.

- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Hail Sparky's, registered in the city of Hail under commercial registration number (3350043419), dated 26/06/1436H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Mena Hotel, Tabuk registered in the city of Tabuk under commercial registration number (3550122233), dated 16/05/1436H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, registered in the city of Hail under commercial registration number (3553001103), dated 01/07/1435H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Holiday Inn Hotel, Jeddah Gateway registered in the city of Jeddah under commercial registration number (4030274467), dated 08/10/1435H
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, the Holiday Inn Radisson Blu Plaza Hotel, Jeddah, registered in the city of Jeddah under commercial registration number (4030279954), dated 22/07/1436H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Mena Jeddah Airport Hotel, registered in the city of Jeddah under commercial registration number (4030296237), dated 30/11/1438H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Mena Airport Hotel, Jeddah, registered in the city of Jeddah under commercial registration number (4030296407), dated 21/12/1438H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, registered in the city of Jeddah under commercial registration number (4030296434) dated 22/12/1438H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Jeddah Sparky's, Aziz Mall, registered in the city of Jeddah under commercial registration number (4030303483), dated 28/08/1436H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Sparky's Fantasia, registered in the city of Jeddah under commercial registration number (4030303484), dated 28/08/1436H.
- Branch of Abdul Mohsen Al-Hokair Group for Tourism and Development, Snowy University Mall, registered in the city of Jeddah under commercial registration in number (4030303485), dated 28/08/1436H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Sparky's Al Roshan Mall, registered in the city of Jeddah under commercial registration number (4030303486), dated 28/08/1436H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Sparky's Haifa Mall, registered in the city of Jeddah under commercial registration number (4030303487), dated 28/08/1436H.
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Al Sadad Park, registered in the city of Taif under commercial the commercial registration number (4032046198) dated 18/12/1435H
- Branch of Abdulmohsen Alhokair Group Company for Tourism and Development, Radisson Blu Hotel, Jizan, registered in the city of Jizan under commercial registration number (5900028435), dated 17/06/1435H.



10.15 Declarations of the members of the Board of Directors in relation to legal information

In addition to the other declarations mentioned in this prospectus, the members of the Board of Directors declare as follows:

- a. That the offering does not violate the relevant laws and regulations in the Kingdom of Saudi Arabia.
- b. That the offering does not contradict with any of the contracts or agreements in which the Company or its subsidiaries is (are) a party.
- c. That all the material legal information related to the Company and its subsidiaries have been disclosed in the prospectus.
- d. In addition to what has been stated in Section (11.10) “Lawsuits and Claims” of this prospectus, the Company and its subsidiaries are not subject to any lawsuits or legal procedures that, individually or collectively, may materially affect the business of the Company or its subsidiaries or their financial position.
- e. In addition to what has been stated in Section (11.10) “Lawsuits and Claims” of this prospectus, the members of the Company's Board of Directors are not subject to any lawsuits or legal procedures that individually or collectively, may materially affect the business of the Company or its subsidiaries or their financial position.

11 Underwriting Agreement

The Company and the Underwriters (Falcom Financial Services Company and the BlomInvest) have entered into an underwriting agreement for the subscription of thirty million and seven hundred thousand (30,700,000) ordinary shares, at a price of ten (10) Saudi Riyals per share, with a total value of three hundred and seven million (307,000,000) Saudi Riyals, representing (100%) of the Rights Issue offered for subscription (“Underwriting Agreement”).

11.1 Underwriters

FALCOM Financial Services Company

Riyadh - Al-Worood District - Olaya Street
P.O. Box 884, Riyadh 11421
Saudi Arabia
Tel: +966 8004298888
Fax: +966 11 2054827
Email: Info@falcom.com.sa
Website: www.falcom.com.sa



BLOMINVEST

Riyadh, First Building, Floor No. 3, King Fahd Road
P.O. Box 8151, Riyadh 11482
Saudi Arabia
Tel: +966 11 4949555
Fax: +966 11 4949551
Email: info@blom.sa
Website: www.blom.sa



11.2 Summary of the Underwriting Agreement

According to the Underwriting Agreement:

- 1) The Company undertakes to the Underwriters that, on the allocation date, that it will allocate and issue to the Underwriter all shares that have not been subscribed to by the Eligible Shareholders as additional shares at the Offer Price.
- 2) The Underwriters undertake to the Company that they will, on the allocation date, purchase the number of Offer Shares not subscribed to by Eligible Shareholders, as additional shares at the Offer Price.
- 3) The Underwriters will receive a fixed financial consideration against underwriting the Offering which amount shall be paid from the Offering Proceeds.



12 Waivers

The Company has not submitted any request to CMA to be exempted from any requirements relating to the Offering.

13 Information related to Shares and the Terms and Conditions of the Offering

The Company filed an application for the registration and offering of the new shares to the Capital Market Authority and to the Saudi Stock Exchange Company (Tadawul) to list the new shares. All requirements were fulfilled in accordance with the rules and regulations of the offering of securities and continuing obligations and listing rules.

All Eligible Shareholders, the acquired rights holders and bidders, must read the terms of subscription and instructions very carefully before the electronic subscription, or before submitting the subscription application through the Agent, or filling in the Rump Offering form. The submission of the subscription application or signing and submitting the Rump Offering form is considered as endorsement and acceptance of the mentioned terms and conditions.

13.1 The Offering

The Offering is an increase in the Company's capital through issuing priority rights with a value of three hundred seven million (307,000,000) Saudi Riyals, divided into thirty million seven hundred thousand (30,700,000) ordinary shares, with a nominal value of ten (10) Saudi Riyals per share and an offer price of ten (10) Saudi Riyals per share.

13.2 How to apply for Subscription to the Rights (New Shares)

Registered shareholders wishing to subscribe to the Right shares must submit the subscription application during the subscription period through the investment portfolio at Tadawul platforms through which the sale and purchase orders are entered. Subscription applications may be made through any other means provided by the Agent and the shares custodian in the Kingdom during the subscription period. In case that there is a Rump Offering period, subscription applications could be submitted for any remaining shares by investment institutions only.

By participating in the subscription, the subscriber acknowledges the following:

- ✓ Agrees to subscribe for the number of shares stated in the Subscription Application Form;
- ✓ Warrants that he has carefully read the Prospectus and understood all its contents;
- ✓ Accepts the By-Laws of the Company and the terms and conditions mentioned in the Prospectus;
- ✓ Declares that he has not previously subscribed to the same shares of this offering, in which case the Company has the right to reject all applications;
- ✓ Accepts the number of shares allocated to him/her and all other subscription instructions and terms mentioned in the Prospectus and the Subscription Application Form; and
- ✓ Warrants not cancelling or amending the Application after submitting it to the Agent.

13.3 Subscription Application

Eligible Person wishing to exercise his full right and subscribe for all the Rights to which he is entitled, An Eligible Person, must subscribe through the investment portfolio at the Trading Platforms through which buying and selling orders are entered or through any other means provided by the agent and the shares Custodian.

The number of shares that the eligible person is entitled to subscribe for is calculated according to the number of Rights he owns. As for the subscription amount that the subscriber is required to pay, it is calculated by multiplying the number of existing tradable rights that he owns before the end of the subscription period by (10) ten Saudi Riyals.



13.4 Trading and Subscription Stage and the Rump Offering Period

Eligible Shareholders who wish to subscribe to the Rights must submit a subscription application during the subscription period which begins on Monday 16/12/1442H (corresponding to 26/07/2021G) and ends on 26/12/1442H (corresponding to 05/08/2021G).

The Extraordinary General Assembly held on 28/11/1442H (corresponding to 08/07/2021G) approved the recommendation of the Board of Directors to increase the Company's capital through a Rights Issue. Under this Prospectus, thirty million and seven hundred thousand (30,700,000) ordinary shares will be offered for subscription through the Rights Issue, which represent (89.50%) of the Company's capital prior to subscription at an Offer Price of ten (10) Saudi Riyals per share, with a nominal value of ten (10) Saudi Riyals per share, with a total offering value of three hundred and seven million (307,000,000) Saudi Riyals. The new shares will be issued at a ratio of one share for each Right. Subscription to the rights will be offered to the shareholders registered in the shareholders' register of the Company at the end of the second trading day following the Extraordinary General Assembly on 02/12/1442H (corresponding to 12/07/2021G) and to the Eligible Persons who have purchased the priority rights during the rights issue Subscriptions period, including the registered shareholders who have purchased additional rights in addition to the rights they originally owned.

If the rights of the Eligible Persons are not exercised by the end of the subscription period, then the remaining shares (as a result of inability to exercise those rights or being sold by the eligible persons) will be offered to the investment companies through the Rump Offering Period.

The registered shareholders will be able to trade the Rights that have been deposited in their portfolios through the Saudi Stock Exchange (Tadawul). These Rights are considered as acquired right for all shareholders registered in the Company's records at the end of the second trading day following the Extraordinary General Assembly meeting that approved the capital increase. Each Right gives its holder the right to practice subscribing for one new share, at the Offering Price. Rights will be deposited after the assembly convenes. The Rights will appear in the registered shareholders' portfolios under a new code for the Rights, and the registered shareholders will then be notified of depositing the Rights in their portfolios.

The schedule and details of the Offering are as follows:

- 1) **Eligibility Date:** End of trading session on the day of the Extraordinary General Assembly on Thursday 28/11/1442H (corresponding to 08/07/2021G).
- 2) **Trading and subscription phase:** The trading and subscription phase begins on Monday 16/12/1442H (corresponding to 26/07/2021G), provided that the trading period ends on Monday 23/12/1442H (corresponding to 02/08/2021G), and the subscription period continues until the end of Thursday 26/12/1442H (corresponding to 05/08/2021G).
- 3) **Rump Offering Period:** Starts at ten o'clock in the morning of Tuesday 02/01/1443H (corresponding to 10/08/2021G) and continues until five o'clock in the evening of the next day on Wednesday 03/01/1443H (corresponding to 11/08/2021G). During this period, the remaining shares will be offered to a number of Institution Investors ("Investment Institutions"), provided that those investment institutions submit offers to buy the remaining shares. Rump Shares will be allocated to the Investment Institutions with the highest bids first, then the lowest and the lowest (provided that the bids shall not fall below the Offering Price). The shares shall be allocated on a pro rata basis to the Investment Institutions that offer the same price. As for the fractional shares, they will be added to the Rump Shares and treated similarly. Subscription price of the new shares not subscribed for during this period will be at the minimum Offering Price. If the unsubscribed share price is higher than the Offering Price, the difference (if any) will be distributed as compensation for the Rights holders who did not subscribe for their Rights in proportion to the Rights they own.

- 4) **Final allocation of shares:** The shares will be allocated to each investor based on the number of Rights that he fully and properly exercised. As for those entitled to fractional shares, the shares will be collected and offered to the investment institutions during the Rump Offering Period. The total Offering Price of the remaining shares of the Company will be paid, and the remaining proceeds from the sale of the remaining shares and fractional shares will be distributed without accounting for any fees or deductions (exceeding the Offering Price) to those who are entitled shareholders according to what they are entitled to not later than on Thursday 18/01/1443H (corresponding to 26/08/2021G).
- 5) **Trading of New Shares in the Market:** Trading of shares offered for subscription in the Tadawul system will begin upon completion of all procedures related to the registration and allocation of the offered shares.

The Company has submitted an application to the Capital Market Authority to register and offer new shares. The Company has also applied to the Saudi Stock Exchange Company (Tadawul) to accept its listing.

13.5 Allocation and Refund of Surplus

The Company and the Lead Manager will open an Escrow Account into which the Offering Proceeds will be deposited.

Shares will be allocated to eligible persons based on the number of rights they have exercised fully and correctly. As for those entitled to fractional shares, fractions of shares will be collected and added to the remaining shares that were not subscribed for and offered to the investment institutions during the Rump Offering Period, and the total price of the remaining shares will be paid to the Company, the remaining proceeds from the sale of the remaining shares and fractions of shares (exceeding the Offering Price) shall be distributed to entitled ones, each according to what he is entitled to, no later than Thursday 18/01/1443H (corresponding to 26/08/2021G). Note that the investor who did not subscribe or sell his rights, and the owners of fractional shares, may not get any compensation when selling shares in the Rump Offering Period at the Offering Price. In the event that shares remain unsubscribed to, then the underwriters will purchase those new shares and will be allocated to them.

It is expected to announce the final number of shares that have been allocated to each eligible person without any commissions or deductions by the Lead Manager by crediting them to the subscribers' accounts. For more information, Eligible Persons should contact the Agent through which the subscription application was submitted. The allocation results will be announced no later than Sunday 07/01/1443H (corresponding to 15/08/2021G).

The oversubscriptions (remaining proceeds from the Offering process exceeding the Offering Price) (if any), and the compensation amount (if any) will be refunded to the Eligible Persons who have not exercised their right to subscribe in whole or in part to the new shares and to those who are entitled to fractional shares without any deductions, no later than Thursday 18/01/1443H (corresponding to 26/08/2021G).

13.6 Supplementary Prospectus

The Company must submit to the Authority a Supplementary Prospectus, in accordance with the requirements of the rules for the Offering of securities and Continuing Obligations, if the Company becomes aware at any time after the date of the publication of this Prospectus and before the completion of the Offering of any of the following:

- The existence of a significant change in material matters mentioned in this Prospectus.
- Any important issues have emerged that should have been included in this Prospects.

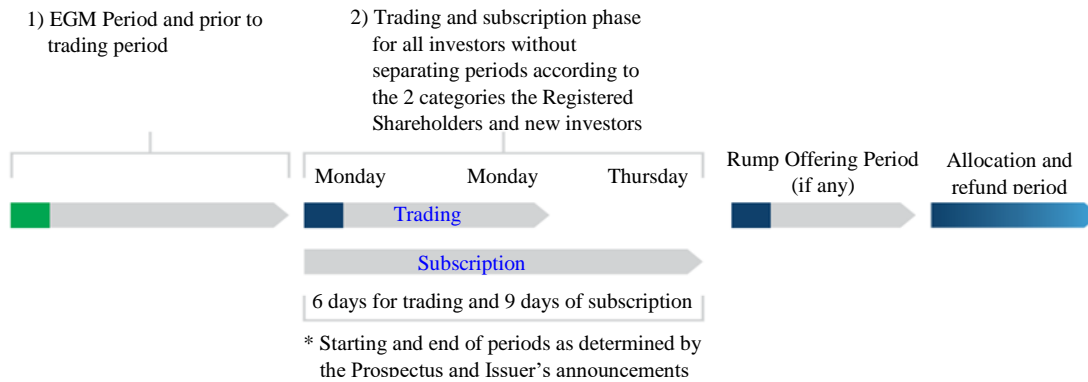
The investor who subscribed for the new shares prior to the publication of the Supplementary Prospectus may cancel or amend his subscription for these shares before the end of the Offering period.

13.7 Suspension or Cancellation of the Offering

The Financial Market Authority may at any time issue a decision to suspend or cancel the Offering if it deems that the Offering may result in a breach of the stock market system, its implementing regulations, or the market's rules. In addition, the offer will be canceled if the extraordinary general assembly does not approve any of the details of the offer.

The following figure shows the mechanism for trading and underwriting tradable rights traded:

Figure No. (2): The mechanism for trading in and subscribing to traded Rights.



Source: Tadawul

13.8 FAQs about the Rights Issue

What is a Rights Issue?

Rights are tradable securities that give their holders the right to subscribe to the new shares offered upon approval of the capital increase. They are acquired rights for all Registered Shareholders who own shares on the day of the extraordinary general assembly meeting for the capital increase and who are registered in the Company's Shareholders Register at the Depository Center at the end of the second trading day following the Extraordinary General Assembly. Each Right grants its holder eligibility to subscribe to one New Share at the Offer Price.

Who is granted the Rights?

The Rights are granted to all Registered Shareholders in the Company's Register as at the close of the second trading day after the date of the Extraordinary General Assembly.

When are the Rights deposited?

Following the Extraordinary General Meeting and its approval to increase the capital through a Rights Issue, the Rights shall be deposited as securities in the portfolios of the Company's Shareholders Register at the Securities Depository Center by the end of the second trading day after the Extraordinary General Meeting. The New Rights appear in their portfolios under a new code for the Rights. Such Rights will be allowed to be traded or subscribed only at the beginning of the Trading and Subscription periods.

How are Investors in the Rights notified of the Rights being deposited in their portfolios?

Investors are notified through an announcement on the Tadawul website and through Tadawulati Service provided by the Depository Center and SMS's sent through intermediaries.



How many Rights can be acquired by a Registered Shareholder?

The number of Rights to be acquired by a Registered Shareholder is subject to the number of Shares ratio held by the Registered Shareholder in the Company's Shareholders Register at the Depository as at the close of the second trading day after the Extraordinary General Assembly.

What is the Rights Issue ratio?

It is the ratio that permits the Registered Shareholder to know how many Rights he/she is entitled to in relation to the Shares that he/she already owned on the second trading day after the Extraordinary General Assembly. This factor is calculated by dividing the number of new shares by the number of the current shares of the Company. Therefore, the eligibility factor is (1) right for each one (0.895) share owned by the registered shareholder on the eligibility date. Accordingly, if a registered shareholder owns (1,000) shares on the eligibility date, he/she will be allocated (895) rights in exchange for the shares he/she owns.

Will the name and symbol of these rights differ from the name and symbol of the Company's shares?

Yes, the acquired Right will be added to the Investor's Portfolio under the name of the original stock, with the addition of the word Rights, in addition to a new symbol for these Rights.

What is the Right's value upon the trading commencement?

The Right opening price is the difference between the share closing price on the day preceding such Right listing, and the Offer Price (Indicative Value of the Right). For example, if the closing price of a share on the preceding day is SAR 15 (fifteen Saudi Riyals) and the Offer Price is SAR 10 (ten Saudi Riyals), the opening price of the Rights will be 15 minus 10, i.e. SAR 5 (five Saudi Riyals).

Who is the Registered Shareholder?

Any Shareholder whose name appear in the Company's Shareholders' Register at the end of the second trading day after the Extraordinary General Assembly.

Can Registered Shareholders subscribe for additional shares?

Yes, Registered Shareholders can subscribe for additional shares by purchasing new Rights during the Trading Period.

Is it possible for a Registered Shareholder to lose his eligibility to subscribe even if he has the right to attend the Extraordinary General Assembly and vote on raising the capital through a rights issue?

Yes, the Shareholder loses his eligibility to subscribe if he sells his shares on the day of the Extraordinary General Meeting or one working day before it.

How does the subscription take place?

Subscription Applications are submitted through the investment portfolio in the trading platforms through which the buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the intermediaries and custodian.

Can an Eligible Person subscribe to more shares than the rights owned by him?

The eligible person cannot subscribe to more shares than the Rights owned by him.

If Company shares are acquired through more than one investment portfolio, in which portfolio will the Rights be deposited?

The Rights will be deposited in the same portfolio where the shares of the Company connected to the Rights are deposited. Example: If a shareholder holds (1,000) shares in the Company (800) shares in portfolio (a) and (200) shares in portfolio (b), then the total Rights which will be deposited (895) Rights as each share is eligible for (0.895) Rights. Therefore, (716) Rights will be deposited in portfolio (a) and (179) Rights will be deposited in portfolio (b).

Are share certificate holders allowed to subscribe and trade?

Yes, they are allowed to subscribe, but they cannot trade until after depositing the certificates in investment portfolios through the receiving agents or Depository Center Company (Edaa) and introducing the necessary documents.



Are additional Rights purchasers entitled to trade them once again?

Yes, purchasers of additional Rights may sell them and purchase other Rights only during the Trading Period.

Is it possible to sell a part of these Rights?

Yes, the investor may sell a part of these Rights and subscribe for the remaining part.

When can the subscriber subscribe for the Rights he purchased during the trading period?

After settlement of the purchase of Rights (two working days), provided that he shall subscribe to the Rights during the Subscription Period.

Can a holder of Rights sell or assign them after expiry of the Trading Period?

That is not possible. After the expiry of the Trading Period, holder of the Rights may only exercise the right to subscribe for the Rights or not. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio or profit in the event that shares are sold in the Rump Offering Period at a price higher than the Offering Price.

What will happen to Rights that are unsold or unsubscribed for during the Trading Period and the Offering Periods?

If the new shares are not fully subscribed for during the Offering Period, the remaining new shares will be offered for subscription through an offering to be organized by the Lead Manager. The amount of compensation (if any) for the Rights holder will be calculated after deducting the subscription price. The investor may not receive any compensation if the sale occurs in the Rump Offering Period at the Offering Price.

Who has the right to attend the Extraordinary General Assembly and vote on increasing the Share Capital through a rights issue?

The shareholder who is registered in the Issuer's Shareholders' Register at the Depository Center after the end of the trading session on the Extraordinary General Assembly day shall have the right to attend the Extraordinary General Assembly and vote on increasing the Issuer's Share Capital through a rights issue.

When is the share price adjusted as a result of increasing the Issuer's Share Capital through a rights issue?

The share price is adjusted by the Exchange before the start of trading on the day following the Extraordinary General Assembly.

If an investor buys securities on the Extraordinary General Assembly day, will he be eligible for the Rights resulting from the increase of the Issuer's Capital?

Yes, as the investor will be registered in the Company's Shareholders Register two business days after the date of the purchase of shares (i.e., at the end of the second trading day following the day of the Extraordinary General Assembly), bearing in mind that Rights will be granted to all shareholders registered in the Company's Shareholders Register at the end of trading section on second trading day following the date of the Extraordinary General Assembly. However, he may not attend or vote in the Extraordinary General Assembly for the capital increase.

If an investor has more than one portfolio with more than one Brokerage Company, how will his Rights be calculated?

The investor's shares will be distributed to the portfolios owned by him, according to the percentage of ownership in each portfolio. In the event of share fractions, these fractions will be aggregated. If the outcome is an integer or more, the integer number will be added to the portfolio in which the investor has the largest number of rights.

What are Trading and Subscription (Offering) periods?

Trading in and Subscription to the Rights shall commence at the same time until the end of trading on the sixth day, while Subscription shall continue until the ninth day, as stated in the Prospectus and the Company's issued announcements.

Is it possible to subscribe during the weekend?

No, that is not possible.



Can non-registered shareholders on the day of the Extraordinary General Assembly subscribe for the Rights?

Unrestricted Shareholders can subscribe for the Rights after purchase of Rights during the period specified for trading.

Further Assistance:

In the event of any inquiries, please contact the Company on the e-mail (IR@alhokair.com) and for legal reasons, the Company will only be able to provide the information contained in this Prospectus and will not be able to provide advice on the merits of issuing rights or even provide financial, tax, legal or investment advice.

For more information on the Subscription terms, conditions and instructions, please refer to Section (13) "Information Related to Shares and Offering Terms and Conditions" as well as other information contained in this Prospectus.

13.9 Decisions and approvals according to which shares will be offered

The Company's board of directors, in its meeting held on 10/03/1442H (corresponding to 27/10/2020G), recommended after reducing the capital from five hundred and fifty million (550,000,000) Saudi Riyals, to three hundred and forty-three million (343,000,000) Saudi Riyals, to increasing the Company's capital from three hundred and forty-three million (343,000,000) Saudi Riyals to six hundred and fifty million (650,000,000) Saudi Riyals, through a Rights Issue of three hundred and seven million (307,000,000) Saudi Riyals, after obtaining all the necessary regulatory approvals and approval of the Extraordinary General Assembly.

On the date of 28/11/1442H (corresponding to 08/07/2021G), the Company's Extraordinary General Assembly agreed to increase the Company's capital through a rights issue, by offering thirty one million seven hundred thousand (30,700,000) new ordinary shares at an offer price of ten (10) Saudi Riyals per share, with a nominal value of ten (10) Saudi Riyals, in order to increase the Company's capital from three hundred and forty-three million (343,000,000) Saudi Riyals, to six hundred and fifty million (650,000,000) Saudi Riyals, and an increase in the number of shares from thirty-four million three hundred thousand (34,300,000) ordinary shares to sixty-five million (65,000,000) ordinary shares.

The Saudi Tadawul Company (Tadawul) approved the application for listing the new shares on 12/06/1442H (corresponding to 25/01/2021G).

It was also approved to publish this prospectus and all the supporting documents requested by the Authority on the date of its announcement at the Authority's website on 28 /10/1442H (corresponding to 09/06/2021G).

13.10 Miscellaneous items

- 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.
- These instructions, clauses, and any receipt of subscription application forms or contracts arising therefrom shall be subject to the Kingdom's regulations and shall be construed in accordance with them. This Prospectus may be distributed in both Arabic and English, and in the event of a conflict between the Arabic text and the English text, the Arabic text of the Prospectus shall prevail.

13.11 Statement of any arrangements in place to prevent disposal of certain shares

There are no arrangements in place to prevent disposal of any shares.

14 A change in the share price as a result of an increase in Capital

The Company's board of directors recommended in its meeting held on 10/03/1442H (corresponding to 27/10/2020G), after reducing the capital from five hundred and fifty million (550,000,000) Saudi Riyals to three hundred and forty-three million (343,000,000) Saudi Riyals, by increasing the Company's capital from three hundred and forty-three million (343,000,000) Saudi Riyals, to six hundred and fifty million (650,000,000) Saudi Riyals, through a Rights Issue of three hundred and seven million (307,000,000) Saudi Riyals, after obtaining all the necessary regulatory approvals and approval of the Extraordinary General Assembly.

In case that the Extraordinary General Assembly approves the process of decreasing the capital and then increasing it as indicated above in the recommendation of the Company's board of directors, it is expected that the Company's share price will rise as a result of the capital decrease, as the Company's share price reached on the day of the Extraordinary General Assembly (22.92) Saudi Riyals, and it is expected to increase by (60.34%) so that the Company's share price will become (36.75) Saudi Riyals. After that, as a result of the capital increase, the Company's share price will decrease by (34.38%) from (36.75) Saudi Riyals to (24.12) Saudi Riyals at the opening of the market after two trading days (T+2) from the date of the Extraordinary General Assembly (Due to the procedures for suspending the trading of the shares as a result of the capital reduction).

In case that any of the shareholders registered in the Company's shareholders register at the Depository Center fails to subscribe at the end of the second trading day following the date of the Extraordinary General Assembly, this will lead to a decrease in their ownership percentage in the Company.

Method for calculating the share price as a result of the capital decrease and increase is as follows:

First: Calculating the share price after the capital decrease

The expected share price after the capital decrease = the market value of the Company's shares before the capital decrease / the number of shares after the capital decrease

The market value of the Company's shares before the capital decrease = the share price before the capital decrease "closed on the day of the Extraordinary General Assembly" X the number of shares before the capital decrease.

Second: Calculating the share price after the capital increase

The expected share price after the capital increase = the market value of the Company's shares before the capital increase + the value of the shares offered / (the number of shares after the capital increase)

The market value of the Company's shares before the capital increase = the expected share price after the capital decrease x the number of shares after the capital decrease.



15 Covenants relating to the Subscription

15-1 Overview of the Subscription Application and the Covenants.

It is possible to subscribe using the trading platforms or through any other means provided by the agent to the investors. The new shares will be subscribed to in one stage, according to the following:

- 1) During this period, all registered shareholders and new investors will be able to subscribe to the new shares.
- 2) The Registered Shareholder will be able to subscribe directly to the number of his shares during the subscription period, and if he acquires new Rights, he will be able to subscribe to them after the end of its settlement period (two working days).
- 3) New investors will be able to subscribe to the new shares directly after the rights purchase is settled (two working days).
- 4) Subscription will be made available electronically through the investment portfolio in trading platforms and applications through which buy and sell orders are entered, in addition to subscribing to other channels and means available to the Agent.

Each Rights gives its holder the right to subscribe to one new share, at the Offering Price. The subscriber to the new shares declares the following:

- ✓ His acceptance of all the subscription terms and conditions stated in this Prospectus.
- ✓ That he has read this Prospectus and all its contents carefully and understood its content.
- ✓ His acceptance of the Company By-Laws.
- ✓ He is committed not to cancel or amend the subscription application after its submission.

15-2 Allocation Processes

The Rights will be allocated to eligible persons based on the number of rights they have exercised fully and correctly. As for those entitled to fractional shares, fractions of shares will be collected and added to the remaining shares that were not subscribed to and offered to the investment institutions during the Rump Offering Period, and the total price of the remaining shares will be paid to the Company, the remaining proceeds from the sale of the remaining shares and fractions of shares (exceeding the Offering Price) shall be distributed to the entitled persons, each according to what he is entitled to, no later than Thursday 18/01/1443H (corresponding to 26/08/2021G), and in the event that shares remain unsubscribed to, then the underwriters will purchase those new shares and they will be allocated to them.

Eligible Persons should contact the agent through which they were subscribed to obtain any additional information. The allocation results will be announced no later than Sunday 07/01/1443H (corresponding to 15/08/2021G).

15-3 Saudi Stock Exchange (Tadawul)

Tadawul system was established in 2001G as an alternative system for the electronic securities information system. The electronic stock trading started in the Kingdom in 1990G. The trading process is carried out through an integrated electronic system from the execution of the transaction to the settlement. Trading is conducted on each business day at one go from 10 a.m. until 3:00 p.m., from Sunday to Thursday of each week, during which orders are executed. Beyond such times, orders are permitted to be inserted, amended, and cancelled from 9:30 a.m. until 10 a.m.

The transactions are executed through automatic order matching, and orders are received and prioritized according to the price. In general, market orders are executed first, which are the orders that have the best prices, followed by fixed-price orders, and in the event that several orders are entered at the same price, they are executed according to the timing of the entry.

The Tadawul system distributes a comprehensive range of information through different channels, most notably the Tadawul website on the Internet and the electronic link to Tadawul's information, which provides

up-to-date market information for information providers such as Reuters. Transactions are automatically settled within two business days (T + 2).

The Company must disclose all decisions, material and important information through Tadawul, which is responsible for monitoring the market in its capacity as the operator of the mechanism through which the market works in order to ensure the fairness and easy flow of share exchange.

15-4 Trading of the Company shares on the Saudi Stock Exchange

An Application has been submitted to CMA to register and list the Rights in the Saudi Stock Exchange and a request has been submitted to the Stock Market (Tadawul) for their listing. This Prospectus has been approved and all requirements have been met.

Registration and the commencement of trading in the Rights in the Saudi Stock Exchange are expected after the final allocation of the Offering Shares is completed and will be announced on Tadawul website. The dates mentioned in this Prospectus are tentative and may be changed with the approval of CMA.

Although the existing shares are listed on the Saudi Stock Exchange and the Company's Shares are listed on Tadawul, the new shares can only be traded after the final allotment of shares has been made and deposited in the subscribers' portfolios. Trading in the new shares is strictly prohibited before the allocation is approved.

Subscribers and bidders in the Rump Offering who engage in prohibited trading activities shall bear full liability for them and the Company shall not be liable in such a case.

16 Documents Available for Inspection

The following documents will be available for review at the headquarters of Alhokair Group, located in Riyadh- Al-Morouj District- North Ring Road- between Exit 4 and 5– next to Hilton Double Tree Hotel, PO Box 57750 Riyadh 11584 Kingdom of Saudi Arabia, during official working days from Sunday to Thursday between 08:00 a.m. until 4:00 pm, starting from the first working day after the date of the invitation to convene the Extraordinary General Assembly, provided that this period shall not be less than 14 days before the date of the EGM. These documents will remain available for inspection until the end of the Offering:

Documents related to incorporation and Articles of Association:

- Commercial Registration.
- Company By-Laws.

Approvals related to shares capital increase:

- Board of Directors' decision recommending the increase of the capital.
- A copy of the Capital Market Authority's approval on the Offering of Rights.
- The approval of the Saudi Stock Exchange Company (Tadawul) to list tradable rights shares.

Reports, Letters and Documents:

- Underwriters Agreement and the Lead Manager Agreement.
- Written consents by the Financial Advisor, Lead Manager, Underwriters, Legal Advisor and Auditors to use their names, logos and statements in the Prospectus.
- Economic feasibility study for projects to establish fitness centers.



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