

Saudi Arabian Amiantit Company

Saudi Arabian Amiantit Company (Amiantit) is a Saudi joint stock company converted by Ministerial Resolution No. (886) dated 06/08/1414H (corresponding to 18/01/1994G) and with Commercial Registration No. (2050002103) issued by the city of Dammam on 17/03/1388H (corresponding to 14/06/1968G)

Offering thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares at an offer price of 10 Saudi riyals per share by issuing rights shares with a total value of three hundred and forty-six million five hundred thousand (346,500,000) Saudi riyals, which represents an increase in the Company's Share Capital by (350%), so that the Company's capital after the increase becomes four hundred and forty-five million five hundred thousand (445,500,000) Saudi riyals, divided into forty-four million five hundred and fifty thousand (44,550,000) ordinary shares.

Trading Period: Starts on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and ends on Tuesday 24/08/1445H (corresponding to 05/03/2024G)

Subscription Period: starts on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and ends on Sunday 29/08/1445H (corresponding to 10/03/2024G)

Saudi Arabian Amiantit Company («Amiantit» or «the Company») is a Saudi joint stock company, initially established as a limited liability company with Commercial Registration No. (2050002103), dated 17/03/1388H (corresponding to 14/06/1968G). The Company was converted into a Saudi joint stock company pursuant to Ministerial Resolution No. (886) dated 06/08/1414H (corresponding to 18/01/1994G). Its headquarters is located in the Kingdom of Saudi Arabia, in the city of Dammam - the First Industrial City, P.O. Box 3361, Dammam 32234. The Company's current capital is ninety-nine million (99,000,000) Saudi riyals, divided into nine million nine hundred thousand (9,900,000) ordinary shares (the «Shares») at a nominal value of ten (10) riyals per share fully paid up (individually referred to as the «Existing Share») and collectively as «Existing Shares»). As at the date of this Prospectus (the «Prospectus»), the Substantial Shareholders of the Company (who own 5% or more of the Company's shares) are: Prince Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%) and Prince Fahd Khalid Abdullah Abdulrahman Al Saud, who owns (5.235%).

The Board of Directors of the Company recommended on 28/02/1445H (corresponding to 13/09/2023G), increasing its capital through a rights issue worth three hundred and forty-six million five hundred thousand (346,500,000) Saudi riyals.

On Tuesday 10/08/1445H (corresponding to 20/02/2024G) The Company's Extraordinary General Assembly agreed to increase the Company's capital through a rights issue (referred to as the «Offering»). The Subscription consists of offering thirty-four million six hundred and fifty thousand (34,650,000) new ordinary shares («Rights Shares» or «New Shares») at an offer price of (10) ten Saudi riyals per share (the «Offer Price»), and at a nominal value of (10) ten riyals in order to increase the Company's capital from ninety-nine million (99,000,000) Saudi riyals divided into nine million and nine hundred thousand (9,900,000) ordinary shares to four hundred and forty-five million and five hundred thousand (445,500,000) Saudi riyals divided into forty-four million five hundred and fifty thousand (44,550,000) ordinary shares, after obtaining all necessary regulatory approvals and approval of the General Assembly (Extraordinary).

Rights shares will be issued as tradable securities (referred to collectively as the «Rights») and each a «Right») to the Shareholders registered in the Company's Shareholders Register as at the close of trading on the date of the Extraordinary General Assembly 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 Tuesday 10/08/1445H (corresponding to 20/02/2024G), each of which is referred to as («Registered Shareholders») and collectively as «Registered Shareholders», provided that such Rights shall be deposited in the Shareholders' accounts who are registered in the Company's Shareholders Register as at the close of trading on the second day after convening the EGM approving the capital increase, taking into account the settlement procedures at (3.5) rights for each (1) share of the Company's shares. Each Right gives its holder the right to subscribe to one new share at the Offer Price.

Registered Shareholders and other investors (referred to as «New Investors»), who may trade 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»). The trading period and the subscription period shall commence after (3) three working days from the approval of the extraordinary general assembly including the approval of the capital increase on Tuesday 17/08/1445H (corresponding to 27/02/2024G), provided that the trading period ends on Tuesday 24/08/1445H (corresponding to 05/03/2024G) («Trading Period»), while the subscription period starts on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and continues until the end of Sunday 29/08/1445H (corresponding to 10/03/2024G) («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, 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 Exchange, they also have the right not to take any action regarding the rights they possess. Also, New Investors will be able during the Trading Period to buy Rights through the Exchange and sell the Rights that are bought during the Trading Period.

Subscription to new shares will be allowed at one phase according to the following:

1. Registered Shareholders and New Investors will be allowed 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 allowed 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 Broker.

If any Shares remain unsubscribed during the Subscription Period («Rump Shares»), they will be offered to a number of Institutional Investors («Rump Offering»). Such Institutional Investors shall submit offers to purchase the Rump Shares and receipt of such offers will start at 10:00 AM on Wednesday 03/09/1445H (corresponding to 13/03/2024G), until 05:00 PM on Thursday 04/09/1445H (corresponding to 14/03/2024G), («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. Rump Shares shall be proportionally divided among Institutional Investors that tendered offers at the same price. All proceeds resulting from the sale of the Rump Shares shall be distributed to the Company. The rest of the Offering Proceeds shall be distributed without taking any fees or deductions (in excess of the offering price) to its beneficiaries, each according to his entitlement, no later than Thursday 09/10/1445H (corresponding to 18/04/2024G).

If the Institutional Investors have not subscribed to all the remaining shares and share fractions, such shares shall be allocated to the Underwriters who will purchase them at the Offering Price (please refer to Section (12) «Information Relating to the Shares and Subscription Terms and Conditions»). The final allocation process will be announced no later than Tuesday 09/09/1445H (corresponding to 19/03/2024G), («Allocation Date») (Please refer to Section (12) «Subscription Terms and Conditions»). After completion of the subscription process, the Company's capital will become four hundred and forty-five million (445,000,000) Saudi riyals, divided into forty-four million and five hundred thousand (44,500,000) ordinary shares. The net proceeds from the Offering will be used to finance working capital and repay certain bank obligations (please refer to Section (6) «Use of the Offering Proceeds and Future Projects»). The Company has only one class of shares and no shareholder will have any preferential voting Rights. The New Shares will be fully paid up and rank identically with the existing shares. Every share entitles its holder to one vote and every shareholder («Shareholder») has the right to attend the General Assembly Meetings («General Assembly Meeting») of the Company whether ordinary or extraordinary and vote in them. The holders of the New Shares will be entitled to receive their portion of any dividends, if any, declared by the Company after their issuance date.

The Company's shares were listed on the market (seven million (7,000,000) shares at a nominal value of fifty (50) riyals per share on 14/12/1416H (corresponding to 01/05/1996G) after obtaining approval of the Ministry of Commerce and the Saudi Arabian Monetary Authority. The Company subsequently increased its capital on 28/01/1421H

(corresponding to 03/05/2000G) from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by granting one free share for every 7 shares, so that the number of its shares become eight million (8,000,000) shares in order to support the Company's expansions and its internal and external investments. On 08/02/1422H (corresponding to 02/05/2001G), the Company increased its capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals through distributing three (3) free shares for every eight (8) shares using the entire profits of the Company in order to support the Company's expansion and its internal and external investments. On 01/02/1423H (corresponding to 14/04/2002G), the Company increased its capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of 2001G to the capital and distribution of two (2) shares for each eleven (11) shares, thus increasing the number of shares from eleven million (11,000,000) to thirteen million (13,000,000) shares in order to support the Company's expansions and its internal and external investments. On 03/04/1424H (corresponding to 03/06/2003G), the Company increased its capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, through the transfer of 50 million Saudi riyals from the profits of 2002G to the capital and the distribution of one free share for every thirteen (13) shares, which results in an increase in the number of shares from thirteen million (13,000,000) to fourteen million (14,000,000) shares in order to support the Company's expansions and its internal and external investments. On 30/03/1425H (corresponding to 19/05/2004G), the Company increased its capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, by transferring 70 million Saudi riyals from the retained earnings to the capital and the distribution of a free share for every ten (10) shares, which resulted in an increase in the Company's shares from fourteen million (14,000,000) to fifteen million and four hundred thousand (15,400,000) shares in order to support the Company's expansions and its internal and external investments. On 12/06/1426H (corresponding to 18/07/2005G) the Company increased its capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals, by issuing rights issue shares amounting to seven million seven hundred thousand (7,700,000) shares with a total nominal value of three hundred and eighty-five million (385,000,000) Saudi riyals, thus increasing the number of shares from fifteen million and four hundred thousand (15,400,000) shares to twenty-three million and one hundred thousand (23,100,000) shares in order to strengthen its financial position and support its local industrial projects in the field of pipe industry and water management projects to keep pace with the country's needs of water pipes and other uses. On 09/01/1441H (corresponding to 08/09/2019G), the Company reduced its capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals, thus reducing the number of the Company's shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million four hundred and fifty-one thousand seven hundred (34,451,700) shares with a capital reduction rate of (70.2%), and at a rate of one share reduction for every (1.425) shares, in order to extinguish the total accumulated losses amounting to (810,483,000) Saudi riyals. On 16/04/1442H (corresponding to 01/12/2020G), the Company reduced its capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals, thus reducing the number of the Company's shares from thirty-four million four hundred and fifty-one thousand seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million, four hundred and fifty-one thousand and seven hundred (14,451,700) shares at a capital reduction rate of (41.95%), and at a rate of reduction of one share for every (2.384) shares, in order to extinguish the Company's accumulated losses at a ratio (96.61%). On 16/04/1442H (corresponding to 01/12/2020G), the Company increased its capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing rights issue shares by twelve million (12,000,000) shares in the amount of one hundred twenty million Saudi riyals (120,000,000) Saudi riyals, and thus increasing the number of shares from twenty million (20,000,000) shares to thirty-two million (32,000,000) shares in order to finance the working capital, repay loans and repay suppliers. On 26/07/1443H (corresponding to 27/02/2022G), the Company reduced its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reduced the number of the Company's shares from thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares by canceling twenty-two million one hundred thousand (22,100,000) shares at a capital reduction rate of (69.06%), and at a rate of reducing one share for every (1.447) shares, in order to restructure the Company's capital to extinguish accumulated losses. In its decision dated 26/06/1443H (corresponding to 29/01/2022G), the Company's Board of Directors recommended increasing its capital through a rights issue of shares worth three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals, by offering thirty-four million six hundred and fifty thousand (34,650,000) new ordinary shares, representing an increase in the Company's capital by (350%), so that the Company's capital after the increase becomes four hundred and forty-five million and five hundred thousand (445,500,000) Saudi riyals. On 21/10/1444H (corresponding to 11/05/2023G), the Extraordinary General Assembly rejected the recommendation of the Company's Board of Directors in its decision to increase the Company's capital through a rights issue worth three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals.

The company's outstanding shares are currently traded on the Saudi Stock Exchange («Tadawul» or «The Market»). The Company has submitted an application to the Capital Market Authority in the Kingdom of Saudi Arabia (the «Authority» or «CMA») to register and offer the New Shares, it also submitted an application to Tadawul to accept its listing. All required documents have been submitted and all requirements of the relevant authorities have been met, and this Prospectus has been approved. It is expected that the new shares will start trading on the Exchange shortly after completion of the process of allocating the new shares and refunding the surplus amounts (please refer to page (**)) «Important Dates and Subscription Procedures»). Trading in the New Shares - after their registration and admission of listing - will be available to citizens of the Kingdom of Saudi Arabia, legal residents, citizens of the member states of the Gulf Cooperation Council, Saudi and GCC companies and investment funds, in addition to Qualified Foreign Investors under the Rules for Foreign Investment in Securities. Furthermore, other categories of foreign investors are entitled to obtain the economic benefits associated with the New Shares by entering into swap agreements with persons authorized by the Authority («Authorized Persons»), knowing that the authorized person will in this case be the legal registered owner of the shares.

This Prospectus should be read in its entirety and the section «Important Notice» page (*) and Section (2) «Risk Factors» should be considered carefully before making any decision regarding the Rights or New Share.

The Rights Issue Offering under this Prospectus is contingent upon the shareholders' approval of the capital increase in accordance with the recommendation of the Board of Directors and the Company obtaining regulatory approvals. An invitation for convening the Extraordinary General Assembly of the Company to approve the Rights Issue of the New Shares has been published on Tuesday 10/08/1445H (corresponding to 20/02/2024G). The shareholders should note that if the shareholders' approval is not obtained to offer the Rights Issue, the Rights Issue will cease automatically, and at that time this Prospectus will become void, and shareholders will be notified accordingly.

Financial Advisor and Underwriter

wasatah capital
وساطة كابتال



Lead Manager

مجموعة النفيعي للاستثمار
AL-NEFAIE INVESTMENT GROUP

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 this Prospectus 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 Prospectus is dated 12/07/1445H (corresponding to 24/01/2024G)

This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purpose only. The Arabic 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 languages



**We aim to be the world's largest
provider of piping systems.**

Important Notice

This Prospectus (the «**Prospectus**») provides full details relating to Saudi Arabian Amiantit Company and the Right issue shares offered for subscription. When applying to subscribe to the new shares, investors will be treated on the basis that their applications are based on the information contained in this 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.amiantit.com), the Financial Advisor (www.wasatah.com.sa) and the Capital Market Authority (www.cma.org.sa).

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

The Company has appointed Wasatah Capital Company («**Wasatah Capital**») as the financial advisor («**Financial Advisor**») and Al Nefae Investment Group Company («**Al Nefae Investment**») as the lead manager («**Lead Manager**»). The Company has also appointed Wasatah Capital Company («**Wasatah Capital**») to act as underwriter («**Underwriter**») in connection with the offering of Rights Issue shares to increase the Company's capital pursuant to 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 pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) based on the Capital Market Law promulgated by Royal Decree No. M/30 dated 02/06/142H, and amended by the Board of the Capital Market Authority, Board Resolution No. 8-5-2022 dated 25/06/1444H (corresponding to 18/01/2023G). 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 Saudi Tadawul Group (Saudi Tadawul or the 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.

While the Company has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as at the date hereof, part of the information contained 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 (iii & iv) («**Advisors**») of this Prospectus have any reason to believe that any of such information is materially inaccurate; however 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 to 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 both shall commence after (3) three working days from the approval of the Extraordinary General Assembly approving the capital increase on Tuesday 17/08/1445H (corresponding to 27/02/2024G). The Trading Period ends on Tuesday 24/08/1445H (corresponding to 05/03/2024G) («**Trading Period**»), while the Subscription Period continues until the end of Sunday 29/08/1445H (corresponding to 10/03/2024G) («**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 from the beginning of the period, the Subscription Period will continue until the end of the ninth day from 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 Exchange. Also, New Investors during the Trading Period will be able to buy Rights through the Exchange and sell the Rights that are bought during the trading period or subscribe to them during the Subscription Period.

Subscription to the New Shares during the Subscription Period will be allowed at one phase according to the following:

1. Registered Shareholders and New Investors will be allowed 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 allowed 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 Broker.

If any Shares remain unsubscribed to during the Subscription Period (**«Rump Shares»**), they will be offered to a number of Institutional Investors (**«Institutional Investors»**) (This share offering process referred to as **«Rump Offering»**). Such Institutional Investors shall submit offers to purchase the Rump Shares and receipt of such offers will start at 10:00 AM on Wednesday 03/09/1445H (corresponding to 13/03/2024G), until 05:00 PM on Thursday 04/09/1445H (corresponding to 14/03/2024G), (**«Rump Offering Period»**). The remaining shares will be allocated to Institutional Investors in the order of the offered price with the highest first (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. Share fractions shall be treated similarly and added to the Rump Shares. All proceeds resulting from the sale of the Rump Shares shall be distributed to the Company provided that the difference between the proceeds of the Rump Offering process and the Rump Offering Price (if any) shall be distributed to the Eligible Persons, without any deductions or fees, according to their entitlements, no later than Thursday 09/10/1445H (corresponding to 18/04/2024G). The investor who did not subscribe or sell his rights, and the owners of fractional shares, may not receive any consideration if the sale takes place during the Rump Offering Period at the Offering Price.

If the Institutional Investors have not subscribed to all the remaining shares and share fractions, such shares shall be allocated to the Underwriter who will purchase them at the Offering Price (please refer to Section (12) **«Information relating to the shares and Subscription Terms and Conditions»**). The final allocation process will be announced no later than Tuesday 09/09/1445H (corresponding to 19/03/2024G), (**«Allocation Date»**). (Please refer to Section (12) **«Information relating to the shares and Subscription Terms and Conditions»**).

The offering of Right Shares under this Prospectus depends on the approval of shareholders. An invitation to hold an extraordinary general assembly of the Company to approve the issuance of rights shares will be published on Tuesday 10/08/1445H (corresponding to 20/02/2024G), and investors should be informed. If shareholders' approval is not obtained at that meeting for the offering of rights shares, the issuance of rights shares will cease, and this prospectus will be deemed immediately invalid, and shareholders will be notified accordingly.

Financial Information

The Company's audited consolidated financial statements for the financial years ending on December 31, 2020, December 31, 2021, and December 31, 2022, and the notes attached thereto, and the interim reviewed financial statements for the six-month period ending on June 30, 2023, and the notes attached thereto, 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 Chartered and Professional Accountants (SOCPA). The Company's financial statements for the financial years ending December 31, 2020, December 31, 2021, and December 31, 2022 and the interim financial statements for the six-month period ending on June 30, 2023G were audited and reviewed by Sulaiman Abdullah Al-Kharashi Company (Al-Kharashi & Co. Certified Public Accountants and Auditors). The Company issues its financial statements in Saudi riyals.

It should be noted that some of the financial and statistical information contained in this Prospectus have been rounded to the nearest integer. If the numbers mentioned in tables are summed, a slight deviation may appear in the numbers mentioned in the tables compared to those 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 operating conditions may differ from the assumptions used, and therefore no affirmation, representation, or warranty is made with respect to the accuracy or completeness of any of these forecasts. The Company confirms that the statements contained in this Prospectus were made based on the necessary professional care.

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. 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 beliefs, estimates or plans described in this Prospectus.

Subject to Article (49) of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus to CMA if, at any time after the publication of this Prospectus and before completion of the Offering, the Company becomes aware that:

1. There has been a significant change in any material matters contained in this Prospectus; or
2. The occurrence of additional significant matters which would have been required to be included in this Prospectus.

Except in the 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. As a result of the foregoing and other risks, assumptions and uncertainties, expectations of future events and conditions set out in this Prospectus may not occur as expected by the Company or may not occur at all. Accordingly, potential investors should examine all future statements in the light of these interpretations and not rely primarily on these forward-looking statements, without undue reliance on forward-looking statements.

Company's Directory

Board Members and Secretary

Name	Position	Nationality	Age	Capacity	Independency	Owned Shares				Member-ship Date
						Direct	Indirect*	Total	(%)	
Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud	Chairman	Saudi	63	Non-Exec-utive	Non-Independent	198,725	-	198,725	2.0073232%	01/01/2024G
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Deputy Chair-man	Saudi	33	Non-Exec-utive	Non- Independent	7,096	-	7,096	0.0716768%	01/01/2024G
Dr. Sulaiman Abdulaziz Al-Tuwaijri	Member	Saudi	59	Non-Exec-utive	Non- Independent	0	-	-	0.00%	01/01/2024G
Dr. Mohammed Saud Al-Badr	Member	Saudi	69	Non-Exec-utive	Independent	400	-	400	0.0040404%	01/01/2024G
Mr. Khaled Mohammed Saad Al-Bawardi	Member	Saudi	52	Non-Exec-utive	Independent	108	-	108	0.0010909%	01/01/2024G
Mr. Waleed Mohammed Abu Kishk	Secretary	Jordanian	62	-	-	0	0	0	0	01/01/2024G

Company Address

Saudi Arabian Amiantit Company

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Company Representative

Mr. Feras Ghassab Al-Harbi

Chief Executive Officer
 Saudi Arabian Amiantit Company
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wasatah capital
وساطة كابيتال



Lead Manager

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The Company's Auditors for the financial years ending on December 31, 2020, December 31, 2021, December 31, 2022, and the six-month period ending on June 30, 2023.

Sulaiman Abdullah Al-Kharashi Company (Al-Kharashi & Partners, Certified Public Accountants and Auditors)

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AlKharashi & Co.
Certified Accountants And Auditors

Disclaimer: All the Advisors and Auditors mentioned above have given their written consent to publish their names and logos to include their statement in the form contained in this Prospectus. None of them has withdrawn that consent until the date of this Prospectus. None of the Advisors, Auditors their subsidiaries, shareholders, employees, or any of their relatives own any Shares or interest of any kind in the Company or any of its subsidiaries as of the date of this Prospectus.

Offering Summary

Investors wishing to subscribe to the shares of this offering must read the entire Prospectus before making their investment decision related to subscribing to Rights Issue Shares, as the offering summary is not sufficient to make an investment decision. The following is a summary of the Offering:

Summary																																																
The Company or Amiantit	<p>Saudi Arabian Amiantit Company («Amiantit» or «the Company», or «the Group» or the «Issuer») is a Saudi joint stock company, initially established as a limited liability company with Commercial Registration No. (2050002103), dated 17/03/1388H (corresponding to 14/06/1968G). The Company was converted into a Saudi joint stock company pursuant to Ministerial Resolution No. (886) dated 06/08/1414H (corresponding to 18/01/1994G). On 14/12/1416H (corresponding to 01/05/1996G), the Company's shares were listed on the Saudi Stock Exchange (the Main Market).</p>																																															
Company Activities	<p>The Company carries out its activity under Commercial Registration No. (2050002103) issued on 17/03/1388H (corresponding to 14/06/1968G). The Company's activities according to its Commercial Registration are:</p> <p>The manufacture of plastics in their primary forms, the manufacture of synthetic rubber derived from oils in their primary forms, the manufacture of polyethylene, the manufacture of semi-manufactured products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and their accessories... etc.), the manufacture of pipes and plastic hoses and pipes and their connections and supplies, the manufacture of fiberglass, including (glass wool, etc.), manufacturing water tanks, manufacturing pipes, manufacturing multi-purpose cans and boxes from fiberglass, manufacturing cast iron, including steel and cast iron castings, manufacturing pipes, and hollow shapes from iron and steel, manufacturing ordinary non-steel metal products, including (wires, pipes, tubes, powders, papers, sheets, etc.), manufacturing tubes, hollow shapes, and pipe or pipe fittings, manufacturing sewage manhole covers, installing industrial devices in industrial facilities, installing control equipment in industrial operations, complete dismantling of large machines and equipment, installing machinery and equipment, transport and distribution of water, general construction of residential buildings, extensions of water lines between and within cities and installing new networks, construction of stations and main lines for water distribution, repair and maintenance of stations, networks and main lines for water distribution, repair and maintenance of stations, sewage projects and networks, sewers and pumps, construction of sewage stations and projects, sewage networks and pumps, extension, maintenance and repair of irrigation network, building finishing, retail sale of metal and steel pipes, sale and installation of machinery and factory equipment, operating and maintaining pumping stations and pipelines, management and leasing of owned or rented properties (residential), management and leasing of owned or rented properties (Non-residential), research and development in the field of engineering and technology, integrated administrative services activities for offices)</p> <p>The main objectives of the Company, according to its Articles of Association, are:</p>																																															
	<table border="1"> <thead> <tr> <th>General Scope</th> <th>Special Scope</th> <th>Activities</th> <th>Activity Code</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Construction</td> <td rowspan="2">Construction of utility projects</td> <td>Water lines extension between cities and inside them as well as establishment and maintenance of new networks</td> <td>422031</td> </tr> <tr> <td>Construction of sewer systems, sewage disposal plants and pumping stations</td> <td>422050</td> </tr> <tr> <td>Electrical installations</td> <td>Network wiring</td> <td>432113</td> </tr> <tr> <td>Building construction</td> <td>Construction of all types of residential buildings</td> <td>410010</td> </tr> <tr> <td>Building completion and finishing</td> <td>Installation, maintenance and repair of lawn sprinkler systems</td> <td>432254</td> </tr> <tr> <td>Plumbing and air conditioning and heating works</td> <td>Manufacture of semi-finished plastic products, includes (tablets, slices, sheets, tapes, pipes, hoses and supplies... etc.)</td> <td>222010</td> </tr> <tr> <td rowspan="8">Transformative Industries</td> <td rowspan="2">Manufacture of plastic products</td> <td>Manufacture of pipes, hoses, plastic tubes, links and supplies</td> <td>222020</td> </tr> <tr> <td>Manufacture of pipes</td> <td>231083</td> </tr> <tr> <td>Manufacture of glass and glass products</td> <td>Non-ferrous traditional metal works, including (wires - pipes - tubes - powders - papers - plates ... etc.)</td> <td>242060</td> </tr> <tr> <td>Manufacture of basic precious and non-steel metals</td> <td>Manufacture of pipes, tubes, hollow shapes, and pipe or pipe fittings</td> <td>242060</td> </tr> <tr> <td rowspan="4">Iron and steel casting</td> <td>Installation of industrial devices in industrial facilities</td> <td>243120</td> </tr> <tr> <td>Installation of industrial process control equipment</td> <td>332011</td> </tr> <tr> <td rowspan="2">Installation of industrial machinery and equipment</td> <td>Complete dismantling of large machinery and equipment</td> <td>332012</td> </tr> <tr> <td>Installation of machinery and equipment</td> <td>332013</td> </tr> <tr> <td></td> <td>Installation of machinery and equipment</td> <td>332032</td> </tr> </tbody> </table>	General Scope	Special Scope	Activities	Activity Code	Construction	Construction of utility projects	Water lines extension between cities and inside them as well as establishment and maintenance of new networks	422031	Construction of sewer systems, sewage disposal plants and pumping stations	422050	Electrical installations	Network wiring	432113	Building construction	Construction of all types of residential buildings	410010	Building completion and finishing	Installation, maintenance and repair of lawn sprinkler systems	432254	Plumbing and air conditioning and heating works	Manufacture of semi-finished plastic products, includes (tablets, slices, sheets, tapes, pipes, hoses and supplies... etc.)	222010	Transformative Industries	Manufacture of plastic products	Manufacture of pipes, hoses, plastic tubes, links and supplies	222020	Manufacture of pipes	231083	Manufacture of glass and glass products	Non-ferrous traditional metal works, including (wires - pipes - tubes - powders - papers - plates ... etc.)	242060	Manufacture of basic precious and non-steel metals	Manufacture of pipes, tubes, hollow shapes, and pipe or pipe fittings	242060	Iron and steel casting	Installation of industrial devices in industrial facilities	243120	Installation of industrial process control equipment	332011	Installation of industrial machinery and equipment	Complete dismantling of large machinery and equipment	332012	Installation of machinery and equipment	332013		Installation of machinery and equipment	332032
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Summary				
General Scope	Special Scope	Activities	Activity Code	
Company Activities	Transformative Industries	Plastics industry (plastics in their primary forms)	201310	
		Manufacture of synthetic plastics and rubber in their primary forms	Manufacture of synthetic rubber derived from oils in their primary forms	201320
			Polyethylene industry	201360
			Fiberglass industry, including glass wool	231081
		Manufacture of glass and glass products	Water tanks industry	231082
			Pipe industry	231083
		Making base iron and steel	Cast iron industry, including steel and cast-iron castings	241025
			Manufacture of pipes, tubes and hollow shapes of iron and steel	241050
			Manufacture of pipes, tubes, hollow shapes and pipe or pipe fittings	243120
		Manufacture of other formed metal products not classified elsewhere	Manufacture of sewage manhole covers	259973
	Wholesale, retail trade, repair of motor vehicles and motorcycles	Retail sale of other new goods in specialized stores	Selling and installing machinery and factory equipment	477395
		Retail sale of metalware, paint and glass in specialized stores	Retail sale of metal and iron pipes	475286
	Administrative and support services	Integrated office administrative services activities	Integrated office administrative services activities	821100
	Real estate activities	Real estate activities in owned or rented properties	Management and leasing of owned or rented properties (residential)	681021
			Management and leasing of owned or rented properties (non-residential)	681022
	Professional, scientific and technical activities	Architectural engineering activities and related technical advisory services	Engineering and architectural consulting activities	711013
			Engineering consultations for water and sanitation	711037
			Industrial consulting activities	711033
		Experimental research and development in the field of natural sciences and engineering	Research and development in engineering and technology	721002
	Manufacture of glass and glass products	Transformative Industries	Manufacture of multi-purpose boxes and boxes from fiberglass	231086
Water supply, sanitation, waste management and treatment activities	Construction of utility projects	Repair and maintenance of water distribution stations, networks and main lines	422032	
		Repair and maintenance of sewage stations and projects, sewage networks and pumps	422050	
Transportation and storage	Pipeline transportation	Water transportation and distribution	493007	
Construction of utility projects	Construction	Repair and maintenance of water distribution stations, networks and main lines	422033	
		Repair and maintenance of sewage stations and projects, sewage networks and pumps	422045	
Water supply and sanitation activities, waste management and treatment	Water collection, treatment and delivery	Water transportation and distribution	360014	
The Company carries out its activities in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.				

Summary			
Substantial Shareholders	They are those whose ownership percentage exceeds 5% or more of the Company's shares. As of the date of this Prospectus, the Company's Substantial Shareholders (those who own 5% or more of the Company's shares) are:		
	shareholders	No. of shares pre-Offering	Percentage (%)
	Prince/ Mohammed bin Fahd bin Abdulaziz Al Saud	621,802	6.281%
	Prince/ Fahd Khaled Abdullah Abdul Rahman Al Saud	518,291	5.235%
Public	<p>In the Rules on the Offer of Securities and Continuing Obligations, public means the persons other than 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. or 7. Any company controlled by any person in (1, 2, 3, 4, 5, or 6) above. 8. Persons acting in concert, with a collective shareholding of (5%) or more of the class of shares to be listed. 		
Nature of Offering	Increasing the capital by issuing Rights.		
Purpose of Proposed Rights Issue	The Company aims by increasing its capital through a Rights Issue to finance its working capital and repay certain bank obligations..		
Total number of the Company's outstanding and issued shares before the offering	Nine million nine hundred thousand (9,900,000) ordinary shares.		
Nominal value of the share	Ten (10) Saudi Riyals per share.		
Company's capital before the Offering	Ninety-nine million (99,000,000) Saudi riyals.		
Total number of new shares offered for subscription	Thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares.		
Offering Price	Ten (10) Saudi Riyals per share.		
Total value of Offering	Three hundred and forty-six million five hundred thousand Saudi riyals (346,500,000) Saudi riyals.		
Adjusted Price	The Company's share price in the Exchange has been modified to SAR 74 per share at the end of trading on the day of the Extraordinary General Assembly meeting for the capital increase. This represents a decrease in the share price of SAR 49.78 per share.		
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 at the Depository Center at the end of the second trading day following the convening of the Extraordinary General Meeting for the capital increase.		
New Investors	Common Individual and Institutional investors - other than Registered Shareholders - who purchased the Rights issue during the trading period.		
Targeted investors	Registered shareholders and New Investors.		
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. Rights can be traded during the Trading Period. Each Right entitles its holder to subscribe to one share of the new shares at the Offer Price. Rights will be deposited in the portfolios of registered shareholders 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. Registered shareholders will be notified of the deposit of Rights in their portfolios		
New Shares	Thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares, which will be issued as a result of the capital increase.		
Eligibility Ratio	(3.5) Rights for every (1) share held by the Registered Shareholder. This factor is the result of dividing the number of new shares by the number of the current shares of the Company		
Number of Issued rights	Thirty-four million six hundred and fifty thousand (34,650,000) Rights.		
Number of Underwritten New Shares	Thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares.		
Total value of underwritten Rights	Three hundred and forty-six million five hundred thousand (346,500,000) Saudi riyals.		
Number of issued shares after capital increase	Forty-four million five hundred and fifty thousand (44,550,000) ordinary shares.		
The Company's capital after the capital increase	Four hundred and forty-five million and five hundred thousand (445,500,000) Saudi riyals.		

Summary							
Percentage of offered shares of the Company's capital	(35%).						
Total proceeds expected to be obtained and the analysis and description of their proposed use	It is expected that the total Offering Proceeds of the Right Issue will amount to three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals, divided into thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares, and the net proceeds of the offering are expected to reach about three hundred and twenty-one million five hundred thousand (321,500,000) Saudi riyals, after deducting the offering costs of twenty-five million (25,000,000) Saudi riyals. The Company intends to use the net Offering Proceeds to finance working capital and pay some bank obligations.						
	The following table shows the expected use of the Offering Proceeds:						
		2024G				Total	Percentage
		Q1	Q2	Q3	Q4		
	Financing working capital	41,250,000	41,250,000	41,250,000	41,250,000	165,000,000	47.619%
Payment of some banking obligations	156,500,000	-	-	-	156,500,000	45.166%	
Offering Costs	25,000,000	-	-	-	25,000,000	7.215%	
Total	222,750,000	41,250,000	41,250,000	41,250,000	346,500,000	100.00%	
For more information (please refer to Section (6) «Use of the Offering Proceeds and Future Projects»).							
Offering costs	The value of the offering costs is twenty-five million (25,000,000) Saudi riyals, and this includes the costs of the Financial Advisor, Lead Manager, Underwriter, Legal Advisor, Auditor, marketing, printing, distribution expenses and other expenses related to the Offering, noting that this amount is an estimate (please see Section (6) «Use of the Offering Proceeds and Future Projects»).						
Use the Offering Proceeds	The Company will use the net Offering Proceeds to finance working capital and pay some bank obligations (please see Section (6) «Use of the Offering Proceeds and Future Projects»).						
Total proceeds from the last Rights Issue	The total proceeds obtained by the Company from its last rights issue process amounted to one hundred and twenty million (120,000,000) Saudi Riyals.						
	The extraordinary general assembly (EGM) of the Company's shareholders agreed on 16/04/1442H (corresponding to 01/12/2020G) to increase its capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing twelve million (12,000,000) rights issue shares with a nominal value of ten (10) Saudi riyals per share, with a total value of one hundred and twenty million (120,000,000) Saudi riyals, in order to finance working capital, repay loans and pay suppliers.						
	The following table shows the use of the offering proceeds as disclosed in the relevant prospectus						
		Item (in Saudi Riyals)	Planned use	Actual use	Actual spending percentage (%) to the planned spending		
	Working capital		45,000,000	45,000,000	100%		
Payment to suppliers		17,205,250	17,205,250	100%			
Repayment of loans		50,000,000	50,000,000	100%			
Offering expenses		7,794,750	7,794,750	100%			
Total		120,000,000	120,000,000	100%			
Eligibility Date	Shareholders who own shares at the end of trading on the day of the EGM for the capital increase, and who are registered in the Company's shareholders register at the end of the second trading day following the EGM meeting for the capital increase, on Tuesday 10/08/1445H (corresponding to 20/02/2024G).						
Offering Period	The Trading Period begins after (3) three working days from the approval of the EGM including the approval of the capital increase, on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and continues until the end of Tuesday 24/08/1445H (corresponding to 05/03/2024G). During this period, all Right holders - whether they are registered investors or New Investors - may trade in Rights.						
Subscription Period	The Subscription Period starts after (3) three working days from the approval of the EGM including the approval of the capital increase, on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and continues until the end of Sunday 29/08/1445H (corresponding to 10/03/2024G). During this period, all holders of Rights, whether they are registered investors or New Investors, may exercise their right to subscribe to the new shares. It should be noted that the Trading Period and the Subscription Period will begin on the same day, while the Trading Period will continue until the end of the sixth day from the beginning of the period, while the Subscription Period will continue until the end of the ninth day from the beginning of the same period.						
Rump Shares	Remaining shares that have not been subscribed to during the Subscription Period.						
Rump Offering	If any Shares remain unsubscribed for during the Subscription Period («Rump Shares»), they will be offered to a number of Institutional Investors («Institutional Investors»). Such Institutional Investors shall submit offers to purchase the Rump Shares and receipt of such offers will start at 10:00 AM on Wednesday 03/09/1445H (corresponding to 13/03/2024G), until 05:00 PM on Thursday 04/09/1445H (corresponding to 14/03/2024G). («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 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 similarly.						
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 and for those entitled to fractional shares without any deductions, at the latest on Thursday 09/10/1445H (corresponding to 18/04/2024G). Compensation amounts represent the amount that exceeds the Offering Price from the net proceeds of selling the remaining shares and share fractions.						

Summary	
Listing and trading of the Rights	<p>The Rights are listed on Tadawul and are traded during the Rights Trading Period. The Rights shall have a symbol separate and independent from the Company's current stock symbol on Tadawul screen.</p> <p>Registered Shareholders during the Trading Period shall have several options, which include selling the Rights or part of them in the Exchange, buying additional Rights through the Exchange, or not taking any action regarding the Rights, whether by selling them or buying additional Rights. New Investors during the Trading Period will have the right to buy Rights through the Exchange or sell those rights or part of them or not to take any action regarding the Rights purchased during the Trading Period.</p> <p>The «Tadawul» system will cancel the Company's Rights symbol on the trading screen after the expiry of the Rights Trading Period, and accordingly the trading of Rights will stop at the end of that period.</p>
Method of Subscription	Subscription applications shall be submitted electronically through the websites and platforms of the Brokers that provide these services to subscribers, or through any other means provided by the Brokers.
Exercising subscription to Rights	<p>Eligible Persons have the right to exercise their right to subscribe to the Right Shares by subscribing electronically through the websites and platforms of Brokers that allow these subscription services or through any other means provided by the Brokers. Eligible persons may also exercise the Rights as follows:</p> <p>Shareholders registered during the Subscription Period have the right to exercise the rights granted to them on the Eligibility Date and any additional Rights they purchased during the Trading Period by subscribing to new shares. They also have the right not to take any action regarding the Rights they have.</p> <p>New Investors during the Subscription Period have the right to exercise the Rights they purchased during the Trading Period by subscribing to the new shares. They also have the right not to take any action regarding the Rights they have.</p> <p>In the event that none of the registered shareholders or New Investors exercise their right to subscribe to the new shares during the Subscription Period, the shares associated with those Rights will be offered during the Rump Offering Period.</p>
Indicative Value 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.</p> <p>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 orders.</p>
Right trading price	It is the price at which the Right is traded, knowing that it is determined through the mechanism of supply and demand, and therefore it may differ from the indicative value of the right.
Allocation date	The shares will be allotted no later than on Tuesday 09/09/1445H (Corresponding to 19/03/2024G).
Method of Allocation of shares and refund of surplus	<p>New Shares will be allotted to the Eligible Persons based on the number of Rights they have fully and correctly exercised. Share fractions will be collected and added to the remaining shares and then offered to the Institutional Investors during the Rump Offering Period.</p> <p>The Company will receive the total amount of the Offering resulting from the sale of the Rump Shares, while the difference between the proceeds from the sale of the Rump Shares and the Offer Price of the Rump Shares will be distributed to the Eligible Persons who did not subscribe in whole or in part to the New Shares and to the Eligible persons of the share fractions. Note that the investor who did not subscribe or did not sell his rights, and holders of fractional shares, may not receive any compensation if the sale is made during the Rump Offering period at the Offering Price (please see Section (12) «Information relating to the Shares and Offering Terms and Conditions»). The subscription surplus (if any) will be returned to subscribers without any commissions or deductions from the Lead Manager.</p>
Surplus Refund Date	The subscription surplus (if any) will be returned to subscribers without any commissions or deductions from the Lead Manager no later than Tuesday 09/09/1445H (corresponding to 19/03/2023G).
Trading in the New Shares	Trading of new shares on « Tadawul » begins after completing all procedures related to the registration, allocation and listing of new shares, provided that the time period between the end of subscription to the Rights and the deposit of shares in the shareholders' portfolios is 9 working days.
Entitlement to profits	The owners of the new shares will be entitled to any dividends declared by the Company after the date of their issuance
Voting rights	All the Company's shares are of one class, and no share gives its holder preferential rights. The New Shares will be fully paid up in value and exactly equal to the existing shares. Each share gives its holder the right to one vote, and each shareholder in the Company has the right to attend and vote in the general assembly of shareholders (whether ordinary or extraordinary) meeting.
Restrictions to trading in the shares	There are no restrictions imposed on trading Rights except for regulatory restrictions on publicly listed shares.
Restrictions on Share trading	There are no restrictions imposed on trading the Company Shares except regulatory restrictions imposed on listed shares in general.
Restrictions on Rights trading	All of the Company's shares are listed on the Exchange and are not subject to any restrictions that limit their trading, nor is the trading of the Rights subject to any restrictions with the exception of regulatory restrictions imposed on listed shares and right shares in general
Restrictions imposed on new shares as a result of capital increase	There are no restrictions imposed on shareholders in general and the Founding Shareholders after the subscription process resulting from the capital increase.

Summary

Previously listed shares by the Issuer	<p>The Company's shares were listed on the market (seven million (7,000,000) shares at a nominal value of fifty (50) riyals per share on 14/12/1416H (corresponding to 01/05/1996G) after obtaining approval of the Ministry of Commerce and the Saudi Arabian Monetary Authority. The Company subsequently increased its capital on 28/01/1421H (corresponding to 03/05/2000G) from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by granting one free share for every 7 shares, so that the number of its shares become eight million (8,000,000) shares in order to support the Company's expansions and its internal and external investments. On 08/02/1422H (corresponding to 02/05/2001G), the Company increased its capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals through distributing three (3) free shares for every eight (8) shares using the entire profits of the Company in order to support the Company's expansion and its internal and external investments. On 01/02/1423H (corresponding to 14/04/2002G), the Company increased its capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of 2001G to the capital and distribution of two (2) shares for each eleven (11) shares, thus increasing the number of shares from eleven million (11,000,000) to thirteen million (13,000,000) shares in order to support the Company's expansions and its internal and external investments. On 03/04/1424H (corresponding to 03/06/2003G), the Company increased its capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, through the transfer of 50 million Saudi riyals from the profits of 2002G to the capital and the distribution of one free share for every thirteen (13) shares, which results in an increase in the number of shares from thirteen million (13,000,000) to fourteen million (14,000,000) shares in order to support the Company's expansions and its internal and external investments. On 30/03/1425H (corresponding to 19/05/2004G), the Company increased its capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, by transferring 70 million Saudi riyals from the retained earnings to the capital and the distribution of a free share for every ten (10) shares, which resulted in an increase in the Company's shares from fourteen million (14,000,000) to fifteen million and four hundred thousand (15,400,000) shares in order to support the Company's expansions and its internal and external investments. On 12/06/1426H (corresponding to 18/07/2005G) The Company increased its capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals, by issuing rights issue shares amounting to seven million seven hundred thousand (7,700,000) shares with a total nominal value of three hundred and eighty-five million (385,000,000) Saudi riyals, thus increasing the number of shares from fifteen million and four hundred thousand (15,400,000) shares to twenty-three million and one hundred thousand (23,100,000) shares in order to strengthen its financial position and support its local industrial projects in the field of pipe industry and water management projects to keep pace with the country's needs of water pipes and other uses. On 09/01/1441H (corresponding to 08/09/2019G), the Company reduced its capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred And seventeen thousand (344,517,000) Saudi riyals, thus reducing the number of the Company's shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand three hundred (81,048,300) shares with a capital reduction rate of (70.2%), and at a rate of one share reduction for every (1.425) shares, in order to extinguish the total accumulated losses amounting to (810,483,000) Saudi riyals. On 16/04/1442H (corresponding to 01/12/2020G), the Company reduced its capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals, thus reducing the number of the Company's shares from thirty-four million four hundred and fifty-one thousand seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million, four hundred and fifty-one thousand and seven hundred (14,451,700) shares at a capital reduction rate of (41.95%), and at a rate of reduction of one share for every (2.384) shares, in order to extinguish the Company's accumulated losses at a ratio (96.61%). On 16/04/1442H (corresponding to 01/12/2020G), the Company increased its capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing rights issue shares by twelve million (12,000,000) shares in the amount of one hundred twenty million Saudi riyals (120,000,000) Saudi riyals, and thus increasing the number of shares from twenty million (20,000,000) shares to thirty-two million (32,000,000) shares in order to finance the working capital, repay loans and repay suppliers. On 26/07/1443H (corresponding to 27/02/2022G, the Company reduced its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reduced the number of the Company's shares from thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares by canceling twenty-two million one hundred thousand (22,100,000) shares at a capital reduction rate of (69.06%), and at a rate of reducing one share for every (1.447) shares, in order to restructure the Company's capital to extinguish accumulated losses.</p>
Risk Factors	<p>Investing in Rights involves certain risks, and these risks can be categorized into: (1) risks related to the Company's business, (2) risks related to the market and sector, and (3) risks related to new shares. These risks have been reviewed in section (2) «Risk Factors» of this Prospectus, which must be carefully studied before making any investment decision in new Rights or Shares.</p>
Conditions for subscribing to the Rights Issue	<p>Eligible Persons wishing to subscribe to the new shares must fulfill the relevant subscription conditions. To view the information related to the shares and the terms and conditions of the Offering, please refer to Section (12) «Information Relating to the Shares and Subscription Terms and Conditions».</p>
Significant changes in the information disclosed in the latest Prospectus	<p>The Authority has approved the publication of the Company's latest Prospectus on 07/05/1444H (corresponding to 01/12/2022G. Please see subsection (9-17) «Material information that has changed since the Authority's approval of the last prospectus» of section (9) «legal information» for material information that the Company believes has changed since that date.</p>

Key dates for Subscribers and Subscription Procedures

Schedule	Timeline
Holding the EGM that includes approving the capital increase and determining the date of eligibility and eligible shareholders, bearing in mind that the eligible shareholders are the shareholders who own shares at the end of trading on the day of the extraordinary general assembly for the capital increase and who are registered with the Depository Center at the end of the second trading day following the Extraordinary General Assembly for the capital increase.	Tuesday 10/08/1445H (corresponding to 20/02/2024G)
Trading Period	The Subscription Period starts (3) three working days after approval of the EGM that approved the capital increase on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and continues until the end of Tuesday 24/08/1445H (corresponding to 05/03/2024G). During this period, all holders of Rights, whether registered or New Investors, may subscribe to the Rights.
Subscription Period	The Subscription Period starts (3) three working days after approval of the EGM that approved the capital increase on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and continues until the end of Sunday 29/08/1445H (corresponding to 10/03/2024G). During this period, all holders of Rights, whether registered or New Investors, may exercise their rights by subscribing to the New Shares.
End of Subscription Period	The subscription period ends, and the receipt of subscription applications ends at the end of Sunday 29/08/1445H (corresponding to 10/03/2024G)
Rump Offering Period	The Rump Offering Period begins at 10:00 AM of Wednesday 03/09/1445H (corresponding to 13/03/2024G) and continues until 5:00 PM of the next day on Thursday 04/09/1445H (corresponding to 14/03/2024G)
Final Allocation Notification	On Tuesday 09/09/1445H (corresponding to 19/03/2024G)
Payment of compensation amounts (if any) for Eligible Persons who did not participate in the Offering entirely or partially and Eligible persons of the share fractions	On Thursday 09/10/1445H (corresponding to Thursday 18/04/2024G)
Expected Commencement of trading in the Offer Shares	After completing all the necessary procedures. The starting date of trading in the new shares will be announced on Tadawul's website, provided that the time period between the end of subscription to the Rights and the deposit of shares in the shareholders' portfolios shall be 9 working days.

Notice: All the dates mentioned in the timeline above are approximate, and the actual dates will be announced on Tadawul's website (www.saudiexchange.sa)

Key announcement dates

Announcement	Announcing Party	Announcement Date
Announcement the invitation for the EGM for capital increase.	Company	On Monday 17/07/1445H (corresponding to 29/01/2024G)
Announcement of the EGM results regarding the capital increase.	Company	On Wednesday 11/08/1445H (corresponding to 21/02/2024G)
Announcement regarding the change in Company's share price, Rights' deposit and the Indicative Value of the Right	Tadawul	On Wednesday 11/08/1445H (corresponding to 21/02/2024G)
Announcement regarding the addition of Rights to Saudi Arabian Amiantit Company.	Edaa	On Monday 16/08/1445H (corresponding to 26/02/2024G)
Announcement regarding the determination of the Rights Trading Period and the Subscription Periods to the new shares	Company	On Sunday 15/08/1445H (corresponding to 25/02/2024G)
Announcement of the start date of the Trading Period and the subscription period to the new shares	Tadawul	On Monday 16/08/1445H (corresponding to 26/02/2024G)
Reminder announcement of the start of the rights Trading Period and the subscription period to the new shares	Company	On Tuesday 17/08/1445H (corresponding to 27/02/2024G)
A reminder about the last day of trading rights noting the importance of those who do not wish to subscribe to sell the rights they own	Company	On Monday 23/08/1445H (corresponding to 04/03/2024G)
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 	Company	On Monday 01/09/1445H (corresponding to 11/03/2024G)

Announcement	Announcing Party	Announcement Date
Announcement regarding the outcome of the Rump Offering and Notification of the final allocation	Company	On Tuesday 09/09/1445H (corresponding to 19/03/2024G)
Announcement regarding the deposit of New Shares in the investors' portfolios*	Edaa	On Thursday 11/09/1445H (corresponding to 21/03/2024G)
Announcement regarding distribution of the compensation amounts (if any)	Company	On Thursday 09/10/1445H (corresponding to 18/04/2024G)

Notice: All dates mentioned in the timeline above are approximate, and the actual dates will be announced on the website of Tadawul (www.saudiexchange.sa) in coordination with the Securities Depository Center Company (Edaa) to determine the date of depositing the shares.

It should be noted also that in accordance with Article Fifty-One of the Rules on the Offer of Securities and Continuing Obligations, in the event that an announcement related to the offering is published in a local newspaper after the publication of the Prospectus, such an announcement must include the following:

1. 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 the rights shares shall be limited to the Eligible Persons, whether they are registered shareholders or New Investors, and if the Rights of the Eligible Persons are not exercised, any remaining shares not subscribed to by the Eligible Persons will be offered to Institutional Investors by offering them during the Rump Offering Period. The Eligible Persons wishing to subscribe to the new shares must submit subscription applications through the means and services provided by a Broker to the investors, provided that the Eligible Person has an investment account with one of the Brokers who provide these services, or that the data of the Eligible Person be up to date, and that no changes have occurred in the data or information of the Eligible Person (by deleting or adding a member of his family) since he subscribed to a recent offering, unless these amendments have been communicated to the brokers and approved by them.

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 Broker to investors and the custodian of shares. The Company reserves the right to reject any application to subscribe to the new shares, in whole or in part, if it does not meet any of the terms or requirements of the subscription. The Subscription Application may not be amended or withdrawn after its submission. The Subscription Application upon submission represents a binding contract between the Company and the Eligible Shareholder. (For more information, please see Section (12) **«Information relating to the Shares and Offering Terms and Conditions.»**)

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 at the end of the day of the EGM 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.

To whom Rights are granted?

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 EGM.

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 will appear 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?

They are notified through an announcement on the Tadawul website and through (Tadawulaty) Service provided by the Depository Center and SMS's sent through intermediaries/brokers.

How many Rights can be acquired by a Registered Shareholder?

The number of Rights to be acquired by a Registered Shareholder depends on the percentage of what each Shareholder owns in the Capital according to the Company's Shareholders Register at the Depository as at the close of the second trading day after the EGM.

What is the Rights Issue eligibility factor?

It is the ratio that permits the Registered Shareholders to know how many Rights they are entitled to in relation to the Shares that they already owned on the second trading day after the EGM. 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 (3.5) right for each one (1) 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 (3,500) 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 value upon commencement of trading?

The Right opening price is the difference between the share closing price on the day preceding the 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 fifteen (15) Saudi Riyals and the Offer Price is ten (10) Saudi Riyals, the opening price of the Rights will be five (5) Saudi Riyals.

Who is the Registered Shareholder?

Any Shareholder whose name appears in the Company's Shareholders' Register at the end of the second trading day after the EGM.

Is it possible to subscribe more than once and through more than one broker?

Yes, it is possible, but it must be taken into account that the quantity of subscribed shares does not exceed the number of rights owned at the end of the rights trading period, as any increase in the quantity of subscribed shares over the number of rights owned at the end of the rights trading period will result in cancellation of the subscription application.

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 EGM and vote on increasing 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/her?

An Eligible Person cannot subscribe to more shares than the Rights owned by him/her.

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, for example if a shareholder owns one thousand (1000) shares: 800 shares in portfolio (a) and two hundred (200) shares in portfolio (b), then the total Rights which will be deposited three thousand and five hundred (3,500) Rights as each share is eligible for (3.5) Right. Therefore, two thousand and eight hundred (2800) Rights will be deposited in portfolio (a) and seven hundred (700) 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 Brokers or Depository Center Company (Edaa) and introducing the necessary documents, before the subscription period.

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 a subscriber subscribe for the Rights he/she purchased during the Rights Trading Period?

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

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

No, 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.

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 Company's 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 EGM day shall have the right to attend the EGM day 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 Company'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 EGM.

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

Yes, as the investor will be registered in the Company 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 EGM), bearing in mind that Rights will be granted to all shareholders registered in the Company Shareholders Register at the end of trading session on the second trading day following the date of the EGM. However, he/she may not attend or vote in the EGM for the capital increase.

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

The investor's shares will be distributed to the portfolios owned by him/her, 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 periods?

Trading in and Subscription to the Rights shall commence at the same time after (3) three working days from the approval of the extraordinary general assembly, which includes the approval of the capital increase, 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 EGM subscribe for the Rights?

Yes, they can subscribe for the Rights after purchase of Rights during the Trading Period.

Will any other fees be added to rights trading transactions?

The same commissions will be applied to buying and selling transactions as they are for stocks, but without a minimum commission amount, provided that the upper limit does not exceed fifteen and a half basis points (0.155%) of the total transaction value.

If the new shares are subscribed to and the rights are then sold, what happens in this case?

If a registered shareholder subscribes and then sells his rights, and the number of rights, equivalent to the number of rights he subscribed for, is not purchased before the end of the trading period, the subscription request will be rejected completely if all the rights are sold or partially for an amount equivalent to the rights sold. The registered shareholder will be notified, and the rejected subscription amount will be returned to him via the receiving entity.

Additional Assistance

In case of any inquiries, please contact the Company at e-mail: info@amiantit.com. For legal reasons, the Company will only be able to provide the information contained in this Prospectus and will not be able to advise on the merits of the rights issue or even provide financial, tax, legal or investment advice.

For more information on the terms and conditions of the subscription, please see Section (12) «**Information relating to the Shares and Subscription Terms and Conditions**» and the rest of the information contained in this Prospectus.

Summary of Key Information

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 before making any investment decision related to the Rights or New Shares.

Company Overview

Saudi Arabian Amiantit Company was established as a limited liability company headquartered in Dammam, Kingdom of Saudi Arabia with Commercial Registration No. (2050002103), dated 17/03/1388H (corresponding to 14/06/1968G). The Company's head office is located in the Kingdom of Saudi Arabia - Dammam - First Industrial City, PO Box: 3361, Dammam 32234.

The Company was converted into a Saudi joint stock company pursuant to Ministerial Resolution No. (886) dated 06/08/1414H (corresponding to 18/01/1994G). The Company's shares were listed on the Saudi Stock Exchange (Tadawul) on 14/12/1416H (corresponding to 01/05/1996G).

The capital of the Company is ninety-nine million (99,000,000) Saudi riyals, divided into nine million nine hundred thousand (9,900,000) ordinary shares at a nominal value of ten (10) riyals per share fully paid up.

The Company's Substantial Shareholders (who own 5% or more of its capital) are: Prince\ Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%) and Prince Fahd Khaled Abdullah Abdulrahman Al Saud, who owns (5.235%).

Summary of the Company activities

The Company operates under Commercial Registration No. (2050002103) issued on 17/03/1388H (corresponding to 14/06/1968G). The Company's activities according to its Commercial Registration are:

The manufacture of plastics in their primary forms, the manufacture of synthetic rubber derived from oils in their primary forms, the manufacture of polyethylene, the manufacture of semi-manufactured products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and their accessories... etc.), the manufacture of pipes and plastic hoses and pipes and their connections and supplies, the manufacture of fiberglass, including (glass wool, etc.), manufacturing water tanks, manufacturing pipes, manufacturing multi-purpose cans and boxes from fiberglass, manufacturing cast iron, including steel and cast iron castings, manufacturing pipes, and hollow shapes from iron and steel, manufacturing ordinary non-steel metal products, including (wires, pipes, tubes, powders, papers, sheets, etc.), manufacturing tubes, hollow shapes, and pipe or pipe fittings, manufacturing sewage manhole covers, installing industrial devices in industrial facilities, installing control equipment in industrial operations, complete dismantling of large machines and equipment, installing machinery and equipment, transport and distribution of water, general construction of residential buildings, extensions of water lines between and within cities and installing new networks, construction of stations and main lines for water distribution, repair and maintenance of stations, networks and main lines for water distribution, repair and maintenance of stations, sewage projects and networks, sewers and pumps, construction of sewage stations and projects, sewage networks and pumps, extension, maintenance and repair of irrigation network, building finishing, retail sale of metal and steel pipes, sale and installation of machinery and factory equipment, operating and maintaining pumping stations and pipelines, management and leasing of owned or rented properties (residential), management and leasing of owned or rented properties (Non-residential), research and development in the field of engineering and technology, integrated administrative services activities for offices)

The main objectives of the Company, according to its Articles of Association, are:

General Scope	Special Scope	Activities	Activity Code
Construction	Construction	Extensions of water lines between and within cities and the establishment and maintenance of new networks	422031
		Establishing and repairing sewage stations and projects, sewage networks and pumps	422050
	Electrical installations	Network extensions	432113
	Building construction	General construction of residential buildings	410010
	Building completion and finishing	Building finishing	433010
	Plumbing and air conditioning and heating works	Irrigation pipe extensions, maintenance and repair	432254
Transformative Industries	Manufacture of plastic products	Manufacture of semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and their accessories... etc.)	222010
		Manufacture of pipes, hoses, plastic tubes, fittings and accessories	222020
	Manufacture of glass and glass products	Pipe industry	231083
	Manufacture of basic precious and non-steel metals	Ordinary non-ferrous metal products, including (wires, pipes, tubes, powders, papers, sheets... etc.)	242060
	Iron and steel casting	Manufacture of pipes, tubes, hollow shapes, and pipe or pipe fittings	243120
	Installation of industrial machinery and equipment	Installation of industrial devices in industrial facilities	332011
		Installation of industrial process control equipment	332012
		Complete dismantling of large machinery and equipment	332013
		Installation of machinery and equipment	332032
	Manufacture of synthetic plastics and rubber in their primary forms	Plastics industry (plastics in their primary forms)	201310
		Manufacture of synthetic rubber derived from oils in their primary forms	201320
		Polyethylene industry	201360

General Scope	Special Scope	Activities	Activity Code
Transformative Industries	Manufacture of glass and glass products	Fiberglass industry, including glass wool	231081
		Water tanks industry	231082
		Pipe industry	231083
	Making base iron and steel	Cast iron industry, including steel and cast iron castings	241025
		Manufacture of pipes, tubes and hollow shapes of iron and steel	241050
		Manufacture of pipes, tubes, hollow shapes and pipe or pipe fittings	243120
	Manufacture of other formed metal products not classified elsewhere	Manufacture of sewage manhole covers	259973
Wholesale, retail trade, repair of motor vehicles and motorcycles	Retail sale of other new goods in specialized stores	Selling and installing machinery and factory equipment	477395
	Retail sale of metalware, paint and glass in specialized stores	Retail sale of metal and iron pipes	475286
Administrative and support services	Integrated office administrative services activities	Integrated office administrative services activities	821100
Real estate activities	Real estate activities in owned or rented properties	Management and leasing of owned or rented properties (residential)	681021
		Management and leasing of owned or rented properties (non-residential)	681022
Professional, scientific and technical activities	Architectural engineering activities and related technical advisory services	Engineering and architectural consulting activities	711013
		Engineering consultations for water and sanitation	711037
		Industrial consulting activities	711033
Experimental research and development in the field of natural sciences and engineering		Research and development in engineering and technology	721002
Manufacture of glass and glass products	Transformative Industries	Manufacture of multi-purpose boxes and boxes from fiberglass	231086
Water supply, sanitation, waste management and treatment activities	Construction of utility projects	Establishing and repairing main water distribution stations and lines	422032
		Establishing and repairing sewage stations and projects, sewage networks and pumps	422050
Transportation and storage	Pipeline transportation	Operating and maintaining pumping stations and pipelines	493007
Construction of utility projects	Construction	Repair and maintenance of water distribution stations, networks and main lines	422033
		Repair and maintenance of sewage stations and projects, sewage networks and pumps	422045
Water supply and sanitation activities, waste management and treatment	Water collection, treatment and delivery	Water transportation and distribution	360014

The Company carries out its activities in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

Company Capital Structure

The Company's shares were listed on the market (seven million (7,000,000) shares at a nominal value of fifty (50) riyals per share on 14/12/1416H (corresponding to 01/05/1996G) after obtaining approval of the Ministry of Commerce and the Saudi Arabian Monetary Authority. The Company subsequently increased its capital on 28/01/1421H (corresponding to 03/05/2000G) from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by granting one free share for every 7 shares, so that the number of its shares become eight million (8,000,000) shares in order to support the Company's expansions and its internal and external investments. On 08/02/1422H (corresponding to 02/05/2001G), the Company increased its capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals through distributing three (3) free shares for every eight (8) shares using the entire profits of the Company in order to support the Company's expansion and its internal and external investments. On 01/02/1423H (corresponding to 14/04/2002G), the Company increased its capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of 2001G to the capital and distribution of two (2) shares for each eleven (11) shares, thus increasing the number of shares from eleven million (11,000,000) to thirteen million (13,000,000) shares in order to support the Company's expansions and its internal and external investments. On 03/04/1424H (corresponding to 03/06/2003G), the Company increased its capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, through the transfer of 50 million Saudi riyals from the profits of 2002G to the capital and the distribution of one free share for every thirteen (13) shares, which results in an increase in the number of shares from thirteen million (13,000,000) to fourteen million (14,000,000) shares in order to support the Company's expansions and its internal and external investments. On 30/03/1425H (corresponding to 19/05/2004G), the Company increased its capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, by transferring 70 million Saudi riyals from the retained earnings to the capital and the distribution of a free share for every ten (10) shares, which resulted in an increase in the Company's shares from fourteen million (14,000,000) to fifteen million and four hundred thousand (15,400,000) shares in order to support the Company's expansions and its internal and external investments. On 12/06/1426H (corresponding to 18/07/2005G) The Company increased its capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals, by issuing rights issue shares amounting to seven million seven hundred thousand (7,700,000) shares with a total nominal value of three hundred and eighty-five million (385,000,000) Saudi riyals, thus increasing the number of shares from fifteen million and four hundred thousand (15,400,000) shares to twenty-three million and one hundred thousand (23,100,000) shares in order to strengthen its financial position and support its local industrial projects in the field of pipe industry and water management projects to keep pace with the country's needs of water pipes and other uses. On 09/01/1441H (corresponding to 08/09/2019G), the Company reduced its capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals, thus reducing the number of the Company's shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand three hundred (81,048,300) shares with a capital reduction rate of (70.2%), and at a rate of one share reduction for every (1.425) shares, in order to extinguish the total accumulated losses amounting to (810,483,000) Saudi riyals. On 16/04/1442H (corresponding to 01/12/2020G), the Company reduced its capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals, thus reducing the number of the Company's shares from thirty-four million four hundred and fifty-one thousand seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million, four hundred and fifty-one thousand and seven hundred (14,451,700) shares at a capital reduction rate of (41.95%), and at a rate of reduction of one share for every (2.384) shares, in order to extinguish the Company's accumulated losses at a ratio 96.61%. On 16/04/1442H (corresponding to 01/12/2020G), the Company increased its capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing rights issue shares by twelve million (12,000,000) shares in the amount of one hundred twenty million Saudi riyals (120,000,000) Saudi riyals, and thus increasing the number of shares from twenty million (20,000,000) shares to thirty-two million (32,000,000) shares in order to finance the working capital, repay loans and repay suppliers. On 26/07/1443H (corresponding to 27/02/2022G), the Company reduced its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reduced the number of the Company's shares from thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares by canceling twenty-two million one hundred thousand (22,100,000) shares at a capital reduction rate of (69.06%), and at a rate of reducing one share for every (1,447) shares, in order to restructure the Company's capital to extinguish accumulated losses.

Vision

To maintain our position as the leaders in supplying the best piping systems while actively participating globally by providing products and services that lead to sustainable environmental solutions.

Mission

To provide quality products and services by offering our clients reliable pipe systems for municipal, civil, industrial, oil & gas, agricultural, and infrastructure-based applications, centered around the latest pipe technologies.

Strategy

Vigorously expanding in the local market, mainly by gaining market share of alternative non-metallic products. This will be achieved mainly by expanding the adoption of our products with major customers and project owners such as: ministries, water desalination, and petrochemical companies. The strategy also focuses on the fiberglass tanks market segment by offering competitive prices for both residential and industrial tanks with high quality designs and low cost of production. The above activities will be enhanced by the parallel expansion of design, engineering and construction services through ISECC, by the expansion of the new Valves Business Unit (AMICON) by entering the market at competitive prices for this product.

Strength and Competitive Advantages

- First:** The Company owns an integrated system for pipe projects. It owns 100% owned subsidiaries working in the field of planning and engineering pipeline projects, and then specify the pipes used in the projects, and manufacturing, supplying and installing pipes, fittings and accessories. Amiantit is almost unique and distinct in the world at this level.
- Second:** Amiantit owns product research and development centers in Saudi Arabia and Norway. These centers develop products, improve their performance, develop new products, and provide technical support to find engineering solutions to all problems experienced by projects and develop production and manufacturing methods. These centers are not available in all worldwide pipe companies except for Amiantit.
- Third:** Amiantit owns factories that produce complementary materials for the manufacture of pipes, such as joints, accessories, rubber rings, flanges and tanks.
- Fourth:** Amiantit has a marketing network locally and internationally, as it has branches and marketing offices all over the world.
- Fifth:** Amiantit owns all pipeline technologies and licenses them to third parties and provides the necessary technical support for turnkey projects.
- Sixth:** Amiantit's global reputation in the field of manufacturing, supplying, installing, and manufacturing pipe factories made it assume the first global position in the field of pipe industry.
- Seventh:** Effective and active management, as it has a distinguished board of directors and executive management, and they hold educational qualifications and specialized expertise in the company's business field.

Values

- The value that the Company adds is based on values that we believe in. This is the essence of the ethical principles on which Amiantit is based. The Company's values are based on the importance of ethical behavior and values. The company adopts these principles in all its affairs and for all those it deals with, whether they are employees, shareholders, suppliers, customers, or others.

Objectives

- Developing and adopting state-of-the-art pipe manufacturing technologies through the Company's research and development centers.
- Achieving greater profitability by increasing growth and controlling costs while maintaining high quality standards.
- Expansion into emerging markets with long-term opportunities.
- Continuous improvement of the Company's structure and related procedures.
- Always providing a safe work environment for all our employees and customers.
- Continuous improvement of social responsibility programs.
- Enhancing interest in shareholders.

Market Overview

Fiberglass pipes

The demand for fiberglass pipes in the world is growing rapidly as a result of the following reasons:

- Increasing government investments in both developed and developing economies to improve water and sanitation facilities in general.
- Increasing demand for high performance, light weight, corrosion resistance, high strength and flexible pipes, especially in the oil, gas and chemical industries.

One of the most important reasons of the increase in demand for fiberglass pipes is the increase in population, which leads to the expansion of residential areas and the construction of new systems for water supply and treatment, as well as the renewal of old systems. The Middle East oil and gas pipeline market size is expected to grow from 5.28 billion US\$ in 2023 to 6.46 billion US\$ by 2028G, at a CAGR of (4.12%) during the forecast period. (2023G - 2028G). The outbreak of COVID-19 in the first quarter of 2020 delayed pipeline projects due to imposed lockdown restrictions. Factors such as increasing gas infrastructure development, rising investments, and increasing capacity of desalination plants are expected to drive the market during the forecast period. However, high volatility in crude oil prices is expected to hamper market growth. Saudi Arabia is expected to dominate the Middle East oil and gas pipeline market during the forecast period. It is worth noting that more than 66 billion US\$ in long-term capital investments have been allocated to water and sanitation projects in the Kingdom over the next decade, while the government aims to achieve 100% wastewater reuse in cities with a population of 5,000 people or more by 2025¹.

Valves

The demand for valves in the Middle East and Africa is increasing due to the following reasons:

- Expansion of power generation sector by the GCC countries.
- Expansion of oil refining in the Middle East and Africa.

The valves market in the GCC, Middle East and North Africa countries is expected to record a compound annual growth rate of more than 5% during the forecast period (2022G-2027G). One of the major factors driving the market growth is the expansion of the power generation sector in the GCC countries. Pipelines are one of the most integrated arrangements in various industries, such as oil and gas, refineries, and power generation to transport oil/gas from its source to the place where it will be used or converted into final products. Hence, all industrial applications of valves and the expected growth of these industries in the MENA and GCC regions are expected to increase the demand for valves for industrial applications at a steady pace in the coming years..²

Ductile iron pipe

The global market for ductile iron pipes is expected to increase at a significant rate during the forecast period (2023 - 2030G). The United States plays an important role that cannot be ignored in the development of ductile iron pipes. The high adoption of advanced technology and the presence of major players in this region is likely to create significant growth opportunities for the market, despite the presence of intense competition, given the clear global recovery trend from the effects of the Coronavirus, and since the Kingdom of Saudi Arabia is considered one of the leading countries in the ductile pipe industry. The effects of the global recovery from the Coronavirus will be reflected positively on the sector's revenues³.

¹ Modrdor Intelligence. (2023-2028). Analysis of Middle East Oil and Gas Pipeline Market Size and Share - Growth Trends and Forecast. Modrdor Intelligence.

² Modrdor Intelligence. (2023-2028). GCC AND MENA VALVES MARKET SIZE & SHARE ANALYSIS - GROWTH TRENDS & FORECASTS.

Summary of financial information

The summary of the financial information below is based on the Company's audited financial statements for the financial years ending on December 31, 2020, 2021 and 2022, 2021 and the accompanying notes. The Company's audited consolidated financial statements for the financial years ending on December 31, 2020G, December 31, 2021G, and December 31, 2022G, and the notes attached thereto, and the reviewed interim financial statements for the six-month period ending on June 30, 2023G, and the notes attached thereto, in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants (SOCPA). The Company's financial statements for the financial years ending on December 31, 2020G, December 31, 2021G, and December 31, 2022G, and the interim reviewed financial statements for the six-month period ending on June 30, 2023G, were audited and reviewed by Sulaiman Abdullah Al-Kharashi Company (Al-Kharashi & Partners, Certified Public Accountants and Auditors). The Company issues its financial statements in Saudi riyals.

Statement of Financial Position (SAR '000)	Fiscal year Ended on 31/12/2020G (Audited)	Fiscal year Ended on 31/12/2021G (Audited)	Fiscal year Ended on 31/12/2022G (Audited)	Six-month period ending on June 30, 2022G (non-audited)	Six-month period ending on June 30, 2023G (non-audited)
Assets					
Total current assets	1,243,747	988,134	878,538	981,398	926,048
Total non-current assets	1,383,981	1,315,566	1,409,282	1,239,486	1,390,676
Total Assets	2,627,728	2,303,700	2,287,820	2,220,884	2,316,724
Liabilities and Shareholders' Equity					
Total current liabilities	1,826,208	1,726,247	1,701,208	1,696,022	1,728,411
Total non-current liabilities	257,942	232,735	226,069	221,412	227,411
Total liabilities	2,084,150	1,958,982	1,927,277	1,917,434	1,955,822
Total Shareholders' Equity	543,578	344,718	360,543	303,450	360,902
Total liabilities and shareholders' equity	2,627,728	2,303,700	2,287,820	2,220,884	2,316,724

Source: Company's audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed interim financial statements for the six-month period ending on June 30, 2022, and June 30, 2023.

Statement of Income

Statement of Income (SAR '000)	Fiscal year Ended on 31/12/2020G (Audited)	Fiscal year Ended on 31/12/2021G (Audited)	Fiscal year Ended on 31/12/2022G (Audited)	Six-month period ending on June 30, 2022G (non-audited)	Six-month period ending on June 30, 2023G (non-audited)
Total revenue	441,023	438,911	508,817	241,153	363,760
Cost of revenue	(506,171)	(515,452)	(449,138)	(227,375)	(305,414)
Gross profit (loss)	(65,148)	(76,541)	59,679	13,778	58,346
Profit (loss) from operations	(259,009)	(187,567)	(10,225)	(12,768)	8,326
Net profit (loss) before Zakat and foreign income tax	(349,545)	(148,078)	14,337	67	9,040
Net profit (loss) from continuing operations	(394,519)	(171,783)	(5,059)	(10,235)	(3,549)

Source: Company's audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed interim financial statements for the six-month period ending on June 30, 2022, and June 30, 2023.

³ Global Ductile Iron Pipe market (2023-2030).

Statement of Cash Flows

Cash Flows (SAR '000)	Fiscal year Ended on 31/12/2020G (Audited)	Fiscal year Ended on 31/12/2021G (Audited)	Fiscal year Ended on 31/12/2022G (Audited)	Six-month period ending on June 30, 2022G (non-audited)	Six-month period ending on June 30, 2023 (non-audited)
Cash and cash equivalents at beginning of the year	89,819	53,255	75,136	75,136	41,741
Net cash and cash equivalents from operating activities	(82,163)	21,499	(41,768)	(61,229)	(8,248)
Net cash and cash equivalents from investing activities	24,563	24,630	33,556	24,295	144
Net cash and cash equivalents from financing activities	17,801	(23,197)	(24,498)	(227)	3,765
Net change in cash and cash equivalents for the year	(39,799)	22,932	(32,710)	(37,161)	(4,339)
Differences in transferring foreign commissions from foreign operations	3,235	(1,051)	(685)	(867)	369
Cash and cash equivalents at end of the year	53,255	75,136	41,741	37,108	37,771

Source: Company's audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed interim financial statements for the six-month period ending on June 30, 2022, and June 30, 2023.

Key Performance Indicators

Key Performance Indicators:	Fiscal year Ended on 31/12/2020G (Audited)	Fiscal year Ended on 31/12/2021G (Audited)	Fiscal year Ended on 31/12/2022G (Audited)	Six-month period ending on June 30, 2022G (non-audited)	Six-month period ending on June 30, 2023G (non-audited)
Gross profit margin	(14.77%)	(17.44%)	11.73%	5.71%	16.04%
Net profit margin from continuing operations	(89.46%)	(39.14%)	(0.99%)	(4.24%)	(0.98%)
Current ratio (time)	0.68	0.57	0.52	0.58	0.54
Total Assets / Total Liabilities	1.26	1.18	1.19	1.16	1.18
Total liabilities / total equity	3.83	5.68	5.35	6.32	5.42
Return on total assets	(15.01%)	(7.46%)	(0.22%)	(0.46%)	(0.15%)
Return on total shareholders' equity	(72.58%)	(49.83%)	(1.40%)	(3.37%)	(0.98%)

Source: Company's audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed interim financial statements for the six-month period ending on June 30, 2022, and June 30, 2023.

Summary of Risk Factors

Investors wishing to subscribe to the shares of this Offering, before making their investment decision related to subscription or trading in Rights Issue shares, should study and review all the information contained in this Prospectus, including in particular the risk factors that were explained in detail in Section (2) « Risk Factors» from this Prospectus. There are a number of risks related to the issuance of rights shares, which are summarized as follows:

• Risks Related to the Issuer

- Risks related to Revenue Concentration
- Risks related to the Fluctuation of the Goss Profit Margin
- Risks related to cost reduction initiatives by management
- Risks related to Exporting the Company's Products
- Risks of Fluctuation in Currency Exchange rates and costs
- Risks related to the Company's Ability to Obtain Tenders
- Risks of Estimating and Anticipating Future Project Costs
- Risks related to the Availability of Main Raw Materials
- Risks related to the Company's Ability to Provide Raw Materials
- Risks related to Raw Material Suppliers
- Risks of Default by Suppliers
- Risks related to the availability of facilities and changes in their prices
- Risks related to product quality
- Risks of Unexpected Accidents
- Risks related to the Company's inability to keep pace with Technical Developments
- Liquidity risk
- Risks of Non-compliance with Credit Facility and Loans Agreements
- Risks related to Interest Rate Fluctuations
- Risks related to Contractual Assets
- Risks related to Increasing the Company's Liabilities
- Risks resulting from Transactions with Related Parties
- Risks of Differences in Zakat Amounts and Value-Added Tax Fines
- Risks associated with Potential Liabilities:
- Risks related to the Company's Losses
- Risks related to the Existence of Previous Priority Rights Issues
- Risks related to the Company's Continuity
- Risks associated with Changes in Capital
- Risks associated with Losses in Water Projects
- Losses on Selling Investments
- Risks of Liquidation of Subsidiaries
- Risks associated with the Financial Performance of Sister Companies.
- Risks of Reliance on Key Personnel
- Risks related to Staff Mistakes or Misconduct
- Risks related to the Company's Reliance on Hired Labors

- Risks related to Dependence on non-Saudi Employees
- Risks related to Expansion and Growth strategy
- Risks related to the Inability to Implement the Strategy
- Risks related to the Adequacy of Insurance Coverage
- Risks related to Non-registration of Lease Contracts in Ejar Platform
- Risks related to Not Obtaining or Renewing Governmental Licenses, Certificates and Permits
- Risks of Litigation and Legal Action
- Risks related to the Impact of the Corona Pandemic (Covid19)
- Risks related to not Registering or Renewing Trademarks and Website
- Risks of Obsolescence and Impairment of Assets
- Risks of Impairment of Employee Stock Portfolios.
- Risks related to the Application of the Governance Regulations and the Audit Committee's Work Regulations

• **Risks related to Market and Industry in which the Issuer Operates:**

- Risks related to the Economic Performance of the Kingdom:
- Risks related to Non-compliance with Existing Regulations and Laws and/or the Issuance of New Regulations and Laws:
- Risks related to Political and Economic Instability in the Middle East:
- Risks related to violating the Commercial Registry law
- Risks associated with VAT
- Risks related to the Competitive Environment:
- Risks related to the Company's operations being subject to Environmental, Health, and Safety systems and regulations:
- Risks related to Energy and Electricity Products and related Services:
- Risks related to the Fluctuation of Interest Rates

• **Risks related to the Offered Securities**

- Risks associated with Possible Fluctuation in the Price of the Priority Rights
- Risks related to Potential Fluctuations in the Share Price
- Risks related to non-Profitability or Sale of Priority Rights
- Risks related to Future Data
- Risks related to the Possibility of Issuing New Shares
- Risks related to a Decrease in the Demand for Priority Rights and Company Shares
- Risks related to the Decrease of the Ownership Ratio
- Risks related to Not Exercising Priority Rights in a Timely Manner
- Risk related to Dividends Distribution to Shareholders
- Risks related to Speculation in Priority Rights
- Risks related to Suspending Trading or Canceling the Company's Shares as a result of Not Publishing its Financial Statements within the Statutory Period
- Risks related to shareholders' low awareness of the trading mechanism and their exercise of priority rights

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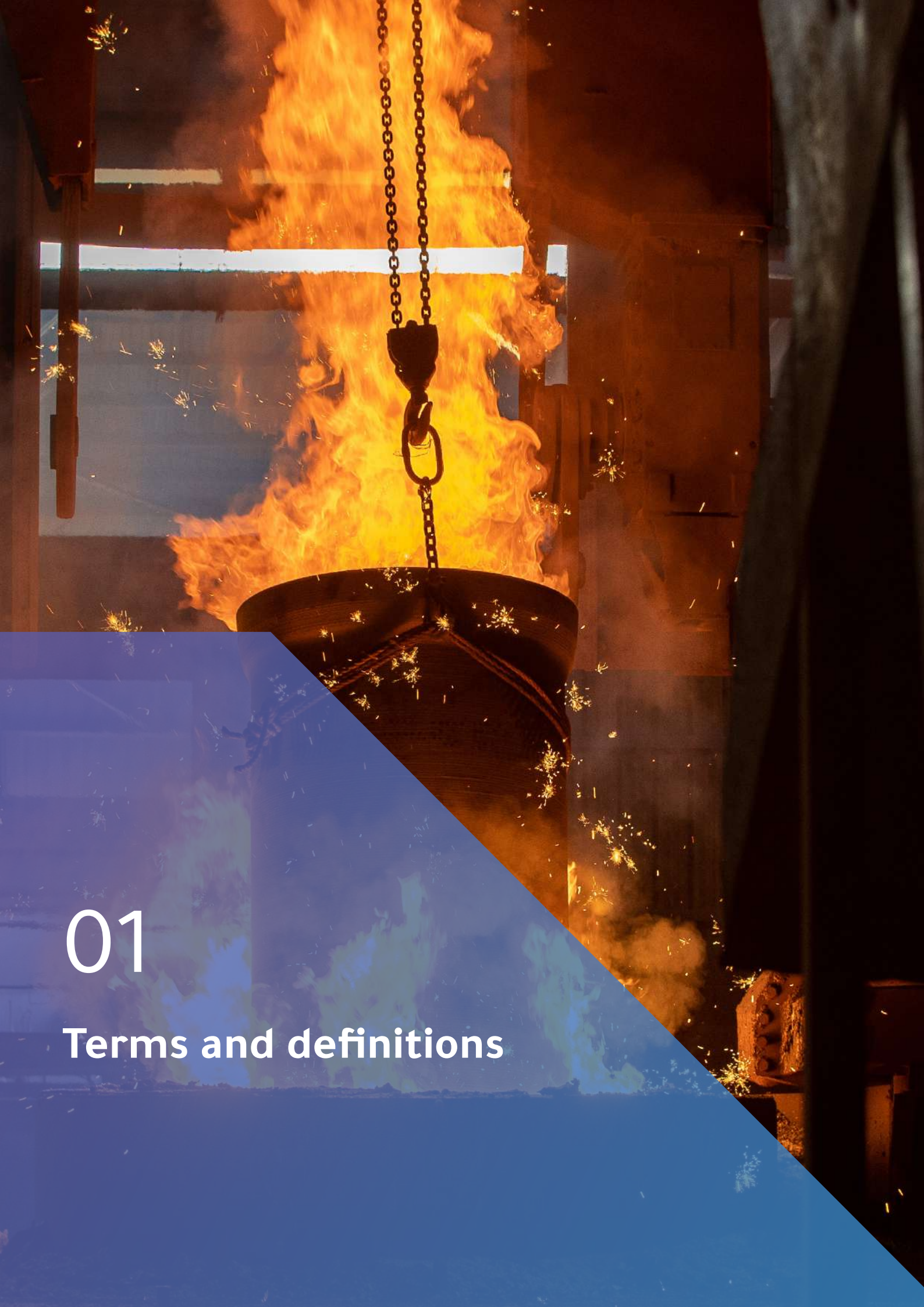
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Terms and definitions

1- Terms and definitions

Term	Definition
«The Company», «Amiantit» or «the Issuer»	Saudi Arabian Amiantit Company, a Saudi public joint stock company, registered in the commercial registry in Dammam under Certificate No. (2050002103) dated 17/03/1388H (corresponding to 14/06/1968G).
Group	Saudi Arabian Amiantit Company and its subsidiaries (together referred to as the «Group»).
Advisors	The Company's advisors whose names are shown on pages (vi & vii).
Management	The Company's Management
Board or Board of Directors	The Company's Board of Directors, whose names appear on page (iv).
Substantial Shareholders	Shareholders who own 5% or more of the Company's shares, and as the date of this prospectus the Substantial Shareholders in the Company (who own 5% or more of the Company's shares) are Prince/ Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%), and Prince/ Fahd Khaled Abdullah Abdul Rahman Al Saud, who owns (5.235%).
Related Parties	<p>Related parties shall mean the following:</p> <ol style="list-style-type: none"> Affiliates of the Company. Substantial Shareholders of the Company. Directors and senior executives of the Company. Directors and senior executives of the affiliates of the Company. Directors and senior executives of substantial shareholders of the Company. Any relatives of the persons in (1, 2, 3, 4 or 5) above. Any Company controlled by any person described in (1, 2, 3, 4, 5, or 6) above. Persons who work in agreement together and jointly own (5%) or more of the class of shares to be listed.
Public	<p>In the Rules on the Offer of Securities and Continuing Obligations, public means the persons other than the following:</p> <ol style="list-style-type: none"> Affiliates of the issuer. Substantial shareholders of the issuer. Directors and senior executives of the issuer. Directors and senior executives of the affiliates of the issuer. Directors and senior executives of substantial shareholders of the issuer. Any relatives of the persons in (1, 2, 3, 4, or 5) above. Any company controlled by any person in (1, 2, 3, 4, 5, or 6) above or Persons who act together in agreement and jointly own (5%) or more of the class of shares that will be listed.
Senior Executives	Any natural person who is entrusted (alone or with others) by the Company's managerial body or by a member of the Company's managerial body with tasks of supervision and management, and whose reference is to any of the following: (1) the managerial body directly and (2) a member of the managerial body and (3) the CEO.
The Managerial body	The group of individuals who make the strategic decisions of the Company, and the Board of Directors of the joint stock company is the managerial body for it.
Bylaws or Articles of Association	The Company's Articles of Association
Saudi Authority for Industrial Cities and Technology Zones («Modon»)	The Saudi Authority for Industrial Cities and Technology Zones («Modon»), a governmental authority with an independent legal personality, was established based on Cabinet Resolution No. (235) dated 27/08/1422H. It reports directly to His Excellency the Minister of Industry and Mineral Resources.
General Authority of Military Industries	The legislator for the military industries sector in the Kingdom of Saudi Arabia, and responsible for organizing, developing, and monitoring its performance. The esteemed Council of Ministers issued a decision to establish the General Authority of Military Industries in Dhul-Qi'dah of the year 1438H, corresponding to August 2017G.
CMA or the Authority	The Capital Market Authority in the Kingdom of Saudi Arabia.
Companies Law or Companies Regulations	The Companies Law in the Kingdom of Saudi Arabia issued pursuant to Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), which entered into force on 26/06/1444H (corresponding to 19/01/2023G).
Capital Market Law	The Capital Market Law issued by Royal Decree No. M/30 on 02/06/1424H (corresponding to 31/07/2003G)
Founding Shareholders	The Founding Shareholders of the Company.
General Assembly	The general assembly of the Company's shareholders.
Ordinary General Assembly	The Company's ordinary general assembly meeting of shareholders, which is held in accordance with the Company's Articles of Association.
Extraordinary General Assembly	The Company's extraordinary general assembly meeting of shareholders, which is held in accordance with the Company's Articles of Association.

Term	Definition
GCC	Cooperation Council for the Arab States of the Gulf.
GDP	Gross Domestic Product of the Kingdom of Saudi Arabia
The Government	Government of the Kingdom of Saudi Arabia
Corporate Governance Regulations	The Corporate Governance Regulations in KSA issued by the Board of the CMA under Resolution No. (8-16-2017G) dated 16/05/1438H (Corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree M/3 dated 28/01/1437H (corresponding to 10/11/2015G) and amended by Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G).
Kingdom or Saudi Arabia	Kingdom of Saudi Arabia
Rights	They are tradable securities that grant their holder the right to subscribe to new shares upon approval of the capital increase. It is an acquired right for all registered shareholders, and each Right gives its holder the right to subscribe to one share of the new shares at the Offering Price. The rights are deposited after convening the Extraordinary General Assembly of the capital increase. These Rights will appear in the Registered Shareholders' accounts under a new symbol for the Rights. Registered Shareholders will be notified of the deposit of Rights in their portfolios.
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 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law issue by the Royal Decree No. M/30 dated 02/06 /1424H, as amended by Capital Market Authority Board Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G).
Listing Rules	Listing rules issued by the Saudi Stock Exchange « Tadawul » and approved by Capital Market Authority Board Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G) and amended by Resolution No. (1-104-2019) dated 01/02/1441H (corresponding to 30/09/2019G) and amended by Resolution No. (1-22-2021) dated 12/07/1442H (corresponding to 24/02/2021G) and amended by Resolution No. (1-19-2022)) dated 12/07/1443H (corresponding to 13/02/2022G) and amended by Resolution No. (1-52-2022) dated 12/09/1443H (corresponding to 13/04/2022G) and amended by Resolution No. (3-96-2022)) dated 10/02/1444H (corresponding to 06/09/2022G) and amended by Resolution No. (1-108-2022) dated 23/03/1444H (corresponding to 19/10/2022G).
Listing	To list securities on the Main Market or - where applicable - to submit an application for listing to the Saudi Tadawul Company (Saudi Exchange)
Lead Manager	Al-Nafie Investment Group Company.
Underwriter	Wasatah Capital Company
Net Offering Proceeds	The net Offering Proceeds after deducting the Offering Expenses.
Offering Price	10 Saudi riyals per share.
Offered Shares	34,650,000 ordinary shares.
Right indicative value	The difference between the market value of the Company's shares during the Trading Period and the Offering Price.
Subscription period	The period that begins after (3) three working days from the approval of the extraordinary general assembly, that approves the capital increase, from Tuesday 17/08/1445H (corresponding to 27/02/2024G) to the day of Tuesday 24/08/1445H (corresponding to 05/03/2024G).
Rump Offering	Offering of any remaining unsubscribed shares by eligible persons to Institution Investors by offering them during the Rump Offering Period.
Rump Offering period	If any Shares remain unsubscribed for during the Subscription Period (« Rump Shares »), they will be offered to a number of Institutional Investors (« Institutional Investors ») (This share offering process referred to as « Rump Offering »). Such Institutional Investors shall submit offers to purchase the Rump Shares and receipt of such offers will start at 10:00 AM on Wednesday 03/09/1445H (corresponding to 13/03/2024G), until 05:00 PM on Thursday 04/09/1445H (corresponding to 14/03/2024G), (« 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). 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 similarly.
The fiscal year/years	The time period for displaying the results of the entities activity, the beginning and end of which are specified in the company's articles of association, noting that the Company's fiscal year ends on 31 December of each calendar year.
Nationalization/Saudization:	Replacing expatriate workers with Saudi citizens in private sector jobs.
Eligible Persons	It includes both Registered Shareholders and those who purchased the Rights during the Trading Period.
Registered Shareholders	Shareholders who own Shares at the end of trading on the day of the Extraordinary General Assembly 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.
Person	Natural Person
Prospectus	This document prepared by the Company in connection with the subscription to Rights Issue Shares.
SAR or Riyal or SR	Saudi riyal, the official currency of the Kingdom of Saudi Arabia

Term	Definition
Functional Currency	Saudi riyal, in which the consolidated financial statements are presented.
USD	The current official currency of the United States of America.
Euro	The current official currency of the European region.
Shareholder	A shareholder or owner of stake at a specified time.
Total number of offered shares	The Company's ordinary shares of thirty-four million six hundred and fifty thousand (34,650,000) shares, with a nominal value of ten (10) riyals per share.
Wasatah or Wasatah Capital	The Wasatah Capital Company, a closed Saudi joint stock company, licensed by the Capital Market Authority, license No. (37-08125), which allows it to deal as principal and provide underwriting, managing, arranging and custody services to securities
Al-Nafie Investment Group Company	Al-Nafie Investment Group Company, a closed Saudi joint stock company, licensed by the Capital Market Authority, license No. (37-07082), which allows it to deal as principal and broker, provide underwriting, managing, arranging, advising and custody services to securities and managing investments and operating funds.
Brokers	They are the market institutions licensed through the Capital Market Authority to engage in the activity of dealing in securities in the capacity of a Broker.
Institutional Investors	<p>Include a number of institutions, as follows:</p> <ol style="list-style-type: none"> Government entities and Government owned companies, whether investing directly or through a portfolio manager, or any international entity recognized by the CMA, the Exchange or any other stock exchange recognized by CMA or the Depository Center. Mutual funds established in the Kingdom and publicly offered besides private funds which invest in the securities listed in the Saudi Stock Exchange, if such is permitted by the fund's terms and conditions and subject to the provisions and restrictions provided in the Investment Fund Regulations. Persons authorized to deal in securities as principals, provided that the financial adequacy requirements are observed. Customers of a capital market institution to conduct management activities, provided that such capital market institution has been appointed on terms upon which it may make decisions regarding the acceptance of the Offering subscription and investment in Tadawul on behalf of the customer without obtaining prior approval. Any legal persons that may open an investment account in the Kingdom and an account with the Depository Center, taking into consideration the rules and regulations that apply on investments by listed companies in securities provided that the participation by such Company shall not cause any conflict of interest. GCC Investors with Legal Personality, including companies and funds established in the GCC countries. Qualified foreign investors. A final legal beneficiary in a swap agreement concluded with capital market institution, in accordance with the terms and regulations of the swap agreements.
SOCPA	The Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia, formerly the Saudi Organization for Certified Public Accountants. It is a professional body that, through its knowledge and skills, it leads and supervises the profession of accounting and auditing in the Kingdom of Saudi Arabia, with the aim of improving and developing its practice, advancing it, monitoring the quality of its performance, developing awareness of its rules and behaviors, and enhancing its participation in serving the national economy and the community. It also works with every possible effort to develop and support individuals, institutions and various groups related to business to increase confidence and transparency in the financial statements and protect investors and users of the financial statements.
IFRS	A set of accounting standards and their interpretations issued by the Board of the International Accounting Standards.
Ministry of Commerce	The Ministry of Commerce in the Kingdom of Saudi Arabia (the name of the « Ministry of Commerce and Investment » has been modified to become the « Ministry of Commerce »).
The Subscriber	Any person who subscribes to shares offered for subscription.
Tadawul	An automated system for buying and selling Saudi stocks.
External manpower	Manpower hired from local manpower supply companies through the Ajir system
General Authority of Zakat, Tax and Customs	It is a government agency that is organizationally linked to the Minister of Finance, and it is the body entrusted with the work of collecting Zakat and taxes.
Value Added Tax (VAT)	On 02/05/1438H, 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. The amount of this tax is (5%), and the Kingdom's government has decided to increase the value-added tax rate from 5% to 15%, starting from July 2020, and a number of products have been excluded, including (basic foods, services related to health care and education).
Underwriting Agreement	Underwriting Agreement between the Company and the Underwriters
Capital	The balance shown as a separate item within shareholders' equity in the statement of financial position.
Litigation	Recourse to courts or judicial and quasi-judicial committees to reach a settlement of a dispute.

Term	Definition
Rules for Qualified Foreign Financial Institutions Investment in Listed Securities	These are rules for regulating investment in securities by non-Saudis residing outside the Kingdom issued by the Board of the Capital Market Authority pursuant to Resolution No. 1-42-2015 dated 15/07/1436H (corresponding to 04/05/2015G) and the subsequent amendment by the decision of the Board of the Capital Market Authority No. 3-65-2019, dated 14/10/1440H (corresponding to 17/06/2019G).
Day or business day	One working day in the Kingdom according to the official working days.
Calendar day	Any day, whether it is a working day or not.
H	Hijri calendar.
G	Gregorian calendar.
Vision 2030	The national strategic economic program that aims to reduce dependence on the oil and petrochemical industry, diversify the Saudi economy, and develop services.
Compound Annual Growth Rate (CAGR)	A method used to calculate the growth rate of a particular item over a specified period of time.
Fiberglass	Or fiberglass, which is glass in the form of very fine lines that are stronger than steel and do not burn, stretch, rust or fade.
Al-Azhar Iron	An alloy of iron characterized by its hardness and stability, which is suitable for engineering and construction structures
Ductile	A form of cast iron with improved properties that is highly flexible and suitable for water pipes
Epoxy	A substance used in painting and coating surfaces for the purpose of providing protection and insulation. It can be used on all surfaces, provided that they are solid and smooth.
Resins	A liquid adhesive that is processed into a solid that is water-resistant
Polyester	A material used for waterproofing and thermal insulation
Flotite technology	It is a modern technology for manufacturing fiberglass pipes



02

Risk Factors

2- Risk Factors

In addition to the other information contained in this Prospectus, anyone wishing to invest in the offered shares must carefully study all the information contained in this Prospectus, including the risk factors described below in this section before deciding to purchase the offering shares. The risks described below are not inclusive all the risks that the Company may encounter. There could be additional risks that are currently unknown to the Company, or considered immaterial and their impact and significance may change later. The Company's activity, financial position, results of operations, cash flows and future prospects may be negatively and materially affected in the event of the occurrence or realization of one of the risk factors referred to below.

Members of the Board of Directors further declare that, to the best of their knowledge and belief, as of the date of this Prospectus, there are no other significant risks, not mentioned in this section that could affect decisions taken by investors to invest in the offer shares.

Investment in the offered shares is only suitable for investors who are able to assess the risks and benefits of that investment and who have sufficient resources to bear any loss that may result from that investment. Potential investors who have any doubts regarding the decision to invest in the Company should seek the assistance of a financial advisor licensed by CMA to obtain appropriate advice on investing in the offered shares.

In the event of the occurrence or realization of any of the risk factors that the Company currently believes to be important, or the occurrence of any other risks that the Company could not identify, or considered to be immaterial, this may lead to a decrease in the share price in the market and prospective investors could lose all or part of their investment in the Company's shares.

The risks set out below are listed in an order that does not reflect their importance. Also, the additional risks that are not known or that are currently considered immaterial may have the effects described in this Prospectus.

2-1 Risks Related to the Issuer

2-1-1 Risks related to Revenue Concentration

The Company's revenues are focused on manufacturing and selling various types of pipes, developing and licensing related technologies, and compositions of polyester, fiberglass, ductile and epoxy, and water project management activity and related consulting, engineering and operational services. Sales of various types of pipes represented 43%, 42%, 56%, and 66% of the Company's total sales for the fiscal years ending in 2020G, 2021G, 2022G, and the six-month period ending on June 30, 2023G, respectively. Sales of polyester, fiberglass, ductile, and epoxy compositions represented 16%, 13%, 17%, and 12% of the Company's total sales for the fiscal years ending in 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G, respectively. Occurrence of any negative event that affects the sales of fiberglass, ductile, and epoxy pipes and their fittings, or any change that occurs in the prices of the Company's products locally or globally as a result of changes in supply and demand and competition for these products, or the Company's inability to reach a satisfactory solution with suppliers, this will cause an interruption or delay in receiving raw materials, the Company's revenues will be directly affected and this will negatively and materially impact the Company's business, results of operations, financial condition and future prospects. The following table shows details of the Company's revenues by product type and their percentage of total sales:

Table 1: Revenues of the Company by Product Type

Source of Revenue	2020G		2021G		2022G		Six-month period ending on June 30, 2023G	
	Amount	%	Amount	%	Amount	%	Amount	%
	(SAR'000)		(SAR'000)		(SAR'000)		(SAR'000)	
Fiberglass, ductile and epoxy pipes	187,207	43%	184,724	42%	284,413	56%	241,651	66%
Compositions of polyester, fiberglass, ductile and epoxy	69,601	16%	56,837	13%	85,826	17%	44,027	12%
Water management activity	19,114	4%	61,006	14%	40,377	8%	23,633	7%
Design and installation services	63,668	14%	58,925	13%	38,112	7%	32,405	9%
Other products*	101,433	23%	77,419	18%	60,089	12%	22,044	6%
Total	441,023	100%	438,911	100%	508,817	100%	363,760	100%

* Tanks, gaskets and connections

It is worth noting that more than 80% of the Group's revenues are concentrated on product sales, while less than 20% of revenues are related to

construction contracts. In addition, the Company's revenues are concentrated in dealing with companies and institutions, as sales to companies and institutions represented 93.6%, 90.4%, 95.1%, and 96.6% of the Company's revenues for the fiscal years ending in 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G, respectively, while sales to government and semi-government agencies constituted the remaining percentage. Projects with governmental and semi-governmental agencies contributed significantly to achieving a loss margin during the fiscal years 2020G and 2021G, at a rate of 265% and 54.6%, respectively. The reason for the fluctuation in the profit margin is due to the change in the prices of raw materials, unplanned delays in project implementation, and errors in estimating, planning and anticipating the costs of future projects.

The Company's local sales are also concentrated in the Eastern Region, which represented 62.9%, 77.5%, 74.4%, and 67.8% for the fiscal years ending in 2020G, 2021G, 2022G, and the six-month period ending on June 30, 2023G, respectively. The continued concentration of the Company's revenues in specific entities and specific products will have a negative and material impact on the Company's business and its subsidiaries, its financial results, prospects, and financial condition if any emergency circumstances occur that affect these entities with which the Company deals.

2-1-2 Risks related to the Fluctuation of the Goss Profit Margin:

The Company's revenues depend largely on its ability to enter and acquire long-term construction projects. With economic changes and the effects of inflation factors, these projects may become economically useless. This was reflected in the Company's financial results, as the Company achieved a loss margin of 14.8% during the fiscal year 2020G, as well as 17.4% during the fiscal year 2021G. This negative performance was largely due to the water projects that the Group entered into, as these projects are the main reason for the Company's losses over the past periods. It is worth noting that these losses are mainly related to the projects of the subsidiary company PWT in Germany, including, for example, the Samawah project in Iraq. This company is considered a major source of fluctuation in the gross profit margin.

The following table shows the gross profit margin by sector during the fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G:

Table 2 Gross profit margin by sector during the fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G

Sector	2020G	2021G	2022G	The six-month period ending on June 30, 2023G
Pipes	(19.5%)	(17.5%)	17.7%	16.9%
Installations	2.1%	3.5%	23.7%	20.4%
Water	(220.5%)	(86.2%)	(44.0%)	(19.6%)
Other products*	0.3%	0.80%	0.6%	0.4%
Services	18.4%	9.8%	17.1%	40.2%
Total	(14.8%)	(17.4%)	11.7%	16.0%

* Tanks, gaskets, connections

If the Company is not able to reduce the decline in the profitability margin by developing solutions to the practical problems that arise in the projects, this will have a negative and material impact on the Company's operations and thus on its profitability and financial condition.

2-1-3 Risks related to cost reduction initiatives by management

The Company incurred losses during the fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G. (For more details, please see subparagraph No. (5-5-1) «Profit and Loss Statements» of Section (5) «Financial Information and Management's Discussion and Analysis» of this Prospectus.) The Company also suffers from weak liquidity, a decrease in the quantities sold, inefficiency in production, and doubts about continuity. Based on the above, the Company took initiatives to reduce its operational and administrative costs. These initiatives included the following:

- Laying off a number of operational and administrative employees and restructuring the pay scale, as a large number of low-wage employees were laid off. This was compensated for by retaining distinguished employees with higher salaries in order to raise the quality of workers. Also, the Group maintained a policy of increasing the annual salaries of its administrative employees. As such, this contributed to a steady increase in the average monthly cost per administrative employee from 9.1 thousand Saudi riyals in the fiscal year 2020G to 12.7 thousand Saudi riyals in the fiscal year 2021G, and then decreased to 12.1 thousand Saudi riyals in the fiscal year 2022G, before rising to 14.7 thousand Saudi riyals during the first half of 2023G. While the average monthly cost per operational employee increased from 7.5 thousand Saudi riyals in the fiscal year 2020G to 8.2 thousand Saudi riyals in the fiscal year 2021G and the fiscal year 2022G, and then increased to 11.6 thousand Saudi riyals during the first half of the year 2023G. This is in line with the management strategy to increase the technical workforce, in addition to maintaining the annual increases granted.

- Marketing expenses increased by a compound rate of 16% from 2020G to 2022G, equivalent to 183 thousand Saudi riyals, which decreased later by 63% from the six-month period ending on June 30, 2022G until the six-month period ending on June 30, 2023G, equivalent to 191 thousand Saudi riyals. Note that marketing expenses are commissions paid to employees based on completion rates in projects.
- A decrease in information technology expenses by an accumulated decrease of 14% from the year 2020G to 2022G, equivalent to 2.6 million Saudi riyals. The information technology expenses also declined by 12% during the six-month period ending on June 30, 2022G until the six-month period ending on June 30 2023G, equivalent to 447 thousand Saudi riyals.
- A decrease in professional fees by an accumulated decrease of 20% from the year 2020G to 2022G, equivalent to 7.5 million Saudi riyals. There was also an increase in professional fees by 26% from the six-month period ending on June 30, 2022G, until the six-month period ending on June 30, 2023G equivalent to 1.3 million Saudi riyals, which mainly relates to consulting services related to the application of some international accounting standards.
- Travel expenses increased by a compound rate of 21% from 2020G to 2022G, equivalent to 588 thousand Saudi riyals, and increased by 105% equivalent to 909 thousand Saudi riyals from the six-month period ending on June 30, 2022G until the six-month period ending on June 30, 2023G.

If the Company's operational situation improves in the future, the Company may be forced to rehire more workers if required, causing additional costs to the Company related to attracting, training, and qualifying new employees, which will have a negative and material impact on the Company's operations and production, and thus its profitability and financial condition.

2-1-4 Risks related to Exporting the Company's Products

The Company's exports to outside the Kingdom of Saudi Arabia represent a large percentage of the Company's total sales, which amounted to (21.74%), (28.02%), (28.79%), and (16.74%) of total sales for the years 2020G, 2021G, and 2022G and the six month period ending on June 30, 2023G, respectively. The following table shows the five largest countries to which the Company exports:

Table 3: Export

2020G		2021G		2022G		The six-month period ending on June 30, 2023G	
Country	Percentage of the total exports	Country	Percentage of the total exports	Country	Percentage of the total exports	Country	Percentage of the total exports
Kuwait	22.94%	Kuwait	22.40%	Kuwait	41.45%	Kazakhstan	23.60%
Germany	15.90%	Iraq	21.51%	Morocco	15.04%	Germany	22.36%
Iraq	15.51%	Morocco	18.01%	Kazakhstan	14.35%	Russia	13.50%
Bahrain	13.01%	Germany	16.18%	Germany	12.53%	Albania	9.09%
UAE	12.52%	Kazakhstan	6.40%	Bahrain	6.36%	Nigeria	7.73%
Percentage of the countries mentioned above	79.88%	Percentage of the countries mentioned above	84.50%	Percentage of the countries mentioned above	89.73%	Percentage of the countries mentioned above	76.28%
Other countries	20.12%	Other countries	15.50%	Other countries	10.27%	Other countries	23.72%
Total	100%	Total	100%	Total	100%	Total	100%

Any change in the laws of these countries or any other country to which the Company exports, or any change that occurs in the local laws and regulations in the Kingdom of Saudi Arabia regarding the export of the products of the Company and its subsidiaries, or the cutting of political relations, will affect the ability of the Company and its subsidiaries to export its products to its customers in those countries, and thus the Company's sales will decrease, which in turn will have a negative and material impact on the Company's business, its subsidiaries, its financial results, prospects, and financial condition.

2-1-5 Risks of Fluctuation in Currency Exchange rates and costs

The Company is exposed to the risks of fluctuations in foreign exchange rates due to its ownership of branches and investments outside the Kingdom of Saudi Arabia (for more information, please see Paragraph No. (3-5) Subsidiary companies and their branches, of Section (3) Overview of the Company). This is in addition to the nature of the Company's regular work and activities related to import and export operations, whether directly or indirectly, by foreign currencies such as (the US dollar, the euro, the Kazakhstani tenge, the Emirati dirham, and the Kuwaiti dinar). Consequently, the Company will be exposed to an increase in operational costs and a decrease in its profits as a result of any negative fluctuations

that occur in the value of the Saudi riyal against these foreign currencies. Since the Company does not use any financial derivative contracts to hedge against fluctuations in currency exchange rates, the Company will continue to face the risk of price fluctuations. The Company recognized currency losses resulting from import and export operations in foreign currencies amounting to (9.8) million Saudi riyals during the year 2020G, and (2.2) million Saudi riyals during the year 2022G. While the Company achieved currency profits resulting from import and export operations in foreign currencies amounting to (1.4) million Saudi riyals during the year 2021G, and an amount of (2.2) million Saudi riyals during the six-month period ending in 2023G. The Company also recognized unrealized losses due to changes in currency rates resulting from the translation and consolidation of the financial statements through the item «foreign currency translation reserve.» The balance of the foreign currency translation reserve amounted to (90.95) million Saudi riyals as of December 31, 2020G, and rose to (123.71) million Saudi riyals as of December 31, 2021G, then it rose to (147.76) million Saudi riyals as of December 31, 2022G, as a result of the negative change in currency rates during the period. Then it reached (144.04) million Saudi riyals as of June 30, 2023G.

The Company's losses resulting from import and export operations in foreign currencies, which amounted to (9.8) million Saudi riyals in 2020G, are primarily due to import and export operations.

of Amiantit's subsidiaries, which are represented by Ametek Astana Limited Company, amounting to (1.7) million Saudi riyals, and PWT Arabia Company in Germany, amounting to (4.9) million Saudi riyals. As for the year 2022G, losses amounted to (2.2) million Saudi riyals, as losses for Ametek Astana Pipe Company in foreign currencies amounted (1.2) million Saudi riyals and losses of the PWT Arabia Company in Germany in foreign currencies amounted 306 thousand Saudi riyals. The currencies of the subsidiary Ametek Astana Pipe Company are translated into Kazakhstani tenge while the currencies of the German subsidiary PWT Arabia are translated into euros.

Therefore, the Company is exposed to foreign exchange rate risks with respect to its sales and obligations linked to a currency other than the currency of the Kingdom. As part of the policy of the Kingdom of Saudi Arabia, the Saudi riyal, as of the date of this Prospectus, is pegged to the US dollar at an exchange rate estimated at 3.75 Saudi riyals to 1 US dollar. There are no assurances about the stability of the exchange rate of the Saudi riyal against the US dollar. On the other hand, the exchange rate of the Saudi riyal against other currencies is subject to supply and demand factors and is subject to fluctuations at any time. Any large unexpected fluctuations in exchange rates will negatively affect the Group's financial condition, financial position, business results and future prospects.

2-1-6 Risks related to the Company's Ability to Obtain Tenders

The Company receives some requests for its products through governmental, private, and semi-governmental tenders, directly or indirectly. The offers are evaluated on the basis of technical and financial standards, and companies in the sector compete to offer the best prices to ensure obtaining the proposed tender. Price competitiveness is linked to the Company's manufacturing efficiency, which is governed by the market prices of raw materials, their purchase costs, production costs, administrative expenses, and the ability to forecast and analyze projects. If the Company is unable to manage and improve these areas effectively, this will lead to a loss of its competitive ability, which in turn will reduce the Company's share of new tenders, including the requests that the Company is currently submitting offers on, and thus this will reflect negatively on the Company's business, financial condition, results of operations and future prospects.

2-1-7 Risks of Estimating and Anticipating Future Project Costs

The Company's continuity depends on its ability to attract projects and its ability to predict project costs and revenues in advance. Companies in the sector compete to submit their offers at reasonable prices to ensure awarding, which exposes the Company to the risk of actual costs higher than the project's expected costs, which causes a decrease in expected profits, which could turn into losses. If the actual costs exceed the total revenues obtained from the project, there is no guarantee that the Company will not realize any losses in the future resulting from fluctuations in raw material prices or the difference between the actual costs and the estimated costs of the projects. This will have a negative and material impact on the Company's business, its subsidiaries, its financial results, prospects, and financial condition.

2-1-8 Risks related to the Availability of Main Raw Materials

Saudi Arabian Amiantit Company relies on some main raw materials such as resins, fiberglass, cast iron, epoxy resins, and others. The Company's operations are directly and negatively affected when any change occurs in the prices of these raw materials or any increase in import costs for some raw products or any change that occurs in the supply conditions or delay in supplies. The following table shows the changes in the prices of main raw materials for the fiscal years ending in 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.

Table 4: Raw Materials

Raw materials	Prices (in Saudi riyals) (per kilogram)								
	2020G	2021G	Change %	2021G	2022G	Change %	30/06/2022G	30/06/2023G	Change %
Iron ore	1.59	2.35	48%	2.35	2.03	(14%)	2.31	2.15	(7%)
IPS-1 Resin	4.10	5.74	40%	5.74	6.29	10%	7.12	5.12	(28%)
Isophalic resin (Isoflex)	4.27	6.02	41%	6.02	6.99	16%	7.32	5.32	(27%)
Cut glass fiber size 2400 ECR	3.63	4.28	18%	4.28	4.71	10%	6.00	2.74	(54%)
Fiberglass Size 2400 Tex ECR	2.75	3.24	18%	3.24	3.01	(7%)	4.51	2.27	(50%)
Vinylester resin	9.75	13.47	38%	13.47	16.5	22%	16.86	13.23	(22%)
TEX 1200 Fiberglass	2.99	3.23	8%	3.23	4.02	24%	4.54	4.13	(9%)
Epoxy resin (glue)	9.97	11.11	11%	11.11	15.9	43%	17.87	9.91	(45%)
Scrap iron	1.18	1.77	50%	1.77	2.15	21%	2.17	1.78	(18%)
Fiberglass Filament Size 600 ECR	3.57	3.52	(1%)	3.52	3.78	7%	5.00	2.38	(52%)

The Company may be exposed to variable import costs for some raw materials, including customs and transportation fees. Also, the change in the prices of the main raw materials used in the production process directly affects the results of the Company's and subsidiaries operations. The Company's profitability will be negatively affected with the rise in the prices of raw materials and if their prices increase and the Company does not succeed in raising the prices of its products, or could not provide high quality raw materials at low prices, or unable to reduce other operational costs to cover the deficit resulting from the increase in production costs, this will adversely affect the Company's and subsidiaries business, financial condition and future prospects.

The Saudi Arabian Ductile Iron Pipes (SADIP) relies on raw iron and iron scrap as a basic raw material. The change in the prices of raw iron and iron scrap directly affects the results of the operations of SADIP, and accordingly the results of the Group's operations in general. The following table shows the prices per kilogram of iron and iron ore for the Saudi Arabian Ductile Iron Pipe Company Limited during the fiscal years 2020G, 2021G, 2022G, and the six-month period ending on June 30, 2023G.

Raw materials	Prices (in Saudi riyals) (per kilogram)								
	2020G	2021G	Change %	2021G	2022G	Change %	30/06/2022G	30/06/2023G	Change %
Iron ore	1.59	2.35	48%	2.35	2.03	(14%)	2.31	2.15	(7%)
Scrap iron	1.18	1.77	50%	1.77	2.15	21%	2.17	1.78	(18%)

The price of a kilogram of iron ore increased from (1.59) Saudi riyals at the end of the fiscal year 2020G to (2.35) Saudi riyals at the end of the fiscal year 2021G as a result of the high demand for iron ore in the global and local markets resulting from the effects of the Corona pandemic, then it decreased again. At the end of the fiscal year 2022G, it rose to (2.03) Saudi riyals according to the rate of global supply and demand, then it rose again to (2.15) Saudi riyals as of 30/06/2023G, in addition to an increase in the price of scrap iron from (1.18) Saudi riyals at the end of the fiscal year 2020G to (1.77) Saudi riyals at the end of fiscal year 2021G and stabilized at (1.77) at the end of fiscal year 2022G, then decreased again to (1.78) Saudi riyals as of 30/06/2023G, coinciding with the movement of supply and demand in the global and local markets. The Company's profitability is negatively affected by the rise in raw material prices. In the event that the prices of raw materials rise and the Company does not succeed in raising the prices of its products or it is unable to provide high quality raw materials at low prices or unable to reduce other operational costs to cover the deficit resulting from increased production costs, this will negatively affect the business of the Company and its subsidiaries, its financial condition and future prospects.

Also, the change in the prices of resins and fiberglass directly affects the results of the operations of Amiantit Fiberglass Manufacturing Company Limited, and thus the results of the Group's operations in general. The following table shows the prices of the raw materials that Amiantit Fiberglass Manufacturing Company Limited relies on during the fiscal years 2020G, 2021G, 2022G, and the six-month period ending on June 30, 2023G.

Raw materials	Prices (in Saudi riyals) (per kilogram)								
	2020G	2021G	Change %	2021G	2022G	Change %	30/06/2022G	30/06/2023G	Change %
IPS resin-1	4.10	5.74	40%	5.74	6.29	10%	7.12	5.12	(28%)
IsoFlex resin	4.27	6.02	41%	6.02	6.99	16%	7.32	5.32	(27%)
Cut glass fiber, size 2400 ICR	3.63	4.28	18%	4.28	4.71	10%	6.00	2.74	(54%)
2400 Tex ECR Fiberglass	2.75	3.24	18%	3.24	3.01	(7%)	4.51	2.27	(50%)
Vinylester resin	9.75	13.47	38%	13.47	16.5	22%	16.86	13.23	(22%)
Fiberglass filament TX 1200	2.99	3.23	8%	3.23	4.02	24%	4.54	4.13	(9%)
Fiberglass yarn size 600 ECR	3.57	3.52	(1%)	3.52	3.78	7%	5.00	2.38	(52%)

The increase or decrease in the prices of resins or fiberglass is due to the change in the movement of supply and demand in the local and global markets, as the Company's profitability is negatively affected by the rise in the prices of raw materials. In the event that the prices of raw materials rise and the Company does not succeed in raising the prices of its products or is unable to providing high quality raw materials at low prices or not being able to reduce other operational costs to cover the deficit resulting from increased production costs, this will negatively affect the Company's business, its subsidiaries, financial condition and future prospects.

The Bondstrand Company Limited factory is affected by the change in the prices of epoxy resins, which directly affects the results of the Group's operations in general. The following table shows the prices of the raw materials on which the Bondstrand Company Limited factory depends during the fiscal years 2020G, 2021G, 2022G, and the six-month period ending on 30 June 2023G.

Raw materials	Prices (in Saudi riyals) (per kilogram)								
	2020G	2021G	Change %	2021G	2022G	Change %	30/06/2022G	30/06/2023G	Change %
Epoxy resin (glue)	9.97	11.11	11%	11.11	15.9	43%	17.87	9.91	(45%)

The price of epoxy resin (glue) rose from (9.97) Saudi riyals at the end of the fiscal year 2020G to (11.11) Saudi riyals at the end of the fiscal year 2021G, then it rose to (15.9) Saudi riyals at the end of the fiscal year 2022G, then it decreased to (9.91) Saudi riyals as of 30/06/2023G, as a result of the change in the movement of supply and demand in the local and global markets, as the Company's profitability is negatively affected by the rise in the prices of raw materials. In the event that the prices of raw materials rise and the Company does not succeed in raising the prices of its products or it is unable to provide high quality raw materials at low prices or unable to reduce other operational costs to cover the deficit resulting from increased production costs, this will negatively affect the business of the Company and its subsidiaries, its financial condition and future prospects.

2-1-9 Risks related to the Company's Ability to Provide Raw Materials

The total inventory amounted to (271,551) thousand Saudi riyals, (242,122) thousand Saudi riyals, (276,389) thousand Saudi riyals, and (268,579) thousand Saudi riyals for the fiscal years ending in 2020G, 2021G, 2022G, and the six-month period ending on June 30, 2023G, respectively.

The Company is facing difficulty in providing raw materials and reducing operating capabilities due to the losses incurred during the fiscal years of 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G, resulting in lack of liquidity with the Company. The Company also faces difficulty in providing letters of guarantee to the suppliers it deals with due to the Company's low profitability and lack of liquidity, which drove some major suppliers to prevent providing any preferential benefits to the Company regarding term purchases. The following table shows details of the Company's inventory during the financial years ending on December 31, 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.

Table 5: Company Inventory Details

Items (Thousands of Saudi riyals)	For the fiscal year ended December 31, 2020G Audited	For the fiscal year ended December 31, 2021G Audited	For the fiscal year ended December 31, 2022G Audited	For the six-month period ending on June 30, 2023G
Raw materials	77,083	55,752	74,592	89,473
Goods under process	6,045	9,138	10,976	11,059
Supplies, not for sale	79,234	79,039	77,734	74,981
Finished products	189,614	182,501	195,079	176,219
Goods on the way	(491)	631	1,955	794
Deduct: Provision for inventory obsolescence	(79,934)	(84,939)	(83,947)	(83,947)
Total	271,551	242,122	276,389	268,579

The Company has taken some initiatives due to the lack of liquidity, including, but not limited to, renegotiating better credit terms with suppliers, imposing stricter credit terms with customers, emphasizing cash payment from customers, and encouraging customers to pay using documentary credits and settling them to allow more flexibility of liquidity in addition to regulatory changes to increase local activity to cover the requirements of the Local Content Authority. However, there is no confirmation of the success of these initiatives in achieving the desired goals. It should be noted that if the Company is unable to solve liquidity problems to provide the raw materials necessary for production, this will negatively affect its business, results of operations, and financial condition.

2-1-10 Risks related to Raw Material Suppliers

The Company's continuity depends on its ability to provide raw materials at reasonable prices. Resins, fiberglass, and cast iron are among the most prominent raw materials used in manufacturing. The Company relies on local and international suppliers to provide its raw materials, and the mechanism for dealing with suppliers is through issuing direct purchase orders. Saudi Arabian Amiantit Company's purchases of raw materials from the five largest suppliers constituted (41%), (48%), (52%), and (62%) of the total purchases for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the six-month period ending in June 30, 2023G, respectively.

Due to the lack of liquidity and the accumulation of losses, the Company delays payment of some debts it owes to suppliers for the specified period, including the Company's main suppliers (for more information, please see page (11), subparagraph (2-1-11) «Risks of Suppliers' Default» in this section). Given the Company's reliance in its dealings on direct purchase agreements, the Company may be exposed to risks related to the interruption of raw materials or fluctuation in their prices, whether for a temporary period or for long periods, which in turn will affect the Company's operating margins and the results of its operations, and will have a negative and material impact on the Company's business, financial condition, results of operations and future prospects. The following tables show purchases from the Company's 5 largest suppliers:

Table 6: Suppliers

Period	S/N	Supplier	Nature of supplier relationship	Type of raw material	Amount (Saudi Riyal)	Percentage of the Group's total purchases (Saudi riyal)	The total purchases of the five largest suppliers (Saudi riyal)	The total purchases of the five largest suppliers out of the Group's total purchases
2020	1	Lafonte Cast Iron Company	Non-Contractual	Cast Iron	24,538,969	15%	67,175,028.06	40.76%
	2	Saudi Industrial Resins Company	Non-Contractual	Resins	21,376,246	13%		
	3	Al-Jubail Chemical Industries Company	Non-Contractual	Epoxy resin	7,606,638	5%		
	4	Taiwan Glass Industries Corporation	Non-Contractual	Fiber glass	7,484,656	5%		
	5	CBEC Aba Hussein Fiberglass Company	Non-Contractual	Fiber glass	6,168,519	4%		

Period	S/N	Supplier	Nature of supplier relationship	Type of raw material	Amount (Saudi Riyal)	Percentage of the Group's total purchases (Saudi riyal)	The total purchases of the five largest suppliers (Saudi riyal)	The total purchases of the five largest suppliers out of the Group's total purchases
2021	1	Lafonte Cast Iron Company	Non-Contractual	Cast iron	25,875,000	18%	69,558,159.14	48.25%
	2	Saudi Industrial Resins Company	Non-Contractual	Resins	25,562,532	18%		
	3	Jubail Chemical Industries Company	Non-Contractual	Epoxy resin	9,358,395	6%		
	4	Atoll company	Non-Contractual	Epoxy resin	4,408,500	3%		
	5	Taishan Fiberglass Production Company	Non-Contractual	Fiber glass	4,353,732	3%		
2022	1	Saudi Industrial Resins Company	Non-Contractual	Resins	57,459,047	18%	167,363,842	51.68%
	2	Lafonte Cast Iron Company	Non-Contractual	Cast iron	57,222,402	18%		
	3	CBEC Aba Hussein Fiberglass Company	Non-Contractual	Fiber glass	23,269,253	7%		
	4	Taishan Fiberglass Production Company	Non-Contractual	Fiber glass	18,385,984	6%		
	5	Jubail Chemical Industries Company	Non-Contractual	Epoxy resin	11,027,156	3%		
The six-month period ending on June 30, 2023G	1	Veron Trading FZE	Non-Contractual	Cast iron	47,363,693	26%	111,532,010	62.09%
	2	Saudi Industrial Resins Company	Non-Contractual	Resins	40,435,208	23%		
	3	CBEC Aba Hussein Fiberglass Company	Non-Contractual	Fiber glass	13,046,203	7%		
	4	Shandong Fiberglass Co., Ltd	Non-Contractual	Fiber glass	8,025,412	4%		
	5	Saudi Basic Industries Corporation	Non-Contractual	Polyethylene, rubber and black carbon	2,661,496	1%		

2-1-11 Risks of Default by Suppliers

The Company's activity depends primarily on its ability to provide basic raw materials with the required quality, at the right price, and at the right time. Due to the Company's lack of liquidity and the accumulation of losses, the Company's has delayed payment of some of its debts to suppliers for the specified period. The balance of payables amounted to (325.0) million Saudi Riyals, (234.9) million Saudi Riyals, (174.6) million Saudi Riyals, and (187.1) million Saudi Riyals for the fiscal years ending in 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G. The balance of payables that exceeded more than 365 days amounted to (44.7) million Saudi Riyals, which is equivalent to 24% of the balance due as of June 30, 2023G. In addition, the ten largest suppliers represent 49% of the balance of payable accounts due as of June 30, 2023G. The balance of the Saudi Industrial Resins Company represents 15%, the balance of Veron Trading Company FZC represents 11%, and the Chinese Jushi Company Limited represents 7% of the balance of payables due as of June 30, 2023G.

If the Company continues to delay payment to its suppliers, it will lose any preferential benefits, such as discounts on payment, and may also lead to difficulty obtaining the required raw materials and the required quality in the future, or the Company may face lawsuits filed by suppliers, which will negatively affect the Group's financial condition, financial position, results of operations, and future prospects.

2-1-12 Risks related to the availability of facilities and changes in their prices

The Company, its subsidiaries and branches (within the Kingdom) benefited from the services provided to industrial facilities located in industrial cities and the appropriate facility equipment for them by the Saudi Authority for Industrial Cities and Technology Zones («Modon») at a lower cost in terms of annual rent compared to that provided to industrial facilities outside the industrial cities. This is in addition to providing all services and facilities, such as electricity, water, sanitation, industrial security, environmental services, communications, and logistical services, at nominal prices, as well as customs exemptions that benefit factory owners and investors in the lands that Modon allocates to them. The Company owns all the lands on which its industrial facilities are located, except for the industrial facilities and workers' housing for the Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited (SADP) and the Saudi Amicon Company Limited (Amicon), which are built on lands leased by Modon. Although the lease contracts for lands leased by Modon extend for a period of (15) years (for more details, please see Subparagraph No. (9-9) «Lease Contracts» of Section (9) «Legal Information» of this Prospectus), nothing guarantees that the Saudi Authority for Industrial Cities and Technology Zones (MODON) will continue to provide these incentives to industrial establishments in terms of the value of rents or fees for the services they provide. The Company cannot guarantee that future changes will not affect these incentives and the value of service fees which will negatively affect the Company's business, results of operations and financial condition.

2-1-13 Risks related to product quality

Saudi Arabian Amiantit Company depends on the quality of its products that it produces through its factories. The quality of the products depends on the effectiveness of the quality control system, which depends on several factors, including designing a quality control system, preparing training programs for employees, and monitoring the extent of employees' commitment to quality control policies and standards, in order to reduce defects in manufactured products. The Company may face risks related to defects that occur during the production process and defects resulting from the misconduct of an employee. The Company's inability to maintain the level and quality of the products it provides or its failure to adhere to specifications may expose it to several risks, including withdrawing its products from markets and stores and requiring it to bear responsibility for those products. Consequently, this will have a negative and material impact on the Company's reputation in the market and among its customers, which will cause them to refrain from dealing with it and will weaken its ability to maintain its competitive advantages. This is in addition to the Company incurring any costs or compensation resulting from the issuance of any judgments against the company related to any claims related to products withdrawn from the market, which will have a material negative impact on the Company's business prospects, results of operations and financial condition.

2-1-14 Risks of Unexpected Accidents

The Company's factories consist of several production lines, and these lines may be subject to stopping due to malfunctions that occur in machines, sudden interruptions in raw materials, or for any technical reason, such as interruptions in electricity, energy, or water supplies, or exposure to any emergency event that affects the continuity of its work, temporarily or permanently, such as natural disasters. Given the Company's complete dependence on the revenues of its factories, any malfunction that occurs in the machines or any sudden interruption in raw materials or any of other reasons that may occur in the future could affect the Company's productivity throughout the period of the production lines stoppage, which, in turn, will have a negative and material impact on the Company's operational and financial results.

2-1-15 Risks related to the Company's inability to keep pace with Technical Developments

The Company uses advanced and expensive technologies and systems to manufacture its products. To keep pace with developments in the pipe industry, frequent improvements must be made to the products and advanced technologies must be used.

Amiantit Fiberglass Manufacturing Company Limited (a subsidiary) has a contract with Flowtite Technology Company signed on 28/08/2017G for an indefinite period. Recently Flowtite Technology Company merged with a new company called Ameblo Holding Company, and thus the latter replaced Flowtite Technology Company in the contract. This contract grants the exclusive right to Amiantit Fiberglass Manufacturing Company (AFIL) to produce fiberglass pipes using Flowtite technology in the Kingdom of Saudi Arabia. As a result, Amiantit Fiberglass Manufacturing Company (AFIL) pays an annual fee of 2.5% of its net sales to Ameblo Technology Company in Norway in exchange for benefiting from its services, as a technical know-how fee. The amount owed to Ameblo amounted to (2.0) million Saudi riyals as of June 30, 2023G. The Company is trying to keep pace with new technological and technical developments to develop its production mechanism. The Company does not guarantee the failure of any of these systems or the Company's ability to provide new technologies and apply its systems to its products in the appropriate time and form, which will affect the Company's ability to produce the products required by its customers on the specified dates. Modern technologies are also expensive and will cause high costs, and this would negatively affect the results of the Company's operations, financial and operational performance, and future prospects.

2-1-16 Liquidity risk

The Company faces liquidity risk when it is unable to provide the funds necessary to meet its financial obligations resulting from operational activities on time. The Company's liquidity ratio was (0.68) times as of December 31, 2020G, (0.57) times as of December 31, 2021G, (0.52) times as of December 31, 2022G, and (0.54) times as of June 30, 2023G. These ratios indicate that the Company does not have good liquidity ratios and is not able to cover its short-term obligations due to the decrease in its current assets compared to its short-term obligations. The lack of liquidity limits the Company's ability to provide raw materials, and also limits its ability to secure letters of guarantee to suppliers. This will be reflected in the Company's relationship with its main suppliers, as the Company has two main suppliers to provide raw materials related to iron ore, resins, and epoxy resins. Transactions with the five largest suppliers during the year 2020G included Lafonte Cast Iron Company, Saudi Industrial Resins Company, Al-Jubail Chemical Industries Company, Taiwan Glass Industries Company, and CBEC Aba Hussein Fiberglass Company, with total purchases amounting to (67.18) million Saudi riyals, representing 40.76% of the Group's total purchases during the same year. Transactions with the five largest suppliers during the year 2021G included: Lafonte Cast Iron Company, Saudi Industrial Resins Company, Al-Jebel Chemical Industries Company, Atol Company, and Taishan Fiberglass Production Company, with total purchases amounting to (69.56) million Saudi riyals, representing A percentage of 48.25% of the Group's total purchases during the same year. Transactions with the five largest suppliers during the year 2022 included the Saudi Industrial Resins Company, Lafonte Cast Iron Company, CBEC Abah Hussein Fiberglass Company, Taishan Fiberglass Production Company, and Jubail Chemical Industries Company, with a total of purchases amounted to (167.36) million Saudi riyals, representing 51.68% of the Group's total purchases during the same year. Transactions with the five largest suppliers during the six-month period ending on June 30, 2023G included Veron Trading FZE, the Saudi Industrial Resins Company, and CBEC Aba Hussein Fiberglass, Shandong Fiberglass Company, and Saudi Basic Industries Corporation, with total purchases amounting to (111.53) million Saudi riyals, representing 62.09% of the Group's total purchases during the same period.

A number of the Company's main suppliers have withdrawn their preferential financing terms that were offered to the Company. The Company's lack of liquidity and its inability to freely purchase raw materials led to a decrease in production capabilities during the fiscal years 2020G and 2021G, before a slight increase in the production capacity during the year 2022G, despite the decrease in the quantity sold during the year 2022G. This is mainly due to the fact that the quantity produced depends on confirmed orders received from customers. However, customers are responsible for receiving the product from the Company, and some delays have occurred in receiving the products manufactured by the Company as a result of external factors such as site approval, completion of work by other contractors etc. The utilized production capacity reached 15.7% as of December 31, 2020G, 18% as of December 31, 2021G, 19.7% as of December 31, 2022G, and 34.9% as of June 30, 2023G.

Therefore, the Company must work to improve its liquidity level in order to be able to fulfill its short-term obligations, otherwise it will face additional liquidity problems that would negatively affect the Company's business and thus the results of its operational and financial activities.

2-1-17 Risks of Non-compliance with Credit Facility and Loans Agreements

The Company may need to obtain financing and bank facilities to finance future expansion plans. It is worth noting that obtaining financing depends on the Company's capital, financial position, cash flows, guarantees provided, and credit record. The Company relies on credit facilities to finance its operations. The Company concluded agreements with local banks to provide medium and long-term facilities. The total value of the bank credit facilities and loans granted to the Company as of 30/06/2023G amounted to (1.14) billion Saudi riyals, and Saudi Arabian Amiantit Company rescheduled all banking facilities for a period of ten years. The Company did not incur any additional financial obligations as a result of the rescheduling. The Company also announced on Tadawul website on December 31, 2023G, the signing of an agreement to settle all accrued liabilities to Alinma Bank, amounting to SAR (572.7) million, in exchange for relinquishing ownership of all of Saudi Arabian Amiantit Company's shares in the Global Infrastructure Management and Operation Company Limited, which is owned by 100%. This agreement will be valid from the date of its signing for a period of 90 days until 31/03/2024G, and it cannot be renewed after this date except with the approval of both parties. According to this agreement, the Company is committed to transferring the ownership of the Global Infrastructure Management and Operations Company Limited, which is 100% owned by it, to the ownership of Alinma Opportunities Investment Company (a subsidiary of Alinma Bank), before the expiry date of the agreement. If the agreement ends before ownership is transferred, the bank has the right to demand full payments of all amounts due from the customer.

The agreement included transferring ownership of all of the Company's shares in the Global Infrastructure Management and Operations Company Limited, which is a limited liability Company 100% owned by the Company. In case that all procedures for transferring shares in the Global Infrastructure Management and Operation Company Limited are completed and its ownership is transferred to Alinma Opportunities Investment Company (a subsidiary of Alinma Bank), then all financial liabilities due from the Company to Alinma Bank are fulfilled, and the bank is committed to returning all guarantees and documents that it provided by the customer, including promissory notes, within seven (7) working days from the date of payment.

This agreement will be valid from December 31, 2023G and expire after 90 days on March 31, 2024G. If the Company does not commit to transferring ownership of the Global Infrastructure Management and Operation Company Limited to Alinma Opportunities Investment Company (a subsidiary of Alinma Bank), then the bank may demand that the Company pay all the amounts due according to the previous credit facilities agreement. The Company has authorized the bank to deduct any amount due from the Company's current or investment accounts. The bank also has the right to collect from any other financial sources under the Company's control, such as guarantees, collection documents, and payment orders of various

kinds. The bank has the absolute right to collect its rights directly from all financial and commercial securities in the name of the Company held by the bank without the need to notify or take any legal action. Also, if the Company does not adhere to the terms and conditions of the agreement, the bank is not obligated to implement what is stated therein, and the bank has the right to request compensation in case the Company violates any of the terms of the agreement, unless it is for reasons not attributable to the Company. (For more information, please see subparagraph "Settlement Agreement" of Subsection (9-10) "Other Contracts and Transactions" of Section (9) "Legal Information")

The Company may face risks related to its inability to repay these loans when due, and it should be noted that the Company did not adhere to some of the terms and conditions of the facility agreements, as the terms of the short and long-term agreements and facilities require maintaining the financial position at specific agreed upon levels. For example, but not limited to, the main financial provisions that the Company did not adhere to are that the total liabilities for the net tangible value of assets range from (200%) to (250%), while the current ratio is (100%) to (125%), and the minimum shareholders equity is (950) million Saudi riyals. As a result of this violation, the lenders have the right to accelerate the payment of future installments, and accordingly, the entire balance of long-term loans was presented within the current liabilities in the company's consolidated statement of financial position. It should be noted that if the Company defaults on paying future installments from, this would negatively affect the Company's business in light of the current liquidity crisis it faces.

The Company and its subsidiaries do not guarantee obtaining the necessary financing in a timely manner on acceptable terms if necessary, and this will negatively affect the implementation of its work. It is also possible for the Company and its subsidiaries to bear capital expenditures to carry out maintenance and continuous improvement of their assets and equipment, either with the aim of complying with any new legal or regulatory requirements that require carrying out these works, or with the aim of complying with new standards adopted by the Company's management in production. In the event of failure to obtain financing or delay in securing it when needed, or the financing is available but on terms that are not appropriate for the conditions of the Company or its subsidiaries, this will negatively affect its ability to implement its projects and its financial performance and results of operations..

2-1-18 Risks related to Interest Rate Fluctuations

Borrowings under the Company's banking facilities are primarily at variable rates of interest. An increase in variable interest rates that are not subject to hedging pursuant to hedging agreements may increase the cost of the Company's borrowings, increase interest expenses and reduce cash flows. Interest rates are also affected by many factors, including factors related to government, monetary and tax policies, international and local economic conditions, and other factors beyond the Company's control. The Company does not currently hedge its exposure to any fluctuations in interest rates, and this could result in it incurring losses if interest rates rise, which would have a material negative impact on the Company's business, results of operations, financial condition and future prospects.

2-1-19 Risks related to the Company's High Debt

The Company's operations depend on credit, and credit risks arise when one party is unable to fulfill a specific financial obligation to the other party. The Company may face credit risks in several temporary or permanent situations, including the presence of receivable balances from customers, the failure of other debtor parties to fulfill their obligations to the Company, and other situations in which the Company is exposed to credit risk. The Company's trade receivables amounted to (343) million riyals, (253) million riyals, (190.4) million Saudi riyals, and (230.2) million Saudi riyals as of December 31, 2020G, December 31, 2021G, December 31, 2022G, and the six-month period ending June 30, 2023G, respectively. The main reason for the increase in the Company's balance of trade receivables is due to customers' default in paying their debts. The Company has customers defaulting in paying the Company's non-current receivables whose maturity period exceeds more than two years. The balance of non-current receivables amounted to (345) million Saudi riyals, (329.9) million Saudi riyals, (370.8) million Saudi riyals, and (342.7) million Saudi riyals as of December 31, 2020G, December 31, 2021G, December 31, 2022G, and the six-month period ending June 30, 2023G, respectively. The following table shows the aging of the Company's trade receivables as of June 30, 2023G.

Table 7: The aging of the Company's trade receivables as of June 30, 2023G

(Thousands of Saudi Riyals)	Not due	Less than 180 days	From 181 to 365 days	From 366 days to 730 days	More than 365 days	Total
Net receivables - Third parties	69,607	87,215	21,461	22,911	28,709	229,903
Net receivables - Related parties	81	-	218	-	2	301
Total	69,688	87,215	21,679	22,911	28,711	230,204

The Company's 10 largest customers represent 70% of the total trade receivables as of December 31, 2020G, 75% of the total trade receivables as of December 31, 2021G, 53% of the total trade receivables as of December 31, 2022G, and 53% of the total trade receivables as of June 30, 2023G. The company has a provision for doubtful debts for trade receivables amounting to (140) million Saudi riyals, representing 29% of the total trade receivables as of December 31, 2020G, and the amount of (123) million Saudi riyals, representing 34% of the total trade receivables as of December 31, 2021G, and the amount of (99) million Saudi riyals represents 34% of the total trade receivables as of December 31, 2022G, and the amount of (98) million Saudi riyals represents 30% of the total trade receivables as on June 30, 2023G. The company has total receivables under judicial collection amounting to (532.0) million Saudi riyals as of June 30, 2023G, and the provision made up amounted to (196.6) million Saudi riyals as of June 30, 2023G. The company filed complaints with the court to collect the amounts of non-current receivables. The following table shows the details of receivables under judicial collection:

Table 8: Details of receivables under judicial collection

(Thousands of Saudi Riyals)	The financial period ending on December 31, 2020G	The financial period ending on December 31, 2021G	The financial period ending on December 31, 2022G	The six-month period ending on June 30, 2023G
Balances scheduled for collection pursuant to judicial rulings	99,991	85,486	87,079	75,766
Balances Judicial rulings in favor of the Group and settlements with customers are still outstanding	346,041	329,130	322,565	315,460
Balances still under legal procedures	31,047	27,331	137,054	140,796
Total	477,079	441,947	546,698	532,022

The following table also shows the details of the written off receivables as of December 31, 2020G, 2021G, and 2022G.

Table 9: Details of written off receivables as of December 31, 2020G, 2021G, and 2022G

(Thousands of Saudi Riyals)	Nature of the relationship	For the fiscal year ending December 31, 2020G Management	For the fiscal year ending December 31, 2021G Audited	For the fiscal year ending December 31, 2022G Audited
Amiantit Libya Company	Associate Company	-	7,775	-
Amiantit Egypt Company	Associate Company	5,651	-	-
Total		5,651	7,775	-

If the company is unable to collect its dues from its customers and continues to make additional provisions, this will have a negative and material impact on the Company's business, financial condition, results of operations and future prospects.

2-1-20 Risks related to Contractual Assets

The Company has contractual assets amounting to (300.8) million Saudi riyals as of June 30, 2023G. These contractual assets result from long-term project contracts, as the Company records its revenues based on the percentage of completion achieved from long-term project contracts. The company cannot bill the customer or transfer the due amounts to receivables due until an achieved completion rate is reached in accordance with the contract signed with the customer. Upon completion of the main stages of the project and acceptance by the client, the recognized amounts are reclassified into trade receivables in preparation for their collection. PWT Company in Germany constitutes 99% of the Company's contractual assets as of June 30, 2023G, and relates to projects that were on hold due to geopolitical instability within the geographical areas in which these projects are located. This included the water infrastructure project in the Samawah region located in Iraq, due to the fact that the Company is unable to issue invoices to the client as it provided the service to the client but did not reach the pre-determined completion stage to be eligible for payments due to the project having previously stopped due to geographical and political factors. If the Company is unable to complete its projects and the specified completion rates in a timely manner, this will affect the Company's financial performance and future prospects (for more information, please see (5-5-2-3) «Contractual Assets» of Section (5) «Financial Information, and Management Discussion and Analysis»)

2-1-21 Risks related to Increasing the Company's Liabilities

The increase in the Company's liabilities may pose a risk to the Company's overall financial position and solvency, as the percentage of total liabilities out of total assets reached 79.3% as of December 31, 2020G, 85.0% as of December 31, 2021G, 84.2% as of December 31, 2022G, and 84.4% as of June 30, 2023G. Therefore, an increase in the company's liabilities will have a negative impact on its financial position and increase financing costs. If this occurs, it will be difficult for the company to fulfill 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 (5-5-2) «Audited Statement of Financial Position» of Section (5) «Financial Information and Management Discussion and Analysis» of this Prospectus.)

2-1-22 Risks resulting from Transactions with Related Parties

In the course of conducting its business, the Company carries out transactions with related parties represented by the Group's subsidiaries. Transactions with related parties are carried out on a commercial basis.

The transactions included sales and purchases amounting to (27) million Saudi riyals during the year 2020G, an amount of (42) million Saudi riyals for the year 2021G, an amount of (24) million Saudi riyals for the year 2022G, and an amount of (11) million Saudi riyals for the six-month period in 2023G. The Company does not have any dealings and contracts with related parties such as members of the board of directors, shareholders, senior executives and their relatives. If the Company deals with any of the parties that require the approval of the Company's general assembly, it will be presented to the general assembly and the shareholders who have an interest in those contracts will not be given the right of voting on them. In the event of rejection, this will negatively affect the Company's business and profitability. For more details, please review Subparagraph No. (9-8) (Agreements and Transactions with Related Parties) of Section (9) «Legal Information» of this Prospectus).

2-1-23 Risks of Differences in Zakat Amounts and Value-Added Tax Fines

The Company submitted its zakat declaration for the fiscal year ending on December 31, 2022G, and obtained a zakat certificate from the Zakat, Tax and Customs Authority under the number (1110224541) dated 11/10/1444H (corresponding to 01/05/2023G), which is valid until 21/10/1445H (Corresponding to 30/04/2024G). This certificate enables the Company to complete all its transactions, including paying its final dues for contracts. It should be noted that the value of zakat paid to the Zakat, Tax and Customs Authority during the fiscal year ending on December 31, 2022G amounted to (11,361,893.92) Saudi riyals, compared to (13,460,037.90) Saudi riyals for the fiscal year ending on December 31, 2021G. The Saudi subsidiaries also received zakat certificates for the years from their founding until the fiscal year ending on December 31, 2022G.

It should be noted that on 05/05/1442H (corresponding to 20/12/2020G), the Company received letters amending the zakat returns submitted for the years from 2015G to 2018G and requesting the payment of zakat differences for these years in the amount of (231,117,518.17) Saudi riyals,

and therefore, the company raised its objection to the amendments within the statutory period. On 18/10/1443H (corresponding to 19/05/2022G), the Authority issued its decision accepting some of the Company's objections to the items mentioned in the objection and rejecting some other items. On 11/07/1443H (corresponding to 06/06/2022G), the Company received the decision of the First Circuit to adjudicate income tax violations and disputes, and it was found that the total amounts to the Committee approved for the Company's objection amounted to (150,000,000) Saudi riyals. On 18/08/1444H (corresponding to 10/03/2023G), the Company received decisions from the First Appellate Circuit for Income Tax Violations and Disputes accepting the appeal of the Zakat, Tax and Customs Authority and overturning the First Circuit's decision issued by the First Appellate Circuit for Income Tax Violations and Disputes regarding the loans item for the years from 2015G to 2018G, and the item of other obligations for the years 2015G, 2016G, and 2018G, and its amendment for the year 2017G, and the acceptance of the Company's appeal regarding the item of spare parts inventory for the year 2017G and the item of settlements on provisions for the year 2018G, and the end of the dispute regarding the comprehensive income profit item for the year 2017G, and the rejection of the Company's and the Authority's appeal regarding the remaining items in question, and supporting the decisions of the First Circuit for the years from 2015G to 2018G.

The Company submitted a petition to the General Secretariat of Tax Committees to reconsider the decisions. The Company received a request via e-mail from the Zakat, Tax and Customs Authority on 18/01/1445H (corresponding to 05/08/2023G) to pay the dues for the years from 2015G to 2018G, with a total of (219,764,641.48) Saudi riyals. On 19/01/1445H (corresponding to 06/08/2023G), the Company announced on the Tadawul website that it had received a claim via e-mail from the Zakat, Tax and Customs Authority on 18/01/1445H (corresponding to 05/08/2023G) to pay the dues for the years from 2015G to 2018G, with a total of 219,764,641.48 Saudi riyals.

On 02/03/1445H (corresponding to 17/09/2023G), the Company received the decision of the First Appellate Circuit for Income Tax Violations and Disputes by email from the General Secretariat of the Zakat, Tax and Customs Committees, accepting the request for reconsideration in form and rejecting it in substance.

On 26/10/2023G, the Company announced on the Saudi Tadawul website the financial impact of recording an amount of 115 million Saudi riyals as an additional allocation for zakat in the third quarter of 2023G.

The Company announced on 12/11/2023G on the Saudi Tadawul website that after several negotiations and meetings with the Zakat, Tax and Customs Authority, the Company received on 28-04-1445H corresponding to 12-11-2023G an approval from the Zakat, Tax and Customs Authority for an installment plan for zakat amounts due from the Company to the Zakat, Tax and Customs Authority. The installment plan included the amounts due for zakat for the years from 2015G to 2020G in a total amount of (277,745,157.80) Saudi riyals through the assignment of a due payment from a government agency in the amount of (29.2) million Saudi riyals, and the remaining amount will be paid in semi-annual installments, starting in the second quarter of 2024G for a period of 4 years. The plan is based on paying an amount of (7.5) million Saudi riyals every six months for the first 3 years and an amount of (101.8) million Saudi riyals every six months for the fourth year.

The Company has a zakat provision amounting to (312.5) million Saudi riyals as of September 30, 2023G. The Company received of its subsidiary, Bondstrand, the zakat assessment for 2018G through 2020G in the amount of (800) thousand Saudi riyals. Within 60 days of the same year 2020G, the Company objected and later in 2021G it submitted the objection to the General Secretariat for Tax Committees («the Secretariat») and then later in 2022G, the Company obtained the Secretariat's decision for the aforementioned year and decided to appeal this decision. The result of the appeal was that the appeal was not accepted as per regulations, as it was submitted after the end of the legally specified period. It is worth noting that the Company's failure to fulfill its obligations towards the Zakat, Tax and Customs Authority may lead to enforcement on the Company's funds and its fixed and movable assets, which will have a negative and material impact on the Company's profits, results of operations, financial position and future prospects.

With regard to value-added tax, the total amounts due for unpaid value-added tax as of June 30, 2023G amounted to (46) million Saudi riyals, including (13.5) million Saudi riyals for the fiscal years 2021G and 2022G, which have an installment plan approved by the Zakat, Tax and Customs Authority at the rate of (2.2) million Saudi riyals, paid monthly and ending at the end of the payment due on December 31, 2023G. The unpaid value-added tax due for the six-month period ending on June 30, 2023G is (32.5) million Saudi riyals, which increased to (41.9) million Saudi riyals as of August 31, 2023G and to SAR 47.7 million as of 30 September 2023G. Accordingly, the company began requesting installments of the value-added tax amount for the aforementioned amount, which relates to the eight-month period ending on August 31, 2023G. The installment plan for the amounts due for value-added tax was approved by the Zakat, Tax and Customs Authority as monthly payments of 3.5 million Saudi riyals for a period of 12 months starting from December 30, 2023G. Regarding the amounts due for the month of September 2023, amounting to (5.8) million Saudi riyals, they will be paid during the first quarter of 2024G. The Company has tax sales invoices that are not compatible with the requirements of the Zakat, Tax and Customs Authority, which may expose the Company to fines for not including all the contents of the tax invoice in the tax invoices or credit and debit notes. In addition, the Company has purchase invoices that do not comply with the requirements of the tax invoices, and if they are rejected by the Zakat, Tax and Customs Authority, this will expose it to losing the tax amount paid on these invoices. If the Company is fined for not adhering to the requirements of the tax invoice or rejecting non-compliant purchase invoices, this will negatively affect the Company's profits, results of operations, financial position, and future prospects.

2-1-24 Risks associated with Potential Liabilities:

Some potential obligations may arise for the Company and its subsidiaries, such as costs related to zakat and taxes, as the Company did not receive any amendments from the Zakat, Tax and Customs Authority for the fiscal years 2021G and 2022G. This is in addition to bank guarantees or bank guarantees provided to sister companies or lawsuits, and other potential obligations or costs related to the Company's activity. If these obligations are realized, they will negatively affect the Company's financial condition, financial position, results of operations and future prospects.

The Group has potential liabilities amounting to (216.6) million Saudi riyals as of June 30, 2023G. The Group's potential liabilities are as follows:

- Bank guarantees issued in light of the Company's practice of its regular business, amounting to (54.9) million Saudi riyals.
- Bank guarantees to sister companies worth (161.7) million Saudi riyals in exchange for obtaining financing facilities.
- Capital expenditure contracts worth (0.3) million Saudi riyals

In addition, the Group has pledges to the financing entities in exchange for the loans it obtained, such that the Group maintains certain financial conditions, as well as limiting the ability to distribute any dividends without consulting the financing entities. In the event of non-compliance with the financial conditions, the financing entities have the right to accelerate the collection process for the loans, which would negatively affect the Company's financial condition, financial position, results of operations and future prospects.

2-1-25 Risks related to the Company's Losses

The accumulated losses of Saudi Arabian Amiantit Company on December 31, 2016G amounted to (126.7) million Saudi riyals, which represents (10.97%) of its capital, which amounted at the time to (1,155) billion Saudi riyals. The accumulated losses on December 31, 2017G amounted to (217.9) million Saudi riyals, i.e. which represents (18.86%) of its capital, which amounted at the time to (1,155) billion Saudi riyals. The accumulated losses on December 31, 2018G amounted to (514.4) million Saudi riyals, which represents (44.53%) of its capital, which amounted at the time to (1,155) thousand Saudi riyals. The accumulated losses on December 31, 2019G amounted to (32.4) million Saudi riyals, which represents (9.39%) of its capital, which at the time amounted to (344.5) million Saudi riyals. The Company announced the results of the second quarter of 2020G, during which the accumulated losses amounted to (206.9) million Saudi riyals, which is equivalent to about 60% of the capital amounting to (344.5) million Saudi riyals. Following this, the Board of Directors convened on 07/01/1442H. (corresponding to 26/08/202G) and a decision was taken to reduce the statutory reserve by 30.2% to extinguish part of the accumulated losses by transferring an amount of (57.3) million Saudi riyals only from the Company's statutory reserve, amounting to (189.5) million Saudi riyals, to extinguish part of the Company's accumulated losses amounting to (206.9) million Saudi Riyals only, bringing the accumulated losses to (149.6) million Saudi Riyals, which is equivalent to 43.42% of the capital. The accumulated losses on December 31, 2020G amounted to (205.5) million Saudi riyals, which represents (64.21%) of the Company's capital, which at the time amounted to (320) million Saudi riyals.

As a result, the Board of Directors decided, on March 27, 2021, to extinguish the entire statutory reserve amounting to (132.2) million Saudi riyals to extinguish part of the accumulated losses. The accumulated losses on December 31, 2021G amounted to (243.6) million Saudi riyals, which represents (76.14%) of the Company's capital which at the time amounted to (320) million Saudi riyals. The accumulated losses on December 31, 2022G amounted to (34.6) million Saudi riyals, which represents (34.90%) of its capital, which at the time amounted to (99) million Saudi riyals. The accumulated losses on June 30, 2023G amounted to (42.8) million Saudi riyals, which represents (43.21%) of its capital, which at the time amounted to (99) million Saudi riyals. It is worth noting that the main reason for the Company realizing losses and having current liabilities exceeding current assets during the fiscal years 2020G, 2021G, 2022G and the six-month period ending on June 30, 2023G is due to the negative results of the water sector and the rise in raw material prices.

The Company's accumulated losses on September 30, 2023G amounted to (172.9) million Saudi riyals. On 11/05/1445H (corresponding to 26/10/2023G) the Company announced on the Tadawul website that its accumulated losses had reached 174.63% of the capital, and the Company explained that the main reason led to these accumulated losses is mainly due to the following:

- Recording an additional provision for zakat in the amount of 115 million Saudi riyals in the third quarter of 2023G after the rejection of a reconsideration request from the General Secretariat of the Zakat, Tax and Customs Committees related to the amounts owed to the Zakat, Tax and Customs Authority for the years from 2015G to 2018G.
- Recording losses as a result of impairment testing for cash-generating units according to International Accounting Standard No. 16.
- Recording losses as a result of impairment testing in the value of financial assets according to International Accounting Standard No. 9.
- Losses resulting from the consequences of the Corona pandemic and the closure happened, which led to a lack of sales and a reduction in available opportunities.
- Losses resulting from the closure of some countries, which negatively affected collections and decreased the turnover rate of their debts.

The financial statements for the nine-month period ending on September 30, 2023G included significant doubt among the auditor regarding the Company's ability to remain as a going concern.

These accumulated losses resulted in several decisions to reduce capital, which are explained as follows:

On 09/01/1441H (corresponding to 08/09/2019G), the Company's extraordinary general assembly approved reducing the Company's capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals with a decrease rate of 70.2%, thus reducing the number of Company shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million, four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand and three hundred (81,048,300) shares of the Company's issued shares, at a reduction rate of one share for every (1.42) share.

- On 16/04/1442H (corresponding to 01/12/2020G), the Company's extraordinary general assembly approved reducing the Company's capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals with a decrease rate of 41.95%, thus reducing the number of company shares from thirty-four million four hundred and fifty-one thousand and seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million four hundred and fifty-one thousand and seven hundred (14,451,700) shares of stock. issued by the company, at a rate of one share reduction for every (2.38) shares.
- On 26/07/1443H (corresponding to 27/02/2022G), the Company's extraordinary general assembly approved reducing the Company's capital from three hundred and twenty million (320,000,000) to ninety-nine million (99,000,000) Saudi riyals, with a capital reduction percentage of (69.06%), thus reducing the number of Company shares from thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares by canceling twenty-two million and one hundred thousand (22,100,000) shares of the Company's issued shares, at a rate of reducing one share for every (1.447) share.

The financial statements for the financial year ending on December 31, 2020G, the financial statements for the year ending December 31, 2021G, and the nine-month period ending on September 30, 2023G included the auditor's great doubt regarding the company's ability to remain as a going company, and the reason for this is due to the Company incurring accumulated losses amounting to (243.6) million Saudi riyals, which represents (76.14%) of its capital amounting to (320) million Saudi riyals as of December 31, 2021G, compared to an amount of (205.5) million Saudi riyals, representing (64.21%) of the capital for the year 2020G. Then the amount became (172.9) million Saudi riyals, representing 174.63% of the capital amounting to (99) million Saudi riyals on September 30, 2023G. This is largely reflected in the Company's low liquidity ratio (for more information, please see subsection (2-1-15) Liquidity Risk of this section). It is worth noting that the Company continued to achieve losses during the fiscal years 2020G, 2021G, and 2022G:

Although the Company reduced its capital based on the approval of the General Assembly on 26/07/1443H (corresponding to 27/02/2022G) by a capital reduction rate of (69.06%), by canceling twenty-two million and one hundred thousand (22,100,000) shares from the Company's issued shares, the balance of accumulated losses still amounts to (42.8) million Saudi riyals as of March 31, 2023G, which represents 43.2% of the capital. There is no certainty that the Company will not achieve any future losses that would negatively and materially affect the Company's business and financial results.

2-1-26 Risks related to the Existence of Previous Rights Issues

In 2020, the Company increased its capital by issuing priority rights for (12,000,000) shares at a price of (10) Saudi riyals, with the total proceeds of the offering amounting to (120,000,000) Saudi riyals. The Company disclosed in the relevant Prospectus that the proceeds of the offering would be used to support the working capital in order to increase the efficiency of the Company's operational activities, as well as paying part of the amounts owed to suppliers and financing loans, in addition to the offering expenses.

In its decision dated 26/06/1443H (corresponding to 29/01/2022G), the Company's Board of Directors recommended increasing the Company's capital by offering priority rights shares worth three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals, by offering priority rights shares of thirty-four million six hundred and fifty thousand (34,650,000) new ordinary shares, representing an increase in the Company's capital by (350%), so that the Company's capital after the increase becomes four hundred and forty-five million and five hundred thousand (445,500,000) Saudi riyals. On 21/10/1444H (corresponding to 11/05/2023G), the Extraordinary General Assembly rejected the recommendation of the Company's Board of Directors in its decision to increase the Company's capital through the offering of priority rights shares worth three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals.

If the Company does not succeed in raising sufficient funds through rights issues or using them optimally, or after completing the capital increase process, it changes the use of the offering proceeds from what was disclosed in the Prospectus and such uses have a negative impact on the Company, this will have a negative and material impact on the Company's business, financial condition and future prospects.

2-1-27 Risks related to the Company's Continuity

The Company's accumulated losses amounted to (206,459) thousand Saudi riyals as of December 31, 2020G, representing 64.52% of the capital on December 31, 2020G, which amounted to (320) million Saudi riyals on that date. The financial statements for the fiscal year ending on December 31, 2020G included significant doubt among the auditor regarding the Company's ability to remain as a going concern.

The company's accumulated losses amounted to (247) million Saudi riyals as of December 31, 2021G, representing (77.20%) of the capital on December 31, 2021G, which amounted to (320) million Saudi riyals on that date. The financial statements for the fiscal year ending on December 31, 2021G included significant doubt among the auditor regarding the Company's ability to remain as a going concern.

On 26/07/1443H (corresponding to 27/02/2022G), the Company's extraordinary general assembly approved reducing the company's capital from three hundred and twenty million (320,000,000) to ninety-nine million (99,000,000) Saudi riyals, with a capital reduction percentage of (69.06%).

The Company's accumulated losses amounted to (34.6) million Saudi riyals and (42.8) million Saudi riyals as of December 31, 2022G, and the six-month period ending on June 30, 2023G, respectively, representing (34.91%) and (43.21%) of the capital, respectively, amounting to (99) million Saudi riyals on that date.

On 11/05/1445H (corresponding to 26/10/2023G), the Company announced on the Tadawul website that its accumulated losses had reached 174.63% of the capital. The Company explained that the main reason that led to these accumulated losses was recording an additional allocation for zakat in the third quarter of the year 2023G, at an amount of 115 million Saudi riyals. The financial statements for the nine-month period ending on September 30, 2023G included significant doubt among the auditor regarding the Company's ability to remain as a going concern.

Article No. (132) of the Companies Law stipulates: «**If the losses of the joint-stock company amount to (half) of the issued capital, the Board of Directors must disclose that and the recommendations it has reached regarding those losses within (sixty) days from the date it learned that they have reached this amount, and to invite the extraordinary general assembly to meet within 180 days from the date of learning of this to consider the continuation of the company while taking any necessary measures to address or resolve these losses**».

There is no certainty that the Company will not achieve any future losses that would negatively and materially affect the Company's business and financial results. The Company's continuity as a going concern is linked to its ability to increase its capital, which will be used to finance the working capital to implement the financial reorganization plan and transform the Company into profitability. In the event that the Company fails to achieve this, there will be doubt about its ability to remain a going concern.

2-1-28 Risks associated with Changes in Capital

The Company's shares were listed on the market (seven million (7,000,000) shares with a nominal value of fifty (50) riyals per share on 14/12/1416H (corresponding to 01/05/1996G). The Company subsequently increased its capital on 28/01/1421H (corresponding to 03/05/2000G) from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by granting a free share for every 7 shares, so that the number of shares becomes eight million (8,000,000) shares in order to support the Company's expansions and investments. On 08/02/1422H (corresponding to 02/05/2001G), the Company increased its capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals, through the distribution of three (3) free shares for every eight (8) shares, using all of the Company's profits, to support the Company's expansion and internal and external investments. On 01/02/1423H (corresponding to 14/04/2002G), the Company increased its capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of 2001G to the capital and distributing two (2) shares for every eleven (11) shares, thus increasing the number of shares from eleven million (11,000,000) to thirteen million (13,000,000) shares in order to support the Company's expansion and its internal and external investments. On 03/04/1424H (corresponding to 06/03/2003G) the company increased its capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, by transferring 50 million Saudi riyals from the profits of 2002 to the capital. Money and the distribution of one free share for every thirteen (13) shares, which results in increasing the number of shares from thirteen million (13,000,000) to fourteen million (14,000,000) shares in order to support the company's expansions and its internal and external investments. On 30/03/1425H (corresponding to 19/05/2004G), the Company increased its capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, by transferring 70 million Saudi riyals from retained earnings to the capital, and distributing a free share for every ten (10) shares, which will result in an increase in the Company's shares from fourteen million (14,000,000) to fifteen million and four hundred thousand (15,400,000) shares in order to support the Company's expansions and its internal and external investments. On 12/06/1426H (corresponding to 18/07/2005), the Company increased its capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals, by issuing priority rights shares in the amount of seven million seven hundred thousand (7,700,000) shares with a total nominal value of three hundred and eighty-five million (385,000,000) Saudi riyals, thus increasing the number of shares from fifteen million and four hundred thousand (15,400,000) shares to twenty-three million and one hundred thousand (23,100,000) shares in order to strengthen its financial position and support its local industrial projects in the field of pipe manufacturing and water management projects.

On 09/01/1441H (corresponding to 08/09/2019G), the Company reduced its capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million, five hundred and seventeen thousand (344,517,000) Saudi riyals, thus reducing the number of the Company shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million, four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand and three hundred (81,048,300) shares, with a capital reduction rate of (70.2%). , at a reduction rate of one share for every (1,425) shares, in order to extinguish the total accumulated losses amounting to (810,483,000) Saudi riyals. On 16/04/1442H (corresponding to 01/12/2020G), the Company reduced its capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals, thus reducing the number of Company shares from thirty-four million and four hundred and fifty-one thousand and seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million four hundred and fifty-one thousand and seven hundred (14,451,700) shares at a capital reduction rate of (41.95%), with a reduction rate of one share for every (2,384) shares, in order to extinguish 96.61% of the Company's accumulated losses. On 16/04/1442H (corresponding to 01/12/2020G), the Company increased its capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing priority rights shares in the amount of twelve million (12,000,000) shares in the amount of one hundred and twenty million Saudi riyals (120,000,000) Saudi riyals, thus increasing the number of shares from twenty million (20,000,000) shares to thirty-two million (32,000,000) shares in order to finance working capital, repay loans, and pay suppliers. On 26/07/1443H (corresponding to 27/02/2022G), the Company reduced its capital from three hundred and twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, thus reducing the number of Company shares from thirty-two million (32,000,000) shares to nine million and nine hundred thousand (9,900,000) shares by canceling twenty-two million and one hundred thousand (22,100,000) shares at a capital reduction rate of (69.06%) at a rate of reducing one share for every (1,447) shares, in order

to restructure the Company's capital to extinguish losses. The Company's Board of Directors recommended, in its decision dated 28/02/1445H (corresponding to 13/09/2023G), an increase in the Company's capital through the offering of priority rights shares worth three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals. The Company's accumulated losses amounted to (172,882) thousand Saudi riyals represents 174.63% of the capital amounting to (99,000,000) on September 30, 2023G. Any future changes in the capital, whether by reduction or offering priority rights shares that require the payment of additional amounts from shareholders, will affect shareholders' confidence in the Company, which may lead to the General Assembly of Shareholders rejecting any future recommendations to support capital. It is worth noting that the Company's Board of Directors recommended in its decision dated 26/06/1443H (corresponding to 29/01/2022G) to increase the Company's capital through offering priority rights shares worth three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals, through the offering of priority rights shares in the value of thirty-four million six hundred and fifty thousand (34,650,000) new ordinary shares, representing an increase in the company's capital by (350%), so that the Company's capital after the increase becomes four hundred, forty-five million five hundred thousand (445,500,000) Saudi riyals. On 21/10/1444H (corresponding to 11/05/2023G), the Extraordinary General Assembly rejected the recommendation of the Company's Board of Directors in its decision to increase the Company's capital through the offering of priority rights shares worth three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals. The Company may be forced to reduce capital in the future if it achieves additional losses or is unable to improve its profitability in the coming periods, which will have a negative and material impact on the company's continuity.

2-1-29 Risks associated with Losses in Water Projects

The Group's water projects sector, which is represented by the subsidiary PWT in Germany, recorded net losses during the past periods, which was a major negative contributor to the Group's overall performance, as net losses from water projects amounted to 81.8 million Saudi riyals in the fiscal year 2020G, 70.9 million Saudi riyals in the fiscal year 2021G and 21.6 million Saudi riyals in the fiscal year 2022G. Net losses from water projects decreased from 12.7 million Saudi riyals in the first half of 2022G to 10.1 million Saudi riyals in the first half of 2023G.

Net losses from water projects were partially offset by an increase in net income from pipe manufacturing and technology from SAR 2.4 million to SAR 6.6 million during the same period. The main reason for the losses in the water sector is due to the following factors:

- Less estimate of cost during the initial costing stage.
- Delay of the project due to various external factors such as geopolitical instability in the project area (Samawa project in Iraq)
- Delay in collection.
- The government imposed banking restrictions and constrains on the international transfer of funds in US dollars for the Group's water project in Turkmenistan's Isingulli.

The above-mentioned factors have led to have actual costs of many of the Group's water projects exceeding their estimated costs, especially the Samawa project in Iraq, Nowaser project in Morocco and the Durrees project in Albania. As a result, the Group booked a provision of 44.6 million Saudi riyals in relation to the Samawah project in the fiscal year 2021G, reaching an amount of 155.9 million Saudi riyals as of June 30, 2023G. It is worth noting that Samawa project is considered a non-viable project and was subject to a legal dispute before some developments occurred such as dropping all legal cases filed against the Group, the Prime Minister and the Iraqi Council of Ministers agreed to resume the Group's work for Samawa project, and the mechanism for preparing the project's invoices and pricing was transformed from the total amount to a specific completion cost, enabling the Group to perform an additional scope that can be invoiced accordingly. However, there is no guarantee that this allocation is sufficient according to the market prices of raw materials and future cost expectations for a period of 18 months, as it represents the remaining period from the date of the project's resumption in October 2023G until its completion in March 2025G.

The Company may need to record additional allocations in the future if costs increase in the future. Any change that occurs in any of the production costs as a result of unforeseen events beyond the Company's control, or the recording of additional allocations, will have a negative and material impact on the Company's business, results of operations, financial condition, and future prospects.

2-1-30 Losses on Selling Investments

The Company follows the equity method in proving its investments in its subsidiaries, and the Company may incur capital and currency losses as a result of disposing of these investments. The Company's capital losses resulting from the exclusion of some investments amounted to total losses of (18.6) million Saudi riyals incurred in 2020G, as the Company's sale of its 50% and 49% stake in Amiantit Fiberglass Company Egypt and Ameron Egypt Company, respectively, resulted in actual realized losses with an amount of (15.7) million Saudi riyals during the year 2020G. Also, the Company's sale of 15% of its share in Amensos resulted in actual realized losses amounting to (2.9) million Saudi riyals during the year 2020G. In addition, the Company conducted an evaluation during the year 2020G for its investment in Ambello Company, of which it owns 50%. The Company incurred losses estimated at (9.9) million Saudi riyals resulting from the decline in the value of ownership rights.

There are no guarantees that the company will not sell any of its investments in subsidiaries and whether it will result in additional losses in the future. If this happens, it will negatively affect the Company's business, results of operations, financial and operational performance, and future prospects.

2-1-31 Risks of Liquidation of Subsidiaries

The Company has initiated voluntary, not judicial, liquidation procedures for each of the following subsidiaries: Ameron Saudi Arabia Company Limited, Saudi Arabian Concrete Products Company SACOB, John Hansen Company, Flowtite Company, and Ametek Romania Company.

1. Ameron Saudi Arabia Limited Company was liquidated on 20/02/2019G, resulting in losses estimated at a total amount of (8.6) million Saudi riyals, noting that the Company is still in the process of liquidation and its financial statements have been prepared according to the basis of accounting division. Its assets are measured at the amount of cash expected to be received and its liabilities are measured based on estimated settlement amounts in a timely manner.
2. Liquidation of the Saudi Arabian Concrete Products Company SACOB with losses estimated at a total of (5.4) million Saudi riyals, as the Company sold its operations on December 31, 2020G, and all assets were sold and liabilities were paid on December 31, 2020G. The Company began liquidation from 01/01/2020G until 31/12/2021G, received refunds, receivables and payables and distributed the remaining cash amounts to shareholders.
3. John Hansen was officially liquidated in 2020G. John Hansen is a 100% owned subsidiary of the Company in Germany. Its liquidation resulted in a loss of (1.5) million Saudi riyals, and it was recognized as a foreign currency translation reserve upon liquidation.
4. On 23/11/2020G, the Company sold its 50% stake in Ametek Morocco, resulting in a net profit of (12.4) million Saudi riyals.
5. During the year 2020G, the Group sold its share in Amensos SA, based in Morocco, a 15% owned company by the Group, and its liquidation resulted in a loss of 2.8 million Saudi riyals.
6. During the year 2020G, the Company sold its owned shares of 50% and 49% in Amiantit Fiberglass Egypt Company and Ameron Egypt Company, respectively, and this resulted in actual realized losses amounting to (15.7) million Saudi riyals.
7. The liquidation of Flotite Export AS, a 100% owned subsidiary of the Group based in Norway, was conducted in 2021G. Management achieved a loss of (0.49) million Saudi riyals upon liquidation.
8. Amiantek Pipe Systems Romania was officially liquidated on 29/07/2019G. It is a company 100% owned by Suboor, and Amiantit owns 20% of Suboor. Before liquidation, the book value of this subsidiary in the company's books was 793 Saudi riyals.

Although these liquidations are carried out voluntarily and with the approval of the partners in each company (under liquidation), there is no guarantee that the Company will not incur any losses resulting from liquidation in the future. There is no guarantee that company managers will be able to submit to the liquidator the companies' books (under liquidation) and their records, documents, clarifications and data required by the auditor to extract the final account certificate to show what is owned and owed, as a precondition for writing off the certificates and licenses of companies (under liquidation), especially with the Zakat, Tax and Customs Authority, which must ensure that there are no amounts due before writing off.

2-1-32 Risks associated with the Financial Performance of Sister Companies.

The Group's share in investment profits calculated using the equity method decreased from (24.8) million Saudi riyals in the fiscal year 2020G to (8.1) million Saudi riyals in the fiscal year 2021G, mainly due to:

- A decrease in the net income of Ameblo Holding Company (in which the Group owns 50%) from (8.3) million Saudi riyals in the fiscal year 2020G to a net loss of (17.6) million Saudi riyals in the fiscal year 2021G.
- A decrease in comprehensive income from Amiantit Qatar (Aqab) (in which the Group owns 40%) from (30.0) million Saudi riyals in the fiscal year 2020G to (11.7) million Saudi riyals in the fiscal year 2021G.

Then the Company's share in investment profits calculated using the equity method increased to (31.1) million Saudi riyals in the fiscal year 2022G. This was a result of the increase in Ameblo's net income to (18.7) million Saudi riyals in the fiscal year 2022G.

It is worth noting that the investment in Suboor (in which the Company owns 20%) turned into a negative value due to the huge losses that accompanied the decline in the value of the Turkish lira against the US dollar, and the Group stopped recording further losses from its investment in Suboor. As of December 31, 2022, Suboor achieved profits and converted into the Company's total equity. The Group recorded a profit share of (9.0) million Saudi riyals, after deducting all unrecognized losses in previous years as of December 31, 2022G.

The share in the results of investments calculated using the equity method increased from (5.5) million Saudi riyals in the first half of 2022G to (25.0) million Saudi riyals in the first half of 2023G, mainly due to:

- Transforming Ameblo's loss of (5.6) million Saudi riyals in the first half of 2022G into profits of (6.5) million Saudi riyals in the first half of 2023G.
- Transforming Amiantit Qatar's loss from (0.53) million Saudi riyals in the first half of 2022G to a profit share of (1.1) million Saudi riyals in the first half of 2023G.
- An increase in the profits of other projects and joint projects from (7.8) million Saudi riyals in the first half of 2022G to (11.9) million Saudi riyals in the first half of 2023G. The main reason is due to the increase in the share of SAIBOR's results from (6.9) million Saudi riyals in the first half of 2022G to (11.5) million Saudi riyals in the first half of 2023G.

It is worth noting that the Company announced on the Tadawul website on December 31, 2023G the signing of a settlement agreement with Alinma Bank on 18/06/1445H, corresponding to 31/12/2023G, according to which Saudi Arabian Amiantit Company "the Company" waived its entire shares in the International Company for Infrastructure Management and Operation Limited is waived (which owns 50% of the International Water Distribution Company), which is 100% owned by an investment fund managed by the capital company affiliated with this bank. In return, the bank relieves "the Company" of all its obligations to the bank, amounting to SAR 572.7 million.. The assigned company achieved a net loss of (82) million Saudi riyals for the fiscal year 2020G, a net (loss) of (63) million Saudi riyals in the fiscal year 2021G, net profits of (10) million Saudi riyals in the fiscal year 2022G, and net profits of (5) million Saudi riyals in the six-month period ending on June 30, 2023G. The Company's waiver of the Global Infrastructure Management and Operation Company Limited will result in the Company losing profits from investments registered using the equity method for these investments, which will have a negative impact on the Company's business and the results of its operations. There is no confirmation about the results of the subsidiaries and joint projects during the coming periods, and if these companies achieve any losses in the coming periods, this will negatively affect the Company's business, results of operations and future prospects.

2-1-33 Risks of Reliance on Key Personnel

The Company depends for its future plans success on the expertise and competencies of its executive management and key employees. The Company aims to attract and employ qualified people to ensure the efficiency and quality of business through effective management and proper operation. The Company will also need to increase the salaries of its employees to ensure their retention or to attract new cadres with appropriate qualifications and experience. Accordingly, if the Company loses any of its senior executives or qualified employees and is not able to hire alternatives with the same level of experience and qualifications at an appropriate cost to the Company, this may affect the Company. Accordingly, the Saudi Arabian Amiantit Company provided several advantages to its employees, most notably providing annual tickets for its employees to the home country, an allowance for school expenses, an allowance for changing the work schedule, and many basic allowances and benefits available in other companies. The Company takes these measures to reduce the loss of these cadres. In the event that it is not possible to maintain its cadres or find suitable alternatives for them, this will negatively affect the Company's business, results of operations and future prospects.

2-1-34 Risks related to Staff Mistakes or Misconduct

The Company is obligated to prepare a regulation to organize the work according to the form prepared by the Ministry of Human Resources and Social Development and in accordance with the provisions of Article (13) of the Labor Law. The Company may include in the regulation additional terms and conditions, in a manner that does not conflict with the provisions of the Labor Law and its regulations and the administrative decisions in implementation thereof. The Company must announce the work organization regulation and any amendment thereto in a conspicuous place in the facility or any other means to ensure compliance of those subject to it with its provisions. The Company and its subsidiaries have an internal work regulation approved by the Ministry of Human Resources and Social Development with the number (334410) and dated 23/09/1435H (corresponding to 24/03/2014G), and the subsidiaries are bound by Article (13) of the Labor Law in terms of preparing and approving a regulation organizing work according to the unified model approved by the Ministry of Human Resources and Social Development. Failure to comply with this exposes the Company to the fines stipulated in Article (229) of the Labor Law, in addition to a fine of (15,000) riyals for the absence of an approved organizational regulation, and a fine for not announcing the regulation of work after its approval in a conspicuous place in the Company, amounting to (10,000) ten thousand Saudi riyals, according to what was stated in the table of violations and penalties issued under Ministerial Resolution No. (178743) dated 27/09/1440H (corresponding to 01/06/2019G), which will negatively affect the Company's business and results of operations. All employees of the Company were informed by placing it in a visible place in the workplace. However, despite this, the Company cannot guarantee to avoid employee misconduct or mistakes such as fraud, intentional errors, embezzlement, fraud, theft, forgery, misuse of its property and acting on its behalf without obtaining the required administrative authorizations. Consequently, these actions may result in consequences and responsibilities borne by the Company, or legal penalties, or financial liability, which will negatively affect the Company's reputation. Therefore, the Company cannot guarantee that the misconduct of its employees will not materially harm its financial condition or results of operations.

2-1-35 Risks related to the Company's Reliance on Hired Labors

The Company depends on a number of hired labor that it uses to operate its factories and other activities, in addition to the labors registered under the Company's sponsorship. The following table shows the number of hired labors and the labors registered under the Company's sponsorship:

Table 10: Hired Labors and Registered Labors under the Company's Sponsorship

Period	Labors under the Company's sponsorship			Hired Labors		
	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
2020	320	868	1188	0	660	660
2021	236	643	879	0	757	757
2022	499	890	1389	0	902	902
30 June 2023	522	918	1440	0	694	694

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 in the event that the Company is unable to maintain the continuity of labor rental contracts beyond the period specified in the contract or renew contracts with the same current terms or preferential terms, where it may be difficult for the Company to find alternative labor within a sufficient time and appropriate to the nature of the Company's activity. This will negatively affect its financial condition, cash flow and operating results.

2-1-36 Risks related to Dependence on non-Saudi Employees

The Company and its subsidiaries, to ensure the continuity of their business, depend largely on non-Saudi employees. The Saudization rate of Saudi Arabian Amiantit Company reached (46%) and it is classified within the high green - Small Category (B) category of the Nitaqat Program, according to the Nitaqat Program issued by the Ministry of Human Resources and Social Development. The percentage of non-Saudi employees constituted (63.75%) of the total employees in the Company and its subsidiaries (within the Kingdom). In view of this, the Company may be exposed to several risks in the event that it is not able to maintain its non-Saudi cadres, or in the event of any change in the policies, regulations and systems of the Ministry of Human Resources and Social Development resulting in an increase in the Saudization of the sector, which will reduce the Company's ability to maintain its cadres of non-Saudi workers. This in turn will cause an increase in costs for the Company. If the Company is not able to find replacements with the same skills and experience required, this will negatively affect the results of the Company's and its subsidiaries business, financial condition and operational results.

2-1-37 Risks related to Expansion and Growth strategy

The Company's future performance depends on its ability to implement growth plans and strategies that include awarding new tenders for projects, participating in new opportunities that may arise from customization projects and developing new solutions for clients. These activities depend on the Company's ability to continue implementing and improving operational and management information systems efficiently and in a timely manner, as well as obtaining regulatory approvals if there is a need to increase its production capacity or operate any new plants. There is no guarantee that the Company's existing personnel or systems will be sufficient to support future expansion and growth, or that the necessary approvals for any future growth plans will be obtained in a timely manner or at all. In addition, the Company's expansion plans are subject to specific timelines and may require additional funding to cover additional costs. Failure to adhere to these timetables or to obtain additional financing may result in the failure to achieve the desired economic results of growth and expansion plans. The Company's failure to implement its business plans and growth strategies will have a negative and material impact on the Company's business, financial condition, results of operations and future prospects.

2-1-38 Risks related to the 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 the realization of its strategy. The Company's ability to expand its business in the future depends on its ability to continue implementing and improving operational, financial and administrative information systems in an efficient and timely manner, as well as increasing, managing and training its workforce. In addition, any business expansion plans that the Company intends to undertake in the future will be subject to the estimated costs and implementation timetable specified for it. The ability of the project or in the event that the desired profit from these projects is not achieved, which may be due to various reasons, including a change in the market situation at the time of the implementation of these projects or a defect in the feasibility study, this will affect the competitive position of the Company and consequently the results of its business and profitability. The Company's ability to implement its current strategy is subject to various factors, including those outside its control, such as economic, political and regulatory conditions. There are no guarantees that there will be no malfunction, defects or sudden interruption in the work of production lines during the expansion process, or that the employees appointed by the Company and its subsidiaries, or that the systems, procedures and Regulations that it adopts will be sufficient to support future growth and expansion and to achieve its strategy successfully. If the Company fails to implement any part of its strategy for any reason, this will have a negative and material impact on the Company's business, results of operations, financial condition and future prospects.

2-1-39 Risks related to the Adequacy of Insurance Coverage

The company has a health insurance contract for its employees and their families with Bupa Arabia for Cooperative Insurance, a company licensed to operate in the Kingdom, under Contract No. (29601600). The coverage extends from 01/01/2024G until 31/12/2024G. This policy covers health care through the network of service providers appointed by the Company, provided that the case is covered by insurance coverage. The coverage includes all employees who are actually on the job and are eligible for insurance as of the effective date of the policy. As for employees who join the company later, they are considered eligible for insurance from the date they join work. The Cooperative Health Insurance Council and the committee formed by a decision of the Chairman of the Council to look into violations of the provisions of the Cooperative Health Insurance System shall be competent to settle all disputes and conflicts arising or related to this policy in accordance with Clause (14) of the aforementioned system.

The company has an all-risk insurance policy signed with the Saudi Arabian Cooperative Insurance Company (SAICO) under the number (P/102/22/1003/2023/101/11), which includes the parent company and its subsidiaries. This policy is effective from 01/03/2023G until 29/02/2024G, which includes material damages to all properties owned by the Group. The insurance value amounted to (2,656,701.62) Saudi riyals. The Company also has a motor insurance policy (for more information, please see subparagraph «**Compulsory motor insurance**» of subparagraph (9-15) Insurance, of Section (9) «**Legal Information**»).

The Company's inability to obtain sufficient insurance cover may limit its ability to carry out its work as required, which will affect the company's business. It is also possible that the Company, its business, branches, subsidiaries, or industrial facilities may be exposed to many incidents that are beyond its control and that could affect the conduct of its business, including natural disasters, accidents, terrorist acts, and war-related events for which there is not sufficient insurance coverage or not available on commercially reasonable terms. In addition, the recurrence of various other events, such as sudden accidents, work interruptions, or potential damage to the Company's facilities, property, and equipment resulting from bad conditions, human error, pollution, labor disputes, or natural disasters, will all lead to the Company incurring huge losses.

The inability of the Company to renew expired policies or conclude a new policy may lead to the lack of adequate insurance coverage for an accident, and therefore the Company and/or its subsidiaries may lose the capital invested in any damaged or destroyed properties and may also lose the expected future revenues from those properties. Some cases may be subject to financial obligations related to the damaged property, and similarly if any assessment is made against the Company beyond any insurance coverage it maintains, its assets may be subject to seizure or confiscation under various judicial procedures. Any of these accidents will have a negative impact on the future business of the Company, its affiliated industrial facilities and its production capacity. Therefore, the Company does not provide guarantees to investors that none of these events will occur that could result in damages that lead to material losses that the Company will not be able to compensate in part or in full due to the absence of any appropriate insurance coverage. This will negatively affect the Company's operations and its ability to bear the amounts resulting from losses, in addition to stopping its operations temporarily. This will have an impact on its financial results and profits.

2-1-40 Risks related to Non-registration of Lease Contracts in Ejar Platform

The Company and its subsidiaries have concluded nineteen (19) lease contracts (for more information, please review subparagraph (9-9) «**Lease Contracts**» of Section (9) «**Legal Information**» of this Prospectus). With the exception of four (4) contracts, the Company has not documented any of its contracts on the Ejar platform in implementation of Cabinet Resolution No. (292) dated 16/05/1438H (corresponding to 13/02/2017G) was issued, including the non-consideration of a lease contract not registered in the electronic network as a valid contract produces its administrative and judicial effects. Since the rental services electronic network was launched in cooperation between the Ministries of Justice and Housing on 17/05/1439H (corresponding to 03/02/2018G), and a circular was issued by the Ministry of Justice approving the application of this to all contracts entered into after 05/05/1440H (corresponding to 11/01/2019G). Note that the electronic lease contract is an executive document, and the two parties can request its implementation directly, even if by force, through the enforcement courts, without the need to file a lawsuit in the event that any of the parties breaches its essential obligations arising from Contract. With the issuance of Ministry of Justice Circular No. (13/T/8843) dated 19/12/1443H (corresponding to 18/07/2022G) confirming that the lawsuit arising from rental contracts not registered in the Ejar network will not be considered, the Saudi courts may not consider any of the lease contracts to which the Company is a party in the event that a dispute arises regarding them. Therefore, the Company, as a plaintiff, may not be able to protect its rights in the event that any of the lessors breach their contractual obligations, and this will negatively and fundamentally affect the Company's business and future aspirations.

2-1-41 Risks related to Not Obtaining or Renewing Governmental Licenses, Certificates and Permits

The Company is required to obtain and maintain various permits, licenses and regulatory approvals in relation to its activities. These licenses include, but not limited to, registration certificates in the commercial registry and membership certificates at the Chambers of Commerce and Industry, Zakat certificate and value-added tax registration certificate, the General Organization for Social Insurance subscription certificates. This is in addition to certificates issued by the Ministry of Human Resources and Social Development such as Saudization certificates and compliance with the wage protection system and Nitaqat, safety certificates and Municipal licenses, as well as Operating licenses, Industrial licenses, and Environmental licenses and permits for operation (For more information, please review subparagraph (9-3) «**Licenses, approvals, and certificates for the headquarters and branches of the Company**» of Section (9) «**Legal Information**» of this Prospectus).

The Company and its subsidiaries, as the «Licensor», must comply with the terms and conditions of each license, permit or certificate it obtains. In the event that any of these companies is unable to do so, they may not be able to renew these licenses, permits and certificates or obtain other new licenses, which they may need from time to time for the purposes of expanding their activities, which may result in the suspension or faltering of the Group's business or Imposing financial fines on the violating company from government agencies, which will negatively and materially affect the Group's business, financial condition, results of its operations and future expectations.

As of the date of this Prospectus, the Company and its subsidiaries have a number of licenses and permits that have not been issued or are no longer valid, as follows:

#	License	Expiry date*	Reason for non-renewal
1	Municipality license for the head office of the Saudi Arabian Amiantit Company No. (21073)	22/06/1440H (corresponding to 27/02/2019G)	The land deed on which the factories are located does not contain a plan number. The competent authorities requested it be updated and the land be developed. The Company is in the process of developing it.
2	Municipality license for the Saudi Arabian Amiantit Company branch (4030006691)-Jeddah	-	There are problems related to safety and security procedures in terms of developing equipment, pumps, and fire extinguishing system
3	Municipal license for Amiantit factory branch for the production of epoxy pipes/ 2050042140)	-	The land deed on which the factories are located does not contain a plan number. The competent authorities requested it be updated and the land be developed. The Company is in the process of developing it.
4	Municipal license for the Saudi Arabian Amiantit Company factory for manufacturing plastic products / 2050041516)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
5	Municipal license for the Saudi Arabian Amiantit Company the branch for Construction, Building, Maintenance and Operation/ 2050101638)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
6	Municipality License for Amiantit Research and Development Center/ 2052002451)	-	There are problems related to safety and security procedures in terms of developing equipment, pumps, and fire extinguishing system
7	Municipal license for the Poly Tube Manufacturing Company branch /4030479127	-	It is still pending due to the legal dispute over the land
8	Municipality license for Amiantit Fiberglass Manufacturing Company Limited/2050005268)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
9	Municipal license of Amiantit Fiberglass Manufacturing Company Ltd. branch / 2050106908)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
10	Municipality license for the Amiantit Fiberglass Manufacturing Company Limited factory branch /2050104272)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
11	Municipality license for Amiantit Fiberglass Manufacturing Company Limited / 4030135751)	-	It is still pending due to the legal dispute over the land
12	Municipality License Amiantit Rubber Industry Limited / 2050004586)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
13	Municipality License Bond Strand Company Limited factory / 2050011976)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
14	Municipality license for the Global Infrastructure Management and Operation Company Limited/2050083715)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
15	Municipality license for Infrastructure Engineering Contracting Company Limited/2050097629)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.

#	License	Expiry date*	Reason for non-renewal
16	Municipal license for Infrastructure Engineering Contracting Company Ltd. branch / 2050139169)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
17	Municipality license for Saudi Arabian Amiantit Management Company / 2050105945)	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
18	Municipal license for the Arab Company for Trading Building Materials and Industrial Equipment Ltd./2050008853 has not been viewed.	-	The land deed on which the factories are located is very old, more than five decades old, and does not contain measurements or dimensions or a plan number. The competent authorities requested that it be updated and the land be developed, and the Company is in the process of developing it.
19	Municipality License PWT Saudi /2050080446)	-	There are problems related to safety and security procedures in terms of developing equipment, pumps, and fire extinguishing system
20	Safety license for the main office of Saudi Arabian Amiantit Company No. (40-000199059-2) has expired.	21/11/1441H (corresponding to 12/07/2020G)	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
21	Safety certificate for the Saudi Arabian Amiantit Company branch/4030006691) - Jeddah	-	There are problems related to safety and security procedures in terms of developing equipment, pumps, and fire extinguishing system
22	Safety certificate for the Amiantit factory branch for the production of epoxy pipes/ 2050042140)	-	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
23	Expired safety certificate for the factory of the Saudi Arabian Amiantit Company for Plastic Products Manufacturing / 2050041516)	08/02/1441H (corresponding to 04/09/2022G)	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
24	Safety certificate for the branch of the Saudi Arabian Amiantit Company for Construction, Building, Maintenance and Operation / 2050101638)	-	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
25	Safety Certificate Amiantit Research and Development Center / 2052002451)	-	There are problems related to safety and security procedures in terms of developing equipment, pumps, and fire extinguishing system
26	Safety certificate for Poly Tube Manufacturing Company branch /4030479127	-	It is still pending due to the legal dispute over the land
27	Safety Certificate Amiantit Fiberglass Manufacturing Company Limited/2050005268)	-	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
28	Safety certificate has expired at the Amiantit Fiberglass Manufacturing Company Limited branch / 2050106908)	16/07/1444H (corresponding to 07/02/2023G)	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
29	The safety certificate has expired at the Amiantit Fiberglass Manufacturing Company Ltd. Factory branch / 2050104272)	16/07/1444H (corresponding to 07/02/2023G)	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
30	Safety Certificate for Amiantit Fiberglass Manufacturing Company Ltd. Factory (4030135751)	-	It is still pending due to the legal dispute over the land
31	Safety certificate expired at Amiantit Rubber Industry Limited / 2050004586)	12/02/1444H (corresponding to 08/09/2022G)	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
32	Safety certificate expired at Bond Strand Company Limited factory / 2050011976)	15/10/1443H (corresponding to 16/05/2022G)	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
33	Safety Certificate for Global Infrastructure Management and Operation Company Limited/2050083715)	-	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
34	Safety Certificate for Infrastructure Engineering Contracting Company Limited/2050097629)	-	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
35	Safety Certificate for the Branch of Infrastructure Engineering Contracting Company Limited / 2050139169)	-	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
36	Safety Certificate for Saudi Arabian Amiantit Management Company / 2050105945)	-	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region
37	Safety Certificate for the Arab Building Materials and Industrial Equipment Trading Company Limited/2050008853)	-	Under the procedure of approving safety plans after the completion of land development by the Civil Defense Department in the Eastern Region

#	License	Expiry date*	Reason for non-renewal
38	Safety certificate for PWT Saudi Arabia Company / 2050080446)	-	There are problems related to safety and security procedures in terms of developing equipment, pumps, and fire extinguishing system
39	The contractors' classification certificate for the Infrastructure Engineering Contracting Company Limited/2050097629) has expired.	21/08/1443H (corresponding to 24/03/2022G)	The company will renew the contractor's classification certificate
40	Operations license expired for the Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited / 2050017573)	14/12/1444H (corresponding to 02/07/2023G)	Under the procedure
41	License from the General Authority for Military Industries Amiantit Rubber Industry Company Limited / 2050004586)	-	Under the procedure

* Some licenses have not been issued and therefore do not have an expiration date.

Accordingly, the inability of the Company and its subsidiaries to renew its current licenses, permits and certificates or obtain any of the licenses necessary for its business, or if any of its licenses are suspended or expired, or if the renewal of any these licenses are on conditions that are not suitable for them, or in the event that the Company is unable to obtain additional licenses, permits and certificates that may be required from it in the future, this exposes the violating company to suspension and prevention from carrying out its work. The Company's failure to comply with the requirements of the Ministry of Municipal and Rural Affairs for the authority to issue Municipal licenses for the site through which it carries out its commercial activity are considered a violation of the Municipal Licensing Procedures System issued by Royal Decree No. (M/59) dated 23/09/1435H (corresponding to 20/07/2014G), and the Company may be exposed to the penalties stipulated in the Penalties Regulations for Municipal Violations. (Issued by Cabinet Resolution No. (92) dated 05/02/1442H, corresponding to 22/09/2020G, and its implementing rules issued by Ministerial Resolution No. (4300204526) dated 12/03/1443H (corresponding to 18/10/2021G), which may reach (500) thousand riyals, which may lead to the closure of the Company's offices, which may negatively affect the Company's business, results of operations, and financial position.

The Civil Defense System issued by Royal Decree No. (M/10) dated 10/5/1406H (corresponding to 21/01/1986G) and amended by Royal Decree No. (M/66) dated 02/10/1424H (corresponding to 26/11/2003G) as amended by Royal Decree No. (M/63) dated 13/09/1436H (corresponding to 30/06/2015G), requires commitment to security and safety requirements. As of the date of preparing this Prospectus, the Company was unable to renew the Civil Defense (Safety) license for the Company's main office, which proves the Company's commitment to safety requirements. Failure to comply will expose the Company to the penalties and fines stipulated in Article (30), which stipulates the imposition of a penalty on the violator of any provision of this law, its regulations, or the decisions issued pursuant thereto with imprisonment for a period not exceeding six months, or a fine not exceeding 30 thousand riyals or both. Failure to obtain civil defense licenses will result in the Company being unable to obtain new municipal licenses or renew current licenses. Inability to obtain safety licenses from civil defense, may lead to the closure of the branch headquarters until completion of the regulatory procedures for issuing civil defense licenses. This will result in disruption of the violating Company's operations and having incurred additional costs. This will have a materially negative impact on the Group's business, financial condition, results of operations, and future prospects.

2-1-42 Risks of Litigation and Legal Action

In the course of carrying out its business, the Company may be exposed to issues and lawsuits related to its operations. The Company does not guarantee that there will be no dispute between it and other parties it deals with, such as suppliers, distributors and others, which may lead to filing cases with the competent judicial authorities. As a result, the Company may be subject to lawsuits from government agencies and departments and investigations. Of course, the Company cannot anticipate the results of such claims if they occur, nor does it guarantee that such claims will not have a material impact on its business, financial condition and results of operations. Also, the Company cannot accurately anticipate the size of the cost of the lawsuits or judicial procedures that may be instituted by or against the Company, or the final results of those lawsuits or judgments issued on them and the compensation and penalties they include, and therefore any negative results of such cases will adversely affect the Company.

As of the date of this Prospectus, the Company is a party to a number of lawsuits inside and outside the Kingdom of Saudi Arabia in its capacity as the plaintiff, with a total value of (361,402,761) Saudi riyals. It is also a party to a number of lawsuits inside and outside the Kingdom of Saudi Arabia, in its capacity as the defendant, with a total value of (216,992) Saudi riyals. The provision for doubtful debts amounted to (196) million Saudi riyals (for more details, please see subparagraph No. (9-16) «Disputes and Lawsuits» from Section No. (9) «Legal Information»). The Company also has some provisions for potential losses and a provision for ineffective contracts as follows:

- A lawsuit against one of the partners in the Group's subsidiary company (Amicon) due to the Company's inability to deliver the materials, despite collecting an advance payment (by the partner in his personal capacity). Accordingly, the Group recorded a provision in the amount of (4.8) million Saudi riyals as of June 30, 2023G, as potential claims.
- Provision for ineffective contracts in the amount of (155.9) million Saudi riyals as of June 30, 2023G related to the Group's subsidiary, PWT, especially the Samawah project in Iraq.

Note that the Company and its subsidiaries are exposed to lawsuits and complaints by virtue of the nature of its activities and transactions with others within the framework of the business sectors in which it operates. The Company and its subsidiaries are exposed to have legal action taken against them or to be a plaintiff in any suit or proceeding. Therefore, the Company cannot accurately predict the cost of lawsuits or judicial

procedures that may be filed by or filed against it, or the final results of the lawsuits or rulings issued in lawsuits currently filed or that may be filed in the future, and the compensation and penalties they include. Therefore, any negative results of such cases may negatively affect the Company, its subsidiaries, and the results of its operations. Note that, regardless of the results of these cases, lawsuits or procedures, the Group may have to incur high costs and allocate resources to them during their implementation, which will have a material negative impact on the Group's business, financial condition, results of operations and future prospects.

2-1-43 Risks related to the Impact of the Corona Pandemic (Covid19)

The Corona virus (Covid19) swept the world during the year 2020G, and its negative effects and high costs ravaged all business sectors around the world. With the outbreak of the virus, many countries of the world took precautionary measures to limit its rapid spread. The government of the Kingdom of Saudi Arabia was proactive in taking several precautionary measures to prevent the spread of the virus, and accordingly most of the activities in the Kingdom of Saudi Arabia were affected by these precautionary measures. These measures also negatively affected the Company's business, as some of the Company's main projects were temporarily postponed, which led to the cancellation of some of them. There was also a delay in the export of products that coincided with the closure of land and sea borders. The supply chain crisis led to the market being unable to import internationally during that period, which led to a shortage in the local supply of products. The Company also reduced the number of workers present in the warehouses and limited their movement between warehouses, which negatively affected the annual stock inventory process, and the matter may require the application of more precautionary measures in the future. The Company cannot assess the extent of the continued impact of the pandemic, as the Company may face a crisis in the supply chains if the suppliers was located in an area where the authorities are implementing precautionary measures to prevent the spread of the epidemic. The pandemic may also affect the Company's ability to bring in and appoint qualified workers or obtain government tenders, the number of which decreased as a result of the pandemic. Accordingly, this will affect the continuity of the business of the Company and its subsidiaries, and will have a negative impact on the Company's business, results of operations, financial condition and future prospects.

2-1-44 Risks related to not Registering or Renewing Trademarks and Website

The Company has a logo that it uses in its dealings, and it has been registered as a trademark with the Saudi Authority for Intellectual Property under category (37), which is one of the trademark categories that specializes in services (construction of buildings, roads, bridges, dams, painting and plumbing works, maintenance repair, installation and assembly services, and construction tools and materials rental services). This will enable the Company to place its name and logo on the exterior of the building, offices or shops occupied by the company, since it has registered the trademark and granted it the necessary legal protection in accordance with the trademark system.

The subsidiaries have trademarks that have been registered with the Ministry of Commerce (Trademark Administration) and the Saudi Authority for Intellectual Property in the name of the Company and its subsidiaries. This will enable the Company and its subsidiaries to place its name and logo on the external facade of the building or offices that it occupies, since it has registered the trademark and granted it the necessary legal protection in accordance with Trademarks Law.

In addition, the Company is committed to registering its Internet website (domain) (www.amiantit.com.sa), as it registered the domain with the Communications and Information Technology Commission - the Saudi Network Information Center, according to a certificate issued by (Sahari Net Company - one of the agents authorized to register Saudi domains with the Saudi Center for Technical Information) on 15/12/1999G, which ends 30/12/2023G, and therefore the company has secured its protection and prevented its violation and use by others, who may resort to adding only one phrase (.sa).

Failure to renew the trademark certificate may lead to its loss of legal protection and the illegal use of the company's trademarks by others, which may affect the Company's reputation, and will result in lawsuits and claims being filed before the competent courts to protect these rights. It is an expensive process and requires a lot of time and effort from the management to follow up. If the Company fails to effectively protect its trademarks or follow similar trademarks, this will negatively affect its value. In addition, the Company will not be able to place its logo and use it on its products or place it on the exterior of the building, offices, or company cars.

2-1-45 Risks of Obsolescence and Impairment of Assets

The Company has specialized factories, machines and equipment that it uses in the production of its products, with depreciation rates ranging from 4 to 25 years, and the combined depreciation percentage of the total factories, machinery and equipment was (70.97%) as of June 30, 2023G. The equipment and machinery used in the production process are very important to the success of the Company's operations. Therefore, the Company relies on reliable and consistent operation of this equipment in order to achieve its financial goals and forecasts. Any unexpected malfunction that occurs to machinery or equipment, or any prolonged maintenance work to them, would disrupt the Company's production. It impairs its ability to produce sufficient quantities of products on an ongoing basis, to secure the quality of its products, or to comply with its contractual requirements. The depreciation expense for the plant, machinery and equipment item amounted to (31.0) million Saudi riyals, (29.6) million Saudi riyals, (23.8) million Saudi riyals and (15.1) million Saudi riyals during the fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G, respectively. It is worth noting that the Company appoints an independent and certified evaluator to re-evaluate the decline in the value of its machinery and equipment.

The Group conducts an annual impairment test every year. This is for cash generating units based on calculating the value in use by calculating the expected cash flows for the Group's budget approved by the Board of Directors. The Group also appointed an independent consultant to review their impairment models. In fiscal year 2019G, the results of the impairment assessment concluded that the cash-generating units of

both AFIL and SADIP were significantly lower than management's expectations, resulting in an impairment loss of SAR 125.7 million Saudi riyals (including impairment of the cash-generating units for SADIP and PSL in full). Below are the results of the impairment assessment of the Company's subsidiaries as of December 31, 2019G.

Name of subsidiary	Carrying amount	Recoverable amount	Impairment losses
Amiantit Fiberglass Manufacturing Company Limited (AFIL)	141,450	113,640	(27,810)
Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited (SADIP)	81,670	-	(81,670)
Bondstrand Company Limited	16,250	-	(16,250)
Total	239,370	113,640	(125,730)

Impairment testing performed in 2020G and 2021G did not result in any impairment charges being recorded.

As at December 31, 2022G, management has appointed an independent consultant to review the impairment model for its cash generating units at SADIP. Accordingly, the recoverable amount was determined at (295.6) million Saudi riyals as of December 31, 2022G based on the value in use calculation using cash flows from the budget approved by the Board of Directors covering the year 2023G. The recoverable amount exceeded the carrying amount of (245.2) million Saudi riyals as of December 31, 2022G, which led to an increase of (50.4) million Saudi riyals. Accordingly, management reversed the decrease in value recorded in previous years, as the reversal amounted to (36.6) million Saudi riyals, after deducting Cumulative depreciation with no impairment loss recorded in the value of the asset in previous periods. This reversal is recorded in the Group's cost of sales.

There is no assurance that the Group will not bear any impairment losses again.

For the Company and its subsidiaries, there are several risks associated with the obsolescence and deterioration of assets, including the loss of competitive efficiency, as some old assets may reduce the Company's efficiency and ability to compete, as well as maintenance and support problems, as over time, it may become difficult to obtain spare parts or technical support for some legacy assets.

The Company owns intangible assets amounting to 5.1 million Saudi riyals as of June 30, 2023G, including the monthly value of 3 million Saudi riyals resulting from the Group's acquisition of Ametek Poland. The company will write off goodwill during the first quarter of 2024G as a result of the sale of the investment in Ametek Poland to Embello Holding Company.

The value of the goodwill of the joint venture with Embello (a company in which the Group owns 50%) amounted to (71.8) million Saudi riyals as in 2019G, which amounted to (61.9) million Saudi riyals as on June 30, 2023G, after recording impairment losses amounting to (9.9) million Saudi riyals during the year 2020G. There is no assurance that the company will not incur value losses resulting from revaluation in the future.

The Company must conduct a continuous evaluation of the tangible and intangible assets and assess the extent of their economic feasibility, and follow up on maintenance and continuous renewal of dilapidated assets. If the Company fails in its estimates and evaluation of the tangible and intangible fixed assets, this may lead to an error in estimating the economic feasibility of the assets and their production capacity, which may expose them to damage. The risk of failure and deterioration of these assets, which will result in the Company's production being disrupted or affecting the quality of its products, which will negatively affect the results of its operations and financial condition.

2-1-46 Risks of Impairment of Employee Stock Portfolios.

The Group implemented the employee share ownership program, which provides for rewards for specific job grades starting from January 1, 2012G. The Group purchased 2.5 million shares of its shares listed in the market through a financial institution, for the purpose of supporting the employee share ownership program, which is through the program granting employees free shares based on their subscriptions to the program and on condition that they complete three years of service and maintain a certain level of performance. Employees are entitled to the bonus every three years in accordance with the applicable conditions.

Accordingly, the Group decided, based on its evaluation of the performance of its employees, to grant 564,309 shares and 380,000 shares as of 2015G and 2021G, respectively. It is also worth noting that the company measures the employee stock ownership program periodically. During the year 2022G, the company allocated the number of stock options allocated to the trustee, which represents the value of the remaining shares held in the name of the Company for future options. The 48,353 treasury shares that were not granted to eligible employees in the reporting period and for which those shares were allocated must be rolled over to the next reporting period. The Company intends to impart the same to the employees in the coming years.

As of December 31, 2022G, the Group held 48 thousand shares as treasury shares allocated to the employee stock ownership plan (2021: 156 thousand shares). In the event of a capital increase, stock split or dividend distribution (in the form of shares), the number of shares and the exercise price subject to the EPP will be adjusted accordingly. The re-measurement resulted in a decrease in the employee stock ownership program provision and a net loss of (26.8) million Saudi riyals. It continued to decline and recorded an additional loss estimated at (7.1) million Saudi riyals as of December 31, 2021G. Any decrease in the market value of employee shares would negatively affect its profitability, as this decrease would be recognized as impairment losses, which in turn would affect its financial results and future prospects.

2-1-47 Risks related to the Application of the Governance Regulations and the Audit Committee's Work Regulations

The Board of the Capital Market Authority issued the Corporate Governance Regulations pursuant to Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G), based on the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437H, as amended by CMA Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G) based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G). As of the date of this Prospectus, the Company is committed to implementing the Corporate Governance Regulations, but it has not updated the Company's Corporate Governance Regulations in accordance with the Corporate Governance Regulations amended by Capital Market Authority Board Resolution No. 8-5-2023 dated 25/06/1444H corresponding to 18/01/2023G based on the Companies Law issued by Royal Decree M/132 dated 01/12/1443H. The Company did not update the Audit Committee's work regulations in accordance with the amendments that occurred in the Governance Regulations issued by the Capital Market Authority. The Company's failure to implement the Corporate Governance Regulations issued by the CMA may expose it to accountability and may result in financial fines related to its implementation, which will have a negative impact on the Company's business and results of operations.

2-1-48 Risks of the Company's failure to comply with some requirements of international financial reporting standards

The Company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia, in addition to other amendments and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) or changes that occur to these standards from time to time. There are some international financial reporting standards that the Company did not adhere to during the presentation of the Company's financial information, some of which had a direct influence on the quality of presentation and disclosure of the Company's financial information. The quality of financial reports means the credibility of the accounting information listed in those reports, and the benefit it achieves for its users, free of Misrepresentation and misleading, and its preparation in light of a set of professional standards to help achieve the goal of its use. With the intention of presentation and disclosure, the financial reports include all the information necessary to give the user of these reports a clear and correct picture of the Company.

The following table shows the international financial reporting standards that the Company did not adhere to in its presentation of financial information during the fiscal years 2020G, 2021G, and 2022G and the six-month period ending on June 30, 2023G, which had a direct influence on the quality of the presentation and disclosure of the Company's financial information.

Number	International Financial Reporting Standards (IFRS)	Fiscal periods in which it was not applied	Influence on presentation of the Company's financial information
1	paragraph 54 of International Accounting Standard 1 Presentation of Financial Statements: If the Company does not present its investment properties and intangible assets as separate items in the statement of financial position.	Fiscal years 2020G and 2021G.	The Company presented its investment properties and intangible assets under other non-current assets and not as derivative items in the statement of financial position in accordance with paragraph 54 of International Accounting Standard 1. As a result of not applying the standard during those periods, it negatively affected the quality of the presentation of financial information, while the Company presented the requirements of Paragraph 54 of International Accounting Standard 1 beginning in 2022G.
2	Paragraph 129 of International Accounting Standard 1, Presentation of Financial Statements: The Company disclosed in its financial statements that it relied, in calculating the impairment in cash-generating units, on detailed budgets and estimated accounts covering a period of five years, while it was clear from the evaluation reports submitted that these budgets covered estimated periods of more than five years.	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company relied on calculating the impairment in cash generating units on estimated budgets for a period of more than five years, which could have had a negative influence on the quality of presentation of financial information.
3	Paragraphs 91 to 95 of IFRS 15 Revenue from Contracts with Customers: The Company has costs associated with obtaining contracts with customers for sales agent fees, and it has not evaluated the appropriateness of recording them as an asset in accordance with the mentioned paragraphs.	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	It may negatively affect the presentation of current assets in a non-significant way and consequently the quality of information presentation.
4	Paragraph 118 of IFRS 15 Revenue from Contracts with Customers: The Company did not provide an explanation of significant changes in the balances of contractual assets during the period	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company did not present significant changes in the contractual assets balances in accordance with Paragraph 118 of IFRS 15, and the result of not applying the standard during those periods negatively affected the quality of the presentation of financial information.
5	Paragraph 119 of IFRS 15 Revenue from Contracts with Customers: The Company did not provide information about the nature of the goods or services that it pledged to transfer, the duties related to returns and refunds, the guarantees provided, and the important payment terms for each type of its activities.	Fiscal years 2020G and 2021G.	The Company did not comply with the requirements of Paragraph 119 of IFRS 15 during the years 2020G and 2021G, and the result of not applying the standard during those periods negatively affected the quality of the presentation of financial information, while the Company presented the requirements of Paragraph 119 of IFRS 15 Starting in 2022G.

Number	International Financial Reporting Standards (IFRS)	Fiscal periods in which it was not applied	Influence on presentation of the Company's financial information
6	Paragraph 122 of IFRS 15 Revenue from Contracts with Customers: The Company did not provide a disclosure showing that its remaining performance obligations related to contracts with customers whose original duration is one year or less, and therefore the Company did not provide information related to the transaction price allocated to the remaining performance obligations.	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company did not comply with the disclosure requirements in accordance with Paragraph 122 of the International Standard. The result of not applying the standard during those periods negatively affected the quality of the presentation of financial information.
7	Paragraph 126 (C) of IFRS 15 Revenue from Contracts with Customers: The Company did not provide a disclosure explaining the methods, inputs and assumptions used in allocating the transaction price to contracts that contain more than one performance obligation.	Fiscal years 2020G and 2021G.	The Company did not comply with Paragraph 126 (C) of IFRS 15 during the periods 2020G and 2021G, and as a result of not applying the standard during those periods, it negatively affected the quality of the presentation of financial information, and the Company presented the requirements of Paragraph 126 (C) of IFRS 15 starting from 2022G.
8	Paragraphs 33 and 34 of IFRS 7 Financial Instruments Disclosures: The Company did not provide a description that expresses the risks to which it was exposed during the reporting period, the origin of those risks and the Company's policy in measuring risks and its procedures for managing risks.	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company did not comply with paragraphs (33) and (34) of IFRS 7, and the result of not applying with the standard during those periods negatively affected the quality of the presentation of financial information.
9	Paragraph 35 (F) of IFRS 7 "Financial Instruments Disclosures": The Company did not disclose how it determined whether the credit risk of financial instruments had increased significantly since initial recognition, and it did not disclose its definition of default and its write-off policy, nor did it disclose On how it applies the requirements contained in paragraph 5/5/12 of IFRS 9 when adjusting the contractual cash flows of financial assets, as Note No. 24 indicates the existence of adjustments based on receivables balances under legal collection.	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company did not comply with paragraph 35 (F) of IFRS 7 and did not apply the requirements contained in paragraph 5/5/12 of IFRS 9. As a result, failure to apply the standard during those periods negatively affected the quality of the presentation of financial information.
10	Paragraphs 35 (H - I - M - N) of IFRS 7 Financial Instruments Disclosures: The Company did not commit to providing sufficient quantitative and qualitative information about the expected credit losses for each category of its financial instruments in accordance with the mentioned paragraphs.	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company did not comply with Paragraph 35 (H-I-M-N) of IFRS 7, and as a result, failure to apply the standard during those periods negatively affected the quality of the presentation of financial information.
11	Paragraph (B11) of the International Financial Reporting Standard for Financial Instruments Disclosures and Paragraph 7 of the International Accounting Standard Presentation of Financial Statements: The Company did not provide sufficient disclosure of the required maturity analysis consistent with the liquidity risks faced by the Company	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company did not comply with Paragraph (B11) of the International Financial Reporting and Disclosures Standard and Paragraph 7 of the International Accounting Standard Presentation of Financial Statements, and as a result of not applying the standard during those periods, it negatively affected the quality of the presentation of financial information.
12	Paragraphs 25 and 122 of IAS 1 Presentation of Financial Statements: If the Company did not provide sufficient disclosures that allow users of the financial statements to understand the judgments exercised by management in determining that the Company is continuing, and how the Company intends to deal with the numerous financial challenges it faces to address financial solvency.	Fiscal years 2020G and 2021G.	The Company did not comply with paragraphs 25 and 122 of IAS 1 Presentation of Financial Statements, and the result of not applying the standard during those periods negatively affected the quality of the presentation of financial information.
13	Paragraphs 1/1/5 and 4/2/1 (C) of IFRS 9 Financial Instruments and the definition of financial guaranteed contract included in Appendix A: The Company treated its guarantees provided to associates and joint ventures as contingent liabilities and not as financial guarantee contracts. In accordance with the two paragraphs referred to.	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company did not comply with paragraphs 1/1/5 and 4/2/1 (C) of IFRS 9 Financial Instruments and the Definition of Financial Guarantee Contract listed in Appendix A, and as a result of not applying the standard during those periods negatively affected the quality of information presentation. Finance.
14	Paragraph 68 of IAS 1, Presentation of Financial Statements: The Company presents a portion of its receivables in non-current assets.	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company did not comply with paragraph 68 of IAS 1 Presentation of Financial Statements, and the result of not applying the standard during those periods negatively affected the quality of the presentation of financial information.
15	Paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements: The Company did not provide sufficient disclosures about its objectives and capital management policy	Fiscal years 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G.	The Company did not comply with paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements, and the result of not applying the standard during those periods negatively affected the quality of the presentation of financial information.

The Company's failure to comply with some of the requirements of approved international accounting standards, as shown above, directly affects the quality of the presentation of financial information and the insufficient disclosure of the explanations attached to it. Adequate disclosure means the minimum amount of information that must be disclosed so that

the financial statements are not misleading to users of the financial statements. The Company must fully comply with the requirements of the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia, in addition to the amendments and other issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) or the changes that occur to these standards from time to time to ensure adequate disclosure to users of financial information, whether they are Internal or external users. The Company's failure to comply with adequate disclosure may have a direct negative impact on users of financial information and their decisions.

2-2 Risks related to Market and Industry in which the Issuer Operates:

2-2-1 Risks related to the Economic Performance of the Kingdom:

The expected future performance of the Company 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 economy depends mainly on oil and oil industries, which still control a large share of the gross domestic product. Therefore, any unfavorable fluctuations in oil prices will have a direct and fundamental impact on the plans and growth of the Kingdom's economy in general and on government spending rates, which would negatively affect the Company's financial performance, given its work within the Kingdom's economic system and its impact on the government spending rates.

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

2-2-2 Risks related to Non-compliance with Existing Regulations and Laws and/or the Issuance of New Regulations and Laws:

The Company is subject to the supervision of a number of government agencies in the Kingdom of Saudi Arabia, and therefore it is exposed to the risks of changes in the laws, regulations, circulars and policies in the Kingdom. Compliance costs for these regulations are high. In the event of changes to the existing laws or regulations or the issuance of new laws or regulations, this will lead to the Company incurring additional unexpected financial expenses for the purposes of complying with such regulations and meeting the requirements of these laws, or it may be subject to penalties and fines imposed by the competent supervisory authorities in the event of non-compliance with these bylaws and regulations on an ongoing basis. This will have impact on its business, results of operations, financial condition and future prospects.

2-2-3 Risks related to Political and Economic Instability in the Middle East:

Many countries in the Middle East suffer from political or security instability at present. 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 therefore this may affect the Company's business, results of operation, financial condition and future prospects.

2-2-4 Risks related to violating the Commercial Registry Law

As of the date of this Prospectus, the Company's Board of Directors decided to close the Saudi Arabian Ameron Company and the Saudi Arabian Concrete Products Company at its meeting held on 20/02/2019G. As of the date of this Prospectus, the Company has not completed the delisting procedures. Article (7) of the Commercial Registry System stipulates that the merchant or liquidator must submit to the Commercial Registry Office an application to cancel the registration in the event of the completion of the Company's liquidation, and he must submit the cancellation application within ninety days from the date of the incident that necessitates the cancellation. Note that in accordance with Article (15) of this law, without prejudice to any more severe penalty stipulated in another law, anyone who violates the provisions of this law shall be punished with a fine not exceeding 50,000 riyals. If a penalty is imposed on the Company, this may have a negative impact on its business and financial condition.

2-2-5 Risks associated with VAT

The Kingdom issued the value-added tax system, which entered into force on January 1, 2018G. This system imposes an added value of 5% on a number of products and services, according to what is stated in the system. The decision to raise the value-added tax rate to 15% came into effect on July 1, 2020G. Accordingly, the Company must adapt to the changes resulting from the application of value added tax, which includes its collection and delivery, and the impact of the application of value added tax on the Company's business. Due to the recent application of this system, any violation or wrong application of it by the Company's management or its employees may increase the costs and operating expenses that the Company will bear, or expose the Company to fines or penalties or lead to damage to its reputation. This may reduce the competitive position of the Company and the level of demand for its products, which will have a fundamental negative impact on its business, financial condition, results of operations and future prospects.

2-2-6 Risks related to the Competitive Environment:

The Company operates in a competitive environment and faces strong competition, and there is no guarantee that the Company will continue to be able to compete effectively with other companies in the market. In addition, the pricing policies of the Company's competitors affect its financial performance. Moreover, the increase in supply for the products it manufactures compared to the demand for them will lead to negative pressure on its prices, thus negatively affecting the Company's business, future prospects, results of operations, and financial condition in general. The Company's competitive ability depends on distinguishing the Company's products from other products offered in the market, by providing high-quality products at reasonable prices. If current or potential competitors offer products of higher quality or with better competitive prices than those offered by the Company, the Company cannot guarantee that they will keep pace and adapt quickly to evolving industry trends or changing market requirements, which will have a negative impact on the Company's financial results and profitability.

2-2-7 Risks related to the Company's operations being subject to Environmental, Health, and Safety systems and regulations:

The Company's operations are subject to a wide range of laws and regulations related to environmental protection, health and safety in the Kingdom, which impose more stringent standards that the Company must adhere to on an ongoing basis. The costs of complying with these rules and regulations and the resulting fines may be significant, and compliance with new and stringent standards may require additional capital expenditures or modifications in operational practices. Incidents related to the environment, health, and safety may arise outside the scope of the company's control. For example, the company's operations may result in a number of waste materials and contaminated materials that, if not controlled and managed properly or if left untreated or without proper management, may cause risk of environmental pollution. Failure to adhere to and fully comply with environmental legislation and regulations could lead to the closure of the company's industrial facilities. It will also expose the company to violations, fines, or penalties that may be imposed by regulatory authorities on it, which will negatively affect its operations, such that it limits the growth of its revenues or suspends its flag or license. This may affect its ability to conduct its business and thus negatively impact its financial results and profitability.

2-2-8 Risks related to Energy and Electricity Products and related Services:

The Company's operational activities depend on the availability of energy and electricity products, so any interruption or reduction in supplies of these products or any increase in their prices would greatly affect the volume of production and the degree of profitability of the Company's operations, which would lead to a reduction in its profit margins and thus impact negatively affect its business, financial condition, results of operations and future prospects.

2-2-9 Risks related to the Fluctuation of Interest Rates

The Company and its subsidiaries have loans and credit facilities with local banks to provide medium and long-term facilities. The total value of the bank credit facilities and loans granted to the Company as of 30/06/2023G amounted to (1.14) billion Saudi riyals, and Saudi Arabian Amiantit Company rescheduled all banking facilities for a period of ten years.

The Company may also obtain additional financing and facilities, in order to support its daily operations and develop its business. Matters may occur outside the Company's control that affect external financing arrangements and the cost of financing in particular, including government policies, monetary and tax policies, in addition to local and global economic and political conditions. This may lead to interest rates changing accordingly. The increase in financing costs leads to higher financing costs and thus a decrease in the Company's cash flows. This would 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 Energy and Electricity Products and related Services

The Company's operational activities depend on the availability of energy and electricity products, so any interruption or reduction in supplies of these products or any increase in their prices would greatly affect the volume of production and the degree of profitability of the Company's operations, which would lead to a reduction in its profit margins and thus negatively affect its business, financial condition, results of operations and future prospects.

2-2-11 Risks related to the Fluctuation of Interest Rates

The Company and its subsidiaries have loans and credit facilities with local banks to provide medium and long-term facilities. The total value of the bank credit facilities and loans granted to the Company as of 30/06/2023G amounted to (1.14) billion Saudi riyals, and Saudi Arabian Amiantit Company rescheduled all banking facilities for a period of ten years.

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2-3 Risks related to the Offered Securities

2-3-1 Risks related to Potential Volatility in the Price of Rights

The market price of the priority rights may be subject to significant fluctuations due to the change in the factors affecting the Company's share. This fluctuation may be large due to the difference between the allowed daily fluctuation percentage (which is represented by 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 rights trading price.

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 mergers and acquisitions or strategic alliances.

The sale of large quantities of shares by the shareholders or the belief that such sale is likely to occur will negatively 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. Therefore, investors may incur losses as a result. In addition to the foregoing, 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 non-Profitability or Sale of Rights

There is no guarantee of profitability by trading the share 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, bearing in mind that the investor who did not subscribe or sell his rights, and the owners of fractional shares, may not get any consideration if the sale takes place during 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 achievements and ability of the Company to develop are what determine the actual results, which cannot be expected or determined. The inaccuracy of data and results is considered one of the risks that the shareholder must know so as not to affect his investment decision. 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

In the event that the Company decides to issue new shares (other than the shares of the priority rights mentioned in this Prospectus), and the existing shareholders do not exercise their rights when issuing new rights, the ownership of the shares will decrease proportionally in addition to the right to vote and the right to receive profits. Any additional offering may have a significant impact on the market price of the share.

2-3-6 Risks related to a Decrease in the Demand for Rights and Company Shares

There is no guarantee that there will be sufficient demand for the Rights Issue during the trading period in order to enable the Rights Issuer (whether it is a Registered Shareholder or a new investor) to sell the Rights and make a profit from it, or to enable him to sell the Rights at all. Also, there is no guarantee that there will be sufficient demand for the Company's shares by institutional investors during the remaining offering period. In the event that the institutional investors do not submit offers for the remaining shares at a high price, there may not be sufficient compensation to be distributed to the priority rights holders who did not exercise their right to subscribe and those entitled to fractional shares. Moreover, there is no guarantee that there will be sufficient market demand for the shares obtained by a subscriber either through the exercise of the rights of priority for these shares, or through the residual offering or through the open market.

2-3-7 Risks related to the Decrease of the Ownership Ratio

If the rights holders do not fully subscribe to the new shares, their ownership and voting rights will be reduced. Also, there is no guarantee in the event that the restricted rights holder wishes to sell his priority rights during the trading period, that 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. Also, there is no guarantee that there will be a compensation amount distributed to the eligible shareholders who did not exercise their right to subscribe or to the owners of fractional shares in the event that during the remaining offering period the investment institutions did not submit offers for the remaining shares at a high price, or that the amount of compensation (if any) is sufficient to compensate for the decrease in the ownership ratio in the Company's capital.

2-3-8 Risks related to Not Exercising Rights in a Timely Manner

The subscription period begins three (3) working days after the approval of the extraordinary general assembly, including approval of the capital increase, on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and will end on Sunday 29/08/1445H (corresponding to 10/03/2024G). Rights holders and the financial intermediaries representing them must take appropriate measures to follow all necessary instructions before the expiry of the subscription period. If the Eligible Shareholders are not able to exercise the Subscription Rights properly by the end of the Subscription Period, based on their Pre-emptive Rights, there is no guarantee that there will be an amount of compensation distributed to the Eligible Shareholders who are not participating or who did not perform the procedures to exercise the subscription properly or for the holders of fractions shares.

2-3-9 Risk related to Dividends Distribution to Shareholders

The 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 the earnings per share in the future on the grounds that 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 Rights

Speculation in rights is subject to risks that may cause material losses. The permissible daily fluctuation range of the trading price of the priority rights is greater than the permissible daily fluctuation range of the market price (which is represented by 10% up or down of the closing price of the previous day). There is also a positive relationship between the Company's share price and the indicative value of the right. Accordingly, the daily price limits (i.e. the daily volatility range) for rights trading will be affected by the daily price limits for shares trading. In the event that the speculator does not sell the rights before the end of the trading period, and does not exercise these rights to subscribe to the new shares, he may incur some losses. Therefore, investors should review the full details of the mechanism for listing and trading new rights and shares and their method of operation, 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 (12) «Information related to Shares and Terms and Conditions of the Offering» in this Prospectus.)

2-3-11 Risks related to Suspending Trading or Canceling the Company's Shares as a result of Not Publishing its 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 initial financial period, 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. (1-22-1442) dated 12/07/1442H (corresponding to 24/02/2021G), which stipulates that the market 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 within twenty trading sessions following the first suspended trading session, the Saudi Tadawul Company will 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 taking the appropriate measures to correct that suspension, the Authority may cancel the listing of the Company's securities. The Financial Market shall lift the suspension after one trading session has passed following the announcement of the Company's financial results. However, in the event that 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 the listing of its shares will be cancelled, which will negatively and fundamentally affect the interest of the Company's shareholders and 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.

2-3-12 Risks related to shareholders' low awareness of the trading mechanism and their exercise of priority rights

Trading in the rights constitutes a new market for investors in "Tadawul". Many investors may not know much about the mechanism of trading these rights, which will negatively affect their willingness to invest in and trade them. Accordingly, their ownership percentage in the Company will decrease, which will harm those who did not use their subscription rights, especially if no compensation is distributed to them, when investors do not offer higher prices for the remaining shares

The background of the slide is a composite image. The top half shows a close-up of a large industrial machine, possibly a mill or a press, with a large, dark, cylindrical component. The bottom half shows a bright, glowing stream of molten metal being poured from a ladle into a mold, with sparks and smoke rising from the point of contact. The entire image is overlaid with a semi-transparent blue triangle that points upwards from the bottom left corner.

03

**Company Background and
Nature of Business**

3- Company Background and Nature of Business

3-1 Company Overview

Saudi Arabian Amiantit Company was established as a limited liability company headquartered in Dammam with Commercial Registration No. (2050002103), dated 17/03/1388H (corresponding to 14/06/1968G). The Company was converted into a Saudi joint stock company pursuant to Ministerial Resolution No. (886) dated 06/08/1414H (corresponding to 18/01/1994G). The Company's shares were listed on the Saudi Stock Exchange (Tadawul) on 14/12/1416H (corresponding to 01/05/1996G).

The Company's head office is located in the First Industrial City - Dammam - Dammam-Khobar Expressway, Kingdom of Saudi Arabia, PO Box: 3361, Postal Code: 32234

The capital of the Company is ninety-nine million (99,000,000) Saudi riyals, divided into nine million nine hundred thousand (9,900,000) ordinary shares at a nominal value of ten (10) riyals per share fully paid up.

The Company's Substantial Shareholders (who own 5% or more of its capital) are: Prince\ Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%) and Prince\ Fahd Khaled Abdullah Abdulrahman Al Saud, who owns (5.235%).

3-2 Company's history and the most important developments in its capital structure

- Seven million (7,000,000) shares of the Company's shares were listed on the Exchange at a nominal value of fifty (50) riyals per share on 14/12/1416H (corresponding to 01/05/1996G) after obtaining approval of the Ministry of Commerce and the Saudi Arabian Monetary Authority.
- The Company subsequently increased its capital on 28/01/1421H (corresponding to 03/05/2000G) from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by granting one free share for every 7 shares, so that the number of its shares become eight million (8,000,000) shares in order to support the Company's expansions and its internal and external investments.
- On 08/02/1422H (corresponding to 02/05/2001G), the Company increased its capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals through distributing three (3) free shares for every eight (8) shares using the entire profits of the Company in order to support the Company's expansion and its internal and external investments.
- On 01/02/1423H (corresponding to 14/04/2002G), the Company increased its capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of 2001G to the capital and distribution of two (2) shares for each eleven (11) shares, thus increasing the number of shares from eleven million (11,000,000) to thirteen million (13,000,000) shares in order to support the Company's expansions and its internal and external investments.
- On 03/04/1424H (corresponding to 03/06/2003G), the Company increased its capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, through the transfer of 50 million Saudi riyals from the profits of 2002G to the capital and the distribution of one free share for every thirteen (13) shares, which results in an increase in the number of shares from thirteen million (13,000,000) to fourteen million (14,000,000) shares in order to support the Company's expansions and its internal and external investments.
- On 30/03/1425H (corresponding to 19/05/2004G), the Company increased its capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, by transferring 70 million Saudi riyals from the retained earnings to the capital and the distribution of a free share for every ten (10) shares, which resulted in an increase in the Company's shares from fourteen million (14,000,000) to fifteen million and four hundred thousand (15,400,000) shares in order to support the Company's expansions and its internal and external investments.
- On 12/06/1426H (corresponding to 18/07/2005G) The Company increased its capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals, by issuing rights issue shares amounting to seven million seven hundred thousand (7,700,000) shares with a total nominal value of three hundred and eighty-five million (385,000,000) Saudi riyals, thus increasing the number of shares from fifteen million and four hundred thousand (15,400,000) shares to twenty-three million and one hundred thousand (23,100,000) shares in order to strengthen its financial position and support its local industrial projects in the field of pipe industry and water management projects to keep pace with the country's needs of water pipes and other uses.
- On 09/01/1441H (corresponding to 08/09/2019G), the Company reduced its capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals, thus reducing the number of the Company's shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand three hundred (81,048,300) shares with a capital reduction rate of (70.2%), and at a rate of one share reduction for every (1.425) shares, in order to extinguish the total accumulated losses amounting to (810,483,000) Saudi riyals.

- On 16/04/1442H (corresponding to 01/12/2020G), the Company reduced its capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals, thus reducing the number of the Company's shares from thirty-four million four hundred and fifty-one thousand seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million, four hundred and fifty-one thousand and seven hundred (14,451,700) shares at a capital reduction rate of (41.95%), and at a rate of reduction of one share for every (2.384) shares, in order to extinguish the Company's accumulated losses at a ratio 96.61%.
- On 16/04/1442H (corresponding to 01/12/2020G), the Company increased its capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing rights issue shares by twelve million (12,000,000) shares in the amount of one hundred twenty million Saudi riyals (120,000,000) Saudi riyals, and thus increasing the number of shares from twenty million (20,000,000) shares to thirty-two million (32,000,000) shares in order to finance the working capital, repay loans and repay suppliers.
- On 26/07/1443H (corresponding to 27/02/2022G), the Company reduced its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reduced the number of the Company's shares from thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares by canceling twenty-two million one hundred thousand (22,100,000) shares at a capital reduction rate of (69.06%), and at a rate of reducing one share for every (1,447) shares, in order to restructure the Company's capital to extinguish accumulated losses.

3-3 Vision, Mission, and Strategy

Vision

To maintain our position as the leaders in supplying the best piping systems while actively participating globally by providing products and services that lead to sustainable environmental solutions.

Mission

To provide quality products and services by offering our clients reliable pipe systems for municipal, civil, industrial, oil& gas, agricultural, and infrastructure-based applications, centered around the latest pipe technologies.

Values

The value that the Company adds is based on values that we believe in. This is the essence of the ethical principles on which Amiantit is based. The Company's values are based on the importance of ethical behavior and values. The company adopts these principles in all its affairs and for all those it deals with, whether they are employees, shareholders, suppliers, customers, or others.

Strategy

Vigorously expanding in the local market, mainly by gaining market share of alternative non-metallic products. This will be achieved mainly by expanding the adoption of our products with major customers and project owners such as: ministries, water desalination, and petrochemical companies. The strategy also focuses on the fiberglass tanks market segment by offering competitive prices for both residential and industrial tanks with high quality designs and low cost of production. The above activities will be enhanced by the parallel expansion of design, engineering and construction services through ISECC, by the expansion of the new Valves Business Unit (AMICON) by entering the market at competitive prices for this product.

Objectives

1. Developing and adopting state-of-the-art pipe manufacturing technologies through the Company's research and development centers.
2. Achieving greater profitability by increasing growth and controlling costs while maintaining high quality standards.
3. Expansion into emerging markets with long-term opportunities.
4. Continuous improvement of the Company's structure and related procedures.
5. Always providing a safe work environment for all our employees and customers.
6. Continuous improvement of social responsibility programs.
7. Enhancing interest in shareholders.

3-4 Branches of Saudi Arabian Amiantit Company

Table 11: Company Branches

Branch name*	Commercial Registration No	Activity	Country/Main location	Country of incorporation	Amiantit stake (%)
Branch of Saudi Arabian Amiantit Company	1010006234	(Integrated office administrative services activities)	Kingdom of Saudi Arabia - Dammam	Kingdom of Saudi Arabia Riyadh	100
Branch of Saudi Arabian Amiantit Company	4030006691	(Integrated office administrative services activities)	Kingdom of Saudi Arabia - Dammam	Kingdom of Saudi Arabia - Jeddah	100
Saudi Arabian Amiantit Company Factory for Manufacturing Plastic Products	2050041516	(Manufacture of semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and their accessories... etc.)	Kingdom of Saudi Arabia - Dammam	Kingdom of Saudi Arabia - Dammam	100
Amiantit factory for Production of Epoxy Pipes	2050042140	Manufacture of semi-manufactured plastic products, including (plates, strips, sheets, tapes, pipes, hoses, and their accessories... etc.) Manufacture of plastic pipes, hoses, and tubes, their connections, and accessories. Pipe manufacturing, ordinary non-steel metal products, including (wires, pipes, tubes, powders, papers, sheets...etc.) Manufacture of pipes, tubes, hollow shapes, and pipe fittings)	Kingdom of Saudi Arabia - Dammam	Kingdom of Saudi Arabia - Dammam	100
Amiantit Research and Development Center	2052002451	(Research and development in engineering and technology)	Kingdom of Saudi Arabia - Dhahran	Kingdom of Saudi Arabia - Dhahran	100
Saudi Arabian Amiantit Company Branch for Construction, Building, Operation and Maintenance	2050101638	(General construction of residential buildings, finishing of buildings)	Kingdom of Saudi Arabia - Dammam	Kingdom of Saudi Arabia - Dammam	100
Poly Tube Manufacturing Company	4030479127	(laying of water lines between and within cities, creating new networks, establishing sewage stations and projects, sewage networks, and pumps)	Kingdom of Saudi Arabia - Jeddah	Kingdom of Saudi Arabia - Jeddah	100

* All branches of the Company are active

3-5 Subsidiaries and their branches

The Company has subsidiaries that it owns wholly or by a majority interest, directly or indirectly, and companies in which it owns direct or indirect minority interest.

Table 12: Subsidiaries owned directly or indirectly by the Group wholly or by majority interest.

No	Company	Commercial Registration No	Activity	Country of Incorporation	Subsidiary capital	Currency	Amiantit stake (%)
1	Amiantit Fiberglass Manufacturing Co., Ltd	2050005268	(Fiberglass industry, including (glass wool, etc.) Manufacture of water tanks. Manufacture of pipes. Manufacture of pipes, tubes, hollow shapes, and pipe or pipe fittings. Manufacture of tanks. Manufacture of sewage manhole covers.)	Kingdom of Saudi Arabia - Dammam	86,999,000	SAR	100
Branches of Amiantit Fiberglass Manufacturing Company Limited							
1-1	Amiantit Fiberglass Manufacturing Company Limited factory	2050005268	Manufacture of plastic pipes, hoses, tubes, fittings and accessories - Manufacture of water tanks	Kingdom of Saudi Arabia - Jeddah		N/A	
1-2	Branch of Amiantit Fiberglass Manufacturing Co., Ltd	2050104272	Manufacture of water tanks. Manufacture of pipes. Manufacture of tubes, pipes, hollow shapes, and pipe or pipe fittings. Manufacture of cisterns and tanks. Manufacture of sewage manhole covers.	Kingdom of Saudi Arabia - Dammam		N/A	

No	Company	Commercial Registration No	Activity	Country of incorporation	Subsidiary capital	Currency	Amiantit stake (%)
1-2	Branch of Amiantit Fiberglass Manufacturing Co., Ltd	2050106908	Laying various types of pipes for electricity, communications, etc.	Kingdom of Saudi Arabia - Dammam		N/A	
2	Amiantit Rubber Factory Company Limited factory	2050004586	Manufacture of synthetic rubber derived from oils in their primary forms. Manufacture of plates, bars and sheets. Manufacture of military ship parts. Manufacture of military aircraft parts. Manufacture of military land and amphibious vehicles.	Kingdom of Saudi Arabia - Dammam	8,750,000	SAR	100
3	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	2050017573	Manufacture of semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses, and their fittings...etc.) Manufacture of pipes, tubes, and hollow shapes of iron and steel. Manufacture of pipes, tubes, hollow shapes, and pipe or pipe fittings. Manufacture of metal fastening clips, including (nails) and pins, nuts, and washers of all kinds)	Kingdom of Saudi Arabia - Dammam	86,915,000	SAR	100
Branches of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Ltd							
3-1	Factory of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Ltd	2050101313	Manufacture of pipes, tubes, and hollow shapes from iron and steel. Manufacture of pipes, tubes, hollow shapes, and pipe or pipe fittings. Manufacture of metal fasteners, including (nails, pins, nuts, and washers of all kinds).	Kingdom of Saudi Arabia - Dammam		N/A	
3-2	Branch of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Ltd	2050106909	Laying various types of pipes for electricity, communications, etc.	Kingdom of Saudi Arabia - Dammam		N/A	
4	Factory of Bondstrand Co., Ltd.	2050011976	Manufacture of semi-finished products from plastics, including (strip boards, sheets, tapes...etc.) Manufacture of plastic pipes, hoses, and tubes and their fittings and fittings. Manufacturing pipe, ordinary non-ferrous metal products, including (wires, pipe tubes, powders, papers, sheets), pipe manufacturing, pipes, hollow shapes, and pipe or conduit fittings)	Kingdom of Saudi Arabia - Dammam	20,000,000	SAR	60
5	Amicon Saudi Arabia Limited	2050039735	Manufacture of semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses, and their accessories... etc.). Manufacture of pipes, tubes, and hollow shapes of iron and steel. Manufacture of metal fastening clips, including (nails, pins, nuts, and all kinds of washers). Manufacture of faucets, valves, and similar devices)	Kingdom of Saudi Arabia - Dammam	15,000,000	SAR	99.93
6	Global Infrastructure Management and Operation Company Ltd	2050083715	Disposal of sewage, operating sewage treatment networks and facilities, extending various types of pipes for electricity, communications, and others. Laying water lines between and within cities and creating new networks. Establishing stations and main lines for water distribution. Repairing and maintaining stations, networks, and main lines for water distribution. Construction of main irrigation and watering canals and water storage towers Drilling of tube water wells Drilling of manual water wells Repair and maintenance of main irrigation and irrigation canals and water storage towers. Repair and maintenance of sewage stations and projects, sewage networks and pumps Establishment of sewage stations and projects, sewage networks and pumps)	Kingdom of Saudi Arabia - Dammam	100,000,000	SAR	100
7	Arabian Building Materials and Industrial Equipment Trading Co. Ltd	2050008853	Renting construction and building equipment with an operator, selling and installing machinery and factory equipment, purchasing and selling land and real estate, dividing it, and off-plan sales activities, managing and renting owned or rented properties (non-residential)	Kingdom of Saudi Arabia - Dammam	2,000,000	SAR	100
8	Engineering Infrastructure Contracting Company Ltd.	2050097629	(Laying oil and gas pipelines, Laying water lines between and within cities, creation of new networks, construction of stations and main lines for water distribution, repair and maintenance of stations, networks and main lines for water distribution.)	Kingdom of Saudi Arabia - Dammam	500,000	SAR	100
Branch of the Infrastructure Engineering Contracting Company Limited							
8-1	Branch of the Infrastructure Engineering Contracting Company Limited	2050139169	Wholesale of construction, building and civil engineering machinery and equipment, wholesale of ground service equipment and its spare parts, wholesale of metal and iron pipes, retail trade of metal and iron pipes, retail trade of water tanks including (fiberglass tanks and their accessories)	Kingdom of Saudi Arabia - Dammam		N/A	

No	Company	Commercial Registration No	Activity	Country of incorporation	Subsidiary capital	Currency	Amiantit stake (%)
8-2	Engineering Infrastructure Contracting Company Ltd (AICC Kuwait)	373788	Design and installation services	Kuwait		N/A	
8-3	Engineering Infrastructure Contracting Company Ltd (AICC Dubai)	770254	Design and installation services	United Arab Emirates Dubai		N/A	
8-4	Engineering Infrastructure Contracting Company Ltd (AICC Qatar)	137072	Design and installation services	Qatar		N/A	
8-5	Engineering Infrastructure Contracting Company Ltd (AICC Abu Dhabi)	CN-2586544	Design and installation services	United Arab Emirates - Abu Dhabi		N/A	
8-6	Engineering Infrastructure Contracting Company Ltd (AICC Oman)	1318788	Design and installation services	Sultanate of Oman - Muscat		N/A	
9	Saudi Arabian Amiantit Management Company Limited	2050105945	Integrated office administrative services activities	Kingdom of Saudi Arabia - Dammam	10,000	SAR	100
10	PWT Saudi Arabia Limited	2050080446	Water collection, water treatment, water desalination, water transportation and distribution, sewage disposal, laying water lines between and within cities and the creation of new networks, construction of stations and main lines for water distribution, repair and maintenance of stations, networks and main lines for water distribution, construction of irrigation channels. Irrigation and main water storage towers. Drilling tubular water wells. Repairing and maintaining irrigation and irrigation channels and main water storage towers. Establishing sewage stations and projects, sewage networks and pumps. Establishing electrical power stations and transformers. Operating and maintaining pumping stations and pipelines activities. Providing engineering design services for energy efficiency standards	Kingdom of Saudi Arabia - Riyadh	500,000	SAR	100
11	Amiantit International Holding Company Limited	1-46814	Holding company	Kingdom of Bahrain - Manama	32,000,000	USD	100
12	Ductile Technology Company Limited (DCTC)	1-48444	Acquiring and selling properties and renting	Kingdom of Bahrain - Manama	20,000	Bahraini Dinar	100
13	Aquamundo Co., Ltd.	1065-1025	Water management	Germany	3,000,000	EUR	100
14	PWT WASSER- UND ABWASSTERTECHNIK GMBH (PWT)	HRB 25393	Establishment, management and maintenance of water and wastewater treatment plants	Germany	3,000,000	EUR	100
15	Amiantit Malta Holdings Limited	C52871	Holding Company	Malta	49,025,000	EUR	100
16	Amitech Astana Pipe Company Limited	030340000560	Pipe industry	Kazakhstan	403,000,000	Tenji - Kazakhstan	51
17	Amitech Switzerland Company	CH - 020.3.031.802-4	Holding	Switzerland	10,500,000	Franc - Swiss	100
18	Flotite Engineering Company	HRB 119034	Consulting and technology	Germany	30,000	EUR	100
19	PWTSU DoubleU OHOH - Turkmenistan	T25441	Water management	Turkmenistan	250,000	USD	100
20	FLOWTITE EXPORT IS	880015982	Selling and trading	Germany	1,000,000	Norwegian Krone	100
21	PWT Arabia Company	2050092426	Establishment, management and maintenance of water and wastewater treatment plants	Germany	-	EUR	100

* Global Infrastructure Management and Operation Company Ltd is a 100% subsidiary of Saudi Arabian Amiantit Company. This company does not carry out any operational activity, while it owns 50% of the International Water Distribution Company (Tawzea). The Company announced on the Tadawul website on December 31, 2023G, the signing of a settlement agreement with a local creditor banks, "Alinma Bank," on 18/06/1445H, corresponding to 31/12/2023G, according to which ownership of the entire shares of Saudi Arabian Amiantit Company (the "Company") in the Global Infrastructure Management and Operation Company Ltd, which is 100% owned by an investment fund managed by the capital company affiliated with Alinma Bank, in return, the bank exempts the "Company" from all its obligations to the bank, amounting to 572.7 million Saudi riyals.

Table 13: Subsidiaries owned directly or indirectly by the Group wholly or by majority interest.

No	Company	Activity	Country of incorporation	Subsidiary capital	Currency	Amiantit stake (%)
1	Amitech Algeria Company	Pipe Industry	Algeria	262,769,000	Algerian Dinar	50
2	Amiantit Qatar Company Limited (ACAP) Limited	Pipe Industry	Qatar	37,200,000	Qatari Ryal	40
3	Sar Plast	Pipe Industry	Switzerland	1,600,000	EUR	23.7
4	Amiantit Qatar Company Limited (ACAP) Limited	Pipe Industry	Qatar	200,000	Qatari Ryal	20.4
5	Superpower Industrial Power Company Vikart AS	Pipe Industry	Turkey	48,306,000	Turkish lire	20
6	Super Gap Industrial Company Vikart AS	Pipe Industry	Turkey	21,700,000	Turkish lire	16
7	Amitech Piping Systems	Pipe trade	Romania	327,620	Romanian Leu	20
8	Embello Holding Company GMBH	Pipe Industry	Austria	5,950,000	EUR	50
9	SBI Industrial Initiative	Pipe Industry	Italy	3,700,000	EUR	4.48
10	Acqua Power distribution	Water Distribution	Kingdom of Saudi Arabia\ Jeddah	500,000	SAR	35
11	East Gas Company Limited	Gas distribution	Kingdom of Saudi Arabia\ Dammam	80,000,000	SAR	13
12	International Water Distribution Company **	Water Distribution	Kingdom of Saudi Arabia\ Jeddah	146,000,000	SAR	50

In addition to the above, the Company has a number of commercial representation offices inside and outside Saudi Arabia.

* The company is under liquidation

** Saudi Arabian Amiantit Company owns 50% of the International Water Distribution Company through its subsidiary, «Global Infrastructure Management and Operations Company Limited», which is a 100% owned subsidiary of Saudi Arabian Amiantit Company. This company does not carry out any operational activity. The Company announced on the Tadawul website on December 31, 2023G, the signing of a settlement agreement with a local creditor bank, «Alinma Bank.» on 18/06/1445H, corresponding to 31/12/2023G, according to which ownership of the entire shares of Saudi Arabian Amiantit Company (the «Company») in the Global Infrastructure Management and Operation Company Ltd, which is 100% owned by an investment fund managed by the capital company affiliated with Alinma Bank, in return, the bank exempts the «Company» from all its obligations to the bank, amounting to 572.7 million Saudi riyals.

3-6 Company Substantial Shareholders

The following table shows the Company's major shareholders (shareholders who own 5% or more of the Company's shares) as on the date of this prospectus.

Table 14: Substantial Shareholders of the Company (shareholders who own 5% or more of the Company's shares)

No	Name	Nationality	Direct Ownership Percentage Approx.*	Number of shares for direct ownership	Face value (SAR)
1	Prince Mohammed bin Fahd bin Abdulaziz Al Saud	Saudi	6.281%	621,819	6,218,190
2	Prince Fahd Khaled Abdullah Abdul Rahman Al Saud	Saudi	5.235%	518,291	5,182,910

* Substantial Shareholders do not have indirect shares in the Company

3-7 Company Activities

The Company's main activity is the establishment and management of industrial projects related to pipes, marketing of its products, technologies, supplies and management of water treatment projects. The Group owns several manufacturing technologies for the pipes that it licenses to others. As on December 31, 2021, the Group consists of 23 factories (including 10 factories in the Kingdom of Saudi Arabia, the other factories are spread in Western Europe, Turkey, Qatar, North Africa, and Kazakhstan) for the manufacture of pipes around the world (and related products such as couplings, flanges, rubber products, tanks, industrial valves, manholes and detection), whether wholly owned by the Company or through partnerships with local partners.

The «Company» also provides pipe design and installation services through its Saudi Company, Infrastructure Engineering Contracting Company Limited (ISECC). The "Group" carries out various activities in research and development related to the pipe industry, which are implemented

through the research and development centers located in the city of Dhahran at the Dhahran Techno Valley Company, in the Kingdom of Saudi Arabia., in addition to a research center of the "Group" in S  dfjord, Norway, as part of the joint "Company" in Europe (Amiblu). In addition, the «Group» works in the field of engineering and operation of water treatment plants through its German subsidiary PWT (wholly owned by the «Company»). It is worth noting that the Company owns 13% of the shares of East Gas Company, which purchases natural gas from Saudi Aramco and sells it to more than 50 industrial customers through its underground pipeline network in the Second Industrial City of Dammam. It also implements engineering, construction, operation and maintenance of pipelines and station meters in a safe and environmentally friendly manner.

Manufacturing and sales of pipes and related technologies

The Group designs and manufactures pipes with standard specifications, and pipes with non-standard specifications (they are designed and manufactured according to specifications requested by customers), as well as the manufacture of tanks, and connections for transporting water, and to meet all uses, whether potable water, irrigation water, industrial water, or wastewater, sea water intake pipes, storm water drainage, flood water, and firefighting systems. It also provides its clients with services and consultations regarding project design and pipe installation through its Company (Engineering Infrastructure Contracting Company Limited). This activity represents the main source of the Group's sales.

The Group also owns and constantly develops technologies related to pipe manufacturing, which cover the following areas:

1. Technical support.
2. Product development.
3. Inspection and qualification of raw materials.
4. Development of production methods and manufacturing methods

The technology sector operates through two research and development centers. The first center is located in Dhahran Techno Valley at King Fahd University of Petroleum and Minerals, in Dhahran, Saudi Arabia. The second center is located in the city of Sandefjord, Norway, as part of the joint Company in Europe (Amiblu). The two centers are staffed by 59 researchers managing advanced research and testing equipment, with an estimated value of SAR 62.68 million as of December 31, 2022G. The expenditures of the research and development sector are estimated at about SAR 49.2 million as of December 31, 2022G (SAR 51.7 million during the year 2021G). The research centers depend on their work on the activities of fiberglass tubes and epoxy tubes (GRP / GRE). This research aims to improve product design, expand the scope of its applications, raise the efficiency of production processes, and other related research activities.

The Group's revenues from manufacturing and sale of pipes and related technologies sector represented (96%), (86%), (92%) and (94%) of the total Group revenues for the years 2020G and 2021G, 2022G respectively. The following table shows the Group's revenues from the manufacturing and selling sector of Pipes and related technologies:

Statement (SAR '000)	2020	2021	2022	6-month period ending on June 30, 2023
Revenues from the manufacture and sale of pipes and related technologies	421,909	377,905	468,440	340,127
Group total revenue	441,022	438,911	508,817	363,760

Water Management Sector

1. Engineering, procurement, and operation of water treatment projects EPC

The Company owns the entirety of B.V. W. T Wasser & User Technik, GmbH (German), which is headquartered near Frankfurt in Germany. It is a Company specialized in establishing, operating, and maintaining saline water treatment plants, water desalination plants and its technology, potable water treatment, sewage treatment and technology, treating water pollution from solid waste and providing automatic systems for the water sector.

This company's business is currently focused in Central and Southeast Europe, the Caspian Sea region, Turkey, Albania and the Arabian Gulf region. This Company has started developing new markets in the Middle East, North Africa and the GCC countries, with plans to develop its business in Saudi Arabia in the near future.

The company witnessed a significant increase in its business during the year 2022G compared to the previous year 2021G, through obtaining new sales orders in the wastewater treatment infrastructure project in Albania, in addition to industrial water projects in Germany, in line with the company's new strategy, which focuses on developing new projects with municipal and private sector clients in Germany, despite the persistence of economic conditions in the regions where large projects are being implemented, for example (large water treatment plant) in Iraq and (water desalination plant) in Turkmenistan.

With regard to strategic growth in the industrial water sector, the year 2022 was characterized by a lot of activity in bidding for new projects, mainly in the local market, and in developing new profitable businesses, the feasible contracts of which are being converted into orders for 2023G.

2. Water Management

The «Group» owns, through its 100% owned subsidiary, the International Company for Infrastructure Management and Operation Limited (Amiwater), 50% of the International Company for Water Distribution Limited (Tawzea), which is specialized in providing services related to construction, operation, water maintenance, and water Sewage.

Tawzea engaged in providing potable water and sewage services to industrial cities under a concession from the Saudi Authority for Industrial Cities and Technology Zones (Modon). It specializes in water management in industrial cities and operation and maintenance of water and wastewater facilities in many industrial cities throughout the Kingdom. Tawzea is a leading company that succeeded in privatizing the water sector in Saudi Arabia and in public-private partnership projects.

In 2016G, a distribution Company, in partnership with ACWA Power, obtained two water distribution projects in the second and third industrial cities in Jeddah. The alliance of the Distribution Company with the Spanish Company Cobra in 2019G resulted in winning the Taif independent sewage plant project. The consortium succeeded in fulfilling all terms of the financing agreement and all the previous conditions for the initial withdrawal of the loans granted to the project have been started, the construction phase has begun, and it is expected that it will be completed in the September 2022G. The operation and commissioning period started later.

Furthermore, on August 25, 2021, the consortium in which the International «Company» for Water Distribution «Tawzea» participates with the Spanish Acciona Company and Tamasuk Company won three projects to establish three independent sewage treatment plants in Tabuk, Buraidah and Madinah. The total capacity of the three plants is 440,000 m³/day as per the distribution below:

City	Processing capacity in m ³ /day
AL Madinah	200,000
Buraydah	150,000
Tabuk	90,000

The consortium also succeeded in achieving financial closure, and the project is currently in its construction phase, and is planned to be completed during the year 2024G. To enhance and develop the role of the «Tawzea» Company in implementing the aforementioned current projects, it has obtained the approval of the Ministry of Commerce to license its conversion from a limited liability company to a closed joint stock company, provided that it finalizes the remaining required regulatory procedures in accordance with the Companies Law.

During the year 2022G, «Tawzea» obtained two contracts from the National Water Company as part of a consortium of companies. The supervision contract is to manage, operate and maintain employees, facilities and assets in the southern and northern regions of the Kingdom, which will affect the increase in operational efficiency, technical knowledge, quality standards, availability of services and maintenance requirements. In the relevant sectors, the Southern Consortium Company began its operations during the year 2022, and the Northern Consortium Company began their operations during the first quarter of 2023G.

The group's revenues from the water management sector represent (4%), (14%), (8%), and (6%) of the group's total revenues for the years 2020, 2021, 2022, and the six-month period ending on June 30, 2023, respectively. The table below shows the group's revenues from the water management sector.

Statement (SAR '000)	2020G	2021G	2022G	6-month period ending on June 30, 2023G
Water management sector revenue	19,114	61,006	40,324	23,633
Group total revenue	441,022	438,911	508,817	363,760

The Company announced on the Tadawul website on December 31, 2023G, the signing of a settlement agreement with a local creditor bank, "Alinma Bank," on 18/06/1445H, corresponding to 31/12/2023G, according to which ownership of the entire shares of Saudi Arabian Amiantit Company (the "Company") in the Global Infrastructure Management and Operation Company Ltd, which is 100% owned by an investment fund managed by the capital company affiliated with Alinma Bank, in return, the bank exempts the "Company" from all its obligations to the bank, amounting to 572.7 million Saudi riyals.

3-8 Competitive Advantages

- First:** The Company owns an integrated system for pipe projects. It owns 100% owned subsidiaries working in the field of planning and engineering pipeline projects, and then specify the pipes used in the projects, and manufacturing, supplying and installing pipes, fittings and accessories. Amiantit is almost unique and distinct in the world at this level.
- Second:** Amiantit owns product research and development centers in Saudi Arabia and Norway. These centers develop products, improve their performance, develop new products, and provide technical support to find engineering solutions to all problems experienced by projects and develop production and manufacturing methods. These centers are not available in all worldwide pipe companies except for Amiantit.

- Third:** Amiantit owns factories that produce complementary materials for the manufacture of pipes, such as joints, accessories, rubber rings, flanges and tanks.
- Fourth:** Amiantit has a marketing network locally and internationally, as it has branches and marketing offices all over the world.
- Fifth:** Amiantit owns all pipeline technologies and licenses them to third parties and provides the necessary technical support for turnkey projects.
- Sixth:** Amiantit's global reputation in the field of manufacturing, supplying, installing, and manufacturing pipe factories made it assume the first global position in the field of pipe industry.
- Seventh:** Effective and active management, as it has a distinguished board of directors and executive management, and they hold educational qualifications and specialized expertise in the company's business field.

3-9 Business Interruption

The Company has also carried out sales and liquidation operations for its subsidiaries as follows:

1. On 20/02/2019G, the Group's management decided to stop the activities of the Saudi Arabian Ameron Company Limited with registration number (2050006330) and the Saudi Arabian Concrete Products Company Limited (SACOB) with registration number (4030015025) due to the cessation of demand for the products of those companies, and liquidation is still being worked on. During 2019, the group liquidated the Romanian-based Amitech Pipe Company, a company 100% owned by Suboor, and Amiantit owns 20% of Suboor, and its liquidation resulted in a loss of SAR 793.
2. During 2020G, the Group officially liquidated the German-based John Hansen Company, which is 100% owned by the Group, and its liquidation resulted in a loss of SAR 1.5 million.
3. During 2020G, the Group sold its stake in Amensos SA, based in Morocco, a company 15% owned by the group, and its liquidation resulted in a loss of SAR 2.8 million.
4. During 2020G, the Company sold its owned shares of 50% and 49% in Amiantit Fiberglass Egypt Company and Ameron Egypt Company, respectively, and this resulted in actual realized losses amounting to SAR 15.7 million.
5. On 23/11/2020G, the Company sold its 50% stake in Amitech Morocco, resulting in a net profit of SAR 12.4 million.
6. During 2021G, the Group officially divested Norway-based Flo-Tite Export ES, a 100% owned subsidiary of the Group. Its liquidation resulted in a loss of SAR 48.8 thousand.
7. On December 31, 2023G, the Company signed a settlement agreement with a local creditor bank, "Alinma Bank," on 18/06/1445H, corresponding to 31/12/2023G, according to which ownership of the entire shares of Saudi Arabian Amiantit Company (the "Company") in the Global Infrastructure Management and Operation Company Ltd, which is 100% owned by an investment fund managed by the capital company affiliated with Alinma Bank, in return, the bank exempts the "Company" from all its obligations to the bank, amounting to 572.7 million Saudi riyals.

3-10 Employees and Saudization

The Saudization certificate was issued on 16/03/1445H (corresponding to 01/10/2023G), to indicate that the Company is committed to the percentage of required Saudization of it according to the Nitaqat program. The Saudization percentage of the Saudi Arabian Amiantit Company reached (46%) and is classified within the High Green range - Small, Category (B) for the Nitaqat Program, according to the Nitaqat Program issued by the Ministry of Human Resources and Social Development. The following table shows the Saudi percentage of subsidiaries within the Kingdom of Saudi Arabia according to the Nitaqat Program:

N	The Company	Ratio %	Range (Platinum/Green/Red/...etc.)	Entity size
1	Saudi Arabian Amiantit Company	50%	Green high	Middle (class c)
2	Amiantit Fiberglass Manufacturing Co., Ltd.	43%	Green high	Small (class B)
3	Amiantit Rubber Industry Factory Limited	46%	Platinum	Small (class B)
4	Saudi Arabian Company for the manufacture of ductile iron pipes Limited	36.56%	Green medium	Middle (class B)
5	Bondstrand Factory Company Limited	29%	Green medium	Middle (class B)

N	The Company	Ratio %	Range (Platinum/Green/Red/...etc.)	Entity size
6	Amicon Saudi Arabia Limited	36.56%	Green Small	Small (class A)
7	Global Infrastructure Management and Operation Company Limited	0%	Green Small	Very small (class A)
8	Arab Building Materials and Industrial Equipment Trading Company Limited		It has no employees	
9	Infrastructure Engineering Contracting Company Limited	25.93%	Green medium	Middle (class B)
10	Saudi Arabian Amiantit Management Company Limited	64%	Platinum	Small (class B)
11	PWT Saudi Arabia Limited	88%	Green Small	Small (class A)

3-11 Employee Stock Plan

The Group has an Employee Stock Plan for employees under which it provides an award to a certain level of employees who meet certain conditions. The number of shares allocated to employees through this incentive program amounted to 2,515,691 shares during the period from 2012 to 2015, where 564,309 shares were distributed during 2015G.

The following table shows details of this Plan up to the date of this Prospectus:

Table 15: Employee Stock Plan

Employee Stock Plan	
Total purchased shares for the plan in the fiscal year 2012G	2,515,691
Prevailing price at the time of purchase (SAR/per share)	16.60
Number of shares as of December 31, 2018	1,935,691
Minus or plus: Settlement	None
Minus: Capital reduction	(1,358,308)
Number of shares as of December 31, 2019	577,383
Minus or plus: Settlement	None
Minus: Capital reduction	(242,199)
Addition: Capital increase	201,110
Number of shares as of December 31, 2020	536,294
Minus or plus: Settlement	(380,000)
Number of shares as of December 31, 2021	156,294
Minus: Capital reduction	(107,941)
Number of shares as of December 31, 2022	48,353
Number of shares as of June 30, 2023	48,353

As at the date of this Prospectus, the Company does not have any other arrangements involving employees in the Company's capital.



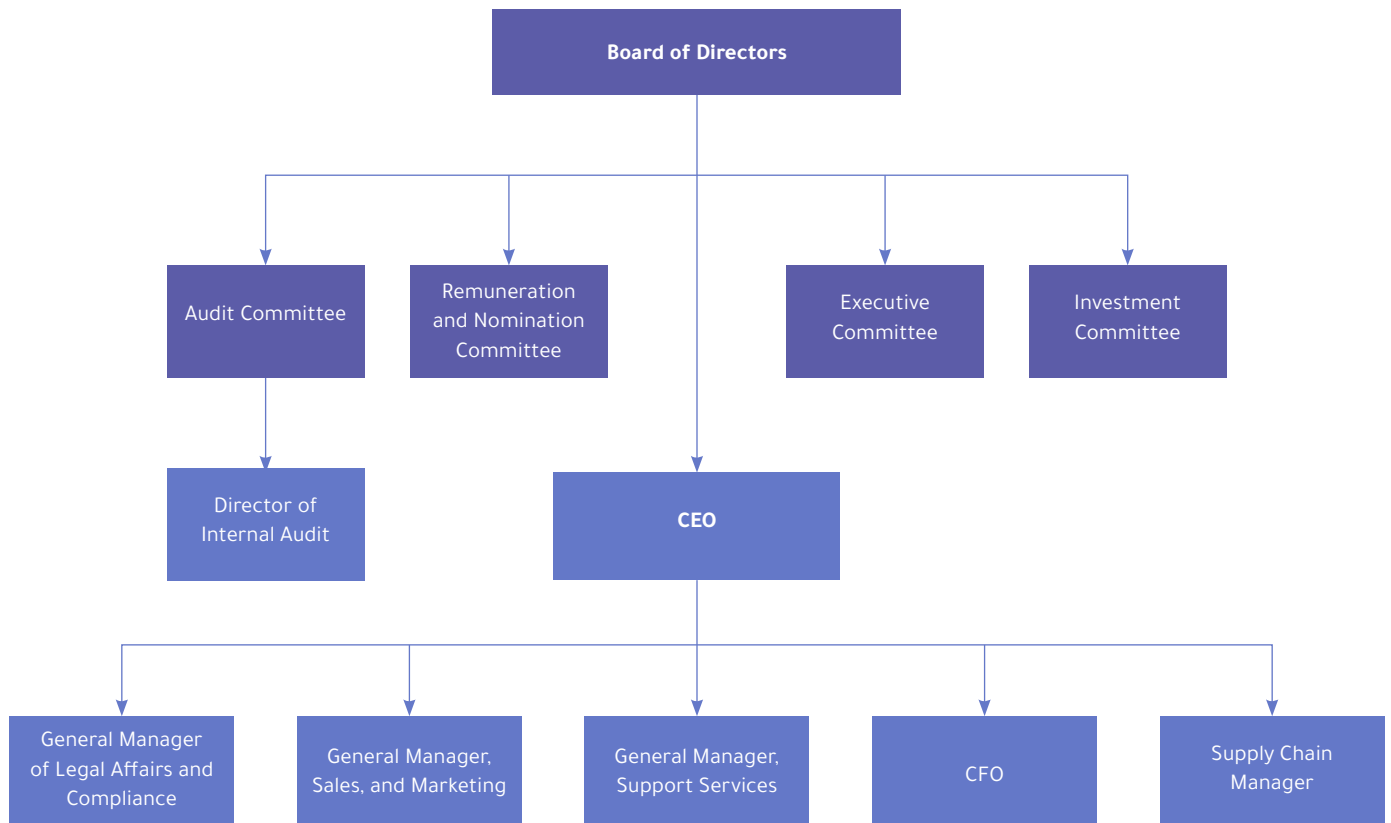
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The Company's Organization Structure

4- The Company's Organization Structure

4-1 Organizational Structure

The following figure shows the organizational structure of the Company.



Source: The company

4-2 Board of Directors and Secretary

The Company's Ordinary General Assembly, in its meeting held on 28/12/2023G, approved the appointment of (5) members of the Board of Directors, with the appointment taking effect from 01/01/2024G for a period of four years and ending on 31/12/2027G. The following table shows the members of the Board of Directors as of the date of this prospectus:

Table 16: Board Members and Secretary

Name	Position	Representative of	Nationality	Age	Capacity	Owned Shares				Membership Date
						Direct	Indirect*	Total	Total	
Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud	Chairman	-	Saudi	63	Non-Independent	198,725	-	198,725	2.0073232%	01/01/2024G
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Deputy Chairman	-	Saudi	33	Non-Independent	7,096	-	7,096	0.0716768%	01/01/2024G
Dr. Sulaiman Abdulaziz Al-Tuwaijri	Member	-	Saudi	59	Non-Independent	0	-	-	0.00%	19/10/2024G
Dr. Mohammed Saud Al-Badr	Member	-	Saudi	69	Independent	400	-	400	0.0040404%	01/01/2024G
Mr. Khaled bin Mohammed Al-Bawardi	Member	-	Saudi	52	Independent	108	-	108	0.0010909%	01/01/2024G
Waleed Mohammed Abu Kishk	Secretary	-	Jordanian	62	-	0	0	0	0	01/01/2024G

- The Ordinary General Assembly of the company approved in its meeting held on 28/12/2023G the election of the members of the Board of Directors Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud, Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud, Dr. Khalil Abdul Fattah Kurdi and Dr. Mohammed Saud Al-Badr and Mr. Khaled bin Mohammed Al-Bawardi, which starts from 01/01/2024G for a period of four years and ends on 31/12/2027G.

* The members of the Board of Directors do not have indirect ownership of the company

Table 17: Number of board meetings in the last three years

Managerial body	2020G	2021G	2023G	30, September 2023
Board of Directors	4	8	7	6

4-3 Compensation and remuneration of Board members and Senior Executives

Responsibility for proposing compensation and remuneration to members of the Board of Directors and senior executives falls within the framework of the Remuneration and Nomination Committee. The following table shows the amounts of salaries, bonuses and allowances received by members of the Board of Directors during the past three years.

Table 18: Compensation and remuneration of Board members and top executives

(SAR '000)	2020G	2021G	2022G
Board of Directors	135,000	1,243,000	1,147,000
Executive Managers	8,439,479	11,431,000	6,193,000

Source: Company management

4-4 Board Committees

The Board has formed a number of specialized committees, whether in accordance with the requirements of the Companies Law, the Capital Market Authority Law and its Implementing Regulations, or in light of the Company's business need, to assist the Board in managing its tasks more effectively, as of the beginning of the new term of the Board of Directors for a period of four calendar years starting on 01/01/2024G and ending on 31/12/2027G, which are as follows:

4-5 Executive Committee

The Executive Committee is responsible for overseeing the executive decision-making process and assumes the Supervisory role of the Board during the periods between management meetings. The Executive Committee is responsible for the following:

- Discussing and making decisions related to issues that need urgent decisions in emergency situations within the limits of the powers granted to it by the Board of Directors.
- Receiving reports from management on legal issues and lawsuits of material importance to the Company.
- Ensuring that the Company's strategic plans have been translated into actual actions and works aimed at achieving the Company's goals.
- Reviewing the CEO's recommendations regarding the distribution of the Company's resources aimed at achieving alignment between the Company's strategic plans and its long-term operational objectives.
- Periodic review of the Company's strategic plans and operational objectives to ensure their compatibility with the Company's mission and strategic objectives.
- Preparing recommendations to the Board of Directors for strategic decisions related to operational priorities, including expansion to new markets and countries or exit from existing markets and countries.
- Preparing and reviewing the recommendations submitted to the Board of Directors related to the Company's policy and dividends and how to implement them.
- Periodic review of capital and actual expenditures and review them with previously approved budgets for them.
- Annual review and evaluation of its charter in order to ensure that it performs its duties and submit recommendations to the Board of Directors regarding making amendments thereto.
- The Committee submits a periodic report on its work to the Board of Directors, not less than once every six months.

Table 19: Executive Committee Members

Name	Position	Membership Date
Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud	Chairman	01/01/2024G
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Deputy Chairman of the Committee	01/01/2024G
Dr. Suleiman bin Abdullah Al-Amro	Member	01/01/2024G
Dr. Sulaiman bin Abdulaziz Al-Tuwaijri	Member	01/01/2024G
Mr. Feras Ghassab Al-Harbi	Member	01/01/2024G

Source: Company management

Table 20: The number of committee meetings

Managerial body	2020G	2021G	2023G	30, September 2023G
Executive Committee	3	8	2	-

4-6 Audit Committee

The Board of Directors formed the Audit Committee in accordance with the requirements of the Companies Law and the Corporate Governance Regulations. The Audit Committee is responsible for the following:

- Monitoring the Company's business and activities to verify the integrity and fairness of the financial reports and the Company's internal and financial control systems.
- Studying the Company's initial and annual financial statements before presenting them to the Board of Directors and making recommendations in this regard to ensure their integrity, fairness, and transparency.
- Examining any issues raised by the CFO or Auditor.
- Supervising the Company's internal audit unit and recommending to the Board of Directors the appointment of an internal audit officer.
- Studying internal audit reports and following up on the implementation of corrective actions.
- Recommending the Board of Directors to nominate and dismiss auditors, determine their fees, verify their independence, and evaluate their performance.
- Studying the accounting policies followed by the Company and expressing an opinion and recommendation to the Board of Directors in this regard.
- Verifying the Company's compliance with relevant laws and regulations.
- Reviewing the reports of the regulatory authorities and verifying that the Company has taken the necessary measures in this regard.
- Reviewing the Committee's work regulations, evaluating tasks and Regulations from time to time, recommending any changes to the Board of Directors for study, and recommending the shareholders' General Assembly to approve the amendment.

Table 21: Audit Committee Members

Name	Position*	Membership Date
Dr. Sulaiman bin Abdullah Al-Sukran	Member	01/01/2024G
Mr. Waleed Mohammed Al-Othaimeen	Member	01/01/2024G
Dr. Mohammed bin Saud Al-Badr	Member	01/01/2024G

Source: Company management

* The elected Board of Directors decided in its first meeting held on Monday evening on 19/06/1445H (corresponding to 01/01/2024G) to form the Audit Committee. Based on Paragraph (A) of Article Fifty-One of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 05/16/1438H corresponding to 02/13/2017G based on the Companies Regulations issued by Royal Decree No. M/ 3, dated 01/28/1437 H, amended by Capital Market Authority Council Resolution No. 8-5-2023, dated 06/25/1444 H, corresponding to 01/18/2023 G, based on the Companies Regulations issued by Royal Decree M/132, dated 12/01/1443 H, The Audit Committee will elect the Chairman of the Audit Committee at the first meeting of the Audit Committee in accordance with the Paragraph (2) of Article Two of the charter of the Audit Committee approved by the Shareholders General Assembly on 26/04/2021G.

Table 22: Number of committee meetings in the last three years

Managerial body	2020G	2021G	2023G	30, September 2023G
Audit Committee	4	6	5	6

4-7 Remuneration and Nominations Committee

The Nominations and Remunerations Committee was formed in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority. The tasks of the Nominations and Remunerations Committee include the following:

- Recommending the Board of Directors to nominate for membership of the Board in accordance with the approved policies and standards.
- Annual review of the required capabilities and qualifications of the appropriate skills for the membership of the Board of Directors, including determining the time allotted for the work of the Board of Directors.
- Reviewing the structure of the Board of Directors and making recommendations to the Board regarding changes that can be made.
- Determining the weaknesses and strengths of the Board of Directors and suggesting them to be addressed in line with the Company's interest.
- Ensuring on an annual basis the independence of the independent members, and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.

- Setting clear policies for the compensation and remuneration of members of the Board of Directors and senior executives.
- Submitting suggestions related to the members of the Board who will be appointed in each committee of the Board.
- Reviewing the Company's governance annually and suggesting any amendments.
- Reviewing the laws and procedures that must be followed in evaluating the performance of each member of the Board or committee and submitting related proposals to the Board.
- Reviewing and suggesting appropriate changes to the remuneration policy and procedures.
- Evaluating the effectiveness of the Company's remuneration procedures in achieving strategic goals.
- Determining and approving the CEO's remuneration.
- Evaluating the CEO's performance based on set goals and objectives.
- Approving the executive management remuneration specified by the CEO.
- Submitting the results of the Committee's work and its recommendations to the Board of Directors.

Table 23: Members of the Remuneration and Nominations Committee

Name	Position	Membership Date
Dr. Mohammed bin Saud Al-Badr	Chairman	01/01/2024G
Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud	Member	01/01/2024G
Mr. Khaled bin Mohammed Al-Bawardi	Member	01/01/2024G

Source: Company management

Table 24: Number of committee meetings in the last three years

Managerial body	2020G	2021G	2022G	30, September 2023G
Remuneration and Nominations Committee	4	5	2	2

Table 26: Number of committee meetings in the last three years

Managerial body	2020G	2021G	2022G	31, September 2023G
Investment Committee	-	3	1	-

4-8 Executive Management

The following table shows the Company's executive management details:

Table 25: The Company's executive management

Name	Post	Qualification	Nationality	Date of Appointment
Feras Ghassab Al-Harbi	CEO	Master's degree in finance and accounting	Jordanian	01/06/2020G
Waleed Mohammed Abu Kishek	General Manager of Legal Affairs and Compliance	Master of Laws	Jordanian	01/09/1990G
Asghar Youssef Sargroh	Finance Manager	Bachelor's degree in accounting and finance	Indian	11/09/2001G
Mohammed Saleh Alshamrani	Sales and Marketing Manager	Bachelor of Chemical Engineering	Saudi	08/11/2005G
Suhaib Zahid Al-Warhi	Supply Chain Manager	Bachelor's degree in Sociology	Pakistani	27/11/2022G
Omar Zain Al-Abidin bin Muhammad Hakim	General Manager of Support Services	Bachelor of Science in Information Technology	Saudi	08/01/2023G
Wathiq Ali Al-Hawara	Internal Audit Manager	Bachelor's degree in finance and Banking Sciences	Jordanian	15/02/2021G

Source: Company Management



05

**Financial Information and
Management Discussion and
Analysis**

5- Financial Information and Management Discussion and Analysis

Introduction

The management discussion and analysis section of the Saudi Arabian Amiantit Company (the "Company") and its subsidiaries presents an analytical review of the operational performance and financial position during the past three years ending on 31 December 2020G, 2021, 2022 and the six-month period ending 30 June 2022G, and the six-month period ending on 30 June 2023G. This section is to be read in conjunction with the audited financial statements for the financial years ended December 31, 2020, 2021 and 2022 audited by the Company's auditors Suleiman Abdullah Kharashi & Co. (Certified Public Accountants), and the interim condensed financial statements (unaudited) for the six months period ending 30 June 2022 and the six-month period ending 30 June 2023, which were examined by the Company's auditors Al-Kharashi & Co. (Certified Public Accountants).

This section is based on the company's consolidated financial statements for the fiscal year ending on 31 December 2020G, 2021G and 2022G, and the six-month period ending 30 June 2022G, and the six-month period ending 30 June 2023G, which were prepared in accordance with International Accounting Reporting Standards (IFRS) as approved in the Kingdom of Saudi Arabia and other standards and statements issued by the Saudi Organization for Chartered and Professional Accountants in addition to the accompanying notes prepared by Suleiman Abdullah Al Kharashi & Co. (Al-Kharashi & Co. Certified Public Accountants).

Suleiman Abdullah Kharashi & Co. (Kharashi & Co. Certified Public Accountants), neither of its employees, nor any of their relatives have any shares or interest of any kind in the Company that would affect their independence. The company's auditors, as on the date of this prospectus, have provided their written consent, and have not withdrawn that consent, to refer in this prospectus to their role as the Company's auditors for the financial years ending on 31 December 2020G, 2021, 2022 and the six-month period ending on 30 June 2023G.

All amounts mentioned in this section have been presented in Saudi riyals, unless otherwise stated. The amounts and percentages have been rounded to the nearest decimal number. Thus, if the numbers in the tables are added, their sum may not correspond to the totals mentioned in those tables or with the audited financial statements of the company.

This section may contain future statements of the Company based on management's plans and current expectations regarding the Company's business growth, results of operations and financial conditions. This information includes uncertain risks and expectations, and the actual performance of the company may differ materially from these expectations as a result of various factors, including those factors discussed in this section or other section of this prospectus, especially the factors mentioned in section (2) «Risk Factors».

The Company is a Saudi joint stock company registered in the Kingdom of Saudi Arabia and operates under commercial registration number 2050002103 issued in Dammam on Rabi' Al-17 Awwal 1388H (13 June 1968G). The company's registered address is P.O Box 589, 1st Industrial Area, Dammam 31421, Kingdom of Saudi Arabia. The Company's shares are traded in the Saudi Stock Exchange («Tadawul»).

Following are the most important operating companies of the Group:

Subsidiary	Main activity	Country of incorporation	Ownership percentage as of December 31, 2020	Ownership percentage as of December 31, 2021	Ownership percentage as of December 31, 2022	Ownership percentage as of June 30, 2023
Amiantit Fiberglass Industries Co. Ltd. (AFIL)	A	Saudi Arabia	100	100	100	100
Saudi Arabian Ductile Iron Pipes Co. Ltd. (SADIP)	A	Saudi Arabia	100	100	100	100
International Infrastructure Development Management and Operation Co. Ltd. (Amiwater)*	B	Saudi Arabia	100	100	100	100
Infra-Structure Engineering and Construction Company (ISECC)	C	Saudi Arabia	100	100	100	100
Amiantit Rubber Industries Ltd. Co. (ARIL)	A	Saudi Arabia	100	100	100	100
Factory of Bondstrand Co. Ltd (Bondstrand)	A	Saudi Arabia	60	60	60	60
Saudi Amicon Co. Ltd. (Amicon)	A	Saudi Arabia	100	99,93	99,93	99,93
Non-continuous business						

Subsidiary	Main activity	Country of incorporation	Ownership percentage as of December 31, 2020	Ownership percentage as of December 31, 2021	Ownership percentage as of December 31, 2022	Ownership percentage as of June 30, 2023
Ameron Saudi Arabia Ltd. (ASAL)	A	Saudi Arabia	100	100	100	100
A subsidiary company established outside the Kingdom of Saudi Arabia						
International Water Distribution Company Ltd. (Tawzea)*	B, C,D	Saudi Arabia	-	50	50	50
PWT Wasser - und Abwassertechnik GmbH (P.W.T Wasser)	C	Germany	100	100	100	100
LLP Amitech Astana	A	Kazakhstan	51	51	51	51
A joint venture established outside the Kingdom of Saudi Arabia						
Amiblu Holding GmbH (Amiblu)	A	Austria	-	50	50	50

- A. Pipe manufacturing
- B. Water management
- C. Contracting
- D. Electrical and mechanical equipment

The country of incorporation of the subsidiaries is the same as the country in which they carry out their main activity

* Saudi Arabian Amiantit Company owns 50% of the International Water Distribution Company through its subsidiary, «Global Infrastructure Management and Operations Company Limited.» which is a 100% owned subsidiary of Saudi Arabian Amiantit Company. The company does not carry out any operational activity. The Company announced on the Tadawul website on December 31, 2023G, the signing of a settlement agreement with a local creditor bank, «Alinma Bank» on 18/06/1445H, corresponding to 31/12/2023G, according to which ownership of the entire shares of Saudi Arabian Amiantit Company (the «Company») in the Global Infrastructure Management and Operation Company Ltd, which is 100% owned by an investment fund managed by the capital company affiliated with Alinma Bank, in return, the bank exempts the «Company» from all its obligations to the bank, amounting to 572.7 million Saudi riyals

5-1 Acknowledgment of the Members of the Board of Directors Regarding the Financial Statements

- The members of the Board of Directors acknowledge that the financial information contained in this section is extracted without material changes from the audited consolidated financial statements for the years ending December 31, 2020, 2021, and 2022, and the summary consolidated financial statements (unaudited) for the six-month period ending June 30, 2022, and the six-month period ending June 30, 2023G, and the accompanying notes without making any material amendment to them, and that they include financial information presented on a consolidated basis in a form consistent with the financial statements approved by the Company and its subsidiaries in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- The members of the Board of Directors acknowledge that the Company - individually or in partnership with its subsidiaries - has sufficient working capital for a period of at least 12 months immediately following the date of publication of the prospectus.
- The Company incurred losses during the years ending on December 31, 2020, 2021, and 2022, the six-month period ending June 30, 2022, and the six-month period ending June 30, 2023, and except for what was disclosed on page (112) in subsection (5-5-2-20) «Capital» This section, and page (16) in subparagraph (2-1-25) «Risks related to the Company's losses» of Section No. (2) «Risk Factors», the members of the Board of Directors acknowledge that they have not Any material negative change occurs in the financial and commercial position of the Company and its subsidiaries during the three financial years immediately preceding the date of submitting the application for registration and offering the securities subject to this prospectus, in addition to the period covered by the certified public accountant's report until the date of approval of the prospectus.
- The members of the Board of Directors acknowledge that the Company and its subsidiaries do not intend to make any fundamental change in the nature of its activity.
- The members of the Board of Directors acknowledge that the operations of the Company and its subsidiaries have not ceased in a way that could affect or have negatively affected its financial position during the past twelve months.
- The members of the Board of Directors acknowledge that all material facts related to the Company, its subsidiaries, and its financial performance have been disclosed in this prospectus, and that there are no other facts whose omission might lead to any data in this

prospectus being misleading.

7. The members of the Board of Directors acknowledge that the Company and its subsidiaries do not own any property, including contractual securities or other assets, whose value is subject to fluctuations or whose value is difficult to ascertain, which would significantly affect the assessment of the financial position.
8. The members of the Board of Directors acknowledge that the Company and its subsidiaries have not provided any commissions, discounts, brokerage fees, or any non-monetary compensation granted by the issuer or any of its subsidiaries to any of the members of the Board of Directors, proposed members of the Board of Directors, senior executives or Those offering or offering securities or experts during the three years immediately preceding the date of submitting the application for registration and offering securities subject to this prospectus in connection with the issuance or offering of any securities.
9. The members of the Board of Directors of the Company and its subsidiaries acknowledge that there is no capital in the Company, or its subsidiaries covered by an option right
10. The members of the Board of Directors acknowledge that the Company and its subsidiaries do not have issued, existing or approved debt instruments that have not been issued, term loans, or term loans, whether loans covered by a personal guarantee or secured by a mortgage, whether the issuer or others provide a mortgage for them, or not. Secured by a mortgage, except for what was disclosed on page (95) in Subsection 5-5-2 «**Audited Statement of Financial Position**» of this section, and Section No. (9) «**Legal Information**» of this prospectus.
11. The members of the Board of Directors acknowledge that the Company or its subsidiaries do not have loans or other indebtedness, including overdrafts from bank accounts, obligations under acceptance and acceptance credit, hire purchase obligations, loans or debts secured by a mortgage, or not secured by a mortgage. Or loans or debts, whether covered by a personal guarantee or not covered by a personal guarantee or secured by a mortgage or not secured by a mortgage, except for what was disclosed on page (95) in subsection 5-5-2 "Audited Statement of Financial Position" of this section and Section No. (9) "Legal information" from this prospectus.
12. The members of the Board of Directors acknowledge that the Company or its subsidiaries do not have any mortgages, rights, or any burdens or costs on the properties of the Company and its subsidiaries as of the date of this prospectus.
13. The members of the Board of Directors acknowledge that neither the Company nor any of its subsidiaries has any potential liabilities or guarantees except for what was disclosed on page (114) in subsection "5-5-2-27" "Potential Liabilities and Commitments" of this prospectus.
14. With the exception of what was disclosed in Section No. (5) «**Management's Discussion and Analysis of the Financial Position and Results of Operations**» and Section No. (9) «**Legal Information**» of this prospectus, the members of the Board of Directors acknowledge that there are no mortgages, rights, or encumbrances on the Company's property, and its subsidiaries as of the date of this prospectus.
15. The members of the Board of Directors of the Company and its subsidiaries acknowledge that the Company and its subsidiaries do not have any significant fixed assets to be purchased or leased.
16. The members of the Board of Directors acknowledge that the Company does not have any seasonal factors or economic cycles related to the activity that may have an impact on the business and financial position of the Company or its subsidiaries.
17. The members of the Board of Directors acknowledge that, with the exception of what was disclosed on page (28) in subsection (2-2) risks related to the market and the sector in which the issuer operates from Section No. (2) «**Risk Factors**» of this prospectus, and subsection (5-5-2-6) «**Non-current receivables**» of this section. The Company or any of its subsidiaries does not have information about any governmental, economic, financial, monetary, political policies or any other factors that have affected or could materially affect (directly or indirectly) the operations of the Company or its subsidiaries.
18. The members of the Board of Directors acknowledge that there was no reservation in the chartered accountant's report on the financial statements of the company or any of its subsidiaries for any of the three financial years immediately preceding the date of submitting the application for registration and offering the securities subject to this prospectus.
19. The members of the Board of Directors acknowledge that no structural changes have been made in the Company or any of its subsidiaries during the three financial years immediately preceding the date of submission of the application for registration and offering of securities subject to this prospectus.
20. The members of the Board of Directors of the Company and its subsidiaries acknowledge that there is no procedure or obligation to make any material amendment to the audited financial statements announced during the three financial years immediately preceding the date of submitting the application for registration and offering the securities subject to this prospectus.
21. The members of the Board of Directors of the Company and its subsidiaries acknowledge that there have been no material changes in the accounting policies of the issuer during the three financial years immediately preceding the date of submitting the application for registration and offering of securities subject to this prospectus.

5-2 Basis of preparation

The Group's consolidated financial statements for the financial years ending 31 December 2020G, 2021G and 2022G, the six-month period ending on 30 June 2022G and the six-month period ending 30 June 2023G have been prepared in accordance with the International Financial Reporting

Standards adopted in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization Chartered and Professional Accountants.

These consolidated financial statements have been prepared on a historical cost basis, excluding the provision for end-of-service benefits for employees which is recognized at the present value of future liabilities using the expected unit of credit method, land within property, plant, and equipment, which is initially recognized as cost and the fair value model is used for measurement after recognition (after measurement) and real estate investment which is initially recognized as cost and uses a fair value model for measurement after recognition (after measurement). These consolidated financial statements are presented in Saudi Riyals which is also the functional currency of the Company, and all values are rounded to the nearest thousand Saudi Riyals (one thousand Saudi Riyals), unless otherwise noted.

5-3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as of 31 December 2020G, 2021G, 2022G the six-month period ending on 30 June 2022G, and the six-month period ending on 30 June 2023G. Control is achieved when the Company becomes exposed, or has the right, to variable returns from its involvement with the investee, and the Company has the ability to affect those returns through the exercise of its power over the investee. In particular, the Company Regulations an investee if, and only if, directly or indirectly, the Company has:

- Influence over the investee (for example: the existence of existing rights that give the Company the current ability to direct the relevant activities of the investee).
- Exposure to risks and the Company has rights to obtain variable returns as a result of its relationship with the investee.
- The ability to use its influence over the investee to affect its returns.

In general, there is an assumption that possession of the majority of voting rights will result in control. In order to support this presumption and when the Company has less than a majority of the voting or similar rights in the investee, the Company considers all relevant facts and circumstances when assessing whether the Company has control over the investee. These facts and circumstances include the following:

- Contractual arrangement with others who have the right to vote in the investee Company.
- Rights arising from other contractual arrangements.
- Voting rights and potential voting rights of the Company.

Any additional facts or circumstances that indicate that the Group has or does not have the current ability to control decision-making activities, including voting on issues at previous shareholder meetings. The Group reassesses whether or not it exercises control over the investee. When facts and circumstances indicate that there has been a change in one or more elements of control. Consolidation of a subsidiary commences when the Group has control over the subsidiary and ceases when the Group ceases to exercise such control.

It includes the assets, liabilities, revenues, and expenses of a subsidiary acquired or disposed of during the year in the consolidated financial statements from the date control is transferred to the Group until the Group relinquishes the exercise of such control.

As well as income and every component of comprehensive income that relates to the shareholders of the parent company and non-controlling interests, even if this leads to a deficit balance in the non-controlling interests.

When necessary, the financial statements of subsidiaries are adjusted so that their accounting policies are prepared in line with the Group's accounting policies.

All balances between subsidiaries in the group, such as assets, liabilities, equity, revenues, expenses and cash flows resulting from operations, are eliminated when consolidating the financial statements.

Any change in ownership interests in a subsidiary, without a loss of control, is treated as an equity transaction.

If the Group loses control over the subsidiary, it will cease to recognize the related assets and liabilities, non-controlling interests and other components of equity, and the resulting gain or loss is recognized in the consolidated statement of profit or loss. The investment held is recognized at fair value.

In the event that the Group loses control over subsidiaries, the following shall be done:

- Disposal of assets (including goodwill) and liabilities of the subsidiary.
- Derecognition of the non-controlling interest.
- Cancellation of recognition of the cumulative effect of currency translation differences recorded in equity.
- Recognizing the fair value of the consideration received.
- Recognizing the fair value of the remaining investment.
- Recognizing any surplus or deficit in the statement of profit or loss.

- Reclassifying the Company's share of the items previously recognized in other comprehensive income to the statement of profit or loss or retained earnings, as appropriate, and as required if the group disposed the assets or liabilities directly.

Associate Companies

Associates are companies over which the Group exercises significant influence but not control or joint control, generally when the Group holds an interest of 20% to 50% of the voting rights. Investments in associates are accounted for according to the equity method after first recognizing the cost of the investment.

Equity method

Under the equity method, investments are recognized primarily at cost and are subsequently adjusted to reflect the Group's contribution to post-acquisition profits or losses as gains and losses arising from the investment in the investee. The Group's contribution to comprehensive income after the acquisition is also recognized in the consolidated statement of profit or loss. After reducing the shareholding in an investee to zero, liabilities are recognized only if there is a commitment to support the operations of the investee or any payments made on behalf of the investee. Dividends received or receivables arising from associates are recorded to reduce the net value of investments.

Goodwill relating to associates or joint ventures is included in the carrying value of the investment and is not independently tested for impairment.

The consolidated statement of profit or loss reflects the Group's share in the results of the operations of the associate or joint venture. Any change in the comprehensive income of those investee companies is shown as part of the Group's comprehensive income. In addition, if any change is recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity for unrealized gains and losses arising from transactions between the Group, the associate and the joint venture to the extent of its share Group in an associate or joint venture. The financial statements of subsidiaries and joint ventures are prepared in the same fiscal year as the group.

When it is necessary, the accounting policies of subsidiaries and joint ventures are presented to be consistent with the Group's policies. After applying the equity method, the Group determines whether it is necessary to recognize any impairment loss on its investment in its associate. At the date of preparing each financial statements, the Group ensures that there is objective evidence of a decline in the value of the investment in any associated company. When such evidence exists, the Group calculates the amount of impairment as the difference between the recoverable value of the associate and its book value and recognizes the loss as **«share of loss of an associate»** in the consolidated statement of profit or loss. When significant influence over the associate or joint venture is lost, the Group measures and recognizes the retained investment at fair value. The difference between the carrying value of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal will be recognized in the consolidated statement of profit or loss.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, independently of shareholders' equity. Losses applicable to a minority in excess of minority rights are allocated against group rights except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. A change in the Group's interest in a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured by the total consideration transferred, which is measured at fair value at the acquisition date, and the amount of non-controlling interest in the acquired company. For each business combination, the Group measures non-controlling interest in the acquiree at fair value or at its proportionate share of the net identifiable assets of the acquiree. Acquisition costs incurred are expensed and included in administrative expenses. If the merger is achieved in stages, the retained portion of the acquired company is calculated at fair value, with the difference being calculated in the profit and loss account.

When the Group acquires a business, the financial assets and liabilities assumed are assessed for appropriate classification and allocation in accordance with the contractual terms, economic conditions and conditions prevailing at the date of acquisition. This includes the separation of derivatives included among other financial instruments in the main contracts by the acquiring company.

Any future contingent liability by the acquirer will be added to the fair value at the acquisition date. All contingent liabilities (except those classified as equity) are measured at fair value and changes in fair value are recognized in profit and loss. Contingent liabilities classified as equity are not reassessed or settled, and any subsequent payments are accounted for on an equity basis.

Goodwill is originally measured at cost (which is the difference between the total consideration transferred and the amount of the non-controlling interest recognized and any other acquired interests, less the net identifiable assets acquired, and liabilities assumed). If the fair value of the net

assets acquired exceeds the total consideration transferred, the Group reassesses to ensure that all assets acquired and all liabilities assumed are correctly identified, and reviews the procedures used to measure the amounts recognized at the acquisition date. If the revaluation still results in an increase in the fair value of the net assets acquired over EGP, the gains are recognized in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses and for the purpose of impairment testing, goodwill earned in the merger from the date of acquisition is distributed on the basis of the Group's cash generating unit which is expected to benefit from the business merger irrespective of other assets or liabilities that have been deemed to be the acquiring company for such units, a «cash generating unit» is the smallest group of assets that generate cash inflows from continuous use and are independent to Largely for cash flows from other assets or groups. The unit producing cash is determined consistently from period to period for the same assets or asset types, unless the change is justified.

5-4 Summary of Significant Accounting Policies

Following is a summary of the significant accounting policies used by the Group in preparing these consolidated financial statements:

Revenue

Revenue is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods and services.

The Group recognizes revenue under IFRS 15 using the five-step model below:

Step 1: Determine the contract with the client	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the Regulations that must be met for each contract.
Step 2: Determine performance obligations	A performance obligation is a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the selling price	The transaction price is the amount the Group expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Customize the transaction price	For a contract that contains more than one performance obligation, the Group allocates the transaction price to each performance obligation at an amount that reflects the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Revenue recognition	The Group recognizes revenue as (or whenever) it satisfies a performance obligation by transferring the promised good or service to a customer under a contract.

Goods Sales

Revenue from sales of goods is recognized when the potential risks and benefits are transferred from the Group to the buyer. This usually occurs when the goods are delivered to the buyer. Sales contracts usually include a single performance obligation. The Group has determined that revenue from sales of goods should be recognized at the moment ownership of the asset is transferred to the customer, which is normally when the goods are delivered.

Variable Consideration

The Group estimates variable consideration such as returns, provisions, trade obligations and the amount of discount as a contingent amount based on available market information. The Group adds in the transaction price some or all of the value of the variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not arise when the uncertainty associated with the variable consideration is subsequently resolved.

Warranty Obligations

We usually provide the Group with guarantees to fix the usual general defects in the course of the business practices offered to clients. These guarantees are not a separate performance obligation and are recorded under IAS 37 «Provisions, Contingent Liabilities and Contingent Assets». Clarify the accounting policy for «Warranty Provisions».

Provision of Services

Revenue from rendering services is recognized over the period of time in which those services are performed. For fixed rate contracts, revenue is recognized based on the percentage of completion method which measures actual costs incurred up to the end of the reporting period as a

proportion of total costs to be incurred. Estimates of revenue, costs or business progress are reviewed and adjusted if conditions change. Any increase or decrease in the estimated revenue or costs is reflected in profit or loss in the period in which the circumstances giving rise to the revision of the estimates become known to management.

Contractual Assets

It is the right to receive consideration for goods sold or services provided to a customer. If the Group fulfills its obligation to provide goods or services before payment or payment is due by the customer, the contract assets are recognized to the extent of the consideration earned in accordance with the terms of the contract.

Contractual Obligations

It is the obligation to provide a service or goods to customers in return for consideration received from customers (or payable from customers). If a customer pays an amount to the group before delivering the goods or service to the customer, the contractual obligations are recorded when the consideration is received or when payment is due (whichever comes first). Contractual obligations are recognized as revenue when the Group performs the contractual obligation.

Recognition of Expenses

All expenses incurred in conducting the business and maintaining property and equipment to operate efficiently are charged to the consolidated statement of profit and loss. The distribution is made between the cost of revenues, general and administrative expenses, and selling and marketing expenses, on a fixed basis. Expenditures incurred for the purpose of acquiring, extending or improving assets of a permanent nature by which they can continue the business or for the purpose of increasing the earning capacity of business are treated as capital expenditure.

Investment Dividends

Dividends are recorded in the consolidated financial statements when they are announced and approved in the general assembly by the shareholders of the investee company.

Lease Contracts

Rental income under operating leases is listed in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

Transactions with Related Parties

Disclosure has been made in relation to commercial transactions between parties identified as related parties under International Accounting Standard No. (24) - Disclosure of Related Parties as approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Subsequent Events That Occur After the Financial Reporting Date

All significant events that occur after the date of the consolidated statement of financial position and, where appropriate, are considered amendments or disclosures made in the relevant notes to the consolidated financial statements.

Zakat and Tax

Zakat

The Zakat provision for the Company and its Saudi subsidiaries is formed in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA). The provision is carried on the consolidated profit or loss list. Differences that may result from the completion of the assessment upon completion are credited by the Zakat, Tax and Customs Authority (ZATCA).

Current Foreign Income Tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered or paid to the tax authorities. Tax rates and regulations in effect or de facto at the balance sheet date are used in the countries in which the Group operates and generates taxable

income. Income tax relating to items recognized directly in equity is charged to equity and not to the consolidated statement of profit or loss. The management evaluates the situations taken in the tax returns periodically with regard to the cases subject to interpretations and creates provisions when needed.

Deferred Tax

Deferred Taxes are estimated using the liability method on temporary differences between the tax base of assets and liabilities and their book value according to the financial statements at the date of the statement of financial position. Deferred tax liabilities are recognized for all temporary tax differences except in the following cases:

- If the deferred tax liability arises from the initial evidence of goodwill or an asset or liability in a transaction other than a business combination and does not affect - at the time of the transaction - the accounting profit or taxable profit or loss.
- Taxable temporary differences relating to investments in subsidiaries, associates or joint ventures, when the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred tax assets are recognized for all deductible temporary differences and unused tax liabilities or unused tax losses to the extent that such temporary differences can be deducted from taxable profit. Unused tax credits and unused tax losses can be carried forward except in the following cases:
- If the deferred tax asset related to temporary differences allowed to be deducted from the first recognition of an asset or liability arises in a transaction other than a business combination and does not affect - at the time of the transaction - the accounting profit or taxable profit or losses.
- With respect to deductible temporary differences related to investments in subsidiaries, associates or joint ventures, deferred income tax assets are recognized only when the temporary differences are likely to reverse in the near future, and there is a taxable profit arising from the use of temporary differences.

The book value of the deferred tax assets is reviewed on the date of preparing each financial position and reduced to the extent that it is not likely that enough taxable profit will be available to allow the use of part or all of the deferred tax assets. Unrecognized deferred assets are revalued at the date of preparing each financial position and are recognized to the extent that it is probable that the deferred tax assets will be covered by future taxable profits.

Deferred tax assets and liabilities are measured using tax rates expected to apply in the period in which the asset is realized or the liability is settled based on the tax rates (and tax regulations) in force on the date of preparing the financial position in the country in which the group operates or is subject to income tax. Deferred tax on items recognized outside profit or loss is calculated outside profit or loss. Deferred tax items relating to the underlying transaction are recognized either in other comprehensive income or directly in equity. Deferred tax assets and liabilities are offset if the system grants the right to use current tax assets to pay current income tax obligations and the deferred income taxes belong to the same taxable entity before the same tax authority.

Taxes obtained as a result of business combinations that do not meet the criteria for independent recognition are recognized at a later stage in the event that new information becomes available or there is a change in facts. The adjustment is treated as a decrease in goodwill (as long as it does not exceed the goodwill balance) if it occurred during the measurement period, or in the statement of profit or loss.

Sales and Value Added Taxes

Revenues, expenses, and assets are recognized net of the value of sales and value added taxes, except for the following cases:

- If sales taxes are due on the acquisition of assets or services that are not recovered from the tax authority, and in this case, sales taxes are recognized as part of the asset purchase cost or part of the expense item, as the case may be.
- Accounts receivable and payable are shown including the amount of sales and value-added taxes.

The net sales tax that can be recovered from - or paid to - the tax authority is recorded under accounts receivable and payable in the consolidated statement of financial position.

Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position consist of cash at banks and in cash and short-term deposits with original maturities of three months or less and which are not exposed to a significant risk of change in value.

Financial Instruments - Initial Recognition and Subsequent Measurement

Initial Recognition and Measurement

Financial instruments represent contracts that result in financial assets of one entity and financial liabilities or ownership instrument of another entity.

Recognition and initial measurement

The Group determines the classification of its financial assets upon initial recognition. The classification depends on the nature of the Group's business of managing financial assets and the contractual terms of cash flows.

Financial Assets

1. Initial classification and subsequent measurement. The Group classifies its financial assets as assets that will subsequently be measured at amortized cost if they meet the following criteria:
 - Holding the financial asset within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount receivable.
 - The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flow of the financial assets.
 - The Group initially measures the receivable at the transaction price because the receivable does not contain a significant financing component.
2. Impairment of Financial Assets

Credit loss provision

The Group uses a matrix to calculate the expected credit loss provision for trade receivables and contract assets. Provision ratios are based on the number of days past due for groups of different customer segments with similar loss patterns (for example, type of customer, coverage of collateral and other forms of credit insurance) and also on future economic factors (for example, unemployment rate, inflation, sector growth rate and other factors).

The provision matrix is initially based on the Group's historical rates of default and the calculation of the provision reflects the weights of probabilities relating to the outcome, the time value of money and reasonable information at the reporting date about past events and future economic conditions. Letters of guarantee and other forms of guarantee against receivables are an integral part of trade receivables and are taken into account when calculating impairment. At the date of each financial report, the default rates are updated and changes in future estimates are analyzed. The Group determines the provision of loss for receivables under legal collection on the basis of the credit life. The credit life of the expected credit loss is determined separately for each balance owed to the counterparty under legal collection, by considering the legal opinion regarding the probability of recovery of such receivables and the maximum amount of recovery that can be executed in the case of legal enforcement. The maximum refund amount includes a realistic estimate of the counterparty's financial position.

The Group uses historical default rates to calculate the loss provision for long-term holdings that have not yet matured. The loss provision for holdings that exceed the number of days past due is based on the lifetime of the expected credit loss. The lifetime of the expected loss is determined separately on the basis of the balance of each counterparty based on management's best estimate of the likely effect on future cash flows.

With respect to receivables under legal collection, the assessment of the probability of a positive outcome of the legal proceedings along with the probability of recovery of the receivables is also an important estimation based on the current status of the legal proceedings. Actual outcome and recovery may differ significantly from expectations based on the future course of legal proceedings.

The Group considered the probability of default on initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis over the reporting period. To assess whether there has been a significant increase in credit risk, the Group compares the risk of default of an asset as at the reporting date with the risk of default at the date of initial recognition. Reasonable and supportive forward-looking information available is considered. In particular, the following indicators are considered:

- Actual or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the customer's ability to meet its obligations.
- Actual or expected material changes in the business results of the client.
- Significant increases in credit risk over other financial instruments of the same customer.
- Material changes in the expected performance and behavior of the borrower, including changes in the payment status of clients and changes in client business outcomes.
- Macroeconomic information (e.g. market interest rates or growth rates).
- Past maturity information adjusted for forward looking information.
- Regardless of the above analysis, a significant increase in credit risk is presumed to occur if the contracted receivable date exceeds 30 days unless the Group has reasonable and supporting information to demonstrate otherwise.

Financial assets are assessed as credit impaired when one or more events that have a detrimental effect on the estimated future cash flows of that asset have occurred.

Objective evidence of impairment of financial assets could include significant financial difficulty, default or delinquency of a counterparty, rescheduling of amounts due on terms that the Group would not normally accept, indications that a customer will enter bankruptcy, or other observable statements relating to customers such as negative variables in economic conditions that are associated with defaults by customers.

The group considered evidence of impairment for financial assets individually and at a group level.

For individually significant financial assets whose depreciation has not been individually identified, they are valued within groups with similar credit characteristics to determine the decline in the value incurred, but have not yet been determined.

Impairment losses in the value of financial assets are recognized in the consolidated profit or loss list and are shown under the item of credit impairment losses. When a subsequent event causes the impairment loss to decrease in value, the decrease in the decline in value is reversed through the consolidated profit or loss list.

When the asset is uncollectible, it will be written off against the related provision. These assets are written off after completing all the necessary procedures and determining the amount of loss. Refunds previously written off from expenses in the consolidated profit or loss list are reduced upon recovery.

3. De-recognition of financial assets

The Group de-recognizes the financial asset when the contractual cash flows of the asset expire or transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all risks and returns of ownership are transferred. The portion of the transferred financial assets that arise or held by the Group is recognized as a separate asset or obligation. De-recognition of financial commitment is removed from the Consolidated Statement of Financial Position when the Group has fulfilled its obligations or upon cancellation or termination of the contract.

Financial obligations

1. Initial recognition and measurement

Financial obligations, upon initial recognition, are classified as financial obligations of fair value through profit or loss or as loans, payables or derivatives classified as effective hedging instruments, as appropriate. All financial obligations are initially recognized at fair value and, in the case of loans and payables, by net transaction costs directly associated with them.

The Group's financial obligations consist of commercial and other liabilities, loans and derivative financial instruments.

2. Subsequent Measurement

The measurement of financial obligations is based on their classification as follows:

Loans and Advances

After initial recognition, commission bearing loans are measured at amortized cost using the effective interest rate method. Gains or losses are recognized in the consolidated statement of profit or loss when obligations are paid, as well as through the process of amortizing the effective commission rate. Amortized cost is calculated after taking into account the premium or discount on purchase as well as fees or costs that are an integral part of the effective commission rate. The effective commission rate amortization is recognized as a finance cost in the consolidated statement of profit or loss. This category generally applies to interest-bearing loans.

1. Exclusion of financial obligations

Financial obligations are derecognized when the obligation is paid, canceled or the obligation under the contract expires. When a financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liabilities have been fundamentally changed, then that modification or replacement is treated as a derecognition of the original obligations and the recognition of new liabilities and the difference in the respective carrying amount is recognized in the consolidated statement of profit or loss.

2. Adjustment of Financial Obligations

When a financial liability measured at amortized cost is adjusted without derecognition of the financial liability, the gain or loss is recognized in the consolidated statement of profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the cash flows discounted at the original effective interest rate.

3. Clearing Financial Obligations

An offset is carried out between financial assets and liabilities and the net amount is shown in the consolidated statement of financial position in the event that there is a right guaranteed by law to offset the recognized amounts, and there is an intention to settle on a net or realize and settle assets and liabilities at the same time.

Inventory

Inventory is stated at cost or net realizable value, whichever is lower.

The cost of bringing the inventory to its current location and condition is calculated as follows:

Raw Materials:

- Purchase cost based on weighted average cost.

Goods in process and finished goods:

- The cost of direct materials and direct labor plus a portion of its overheads according to the normal level of activity and does not include borrowing costs. Realizable value is the expected selling price in the ordinary course of business less expected manufacturing completion costs and expected selling costs.

Equity accounted Investments

- A joint venture is a type of joint arrangement where the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of the arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. An associate is an entity over which the Group exercises significant influence. Significant influence is the ability to participate in the financial decisions and operating policies of the investee, but it does not amount to control, or joint control, over those policies.

The same considerations used to determine whether the Company exercises significant influence or joint control are used in the assessment of control over the subsidiaries.

The Group's investments in associates and joint ventures are accounted for using the equity method.

Under the equity method, investments in associates and joint ventures are initially recognized at cost. They are subsequently adjusted to reflect changes that occur as a result of a change in the Group's share of the net assets of associates and joint ventures from the date of acquisition. Goodwill associated with associates and joint ventures is included in the carrying amount of the investment and is not independently tested for impairment.

The share of the results of operations of associates and joint ventures is included in the consolidated statement of profit or loss, and the change in other comprehensive income of these companies is included in the group's consolidated statement of comprehensive income. In the event of any direct changes in the equity of the associate or joint venture, the Group recognizes its share of these changes and discloses them - if appropriate - in the consolidated statement of changes in equity.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the investee, including any other long-term unsecured receivables, the Group does not recognize additional losses, unless it has a legal obligation or implied on behalf of the investee. Unrealized gains or losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. The Company's share in the results of associates and joint ventures is presented in the consolidated statement of profit or loss after operating profits. It represents the Company's share of the results of the associate or joint venture net of tax of the associate or joint venture and the non-controlling interests in subsidiaries of associates and joint ventures.

The financial statements of the associates and joint ventures are prepared for the same financial period as the group. Adjustments are made when necessary to bring the accounting policies of associates and joint ventures into line with the Group's accounting policies.

After application of the equity method, the group determines whether it is necessary to recognize an impairment loss on the investment. The group determines on the date of preparing the financial statements the extent to which there is objective evidence of a decline in the value of the investment in associates and joint ventures. If such evidence exists, the group calculates the decline, which is the difference between the recoverable amount of the investment value and the carrying value. These losses are credited to the Company's share in the profits and losses of the Associate Company or Joint Venture in the Consolidated Profit or Loss List.

When a significant impact on the associate company or joint venture is lost, the Group shall measure and recognize any remaining investments at fair value. Any discrepancy between the book value of the investment is recognized when the significant effect is lost, the fair value of the investments held and the proceeds of the exclusion in the consolidated profit or loss statement.

Property, Plant and Equipment

Real estate, Plants and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes the cost of the replaced portion of property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are replaced at certain intervals, the Group recognizes those parts as individual assets with definite useful lives and depreciation. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss as incurred.

Land and buildings are stated at cost and the accumulated depreciation of buildings and any losses in value are deducted from it.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Buildings and land improvements: 3 to 35 years
- Plant, machinery and equipment: 4 to 25 years
- Furniture, fixtures and office equipment: 3 to 8 years

Any item of real estate, plant and equipment is derecognized upon disposal or when no economic benefits are expected from its use or sale in the future. Any gain or loss arising on disposal of the asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognized in the consolidated statement of profit or loss when the asset derecognized.

The residual value, useful lives, and depreciation methods of real estate, plant and equipment are reviewed at the end of each financial year and adjustments are made on a prospective basis, if required.

An item of property, plant and equipment is derecognized when it is disposed of or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is disposed.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate. There are also no expected amendments to the consumption policies followed by the Company and its subsidiaries.

The Capital Market Authority issued a decision on 15 Muharram 1438H (16 October 2016G) obliging listed companies to apply the cost model when measuring property and equipment, investment properties and intangible assets When adopting IFRS for a period of 3 years. The years start from the date of adoption of IFRS as of 31 December 2019G. Fiscal periods have been extended for the year beginning on 01 January 2022G and continue to require compliance with the IFRS disclosure requirements adopted in the Kingdom of Saudi Arabia, which require disclosure of fair value.

Reference is made to the decision of the Capital Market Authority Council announced on 15 Muharram 1438H corresponding to (16 October 2016G), which includes obligating companies listed on the financial market to use the cost model option to measure property, machinery and equipment, investment properties, and intangible assets when applying international accounting standards for a period of 3 years starting from the date of their application while adhering to the disclosure requirements contained in the international accounting standards adopted in the Kingdom of Saudi Arabia, which require or encourage the disclosure of the fair value within the clarifications of the financial statements, which includes that the Authority will review the appropriateness of continuing to decide to use this model upon the expiration of this period, or the appropriateness of allowing the use of the fair value or revaluation option model.

Based on the role of the Capital Market Authority in regulating and monitoring the business and activities of entities subject to its control and supervision and organizing and monitoring the full disclosure of information related to securities and their issuers, the Capital Market Authority announced a decision by the Authority's Council that includes allowing listed companies to use the fair value or revaluation model to measure real estate and investment properties for the financial periods of the fiscal year beginning during the year 2022G or after.

As at 30 June 2022G, the Company changed its accounting policy to the fair value model for measuring investment properties and the revaluation model for measuring land while continuing to apply the cost model for measuring other items of property, plant and equipment and intangible assets. The management has appointed two independent evaluators licensed by the Saudi Authority for Certified Valuers («**Taqeem**») to evaluate both the lands and the investment property when preparing the initial condensed consolidated financial statements for the second quarter of 2022G, provided that the evaluation will be subsequently re-evaluated on an annual basis in line with the requirements of the Financial Market Authority and has chosen the lower of the two ratings. A change from the cost to fair value model or revaluation model in recording investment property and land is considered a change in accounting policy. Consequently, prior period adjustments to accumulated losses of SAR 0.96 million were made on 01 January 2021G and a revaluation reserve of SAR 375.78 million was recorded as at that date. The company or its subsidiaries do not expect that there will be additional expected changes to the accounting policies followed, except if any additional binding requirements arise from the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Capital Work in Progress

The cost of capital work-in-progress includes, from the contract value, costs directly attributable to developing and bringing project assets to site and condition to enable them to operate for the purpose for which they were acquired. Capital work-in-progress costs are transferred to tangible asset classes and non-current intangible assets when they reach operating condition and are available for use. The carrying value of capital work-in-progress is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such an indication exists and when the carrying amount exceeds the estimated recoverable amount, the asset is written down to its recoverable amount.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a period of time to prepare for use or sale are capitalized as part of the cost of that asset. All other costs are expensed in the period in which they accrue. Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds.

Compilation of Business and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate amount transferred, which is measured at acquisition date fair value, and the amount of the non-controlling interest in the acquired company. The Group measures the non-controlling interests in the acquiree at their proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, the classification of the financial assets and liabilities assumed is evaluated in accordance with the contractual terms, economic conditions and conditions prevailing at the acquisition date. This includes the separation of derivatives included in other financial instruments in the main contracts belonging to the acquiring company.

The contingent consideration to be transferred by the acquiring company is recognized at fair value at the acquisition date. All contingent consideration (excluding assets classified as equity) is measured at fair value with changes in fair value in profit or loss. Contingent amounts classified as equity are not re-measured and subsequent settlement is accounted for within equity.

Initially, goodwill is measured, which is the excess of the cost of acquisition over the Group's share of the identifiable net assets acquired and liabilities assumed. In the event that the fair value of the acquired net assets exceeds the cost of the acquisition, the Group re-estimates it to ensure that it correctly identifies all the acquired assets and all the obligations undertaken, and reviews the procedures used to measure the amounts to be recognized at the date of acquisition. If this reassessment still results in an excess of the fair value of the net assets acquired over the cost of the acquisition, the gain is recognized in the consolidated statement of profit or loss as a gain on a discounted purchase.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of testing for impairment, goodwill acquired in a business combination is allocated, as of the date of acquisition, to each unit or group of cash-generating units that are expected to benefit from the business combination, regardless of whether other assets or liabilities are allocated in particular. of the acquired company to those units.

When the goodwill is allocated to the cash-generating unit and part of the operation within that unit is disposed of, then the goodwill related to the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in such cases is measured on the basis of the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Investment Properties

Originally, investment properties are measured at cost. The fair value is determined based on an annual evaluation by two accredited and independent external evaluators who hold fellow membership from the Saudi Authority for Certified Valuers (Taqeem) according to the instructions of the Capital Market Authority, by applying the evaluation method recommended by the Standards Committee of the International Valuation Standards Council.

Real estate investments are held to earn rents or increase their value, or both, rather than selling them in the ordinary course of business, production uses, or administrative purposes. These properties are not used to generate sales revenue through normal business operations. Initial recognition of real estate investments is carried out at cost, and the cost model is used for measurement after recognition (post-measurement).

Real estate investments are derecognized in the event of sale or disposal when they are transferred to development properties. Any gain or loss resulting from the derecognition of the property is recognized immediately in the consolidated statement of profit or loss.

Gains or losses from the sale or disposal of investment properties that represent the difference between the net sale proceeds and the book value are included in the statement of profit or loss in the period in which the sale/disposal occurs, except for those related to sale and leaseback arrangements.

Based on the Capital Market Authority's issuance of a Board of Commissioners decision dated 15 Muharram 1438H corresponding to 16 October 2016G, obligating listed companies to apply the cost model when measuring property, equipment, real estate investments, and intangible assets when adopting International Financial Reporting Standards for a period of 3 years starting from the date of applying the International Financial Reporting Standards. The periods have been extended for the year beginning 01 January 2022G, while continuing to adhere to the disclosure requirements of the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia, which require or encourage the disclosure of fair value.

Reference is made to the decision of the Capital Market Authority Council announced on 15 Muharram 1438H corresponding to (16 October 2016G), which includes obligating companies listed on the financial market to use the cost model option to measure property, machinery and equipment,

investment properties, and intangible assets when applying international accounting standards for a period of 3 years starting from the date of their application while adhering to the disclosure requirements contained in the international accounting standards adopted in the Kingdom of Saudi Arabia, which require or encourage the disclosure of the fair value within the clarifications to the financial statements, which includes that the Authority will study the appropriateness of continuing to decide to use this model upon the expiration of this period, or the appropriateness of allowing the use of the option fair value or revaluation model.

Based on the role of the Capital Market Authority in regulating and monitoring the business and activities of entities subject to its control and supervision and organizing and monitoring the full disclosure of information related to securities and their issuers, the Capital Market Authority announced a decision by the Authority's Council that includes allowing listed companies to use the fair value or revaluation model to measure real estate and investment properties for the financial periods of the fiscal year beginning during the year 2022G or after.

As at 30 June 2022G, the Company changed its accounting policy to the fair value model for measuring investment properties and the revaluation model for measuring land while continuing to apply the cost model for measuring other items of property, plant and equipment and intangible assets. The management has appointed two independent evaluators licensed by the Saudi Authority for Certified Valuers («Taqeem») to evaluate both the lands and the investment property when preparing the initial condensed consolidated financial statements and when using a fair value model or a revaluation model for the first time and has chosen the lower of the two ratings. A change from the cost to fair value model or revaluation model in recording investment property and land is considered a change in accounting policy. Consequently, prior period adjustments to accumulated losses of SAR 0.96 million were made on 01 January 2021G and a revaluation reserve of SAR 375.78 million was recorded as at that date.

Intangible Assets

Intangible assets acquired individually are measured at initial recognition at cost. The cost of intangible assets acquired based on a business combination is the acquisition date fair value. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if any. As for the internally developed intangible assets, they are not capitalized and the expenses are included in the consolidated statement of profit or loss as incurred.

The expected useful lives of intangible assets are estimated with a specific period of time or an indefinite period.

For intangible assets with a finite useful life, they are amortized over their useful economic life and assessed for impairment when there is an indication that the value may be impaired. The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of benefiting from future economic benefits embodied in the asset are treated by changing the amortization period or method, as needed, and treated as changes in accounting estimates. The amortization expense for intangible assets with a finite useful life is recognized in the statement of profit or loss within the expenses that are commensurate with the function of the intangible asset.

For intangible assets with an indefinite useful life, they are not amortized, but are tested to measure the decline in value annually, either individually or at the level of cash-generating units. The assessment of the indefinite life of the asset is reviewed annually to determine whether the use of the indefinite life is still justified. In the event that these justifications do not persist, the estimate of the useful life is changed to a specific useful life on a future basis.

The gain or loss arising on the disposal of intangible assets is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss when the asset is derecognized.

Research and Development Costs

Research expenses are recognized as expenses when incurred. Development expenditures for specific projects are recognized as intangible assets when the Group demonstrates that:

- There is a point in completing the intangible asset as it becomes available for sale.
- Its intention to complete and its ability to use or sell the asset. The asset will generate future economic benefits.
- Availability of resources to complete the asset.
- The ability to measure expenses reliably during the development stages.

Subsequent to the recognition of development expenditure as an asset, the cost principle is applied which requires the asset to be carried at cost less accumulated amortization and accumulated impairment in value. Asset amortization begins when development is complete and the asset is ready for use. It is amortized over the estimated useful life. The amortization expense is charged to cost of revenue. During the development period, the asset is tested for impairment annually.

Impairment of Non-Financial Assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an impairment test for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount of an asset is the fair value of the asset or cash-generating unit less cost to sell or the value in use of the asset, whichever is higher, and is determined for a single asset unless the asset generates cash flows that are not substantially independent of the flows generated from other assets or groups of assets. When the carrying amount of the asset or the cash-generating unit exceeds the recoverable amount of the asset, the asset must be written down and reduce its recoverable amount.

In determining value in use, the future cash flows are discounted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account - when available, or an appropriate valuation model is used. These values are verified by comparing them with the valuation multiples and the prices of the listed shares of the subsidiaries offered for public trading or through any other fair value indicators.

In calculating impairment, the Group relies on detailed budgets and discretionary calculations that are prepared separately for each cash-generating unit of the Group to which the individual assets are allocated. These detailed budgets and discretionary accounts usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after the fifth year. Impairment losses from continuing operations are recognized in the consolidated statement of profit or loss as expenses appropriate to the function of the assets that have suffered an impairment.

For assets, other than goodwill, an assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses no longer exist or have decreased. If any such indication exists, the Group estimates the recoverable amount of the asset or cash-generating unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount subsequent to the last recognized impairment loss. The impairment loss is reversed so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount it would have had, net of depreciation, had it not been previously impaired. The impairment loss for the asset is recognized in the consolidated statement of profit or loss.

Some of the specific impairment criteria for certain assets are as follows:

Goodwill

Goodwill is tested for impairment annually as at 31 December and when there is an indication of impairment in the carrying amount.

Impairment of goodwill is determined by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill are not reversed in future periods.

Intangible Assets

Intangible assets with indefinite useful lives are tested for impairment annually as at December 31, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. In cases where the Group expects to recover some or all of the provision, for example under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to the provision is presented in the consolidated statement of profit or loss, net of any recoveries.

If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that, when appropriate, reflects the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The costs of recovering the underlying asset or the site on which it is located	Recovery costs are calculated as the present value of the expected costs to settle the liability using estimated cash flows that are recognized as part of the cost of the particular asset. Cash flows are discounted at a pre-tax present value that reflects the risks specific to the recovery liability. The excess discount is recorded when incurred and recognized in the consolidated statement of profit or loss as a financing cost. The estimated future cost is reviewed annually and amended as necessary.
Onerous contracts	The provision for Onerous contracts is measured by the present value of the expected cost of terminating the contract and the net expected cost of continuing the contract, whichever is lower, which is determined on the basis of the incremental costs required to fulfill the obligation under the contract. Before creating a provision, the Group recognizes any impairment in the value of the assets associated with that contract
Restructuring	A provision for restructuring is recognized when the Group has agreed to a detailed and formal restructuring plan, and when the restructuring has commenced or been publicly announced.

Contingent liabilities

Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed unless it is unlikely that an outflow of resources embodying economic benefits will occur. Contingent assets are not included in the consolidated financial statements, but are disclosed when it is probable that economic benefits will flow to the group.

End of Service Benefits for Employees

The provision for end-of-service benefits obligations for employees is set aside for their periods of service at the date of the consolidated statement of financial position, and the provision for employee benefit obligations is monitored according to the expected unit method in accordance with International Accounting Standard No. (19) Employee Benefits, taking into account the Saudi Labor Law. The provision is recognized based on the present value of the defined benefit obligation.

The present value of defined benefit obligations is calculated using assumptions of the average annual percentage salary increase, the average years of employment of employees, and an appropriate discount rate. The probabilities used are calculated on a constant basis for each year and reflect management's best estimates. The discount rate is determined based on the best available estimates of market returns currently available at the reporting date.

Changes in Accounting Policies Due to the Revision of IAS 19

The amendments require that changes in defined benefit liabilities and fair value be recognized and all accounting gains and losses be recognized directly through the consolidated statement of comprehensive income in order to reflect the Company's net assets or liabilities as recognized in the consolidated statement of financial position.

Classification of assets and liabilities into current or non-current

The Group presents assets and liabilities in the consolidated statement of financial position on a current or non-current basis. An asset is classified as a current asset in the event of:

- Expect the asset to materialize or there is an intention to sell or consume it during the normal business cycle
- Asset held primarily for trading
- Expect the asset to be realized within 12 months after the date of the consolidated statement of financial position, or
- Being cash or cash equivalent, unless it is prohibited to exchange the asset or use it to settle a liability within at least 12 months from the date of the statement of financial position.

All other assets are classified as non-current assets.

The obligation is considered among the current obligations in the case of:

- Expectation of settlement of the obligation during the normal business cycle
- The liability is held primarily for trading
- The obligation is expected to be settled within 12 months after the date of the consolidated statement of financial position or
- There is no unconditional right to defer the settlement of the obligation for at least 12 months after the date of the consolidated statement of financial position.
- The Group classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair Value Measurement

The Group measures financial instruments, such as financial derivatives, at fair value at each consolidated statement of financial position date.

Fair value is the amount that would be received to sell assets or paid to settle liabilities between two parties in an arm's length transaction at the measurement date. The fair value measurement is determined by the assumption that the transaction to sell the assets or transfer the liabilities takes place either:

- in the Main market for these assets or liabilities, or
- In the absence of the Main market, in the most advantageous market for the assets or liabilities.

The Main or most advantageous market must be accessible to the Group.

The fair value of assets or liabilities is measured using the assumptions that market participants would use when pricing assets and liabilities, assuming that they seek what is in their best economic interests.

When measuring the fair value of non-financial assets, the ability of market participants to realize economic benefits from the asset through the best and maximum use of it or by selling it to other market participants who use the asset in the best and maximum way when measuring the fair value of non-financial assets.

The Group uses valuation methods that are appropriate in the circumstances, for which data necessary to measure fair value is available, that enable the most observable inputs to be used, and that unobservable inputs can be used as little as possible.

All assets and liabilities that are measured at fair value or disclosed in the consolidated financial statements are categorized according to the hierarchy of fair value levels, which are listed below based on the lowest level inputs that are significant to the fair value measurement as a whole:

- **Level One:** Quoted (unadjusted) prices in an active market for similar assets or liabilities.
- **Level Two:** Measurement methods that have the lowest level of observable, directly or indirectly, significant inputs to the fair value measurement.
- **Level Three:** Measurement methods for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels of the hierarchy by reassessing categorization (based on the lowest level input significant to the fair value measurement as a whole) at the end of each financial year.

The group's management determines the policies and procedures for the recurring and non-recurring measurement of fair value.

On the date of preparing each consolidated financial statement, management analyzes the changes in the values of assets and liabilities that must be re-measured or revalued in accordance with the Group's accounting policies. For the purposes of this analysis, management verifies the main inputs used in the last assessment by matching the information used in calculating the assessment with contracts and other relevant documents.

Management also compares the change in the fair value of each asset and liability with relevant external sources to ensure that the change is reasonable.

For the purpose of fair value disclosure, the Group has identified classes of assets and liabilities based on the nature, characteristics and risks of the assets and liabilities and the levels of the fair value hierarchy as shown above.

Foreign Currencies

Transactions carried out in foreign currencies during the year are converted into Saudi Riyals according to the prevailing exchange rates at the time of conducting the transactions on the date of each consolidated financial position. Balances of monetary assets and liabilities recorded in foreign currencies are converted into Saudi Riyals according to the exchange rates prevailing on that date. Gains and losses resulting from transfer and settlement operations are included in the consolidated statement of profit or loss. On the date of preparing the consolidated statement of financial position, the assets and liabilities of foreign subsidiaries are translated into Saudi Riyals according to the exchange rates prevailing on that date. Components of owner's equity are translated at the exchange rates prevailing at the date on which each component was created. The revenues and expenses of these foreign companies are translated into Saudi Riyals on the basis of weighted average exchange rates during the year. The accumulated adjustments to foreign currency translation resulting from this, if any, are included as a separate item within equity in the consolidated statement of financial position. When part of an investment in these associates is disposed of, these cumulative adjustments are included in the consolidated statement of profit or loss as part of the profit or loss on disposal.

Group Companies

Upon consolidation, the assets and liabilities of foreign operations are translated into Saudi riyals at the exchange rate prevailing on the date of preparing the consolidated financial statements, and the statement of profit or loss is translated at the exchange rate prevailing on the date of the transactions. Currency differences arising from translation are recognized directly in other comprehensive income. When a foreign operation is disposed of, the related portion of other comprehensive income is recognized in the consolidated statement of profit or loss.

Segmental Information

A segment is a distinguishable part of the group that either provides products or services (a business segment) or provides products or services in a particular economic environment (a geographic segment), and is exposed to risks and benefits different from those to which other segments are exposed.

Discontinued Businesses

The Group classifies non-current assets of discontinued business and disposal groups as held for sale if their carrying amount will be recovered principally through sale rather than continuing use. These non-current assets or disposal groups classified as held for sale are measured at their fair or book value less costs to sell, whichever is lower. Selling costs are the costs to be incurred and are directly related to the completion of the sale, excluding financing charges and income tax expenses.

To be classified as held for sale, the sale must be highly probable, and the assets or disposal groups are available for immediate sale in their current condition. Actions required to complete the plan should indicate that significant changes to the plan are unlikely, or that the decision to dispose will be blocked. Management must adhere to a sale plan that is expected to be completed within one year from the date of classification as held for sale.

Depreciation and amortization of property, plant and equipment and intangible assets cease when they are classified as held for sale. Assets and liabilities classified as held for sale are presented separately under current assets and liabilities in the consolidated statement of financial position. The disposed group is considered a discontinued operation if it is disposed of or classified as held for sale, and it:

- Represents a separate major line of business or geographic area of operations.
- It is part of a single coordinated plan to eliminate a separate major line of business or geographic area of operations
- Or it is a subsidiary that was acquired exclusively with the intention of resale.

The results of continuing business do not include the results of discontinued business, as they are disclosed separately in the line-item profit or loss of discontinued business net of tax in the consolidated statement of profit or loss.

All notes to the consolidated financial statements include amounts related to continuing operations, unless otherwise stated.

Rentals

Determining whether any contract constitutes or includes a lease depends upon its inception. A contract represents or includes a lease if it grants the right to control an asset or assets for a period of time in return for consideration.

Group As a Tenant

A. Right Of Use Assets

The Group recognizes right-of-use assets on the commencement date of the lease (ie the date on which the underlying asset is ready for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease commitments recognized, initial direct costs incurred, and lease payments made on or before the commencement date of the lease less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over their estimated useful life.

B. Lease Obligations

At the commencement date of the lease, the Group recognizes lease obligations measured at the present value of the lease payments made over the term of the lease. Lease payments include fixed payments (including in substance fixed payments) less any lease incentives that may be received, variable lease payments that depend on an index or rate and amounts expected to be paid under residual value guarantees.

The lease payments include the price to exercise the option to purchase when there is reasonable certainty that the Company will exercise it and the payment of penalties for canceling the lease if the terms of the lease provide for the Group to exercise the option to cancel. For variable lease payments that are not dependent on an index or rate, they are recorded as an expense in the period in which the payment is made. In calculating the present value of lease payments, the Group uses the marginal borrowing rate at the commencement date of the lease if the interest rate under the lease is not immediately determinable. After the start date of the contract, the amount of the lease commitments is increased to reflect the accrual of interest and the amount is reduced by the lease payments made. In addition, the carrying amount of the lease liability is re-measured if there is a modification, a change in the term of the contract, a change in the substance of the fixed lease payments, or a change in the assessment to purchase the underlying asset.

c. Short-Term Leases and Leases with lower-value Assets

Short-term leases are contracts of 12 months or less. Impaired assets are items that do not meet the Group's capitalization limits and are not material to the consolidated statement of financial position as a whole. Payments for short-term lease contracts and lease contracts with low value assets are recognized on a straight-line basis in the consolidated statement of profit or loss.

D. Important provisions in determining the lease term for contracts that include renewal options:

The Group defines the lease term as the non-cancelable term of the lease, together with any periods covered by the option to extend the lease if that right can reasonably be exercised, or any periods covered by the option to terminate the lease, if this right can be exercised to a reasonable extent, or any periods covered by the option to terminate the lease, if it is certain that you will not exercise this right.

The group as lessor

When the Group is a lessor, it determines at the commencement of the lease whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes a comprehensive assessment of whether the lease transfers all of the risks and rewards of ownership of the underlying asset. If this is the case, the lease is a financing contract, if not it is an operating contract. As part of this assessment, the Group considers certain indicators such as whether the lease term represents the largest portion of the economic life of the asset.

For a contract that includes a rental component with rental and non-rental components, the lessor must allocate the consideration in the contract by applying IFRS 15.

The Group recognizes lease payments received under operating lease contracts as income on a straight-line basis over the term of the lease in the consolidated statement of profit or loss.

Treasury Stock

Equity instruments that are repurchased (treasury shares), to satisfy obligations under employee equity participation programs, are recognized at cost and presented as a deduction from equity and adjusted for any transaction costs and gains or losses on the sale of such shares. No gain or loss is recognized in the consolidated statement of profit or loss for special purposes on the purchase, sale, issue or cancellation of the Group's equity instruments. Any difference between the carrying amount and the amount, if reissued, is recognized in retained earnings.

New standards, amendments and interpretations

The IFRSs mentioned below are not expected to have a significant impact on the Group's financial statements.

New and amended standards do not have a material impact on the financial statements

The following amended IFRSs have been adopted. The adoption of these revised IFRSs did not have any material impact on the carrying amounts for the current and prior periods.

- COVID-19 lease concessions after 30 June 2021 (amendment to IFRS 16), effective 1 April 2021;
- Onerous Contracts - Cost of Completing a Contract (Amendments to IAS 37), effective 1 January 2022;
- Annual improvements to IFRS standards 2018-2020, effective 1 January 2022;
- Property, plant and equipment: Proceeds before intended use (Amendments to IAS 16), effective date 1 January 2022

And

- Reference to the Conceptual Framework (Amendments to IFRS 3), effective 1 January 2022.

New and amended standards issued but not yet effective

- IFRS 17 Insurance Contracts (Amendments to IFRS 17), effective for annual periods beginning on or after 1 January 2023
- Accounting Policy Disclosure (Amendments to IAS 1 and IFRS Practice Statement 2), effective for annual periods beginning on or after 1 January 2023.
- Definition of accounting estimation (amendments to IAS 8), effective for annual periods beginning on or after 1 January 2023
- Deferred taxes relating to assets and liabilities arising from a single transaction - Amendments to IAS 12 Income Taxes, effective for annual periods beginning on or after 1 January 2023.
- Initial application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17), effective for annual periods beginning on or after 1 January 2023.
- Classification of liabilities as current or non-current (amendments to IAS 1), effective for annual periods beginning on or after 1 January.
- Sale and Leaseback Lease Liabilities (Amendments to IFRS 16) effective for annual periods beginning on or after 1 January.

- Non-current liabilities with covenants (amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Sale or contribution of assets between an investor and its partner or joint venture (amendments to IFRS 10 and IAS 28).
- The above-mentioned IFRSs are not expected to have a significant impact on the Group's financial statements

Critical accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods. Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Capital management
- Risk management of financial instruments and policies
- Sensitivity analysis disclosures

Critical accounting judgments, estimates and assumptions (continued)

Judgments

In the context of applying the Group's accounting policies, management has made the following judgments, which have the greatest impact on the amounts recognized in the consolidated financial statements:

The concept of going concern

The consolidated financial statements were prepared on the basis of the going concern concept, which assumes that the group will be able to meet the mandatory payment terms for trade payables and bank facilities.

Realize Revenue

When recognizing revenue from customers, the Group makes judgments regarding the nature and timing of performance obligations, including significant payment terms and related revenue recognition policies. This leads to a decision as to whether revenue will be recognized over time or at a point in time.

Estimates And Assumptions

The key assumptions regarding the future and other key sources of estimating uncertainties at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on the data available when preparing the consolidated financial statements. However, current conditions and assumptions about future developments may change due to market changes or circumstances arising outside the Group's control. These changes are reflected on the assumptions when they occur.

Impairment of Property, Plant and Equipment

As of 31 December 2022G, the management has appointed an independent consultant to review the impairment model for the cash-generating units of Amiantit Fiberglass Manufacturing Limited («AFIL»). Accordingly, the recoverable amount was determined based on the value in use calculation. The after-tax discount rate applied to the cash flow forecasts is 12.7%, using the post-2022G cash flow forecasts based on management's estimate of the growth rate. The management also estimated that as of 31 December 2022G, there were no additional indicators of impairment and no indications of a reversal of the previously recorded impairment.

As 31 December 2022G, the management has appointed an independent consultant to review the impairment model for the cash-generating units of Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited («SADIP»). The recoverable amount was determined to be SAR 295.6 million as at 31 December 2022G based on a calculation of the recoverable amount using cash flow forecasts from the financial statements approved by the Board of Directors covering the year 2023G. The recoverable amount exceeds the carrying amount of SAR 245.2 million as of 31 December 2022G.

As a result of this analysis, the management recovered part of the impairment recognized in previous years, amounting to a net value of SAR 36.6 million, after calculating its retrospective depreciation. Cost of sales is recognized in the consolidated statement of profit or loss. The after-tax discount rate applied to the cash flow projections is 12.5%, and the forecast for cash flows beyond 2022G is made using the management's estimate of the growth rate.

As at 31 December 2021G, the management appointed an independent consultant to review the impairment model for the cash-generating units of Avel and Saudi Amicon Limited. Accordingly, the recoverable amount was determined based on the value in use calculation. The after-tax discount rate applied to the cash flow forecasts is 7.4% and using the post-2021G cash flow forecasts is based on management's estimate of the growth rate. The management also estimated that as of 31 December 2021G, there were no additional indicators of impairment and there were no indications of a reversal of the previously recorded impairment.

Impairment of Equity Accounted Investments

Determining whether there are indicators of impairment for equity accounted investments at the reporting date and estimating the recoverable amount of such investments involves significant management judgement.

Estimated Costs of Completion

The Group uses the percentage of completion method in accounting for its fixed-price contracts to perform contracting work. Using the percentage of completion method requires the Group to estimate the total costs of completing the contract. If estimated total costs were 10% higher than management's estimates, the amount of revenue recognized in the year ending 31 December 2022G would decrease by SAR 8.13 million (2021G: decreased by SAR 11.13 million).

Provision for Expected Credit Losses on Trade Receivables, Contract Assets and Non-Current Receivables

The Group uses a provision matrix to calculate Expected Credit Losses (ECLs) for trade receivables. Provision rates are based on days past due for groups of different customer segments with similar loss patterns. The provision matrix is initially based on the Group's observed historical default rates and is adjusted by forward-looking information.

The assessment of loss given default and the relationship observed between historical default rates, expected economic conditions and expected credit losses is an important estimate. The amount of expected credit losses is sensitive to changes in expected economic conditions and factors. The Group's historical credit loss experience and forecasts of economic conditions may also not be representative of actual customer defaults in the future. Information about expected credit losses on the Group's trade receivables has been disclosed.

Long-Term Assumptions for Employee End-of-Service Benefits

The Group's net obligation related to employee end-of-service benefits is calculated by estimating the value of future benefits that are due to employees in the current and prior periods and discounting the value to conclude with the present value.

The present value of the liability is determined based on the actuarial evaluation at the date of the consolidated statement of financial position by an independent expert using the expected unit credit method at the end of each period as an additional unit of employee benefits and privileges. The liability is measured at present value by estimating future cash flows. Discount rates are used to determine the present value of the obligation under the defined benefit plan by reference to the yield on US bonds (since the riyal is pegged to the US dollar), adjusted for any additional risks.

Lease Period

In determining the duration of the lease, management takes into account all the facts and circumstances that create an economic incentive to exercise the option of extension or termination. An assessment is reviewed in the event of a significant event or material change in circumstances affecting that assessment. During the current financial year, there has been no material financial impact of revising the terms of the leases to reflect the impact of exercising extension or termination options.

Economic value of property, plant, and equipment

The Group periodically reviews the estimated useful lives and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Allowance for Obsolete and Slow-Moving Inventory

The Group creates an allowance for obsolete and slow-moving inventories. These estimates take into account price or cost fluctuations directly attributable to events occurring subsequent to the date of the consolidated statement of financial position to the extent that such events confirm conditions existing at the end of the year.

Impairment of Tangible and Intangible Assets

The Group's management conducts an assessment to determine whether there are indicators of impairment in tangible and intangible assets.

Key Performance indicators

KPIs	Indicator unit	Fiscal year ending on December 31			Six-month period ending on June 30, 2023G
		2020G	2021G	2022G	
Revenue growth rate*	%	(43.5%)	(0.5%)	15.9%	50.8%
Growth rate in profit/(loss) for the period**	%	14.2%	(56.2%)	(97.1%)	(65.0%)
Gross profit margin	%	(14.8%)	(17.4%)	11.7%	16.0%
Selling, general and administrative expenses as a percentage of revenues	%	20.0%	20.6%	16.3%	13.6%
Operating profit/(loss) margin	%	(58.7%)	(42.7%)	(2.0%)	2.3%
Profit margin/(loss) period	%	(89.3%)	(39.3%)	(1.0%)	(1.0%)
Return on assets	%	(17.5%)	(7.5%)	(0.2%)	(0.2%)
Return on shareholders' equity	%	(233.4%)	(50.0%)	(1.4%)	(1.0%)
Debt/total shareholders' equity ratio	Times	6.8	3.3	3.2	3.2
Total Current Assets/Total Current Liabilities (Current Ratio)	Times	0.7	0.6	0.5	0.5
Total assets/total liabilities	Times	1.1	1.2	1.2	1.2

Source: management information

* The growth rate in revenues for the fiscal year 2020G compared to revenues for the fiscal year 2019G, and the growth rate in revenues for the six-month period ending on 30 June 2023G compared to revenues for the six-month period ending on 30 June 2022G.

** The growth rate in profit / (loss) for the period for the fiscal year 2020G compared with the profit / (loss) period for the fiscal year 2019G, and the growth rate in profit / (loss) for the period for the six-month period ending on 30 June 2023G compared with the profit / (loss) period for the period The six months ending 30 June 2022G.

5-5 Operation Results

5-5-1 Statement of Profit or loss

Table 26: Statement of audited profits or losses for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the statement of reviewed profit and loss statement for the six-month period ending on June 30, 2022G and the six-month period ending on June 30, 2023G

(SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G - 2022G	Six-month period ending on June 30, 2022G - Reviewed	Six-month period ending on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
Revenue	441,023	438,911	508,817	(0.5%)	15.9%	7.4%	241,153	363,760	50.8%
Cost of revenue	(506,171)	(515,452)	(449,138)	1.8%	(12.9%)	(5.7%)	(227,375)	(305,414)	34.3%
Gross profit	(65,148)	(76,541)	59,679	17.5%	(178.0%)	N/A	13,778	58,346	323.5%
(Losses) reversing the impairment in the value of financial assets (net).	(105,598)	(20,756)	12,990	(80.3%)	(162.6%)	N/A	14,041	(701)	(105.0%)
Selling, general and administrative expenses	(88,263)	(90,270)	(82,894)	8.4%	(11.8%)	(2.3%)	(40,587)	(49,319)	21.5%
Operational loss	(259,009)	(187,567)	(10,225)	(27.6%)	(94.5%)	(80.1%)	(12,768)	8,326	(165.2%)
Other revenue, net	(51,263)	40,236	34,518	(178.5%)	(14.2%)	N/A	24,725	2,881	(88.3%)
Share in the results of investments registered using the equity method	24,808	8,050	31,135	(67.6%)	286.8%	12.0%	5,463	25,005	357.7%

(SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G - 2022G	Six-month period end- ing on June 30, 2022G - Reviewed	Six-month period end- ing on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
Financing costs	(64,081)	(8,797)	(41,091)	(86.3%)	367.1%	(19.9%)	(17,353)	(27,172)	56.6%
Profit (loss) before zakat and foreign income tax	(349,545)	(148,078)	14,337	(57.6%)	(109.6%)	N/A	67	9,040	13,392.5%
Zakat	(44,757)	(23,563)	(18,500)	(47.4%)	(21.5%)	(35.7%)	(9,500)	(12,457)	31.1%
Foreign income tax	(217)	(142)	(896)	(34.6%)	531.0%	103.2%	(802)	(132)	(83.5%)
Profits/(loss) from ongoing business	(394,519)	(171,783)	(5,059)	(56.5%)	(97.1%)	(88.7%)	(10,235)	(3,549)	(65.4%)
(Loss) after zakat from non-con- tinuous businesses	652	(638)	(4)	(197.9%)	(99.4%)	N/A	(2)	(39)	1,850.0%
Profit/(loss) for the period	(393,867)	(172,421)	(5,063)	(56.2%)	(97.1%)	(88.7%)	(10,237)	(3,588)	(65.0%)

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and reviewed financial statements for the six-month period ending on June 30, 2023.

Revenues

The company's revenues consist of revenues from manufacturing and selling various types of pipes, developing and granting licenses for related technologies, managing water projects and related consulting, engineering and operational services. Please refer to Tables 5-3 and 5-4 for segment analysis.

Revenues decreased by 0.5% from SAR 441,023 million in 2020G to SAR 438,911 million in 2021G, mainly due to the following:

- A. The decrease in revenues from the non-metallic fixtures sector amounted to SAR 15.1 million in line with a decrease in the average selling price from 209 Riyal per piece to 145 Riyal per piece during the same period.
- B. Decrease in revenues from other products by 24.0 million Riyal as a result of a decrease in steel coil sales.
- C. The decrease in revenues from the other services sector by SAR 4.7 million in line with the decrease in engineering and installation services in addition to the slowdown in the completion of several projects.

This was offset by an increase in the water management sector by SAR 41.9 million as a result of the acceleration in the completion of several projects, including the Sawalem Project and the Nawaser Project.

Revenues increased to SAR 508.8 million in fiscal year 2022G, due to an increase in the basic sectors by SAR 108.0 million, which consists of revenues from pipes, fittings, and water projects. This is due to the increase in the average selling price of pipes and fittings during the period in addition to the completion of several backdated orders due to the Corona epidemic in the fiscal year 2021G, as these orders were subject to contractual clauses that obligated the group to fixed prices.

This was offset by a decrease in the water management sector by SAR 20.6 million, resulting from not recording revenues from the Al-Nawaser project due to delays. It is worth noting that the group took legal measures against the project owner to compensate the group for the losses resulting from the project.

Revenues increased by 50.8% from SAR 241.2 million in the six-month period ending 30 June 2022G to SAR 363.8 million in the six-month period ending 30 June 2023G, as a result mainly because of the following:

- A. Revenues from pipelines increased to the largest increase across the Group's segments from SAR 123.1 million in the six-month period ending 30 June 2022G to SAR 241.7 million in the six-month period ending 30 June 2023G, with an increase in both mineral segments (SAR +55.6 million) and non-metallic pipes (SAR +63.0 million).
- B. It should be noted that various factors led to an increase in sales of metal and non-metallic pipes, as the increase in selling prices led to an increase in non-metallic products, while an increase in the volumes sold contributed to the increase in metal pipes.
- C. Revenues from the fittings segment increased from SAR 36.8 million in the six-month period ending 30 June 2022G to SAR 44.0 million in the six-month period ending June 30, 2023, in line with an increase in the average selling price from SAR 519 per piece to SAR 626 per piece during the same period.
- D. The increase in revenues from the fittings segment was mainly attributable to the increase in non-metallic fittings (by SAR 9.8 million) as a result of an increase in selling prices (+ 29%) in line with the global rise in commodity prices, taking into account that the Group's selling prices depend to an extent on the market. This was offset by a decrease in metal fittings (by SAR 2.6 million) as a result of lower volumes sold as metal fittings also recorded an increase in selling prices (8%) during the period.

- E. Revenues from water projects increased from SAR 20.8 million in the six months ending 30 June 2022 to SAR 23.6 million in the six months ending 30 June 2023G. The group has secured 4 new water infrastructure projects: the Granitalspur project in Germany with a contract value of 1.5 million euros with an expected completion date of July 2023G. The Odenwaldkuil project located in Germany with a contract value of 795 thousand euros with an expected completion date of October 2023G. The BHKW Bremen-Kulwasser project is located in Germany, with a contract value of 96 thousand euros and a completion date of April 2023G, and the Himara project is located in Albania, with a contract value of 10.7 million euros and an expected completion date of December 2025G.
- F. Revenues from other products decreased -36% from SAR 34.4 million in the six-month period ending on 30 June 2022 to SAR 22.0 million in the six-month period ending on 30 June 2023G.
- G. Revenues from other services for the Group increased by 24.1% from SAR 26.1 million in the six-month period ending on 30 June 2022G to SAR 32.4 million in the six-month period ending on 30 June 2023G. This is due to the increase in engineering and installation services due to the increase in the number of ongoing projects.

Cost of Revenue

The cost of revenues mainly represents the cost of materials used in manufacturing and the costs of manufacturing personnel, equivalent to 5.7% of the total cost of sales during the fiscal years 2020G, 2021G, and 2022G, and represented the equivalent of 48.1% of the total cost of sales in the six-month period ending on 30 June 2022G and 2023G.

Cost of revenues increased by 1.8% from SAR 506.2 million in fiscal year 2020 to SAR 515.5 million in fiscal year 2021G. This is mainly due to recording a write-off of contractual assets worth SAR 44.6 million related to losses expected to be incurred upon completion of the water management sector project, in particular, the water treatment plant project located in the city of Samawah in the State of Iraq. This was offset by a decrease in the cost of materials used in manufacturing and manufacturing personnel costs of SAR 8.2 million and SAR 18.7 million, respectively, in line with the decrease in revenues during the same period.

Cost of revenues decreased by 12.9% to SAR 449.1 million in 2022G due to recording a reversal of an impairment charge for property and equipment with a net value of SAR 36.6 million for the group's subsidiary (SADIP) upon conducting an impairment test for property and equipment which determined that the cash-generating units had a recoverable value. The recovery amount is SAR 295.6 million, which is higher than the book value, which amounts to SAR 245.2 million.

Cost of revenues increased by 34.3% from SAR 227.4 million in the six-month period ending 30 June 2022G to SAR 305.4 million in the six-month period ending in 2023G as a result of the increase in materials used by SAR 55.8 million in line with the increase in quantities sold and the average sale price during the same period. This was coupled with an increase in transportation costs of SAR 5.6 million during the same period.

Gross Profit (Loss)

The total (loss) increased by 17.5% from a loss of SAR -65.1 million in the fiscal year 2020G to a loss of SAR -76.5 million in the fiscal year 2021G as a result of recording a write-off of contractual assets worth SAR 44.3 million related to losses expected to be incurred upon completion of the water management sector project in Samawah, Iraq.

The total loss decreased to a total profit of SAR 59.7 million in the fiscal year 2022G as a result of an increase in revenues by SAR 69.9 million during the same period, in addition to a decrease in the cost of revenues of SAR 66.3 million as a result of recording a reversal of a decrease in the value of property and equipment by SAR 36.6 million. Contractual assets worth SAR 44.6 million were recorded or written-off in the previous fiscal year.

Net loss decreased by 64.9% from a loss of SAR -10.2 million in the six-month period ending on 30 June 2022G to a net loss of SAR -3.6 million for the six-month period ending on 30 June 2023G, due to an increase in revenues of SAR 122.6 million during the period, in addition to an increase in the share in the results of Equity accounted investments in an amount of SAR 19.5 million..

Selling, General and Administrative Expenses

Selling, general, and administrative expenses consist mainly of employee costs, which represented the equivalent of 45.1% of the average total selling, general, and administrative expenses during the fiscal years 2020G, 2021G, and 2022G, and the equivalent of 47.0% of the total selling, general, and administrative expenses during the six-month period ending 30 June 2022G, and 2023G.

Selling, general and administrative expenses increased to SAR 90.3 million in the fiscal year 2021G, mainly due to an increase in employee costs amounting to SAR 7.4 million as a result of the provision for an employee incentive program. This was offset by an increase in other expenses by SAR 5.7 million due to customs duties fines relating to late fees due. This was offset by a decrease in (1) professional fees by SAR 6.5 million as a result of a decrease in expenses related to legal consulting for the group's subsidiary PWT Germany, and (2) information and communications technology by SAR 3.1 million in line with operational needs and the company's efforts to reduce costs.

Selling and general administrative expenses decreased from SAR 90.3 million in the fiscal year 2021G to SAR 82.9 million in the fiscal year 2022G. This is due to a decrease in employee costs by SAR 7.6 million due to recording a provision for an employee share option plan by SAR 7.4 million in the previous fiscal year, 2021G. This was coupled with a decrease in professional fees by SAR 1.0 due to fewer professional services required by the Group. This was offset by an increase in marketing expenses of SAR 1.1 million during the same period, as part of the group's strategy to grow

the number of customers and thus sales.

Selling and general and administrative expenses increased from SAR 40.6 million in the six-month period ending 30 June 2022G to SAR 49.3 million in the six-month period ending 30 June 2023G, due to an increase in restructuring expenses related to the group's PWT Germany business, along with an increase in Know-How fees (SAR +2.4 million), utilities (SAR +765 thousand), as well as an increase in employee benefits (SAR +2.5 million).

Other revenue (Expenses)

Other income (expenses) increased from expenses of SAR -51.2 million in the fiscal year 2020G to income of SAR 40.2 million in the fiscal year 2021G, and this is due to profits from the sale of an equity investment in the amount of SAR 12.4 million in the fiscal year 2021G, related to Profit from the sale of the equity investment by liquidating the group in its subsidiary "Amitech Morocco". This was accompanied by recording profits from the loan rescheduling settlement amounting to SAR 20.1 million in the fiscal year 2021G, related to discounts granted by the group's lenders, which are (1) a discount from Al Baraka Bank amounting to SAR 13.4 million, and (2) a discount from Al Jazira Bank amounting to SAR 6.7 million. In addition, profits from foreign currency exchange differences increased by SAR 11.2 million, and the group received a value of SAR 4.5 million from one of its suppliers..

Other income decreased to SAR 34.5 million in fiscal year 2022G, as a result of loan rescheduling settlement gains amounting to SAR 20.1 million in the previous fiscal year 2021G.

Other revenues decreased from SAR 24.7 million for the six-month period ending on 30 June 2022G to SAR 2.9 million in the six-month period ending on 30 June 2023G. This is due to (1) the absence of gains from the sale of investment properties for the year 2023G (SAR 13.9 million) incurred as at 2022G, (2) VAT penalty of SAR 2.5 million and (3) impairment of goodwill amounting by SAR 1.6 million were partially offset by (1) increase in miscellaneous income (+ SAR 3.4 million) (2) Gain from the sale of equity-accounted investments amounting to SAR 1.4 million.

Finance Costs

Finance Costs mainly represent Murabaha and Tawarruq commissions, interest on loans and amortization of the end-of-service Indemnity discount.

Finance Costs decreased by 86.3% from SAR 64.1 million in the fiscal year 2020G to SAR 8.8 million in the fiscal year 2021G, as a result of a decrease in Murabaha commissions and Tawarruq financing by SAR 27.4 million. This is due to the group negotiating lower interest rates from its lenders, as the interest rate range decreased from an average of 3.27% annually in fiscal year 2020G to 2.39% annually in fiscal year 2021G. This was accompanied by a reversal of Finance Costs amounting to SAR 27.0 million in relation to recorded provisions related to prior years. These provisions included (1) a provision for facility fees in the amount of SAR 11.1 million, and (2) a provision for increasing the maturity for facility fees in the amount of SAR 15.9 million.

Finance Costs increased by SAR 32.3 million to reach SAR 41.1 million in the fiscal year 2022G. This is due to the increase in Murabaha commissions and Tawarruq financing by SAR 7.5 million in connection with the rescheduling of two loans held by the group.

This was accompanied by a reversal of Finance Costs of SAR 27.0 million in relation to provisions recorded in the fiscal year 2021G related to prior years.

Finance Costs increased by 56.6% from SAR 17.4 million in the six-month period ending on 30 June 2022G to SAR 27.2 million in the six-month period ending on 30 June 2023G, in line with the increase in the commission on Murabaha and Tawarruq financing (SAR +10.6 million), as well as the increase in short-term loans (SAR +19.9 million) during the same period is mainly due to the increase in the interest rates and the bank charges from the letter of credit discounting during the same period.

Zakat

The Company and its Saudi subsidiaries are subject to Zakat. Zakat is due at the rate of the approximate Zakat base or 2.5% of the adjusted net profit, whichever is higher. The most important components of the Zakat base for each company according to the Zakat regulations mainly consist of shareholders' equity, provisions at the beginning of the year, long-term loans, and the adjusted net profit, minus the net book value of Property, plant, equipment, investments, and some other items.

The company and its Saudi subsidiaries received final Zakat and income tax certificates for the years up to 2020G. The Company and its Saudi Subsidiaries have received final assessments from the General Authority of Zakat and Tax until the year 2020G.

Zakat expense decreased from SAR 44.8 million in the fiscal year 2020G to SAR 23.6 million in the fiscal year 2021G and decreased to SAR 18.5 million in the fiscal year 2022G in line with the changes in the zakat base..

Zakat expense increased from SAR 9.5 million in the six-month period ending on 30 June 2022G to SAR 12.5 million in the six-month period ending on 30 June, 2023G, in line with the changes in the zakat base.

Foreign income tax

The company and its foreign subsidiaries are subject to income tax and are entitled to income tax according to the tax rates of the foreign subsidiaries.

Foreign income tax amounted to SAR 217 thousand in the fiscal year 2020G, SAR 142 thousand in the fiscal year 2021G, and SAR 896 thousand in the fiscal year 2022G, in line with changes in the profits of the foreign subsidiaries with the group.

Foreign income tax amounted to SAR 802 thousand and SAR 132 thousand in the six-month period ending 30 June 2022G and 2023G, respectively, in line with changes in the profits of foreign subsidiaries of the group.

Discontinued Operation Net of Tax

The discontinued business, net of tax, relates to Saudi Arabian Ameron Company Limited (ASAL) and Saudi Arabian Concrete Products Company Limited (SACOP). At the beginning of 2019G, the management decided to cease the activities of both ASAL and SACOP and transfer their assets, liabilities and operations to the company's balance sheet at the book value, from the date of obtaining the approval of the regulatory authority.

Profit (loss) from discontinued operations amounted to a profit of SAR 652 thousand in the fiscal year 2020G, and a loss of SAR 638 thousand and SAR 4 thousand in the fiscal years 2021G and 2022G, respectively.

Losses from discontinued operations amounted to SAR 2 thousand and SAR 39 thousand in the six-month period ending 30 June 2022G and 2023G, respectively.

5-5-1-1 Revenues by sector

Table 27: Revenues by sector for the fiscal years ending December 31, 2020, 2021, 2022, the six-month period ending June 30, 2022, and the six-month period ending June 30, 2023.

(SAR '000)	Fiscal Year 2020G (Management Information)	Fiscal Year 2021G (Management Information)	Fiscal Year 2022G (Management Information)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G - 2022G	Six-month period ending on June 30, 2022 (Management Information)	Six-month period ending on June 30, 2023G (Management Information)	Change for the period 2022G - 2023G
Fittings	69,601	56,837	85,825	(18.3%)	(51.0%)	(11.0%)	36,779	44,027	19.7%
Metallic	18,614	20,922	20,071	12.4%	(4.1%)	3.8%	5,849	3,283	(43.9%)
Non-metallic	50,987	35,915	65,755	(29.6%)	83.1%	13.6%	30,929	40,744	31.7%
Pipes	187,207	184,724	284,413	(1.3%)	54.0%	23.3%	123,057	241,651	96.4%
Metallic	98,928	91,159	112,546	(7.9%)	23.5%	6.7%	52,152	107,736	106.6%
Non-metallic	88,279	93,565	171,867	6.0%	83.7%	39.5%	70,905	133,915	88.9%
Other products	101,433	77,419	60,089	(23.7%)	(22.4%)	(23.0%)	34,436	22,044	(36.0%)
Other services	63,668	58,925	38,113	(7.4%)	(35.3%)	(22.6%)	26,113	32,406	24.1%
Total manufacturing and piping technology segment, net	421,909	377,905	468,440	(10.4%)	24.0%	(5.1%)	220,384	240,127	54.3%
Water management sector	19,114	61,006	40,377	219.2%	(33.8%)	45.3%	20,769	23,633	13.8%
Total	441,023	438,911	508,817	(0.5%)	15.9%	7.4%	241,153	363,760	50.8%
Number of units sold / number of projects									
Fittings (thousand pieces)	263	264	208	1	(56)	(55)	71	70	(1)
Metallic	19	16	8	(3)	(8)	(11)	4	2	(2)
Non-metallic	244	248	200	4	(48)	(44)	67	68	1
Pipes (thousand meters)	1,059	850	620	(209)	(230)	(439)	313	434	121
Metallic	394	236	175	(158)	(61)	(219)	74	141	67

(SAR '000)	Fiscal Year 2020G (Management Information)	Fiscal Year 2021G (Management Information)	Fiscal Year 2022G (Management Information)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G - 2022G	Six-month period ending on June 30, 2022 (Management Information)	Six-month period ending on June 30, 2023G (Management Information)	Change for the period 2022G - 2023G
Non-metallic	665	614	445	(51)	(169)	(220)	239	293	54
Water Management Sector (Number of Projects)	8	5	5	(3)	0	(3)	5	5	0

Source: Management Information

Manufacturing and Pipe Technology Sector

It includes the Amiantit Fiberglass Manufacturing Company Limited (AFIL) factory, the Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited (SADP) factory, the Amiantit Rubber Manufacturing Company Limited (ARIL) factory, Bondstrand Company Limited (Bondstrand), Saudi Amicon Company Limited (Amicon), Amitech Astana LLC, and the discontinued operations of Ameron Saudi Arabia Limited (ASAL) and Saudi Arabian Concrete Products Company Limited (SACOP).

Fittings

Fitting sales decreased by SAR 12.8 million from SAR 69.6 million in fiscal year 2020G to SAR 56.8 million in fiscal year 2021G as a result of a 31.8% decrease in the average selling price for non-metallic assemblies from SAR 209 to SAR 145 during the same period. Fitting sales increased by 51.0% to reach SAR 85.8 million in fiscal year 2022G due to the completion of outdated customer orders, which were priced at a lower average selling price, as the Group was subject to sales contracts that included fixed prices, which coincided with new customer orders, that were priced at a higher average selling price.

Fittings sales increased by 19.7% from SAR 36.8 million in the six-month period ending 30 June 2022G to SAR 44.0 million in the six-month period ending 30 June 2023G. This is due to an increase in the average selling price of non-metallic fittings by 29.2% from SAR 461 to SAR 595 during the same period, in line with the rise in global commodity prices.

Pipes

Pipe sales decreased by 1.3% from SAR 187.2 million in fiscal year 2020G to SAR 184.7 million in fiscal year 2021G. This is due to a decrease in metal pipe sales by SAR 7.8 million as a result of a decrease in quantities sold by 158 thousand meters. This was offset by an increase in non-metallic pipe sales by SAR 5.3 million during the same period due to the increase in the average selling price from SAR 133 to SAR 153 during the same period.

Pipe sales increased by 54.0% to reach SAR 284.4 million in the fiscal year 2022G. This was due to the completion of obsolete customer orders, which were priced at a lower average selling price, as the group was subject to sales contracts that included fixed prices, which coincided with new customer orders that were priced at a higher average selling price.

Pipe sales increased by SAR 118.6 million from SAR 123.1 million in the six-month period ending 30 June 2022G to SAR 241.7 million in the six-month period ending 30 June 2023G, as a result of an increase in sales of metallic and non-metallic pipes by SAR 55.6 million, and SAR 63.0 million during the same period, respectively. It should be noted that the increase in the sales of metal pipes is due to the increase in the quantities sold by 91.7%, from 74 thousand meters to 141 thousand meters, while the increase in sales of non-metallic pipes is due to the increase in the average selling price by 54%, from SAR 297 to SAR 456 during the same period.

Other Products

Other products decreased by 23.7% from SAR 101.4 million in the fiscal year 2020G to SAR 77.4 million in the fiscal year 2021G. This is due to a decrease in mineral products by SAR 11.4 million and non-metallic products by SAR 12.6 million. This is due to a decrease in Sales of steel coils, which were sold through the group's now-defunct subsidiary, (ASAL) in addition to a decline in sales of pipes and accessories.

Sales of other products continued to decline by SAR 17.3 million to reach SAR 60.1 million due to a decrease in non-metallic products by SAR 19.8 as a result of a decrease in the quantities sold in line with the decrease in the number of customer orders. This was offset by an increase in sales of mineral products by SAR 2.4 million.

Other products decreased by 36.0% from SAR 34.4 million in the six-month period ending 30 June 2022G to SAR 22.0 million in the six-month period ending 30 June 2023G as a result of an increase in sales of metallic and non-metallic products by SAR 8.3 million and SAR 4.1 million, respectively.

Other Services

Other services include engineering and installation services, the Extracts of which depend on the completion rates in each period. These services are provided by Infrastructure Engineering Contracting GmbH and PWT Wasser und Abwassertechnik GmbH (PWT).

Other services decreased by 7.4% from SAR 63.7 million in fiscal year 2020 to SAR 58.9 million in fiscal year 2021G, as a result of a decrease in engineering and installation services due to delays in several ongoing projects.

Other services continued to decrease by SAR 20.8 million to reach SAR 38.1 million in the fiscal year 2022G, due to the group's management's decision to acquire a greater number of short-term projects due to their more profitable nature.

Other services increased by 24.1% from SAR 26.1 million in the six-month period ending 30 June 2022G to SAR 32.4 million in the six-month period ending 30 June 2023G as a result of the increase in engineering and installation services as a result of the increase in the number of ongoing projects.

Water Management Sector

The Water Management segment includes PWT Wasser-und Abwassertechnik GmbH (PWT Germany) Infrastructure Management and Operations GmbH.

Water management sector revenues increased by SAR 41.9 million from SAR 19.1 million in the fiscal year 2020G to SAR 61.0 million in the fiscal year 2021G. This is due to the increased pace of work in the Al-Nawasir project, the Hadd Al-Sawalim project, and the Samawah project, in addition to several other projects.

Water management sector revenues decreased by SAR 20.6 million to reach SAR 40.4 million in the fiscal year 2022G as a result of not recording revenues from the Samawah project due to the discontinuation of work on the project. This was accompanied by a decrease in the revenues of the Al-Nawasir project as the project completion was approaching. It should be noted that the project is expected to be completed in the fiscal year 2023G.

Water management sector revenues remained stable at the equivalent of an average of SAR 22.2 million during the period between the six-month period ending on 30 June 2022G and 2023G.

It is worth noting that during the first half of the six-month period ending on 30 June 2023G, the Group secured 4 new water infrastructure projects listed below:

1. The Granetalsperre project, located in Germany, with a contract value of 1.5 million euros with an expected completion date of July 2023G.
2. The project is located in Odenwaldquelle, Germany, with a contract value of 795 thousand euros with an expected completion date in October 2023.
3. The BHKW Bremen Kühlwasser project located in Germany, with a contract value of 96 thousand euros and a completion date of April 2023G.
4. The Himara project is located in Albania, with a contract value of 10.7 million euros and an expected completion date of December 2025G.

5-5-1-2 Revenues by region

Table 28: Revenues by region for the fiscal years ending December 31, 2020, 2021, and 2022, the six-month period ending June 30, 2022, and the six-month period ending June 30, 2023.

(SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G -2022	Six-month period ending on June 30, 2022G - Reviewed	Six-month period ending on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
Central Region	56,875	48,346	77,319	(15.0%)	59.9%	16.6%	20,962	91,629	337.1%
Western Region	71,036	22,841	15,301	(67.8%)	(33.0%)	(53.6%)	6,536	5,898	(9.8%)
Eastern Province	217,238	244,742	269,723	12.7%	10.2%	11.4%	150,003	205,351	36.9%
European area	15,482	29,357	34,965	89.6%	19.1%	50.3%	12,474	19,215	54.0%
Exports and other foreign subsidiaries	80,392	93,625	111,509	16.5%	19.1%	17.8%	51,178	41,667	(18.6%)
Total	441,023	438,911	508,817	(0.5%)	15.9%	7.4%	241,153	363,760	50.8%

(SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G -2022	Six-month period ending on June 30, 2022G - Reviewed	Six-month period ending on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
As a percentage of total revenue				Percentage point			As a percentage of total revenue		Percentage point
Central Region	12.9%	11.0%	15.2%	(1.9)	4.2	2.3	8.7%	25.2%	189.8%
Western Region	16.1%	5.2%	3.0%	(10.9)	(2.2)	(13.1)	2.7%	1.6%	(40.2%)
Eastern Province	49.3%	55.8%	53.0%	6.5	(2.8)	3.8	62.2%	56.5%	(9.2%)
European area	3.5%	6.7%	6.9%	3.2	0.2	3.4	5.2%	5.3%	2.1%
Exports and other foreign subsidiaries	18.2%	21.3%	21.9%	3.1	0.6	3.7	21.2%	11.5%	(46.0%)

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and reviewed financial statements for the six-month period ending on June 30, 2023.

The group operates in the Kingdom of Saudi Arabia, Europe, and the Gulf Cooperation Council countries.

The Group's revenue concentration by region changed in fiscal year 2020G from 21.7% and 78.3% for exports, other foreign subsidiaries, and domestic sales, respectively, to 28.8% and 71.2% in fiscal year 2022G, for exports, other foreign subsidiaries, and domestic sales, respectively. It should be noted that the change in sales focus is due to the expansion of the group's geographical presence.

The group's revenue concentration by region changed in the six-month period ending 30 June 2022G from 73.6% and 26.4% for exports, other foreign subsidiaries and domestic sales, respectively, to 83.3% and 16.7% in the six-month period ending 30 June 2023G for exports. And other foreign subsidiaries and local sales, respectively, due to the positive impact resulting from the Local Content Authority and government procurement on the group's local sales.

5-5-1-3 Cost of Revenues

Table 29: Cost of revenues for the fiscal years ending December 31, 2020, 2021, and 2022, the six-month period ending June 30, 2022, and the six-month period ending June 30, 2023.

(SAR '000)v	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G - 2022G	Six-month period ending on June 30, 2022G - Reviewed	Six-month period ending on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
Materials used	223,888	215,683	254,890	(3.7%)	18.2%	6.7%	117,348	173,113	47.5%
Cost of Staff	165,779	147,064	139,897	(11.3%)	(4.9%)	(8.1%)	72,540	77,967	7.5%
Transportation cost	18,988	13,878	18,976	(26.9%)	36.7%	(0.0)	7,493	13,129	75.2%
Depreciation and amortization	24,964	23,848	18,754	(4.5%)	(21.4%)	(13.3%)	9,532	12,546	31.6%
Consumables and spare parts	21,360	28,973	15,904	35.6%	(45.1%)	(13.3%)	8,010	11,200	39.8%
Electricity, gas and water	14,056	13,782	15,990	(1.9%)	16.0%	28.5%	6,234	7,294	17.0%
Repair and maintenance	3,441	7,735	3,406	124.8%	(56.0%)	(0.5%)	2,085	1,052	(49.6%)
Professional fees	3,584	2,797	1,781	(22.0%)	(36.3%)	(29.5%)	1,023	1,579	54.3%
Rental space	3,118	1,841	1,337	(41.0%)	(27.4%)	(34.5%)	864	367	(57.5%)
Provision for Inventory obsolescence	3,500	5,022	(260)	43.5%	(105.2%)	15.7%	(2,207)	-	(100.0%)
Provision for Guarantees	4,038	(1,298)	(454)	(132.1%)	(65.0%)	N/A	(477)	(1,436)	201.0%
Reversal of impairment of property, plant and equipment	-	-	(36,624)	N/A	N/A	N/A	N/A	N/A	N/A
Write-off of contractual assets during the year	-	44,631	-	N/A	(100.0%)	(13.5%)	-	-	-

(SAR '000)v	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G - 2022G	Six-month period ending on June 30, 2022G - Reviewed	Six-month period ending on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
Other	19,455	11,496	15,541	(40.9%)	35.2%	(10.6%)	4,928	8,603	74.6%
Total	506,171	515,452	449,138	1.80%	(12.9%)	(5.8%)	227,375	305,414	34.3%
Key Performance Indicators									
Number of Employees	1,846	1,488	1,428	(358)	(60)	(418)	1,383	1,116	(267)
Monthly cost per employee	7,484	8,236	8,164	10.1%	(0.9%)	4.4%	8,742	11,644	33.2%
As a percentage of revenue									
Materials used	50.8%	49.1%	50.1%	(1.6)	1	(0.7)	48.7%	47.6%	(1.1)
Cost of Staff	37.6%	33.5%	27.5%	(4.1)	(6)	(10.1)	30.1%	21.4%	(8.6)
Transportation cost	4.3%	3.2%	3.7%	(1.1)	0.6	(0.6)	3.1%	3.6%	0.5
Depreciation and amortization	5.7%	5.4%	3.7%	(0.2)	(1.7)	(2)	4.0%	3.4%	(0.5)
Consumables and spare parts	4.8%	6.6%	3.1%	1.8	(3.5)	(1.7)	3.3%	3.1%	(0.2)
Telephone and electricity	3.2%	3.1%	3.1%	(0.0)	0.0	(0.0)	-	-	-
Repair and maintenance	0.8%	1.8%	0.7%	1.0	(1.1)	(0.1)	-	-	-
Professional fees	0.8%	0.6%	0.4%	(0.2)	(0.4)	(0.5)	-	-	-
Rental space	0.7%	0.4%	0.3%	(0.3)	(0.2)	(0.4)	0.4%	0.1%	(0.3)
Allowance for obsolete inventory	0.8%	1.1%	(0.1%)	0.4	(1.2)	(0.8)	(0.9%)	0.0%	0.9
Provision for GOSI	0.9%	(0.3%)	(0.1%)	(1.2)	0.2	(1.0)	(0.2%)	(0.4%)	(0.2)
Reversal of impairment of property, plant and equipment	0.0%	0.0%	(7.2%)	-	(7.2)	(7.2)	-	-	-
Write-off of contractual assets during the year	0.0%	10.2%	0.0%	10.2	(10.2)	-	-	-	-
Other	4.4%	2.6%	3.1%	(1.8)	0.4	(1.4)	2.0%	2.4%	0.3
Total	114.8%	117.4%	88.3%	2.7	(29.2)	(6.5)	94.3%	84.0%	(10.3)

Materials Used

The cost of materials used represents the equivalent of 47.6% of the total cost of revenues in the fiscal years 2020G, 2021G and 2022G, and represents the equivalent of 54.1% of the total cost of revenues in the six-month period ending on 30 June 2022G and 2023G.

Materials used decreased by 3.7% from SAR 223.9 million in fiscal year 2020G to SAR 215.7 million in fiscal year 2021G in line with the decrease in quantities sold during the same period, in addition to the decrease in raw material prices.

The materials used increased by 18.2% to reach SAR 254.9 million in the fiscal year 2022G. This is due to the global rise in commodity prices, in addition to a higher concentration of high-quality raw materials in line with meeting customer demand for high-quality products.

The materials used increased by 47.5% from SAR 117.3 million in the six-month period ending on 30 June 2022G to SAR 173.1 million in the six-month period ending on 30 June 2023G, in line with the increase in revenues during the same period, due to the increase in the average selling price and quantities sold mainly from the pipe sector.

Staff Cost

The Staff cost mainly includes the salaries of factory employees, salaries of seconded workforce, overtime and other allowances.

The employee cost represents the equivalent of 30.8% of the total cost of revenues in the fiscal years 2020G, 2021G and 2022G, and represents the

equivalent of 25.8% of the total cost of revenues in the six-month period ending on 30 June 2022G and 2023G.

Staff costs decreased by 11.3% from SAR 165.8 million in the fiscal year 2020 to SAR 147.1 million in the fiscal year 2021, and then decreased by 4.9% to SAR 139.9 million in the fiscal year 2022G. This is mainly due to the group's initiative to reduce Cost of revenue, which included implementing automation across the various stages of production, and closely monitoring the efficiency of the workforce.

The cost of employees increased from SAR 72.5 million in the six-month period ending on 30 June 2022G to SAR 78.0 million in the six-month period ending on 30 June 2023G, as the group decided to appoint a smaller number of employees with lower salaries in exchange for a larger number of employees with higher salaries in line with the increase in quantities sold during the period. This resulted in an increase in the average monthly cost per employee from SAR 8.7 thousand to SAR 11.6 thousand, partially offsetting a decrease in the number of employees from 1,383 employees to 1,116 employees.

Transportation Cost

The transportation cost mainly includes the cost of transporting supply and storage operations and transporting goods to customers between cities within the Kingdom, in addition to transporting employees and other operational transport costs.

Transportation costs decreased by 26.9% from SAR 18.9 million in fiscal year 2020G to SAR 13.9 million in fiscal year 2021G, in line with the decrease in quantities sold during the same period and consequently fewer deliveries, specifically to GCC countries.

Transportation costs increased by 36.7% to reach SAR 19.0 million in fiscal year 2022G, in line with the rise in fuel prices and logistics services prices during the same period.

The cost of transportation increased from SAR 7.5 million in the six-month period ending on 30 June 2022G to SAR 13.1 million in the six-month period ending on 30 June 2023G, in line with the increase in the number of customer orders, which required the use of a larger number of trucks from the group. This coincided with an increase in fuel prices during the same period, and thus led to an increase in the cost of transportation.

Depreciation and Amortization

Depreciation and amortization continued to decline during the fiscal years 2020G, 2021G, and 2022G, as it decreased by 4.5% from SAR 25.0 million in the fiscal year 2020G to SAR 23.8 million in the year 2021G, then decreased by 21.4% to reach SAR 18.8 million in the fiscal year 2022G. This is due to the decrease in additions, in addition to the increase in accumulated depreciation of the group's property and equipment.

Depreciation and amortization increased by 31.6% from SAR 9.5 million in the six-month period ending on 30 June 2022G to SAR 12.5 million in the six-month period ending on 30 June 2023G as a result of the increase in additions to the group's property and equipment during the same period.

Consumables and Spare Parts

It consists mainly of consumables used in the production cycle and spare parts required for maintenance of the plant and group machines.

The cost of consumables and spare parts increased by 35.6% to SAR 29.0 million in fiscal year 2021G. This is due to an increase in consumables by SAR 7.6 million, due to engineering and installation services, which witnessed an increase in revenues of SAR 10.2 million during the same period.

The cost of consumables and spare parts decreased by 61.1% to reach SAR 15.9 million in the fiscal year 2022G in line with the group's operational needs, in addition to implementing procedures and policies to reduce the cost of revenues.

The cost of consumables and spare parts increased by 39.8% from SAR 8.0 million in the six-month period ending 30 June 2022G to SAR 11.2 million in the six-month period ending 30 June 2023G, in line with the increase in revenues during the same period, in addition to the increase in the average of utilization of the group's production capacity during the same period.

Electricity, Gas and Water

The cost of electricity, gas and water decreased slightly from SAR 14.1 million in fiscal year 2020G to SAR 13.8 million in fiscal year 2021G in line with the decline in production and operation during the period.

The cost of electricity, gas and water increased by 16.0% to reach SAR 16.0 million in the fiscal year 2022G. This is due to a higher percentage of heavy products, as the quantities sold decreased during the same period. It should be noted that the cost of electricity, gas and water remained stable as a percentage of total revenues, which represented 3% of total revenues during the fiscal years 2020G, 2021G, and 2022G.

The cost of electricity, gas and water increased by 17.0% from SAR 6.2 million in the six-month period ending on 30 June 2022G to SAR 7.3 million in the six-month period ending on 30 June 2023G, in line with the increase in the quantities sold during the same period.

Repair and Maintenance

Repair and maintenance costs mainly include repairs and maintenance of plant, machinery and operational equipment that are used for production.

Repair and maintenance costs increased by 124.8% from SAR 3.4 million in fiscal year 2020G to SAR 7.7 million in fiscal year 2021G, due to an increase in unscheduled maintenance on the group's machines.

Repair and maintenance costs decreased by 56.0% to reach SAR 3.4 million in the fiscal year 2022G, due to the maintenance and repair work that was carried out in the previous fiscal year 2021G.

Repair and maintenance costs decreased slightly from SAR 2.1 million in the six-month period ending 30 June 2022G to SAR 1.1 million in the six-month period ending 30 June 2023G, in line with the group's operational needs.

Professional Fees

The professional fees relate to technical consulting fees for the water management sector, related to the activity of PWT Germany, one of the foreign subsidiaries with the company group.

Professional fees continued to decline during the fiscal years 2020G, 2021G, and 2022G, as they decreased by 22.0% from SAR 3.6 million in the fiscal year 2020G to SAR 2.8 million in the fiscal year 2021G, then they decreased by 36.3% to reach SAR 1.8 in the fiscal year 2022G due to a smaller number of IT consultations.

Professional fees increased by 54.3% from SAR 1 million in the six-month period ending on 30 June 2022G to SAR 1.6 million in the six-month period ending on 30 June 2023G as a result of the group obtaining many consulting services, which included studying the impact of the Local Content and Government Procurement Authority and consultations related to the impairment of property and equipment in accordance with International Financial Reporting Standards.

Rents Space

It relates to the costs associated with cleaning services for the Arabian Peninsula Group subsidiary.

The cost of rental space continued to decline during the fiscal years 2020G, 2021G, and 2022G, as it decreased by 41.0% from SAR 3.1 million in the fiscal year 2020G to SAR 1.8 million in the fiscal year 2021G, then it decreased by 27.4% to reach SAR 1.3 million in the fiscal year 2022G, as a result of a decrease in rented areas and thus a decrease in cleaning costs.

The cost of rental space decreased from SAR 864 thousand in the six-month period ending 30 June 2022G to SAR 367 thousand in the six-month period ending 30 June 2023G due to a decrease in space requirements and storage requirements.

Allowance for Obsolete Inventory

Allowance for obsolete inventory relates to wasted inventory, which according to the company is calculated on the basis of the net realizable value of the current inventory.

The inventory obsolescence allowance increased from SAR 3.5 million in 2020G to SAR 5.0 million in 2021G, in line with the aging of the company's inventory.

During the fiscal year 2022G, the Group recorded a reversal of inventory obsolescence allowance of SAR 261 thousand due to the sale of obsolete products, for which it was previously allocated.

During the six-month period ending 30 June 2022G, the Group recorded a reversal of inventory obsolescence allowance of SAR 2.2 million, due to the sale of obsolete pipes that were previously allocated to it vis-à-vis nothing in the six-month period ending on 30 June 2023G.

Provision for Warranty

Warranty provision costs relate to estimated warranty costs, while the company does not have a unified warranty policy for its products as policies vary based on products sold and supply contracts.

The group recorded a guarantee provision amounting to SAR 4.0 million in the fiscal year 2020G in accordance with the warranty terms for products and supply contracts during the same period.

During the fiscal years 2021G and 2022G, the Group recorded a reversal of the warranty provision in the amount of SAR 1.3 million and SAR 454 thousand, respectively, due to the expiration of a number of warranty policies that were previously allocated and did not result in any claims.

The Group recorded a reversal of a provision for warranty amounting to SAR 477 thousand in the six-month period ending on 30 June 2022G in accordance with the warranty terms for products and supply contracts during the same period. The Group recorded a reversal of a warranty provision amounting to SAR 1.4 million in the six-month period ending 30 June 2023G due to the expiry of the warranty on products sold by the Group in connection with long-term projects.

Reversal of Impairment of Property, Plant and Equipment

The Group recorded a reversal of impairment of property, plant and equipment by SAR 36.6 million in the financial year 2022G of the group's

subsidiary SADEP Company, upon conducting an impairment test for property, plant and equipment, which determined that the cash-generating units had a recoverable value of SAR 295.6 million, which is higher than the carrying value that amounts to SAR 245.2 million.

Write-Off of Contractual Assets during the Year

The group recorded a write-off of contractual assets during the fiscal year 2021G amounting to SAR 44.6 million in relation to the Water Management Sector Project in Samawah in the State of Iraq.

Other Costs

Other expenses consist of miscellaneous and internal group expenses, property damage, travel-related expenses, a provision related to a shareholder in the group's subsidiary Amicon, and various other fees.

Other costs decreased by 40.9% from SAR 19.5 million in fiscal year 2020 to SAR 11.5 million in fiscal year 2021G due to the group's continuous efforts to reduce costs.

Other costs increased by 35.2% to reach SAR 15.5 million in the fiscal year 2022G due to recording a provision for contractual assets worth SAR 2.0 million related to the group's other services sector, in addition to customs fines expenses worth SAR 1.3 million during the same period.

Other costs increased from SAR 4.9 million in the six-month period ending on 30 June 2022G to SAR 8.6 million in the six-month period ending on 30 June 2023G. This is due to a customs fine expense of SAR 760 thousand, in addition to an insurance expense of SAR 326 thousand in relation to property damage. This was coupled with an increase in travel expenses during the same period.

5-5-1-4 Selling, general and administrative expenses

Table 30: Selling, general and administrative expenses for the fiscal years ending on December 31, 2020, 2021, and 2022 and for the six-month period ending on June 30, 2022 and 2023.

(SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G - 2022G	Six-month period ending on June 30, 2022G - Reviewed	Six-month period ending on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
Employee benefits	36,974	44,333	36,734	19.9%	(17.1%)	(0.3%)	19,827	22,284	12.4%
Professional fees	20,643	14,102	13,147	(31.7%)	(6.8%)	(20.2%)	5,122	6,461	26.1%
Information and communication technology	10,230	7,100	7,653	(30.6%)	7.8%	(13.5%)	3,693	4,140	12.1%
Depreciation and amortization	7,172	6,986	7,004	(2.6%)	0.3%	(1.2%)	3,396	3,290	(3.1%)
Repair and maintenance	1,450	1,407	2,394	(3.0%)	70.1%	28.5%	1,145	2,232	94.9%
Travel	1,238	1,009	1,826	(18.5%)	81.0%	21.4%	865	1,774	105.1%
Marketing and sales commissions	520	(377)	703	(172.5%)	(286.5%)	16.3%	304	113	(62.8%)
Other	10,036	15,710	13,433	56.5%	(14.5%)	15.7%	6,234	9,026	44.8%
Total	88,263	90,270	82,894	2.3%	(8.2%)	(3.1%)	40,586	49,320	21.5%
Key Performance Indicators									
Number of Employees	339	290	254	(49)	(36)	(85)	262	253	(9)
Monthly cost per employee	9,089	12,739	12,052	40.2%	(5.4%)	15.2%	12,613	14,680	16.4%
As a percentage of revenue									
Employee benefits	8.4%	10.1%	7.2%	1.7	(2.9)	(1.2)	8.2%	6.1%	(2.1)
Professional fees	4.7%	3.2%	2.6%	(1.5)	(0.6)	(2.1)	2.1%	1.8%	(0.3)

(SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual change 2020G - 2021G	Annual change 2021G - 2022G	CAGR 2020G - 2022G	Six-month period ending on June 30, 2022G - Reviewed	Six-month period ending on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
Information and communication technology	2.3%	1.6%	1.5%	(0.7)	(0.1)	(0.8)	1.5%	1.1%	(0.4)
Depreciation and amortization	1.6%	1.6%	1.4%	0.0	(0.2)	(0.2)	1.4%	0.9%	(0.5)
Travel	0.3%	0.2%	0.4%	(0.1)	0.1	0.1	0.5%	0.6%	0.1
Marketing and sales commissions	0.1%	(0.1%)	0.1%	(0.2)	0.2	0.0	0.4%	0.5%	0.1
Repair and maintenance	0.3%	0.3%	0.5%	0.0	0.1	0.1	0.1%	0.0%	(0.1)
Other	2.3%	3.6%	2.6%	1.3	(0.9)	0.4	2.6%	2.5%	(0.1)
Total	20.0%	20.6%	16.3%	0.6	(4.3)	(3.7)	16.8%	13.6%	(3.3)

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and reviewed financial statements for the six-month period ending on June 30, 2022 & 2023.

Employee Benefits

Employee benefits include management staff salaries, residency renewal fees, and other benefits such as travel tickets, transportation, and housing expenses. Employee benefits represent the equivalent of 45.1% of the total selling, general, and administrative expenses in the fiscal years 2020G, 2021G, and 2022G, and represent the equivalent of 47.0% of the total selling, general, and administrative expenses in the six-month period ending 30 June 2022G and 2023G.

Employee benefits increased by 19.9% from 37.0 million in the fiscal year 2020G to SAR 44.3 million in the fiscal year 2021G, as a result of recording an adjustment a provision for the employee stock ownership program provision in the amount of SAR 7.1 million in the fiscal year 2021G, and this is due to remeasuring the employee stock ownership program.

Employee benefits decreased by 17.1% to reach SAR 36.7 million in the fiscal year 2022G as a result of recording an adjustment provision for the employee stock ownership program provision amounting to SAR 7.1 million in the previous fiscal year 2021G.

Employee benefits increased by 12.4% from SAR 19.8 million in the six-month period ending 30 June 2022G to SAR 22.3 million in the six-month period ending 30 June 2023G. This was due to an increase in outsourcing costs of SAR 1.3 million as evidenced by the increase in the average monthly cost per employee from SAR 12.6 thousand to SAR 14.7 thousand during the same period.

Professional Fees

Professional fees represent internal and external audit services, zakat and value-added tax services, and legal and financial advisory services.

Professional fees decreased by 31.7% from SAR 20.6 million in fiscal year 2020G to SAR 14.1 million in fiscal year 2021G due to fewer legal consulting services from the group's subsidiary, PWT Germany.

Professional fees continued to decrease slightly to reach SAR 13.1 million in the fiscal year 2022G as a result of a smaller number of legal consulting services from the group's subsidiary, PWT Germany.

Professional fees increased by 26.1% from SAR 5.1 million in the six-month period ending 30 June 2022G to SAR 6.5 million in the six-month period ending 30 June 2023G as a result of consultations related to international standards for preparing financial statements required by the group's head of restructuring.

Information Technology and Communications

Information and communications technology expenses decreased by 30.6% from SAR10.2 million in fiscal year 2020 to SAR 7.1 million in fiscal year 202G, in line with the group's strategy to reduce expenses in light of weak liquidity and declining revenues during the same period.

ICT expenses stabilized at SAR 7.4 million during the fiscal years 2021G and 2022G.

Information and communications technology expenses stabilized at SAR 3.9 million during the period between the six months ending 30 June 2022G and 2023G.

Information and communications technology expenses increased by 12.1% from SAR 3.7 million in the six-month period ending 30 June 2022G to SAR 4.1 million in the six-month period ending 30 June 2023G, in line with additional operational needs.

Depreciation and Amortization

Depreciation expense stabilized at SAR 7.1 million during the fiscal years 2020G, 2021G, and 2022G.

Depreciation expense stabilized at SAR 3.3 million during the period between the six months ending 30 June 2022G and 2023G.

Travel Expenses

Travel expenses decreased slightly from SAR 1.2 million in fiscal year 2020G to SAR 1.0 million in fiscal year 2021G, due to the impact of the Corona pandemic, as the group shifted towards virtual meetings in line with cost optimization initiatives.

Travel expenses increased by 81.0% to reach SAR 1.8 million in the fiscal year 2022G, in line with the increase in business trips as part of the group's strategy to grow customer volume.

Travel expenses increased by 105.1% from SAR 865 thousand in the six-month period ending on 30 June 2022G to SAR 1.8 million in the six-month period ending on 30 June 2023G, in line with the increase in business trips as part of the group's strategy to grow customer volume.

Marketing and Sales Commissions

The group has sales agents outside the Kingdom in countries such as China, Emirates, Kuwait and others. Agents' fees represent (2.5%) (5%) of sales (depending on the contract).

Marketing expenses and sales commissions decreased from SAR 520 thousand in the fiscal year 2020G to recording a reversal of (SAR 377) thousand in the fiscal year 2021G in relation to the reversal of a provision recorded in the previous year.

Marketing expenses and sales commissions increased to SAR 703 thousand in the fiscal year 2022G as part of the group's strategy to grow customer volume.

Marketing expenses and sales commissions decreased from SAR 304 thousand in the six-month period ending 30 June 2022G to SAR 113 thousand in the six-month period ending 30 June 2023G due to a decrease in the number of sales agents required to support sales activity.

Repair and Maintenance

Repair and maintenance costs relate to the repair of office equipment such as computers and other office equipment.

Repair and maintenance expenses stabilized at SAR 1.4 million during the fiscal years 2020G and 2021G.

Repair and maintenance expenses increased by 70.1% to reach SAR 2.4 million in the fiscal year 2022, in line with the group's needs.

Repair and maintenance expenses increased from SAR 1.1 million in the six-month period ending 30 June 2022G to SAR 2.2 million in the six-month period ending 30 June 2023G, in line with the group's maintenance requirements.

Other expenses

Other expenses consist of property and vehicle insurance expenses, public services such as electricity and water, and other administrative expenses.

Other expenses increased by 56.5% from SAR 10.0 million in the fiscal year 2020G to SAR 15.7 million in the fiscal year 2021G, due to the increase in miscellaneous expenses by SAR 1.8 million related to machinery rental expenses, such as cranes and excavators associated with the Water Management Sector. This was coupled with an increase in the following:

1. Administration and advertising expenses in the amount of SAR 841 thousand in relation to the amount of SAR 623 thousand associated with the program provision and Employee Stock Ownership Reserve Program,
2. Office and postage expenses amounting to SAR 677 thousand,
3. Legal fees amounting to SAR 327 thousand,
4. Rent expenses in the amount of SAR 669 related to the fiscal year 2020G, as the group did not record the accrual of rent expenses in the fiscal year 2020G in anticipation of an expected rent discount during the same period that did not materialize.

Other expenses decreased to reach SAR 13.4 million in the fiscal year 2022G due to not incurring rental expenses, in addition to a decrease in customs duties amounting to SAR 921 thousand and office expenses amounting to SAR 876 thousand, in line with the group's strategy to reduce costs.

Other expenses increased from SAR 6.2 million in the six-month period ending 30 June 2022G to SAR 9.0 million in the six-month period ending 30 June 2023G due to the increase in the following:

1. Knowledge fees (SAR+2.4 million)
2. Administrative facilities (SAR + 765 thousand)
3. Restructuring expense for the group's subsidiary, PWT Germany, amounting to SAR 552 thousand.

5-5-1-5 Other revenues

Table 31: Other revenues for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and for the six-month period ending on June 30, 2022G, and 2023G

(SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual change 2020G - 2021G	Annual change 2021G -2022G	CAGR 2020G - 2022G	Six-month period ending on June 30, 2022G - Reviewed	Six-month period ending on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
Foreign Exchange Differences	(9,755)	1,422	(2,202)	(114.6%)	(254.9%)	(52.5%)	2,957	2,214	(25.1%)
Supplier Discount Adjustment Profit	-	4,470	738	0.0%	(83.5%)	0.0%	722	-	(100.0%)
Dividends from associate companies recognized at cost	-	-	1,258	0.0%	0.0%	0.0%	1,258	-	(100.0%)
Reversal (provision) on an unconfirmed bank balance	-	(5,124)	5,124	0.0%	(200.0%)	0.0%	475	-	(100.0%)
Reverse (provision) agency fees	-	-	3,529	0.0%	0.0%	0.0%	3,529	-	(100.0%)
Profits from the sale of real estate investments	-	-	13,894	0.0%	0.0%	0.0%	13,894	-	(100.0%)
Receiving unclaimed over-payments	-	2,705	6,000	0.0%	121.8%	0.0%	-	-	N/A
Profits from revaluation of real estate investments	-	-	3,290	0.0%	0.0%	0.0%	-	-	N/A
Clearing customs duties on goods in transit	-	-	2,669	0.0%	0.0%	0.0%	1,764	-	(100.0%)
Loan Rescheduling Adjustment Profit	12,484	20,063	-	60.7%	0.0%	N/A	-	-	N/A
Profit (loss) on the sale of equity-accounted investments, net	(18,551)	12,412	-	(166.9%)	0.0%	N/A	-	1,350	N/A
Modify employee share option plan	(26,779)	-	-	(100.0%)	0.0%	0.0%	-	-	N/A
Impairment of investment accounted for using the equity method	(9,909)	-	-	(100.0%)	0.0%	0.0%	-	-	N/A
Loss on disposal of property, plant and equipment	-	(719)	-	-	(100.0%)	0.0%	138	-	N/A
Impairment of goodwill	-	-	-	0.0%	0.0%	0.0%	-	(1,600)	(100.0%)
VAT penalty	-	-	-	0.0%	0.0%	0.0%	-	(2,490)	(100.0%)
Miscellaneous income	1,247	5,007	80	301.5%	(98.4%)	(74.7%)	(12)	3,407	(28491.7%)
Total other income	(51,263)	40,236	34,518	(178.5%)	(14.2%)	N/A	24,725	2,881	(88.3%)

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and reviewed financial statements for the six-month period ending on June 30, 2022 & 2023.

Foreign Exchange Differences

Foreign currency differences relate to foreign currency translation expenses of foreign subsidiaries to the Group.

Foreign currency differences amounted to an expense of (SAR 9.8) million in the fiscal year 2020, a profit of SAR 1.4 million in the fiscal year 2021G, and an expense of (SAR 2.2) million in the fiscal year 2022.

Foreign currency differences amounted to a profit of SAR 3.0 million in the six-month period ending on 30 June 2022G, and a profit of SAR 2.2 million in the six-month period ending on 30 June 2023G.

Supplier Discount Settlement Profit

The profit from settling the supplier discount amounted to SAR 4.5 million in the fiscal year 2021G and SAR 738 thousand in the fiscal year 2022G and relates to the settlement of a late balance for a supplier in a pre-determined amount.

The profit from adjusting the supplier discount amounted to SAR 722 thousand in the six-month period ending on 30 June 2022G.

Dividends From Associate Companies Recognized at Cost

Dividend distributions from associate companies recorded at cost amounted to SAR 1.3 million in the fiscal year 2022G and in the six-month period ending on 30 June 2022G, and related to dividends received from Amplo Germany, where the group's ownership percentage amounted to 2.75%. The investment was accounted for using the cost method.

Reversal (Provision) on an Unconfirmed Bank Balance

The Group recorded a reversal of a provision on an unconfirmed bank balance of SAR 5.1 million in the fiscal year 2022G in relation to a provision recorded in the fiscal year 2021G as a result of the lack of confirmation from the bank of the bank account balance with the group from the legal auditor when reviewing the financial statement accounts for the fiscal year 2021G. Confirmation was obtained from the bank later in the fiscal year 2022G.

The Group recorded a reversal of a provision on an unconfirmed bank balance of SAR 475 thousand in the six-month period ending 30 June 2022G in relation to a provision recorded in the fiscal year 2021G as a result of the lack of confirmation from the bank of the bank account balance with the Group from the legal auditor when reviewing the accounts financial statements for the fiscal year 2021G, as confirmation was obtained from the bank later in the fiscal year 2022G.

Reverse (Provision) Agency Fees

The Group reversed a provision amounting to SAR 3.5 million in the six-month period ended 30 June 2022G relating to a surplus provision recorded in respect of amounts due to the Group's external sales agents.

Profits from the Sale of Real Estate Investments

Profits from the sale of real estate investments amounted to SAR 13.9 million in the fiscal year 2022G, representing profits from the sale of the Khurais piece of land worth SAR 15.2 million, compared to a book value of SAR 1.3 million.

Profits from the sale of real estate investments amounted to SAR 13.9 million in the six-month period ending on 30 June 2022G. The profit from the sale of the Khurais piece of land amounted to SAR 15.2 million, compared to a book value of SAR 1.3 million.

Receiving Unclaimed Overpayments

The value of unclaimed overpayments amounted to SAR 2.7 million in the fiscal year 2021G and SAR 6.0 million in the fiscal year 2022G and relate to outdated customer balances in addition to overpayments received by some customers.

Profits from Revaluation of Real Estate Investments

Profits from the revaluation of real estate investments amounted to SAR 3.3 million in the fiscal year 2022G in relation to the revaluation of the group's real estate investments in the city of Jubail and the Riyadh industrial city.

Loss on Disposal of Property, Plant and Equipment

The loss from the disposal of property, machinery and equipment amounted to SAR 1.3 million in the fiscal year 2020G and SAR 719 thousand in the fiscal year 2021G in connection with the disposal of assets from the group's subsidiary Ameron.

Loan Rescheduling Settlement Profits

Loan rescheduling settlement gains relate to discounts granted to the Group by its lenders. The profits from the loan rescheduling settlement amounted to SAR 12.5 million in the fiscal year 2020G, and related to a discount from ABC Bank amounting to SAR 6.1 million, and a discount from Samba Bank amounting to SAR 6.7.

The profits from the loan rescheduling settlement amounted to SAR 20.1 million in the fiscal year 2021G and related to a discount of SAR 13.1 million on a loan from Al Baraka Bank and a discount of SAR 6.9 million on a loan from Al Jazira Bank.

Gain (Loss) From the Sale of Equity-Accounted Investments

The (loss) from the sale of equity-accounted investments amounted to (SAR 18.6) million in the fiscal year 2020G and relates to the group's sale of 50% and 49% ownership stakes in AFEC Egypt and Ameron Egypt, respectively, for a total value of SAR 7.5 million where the investment values were completely amortized before selling. It should be noted that the group incurred foreign currency conversion expenses amounting to SAR 23.2 million, resulting in a loss of SAR 15.7 million. In addition, the Group sold a 15% ownership stake in Amensos for SAR 6.3 million as its book value was SAR 7.4 million before the sale, thus recording a loss of SAR 2.9 million after incurring a foreign currency translation expense of SAR 1.8 million. This was coupled with profits from the sale of an equity investment in the amount of SAR 12.4 million in fiscal year 2021G, associated with the group's liquidation of its subsidiary «Amitech Morocco».

Modifying an Employee Share Option Plan

An expense related to amending the employee share option plan by remeasuring the employee stock ownership program amounted to a reversal of SAR 26.8 million in the fiscal year 2020G when remeasuring the employee ownership program during the same period.

Impairment of Equity-Accounted Investment

The impairment of the equity-accounted investment relates to the extinguishment of 50% of the value of Amiblu, which is the equity-accounted investment. The group amortized 50% of the value of Amiblu in the fiscal year 2020G due to the company's poor performance, which led to recording an impairment charge of SAR 9.9 million.

Impairment of Goodwill

Goodwill impairment was an expense of SAR 1.6 million in the six-month period ended 30 June 2023G in relation to partial goodwill impairment, with the total impairment amounting to SAR 4.6 million. The Group sold and merged this investment (a subsidiary) with another entity as of 31 March 2023G. The remaining goodwill balance of SAR 3.0 million is expected to be written off during the remainder of the fiscal year 2023.

VAT Penalty

The VAT penalty amounted to SAR 2.5 million in the six-month period ending 30 June 2023G and relates to VAT payments due relating to the period between 31 January 2023G and 31 May 2023G.

Miscellaneous Income

Miscellaneous income relates to miscellaneous income generated by the Group's subsidiaries.

Miscellaneous revenues increased from revenues of SAR 1.2 million in fiscal year 2020G to SAR 5.0 million in fiscal year 2021G, primarily attributable to (1) accrual reversal in respect of PWT of SAR 4.6 million, as well as revenues from the use of vehicles: Clearance amounting to SAR 304 thousand.

Miscellaneous revenues amounted to SAR 80 thousand in the fiscal year 2022G.

Miscellaneous revenues increased from SAR (12) thousand in the six-month period ending on 30 June 2022G to SAR 3,407 thousand in the six-month period ending on 30 June 2023G in connection with the recovery of an amount of SAR 365 thousand from the Human Resources Development Fund and the reversal of an allocation of SAR 341 thousand in accrued professional fees.

Cash and cash equivalents increased from SAR 53.3 million as of December 2020G to SAR 75.1 million as of 31 December 2021G, as a result of an increase in bank balances of SAR 20.2 million, coinciding with an increase in cash flows from operating activities.

Cash and cash equivalents decreased from SAR 75.1 million as of 31 December 2021G to SAR 41.7 million as of 31 December 2022G, as a result of a decrease in bank balances of SAR 33.1 million coinciding with a decrease in cash flows from operating activities.

Cash and cash equivalents decreased from SAR 41.7 million as of 31 December 2022G to SAR 37.8 million as of 30 June 2023G, coinciding with a decrease in bank balances of SAR 6.4 million during the period.

Foreign Exchange Differences

Foreign currency differences relate to foreign currency translation expenses of foreign subsidiaries to the Group.

Foreign currency differences amounted to an expense of (SAR 9.8) million in the fiscal year 2020, a profit of SAR 1.4 million in the fiscal year 2021G, and an expense of (SAR 2.2) million in the fiscal year 2022.

Foreign currency differences amounted to a profit of SAR 3.0 million in the six-month period ending on 30 June 2022G, and a profit of SAR 2.2 million in the six-month period ending on 30 June 2023G.

Supplier Discount Settlement Profit

The profit from settling the supplier discount amounted to SAR 4.5 million in the fiscal year 2021G and SAR 738 thousand in the fiscal year 2022G and relates to the settlement of a late balance for a supplier in a pre-determined amount.

The profit from adjusting the supplier discount amounted to SAR 722 thousand in the six-month period ending on 30 June 2022G.

Dividends from Sister Companies Recognized at Cost

Dividend distributions from sister companies recorded at cost amounted to SAR 1.3 million in the fiscal year 2022G and in the six-month period ending on 30 June 2022G, and related to dividends received from Amplo Germany, where the group's ownership percentage amounted to 2.75%. The investment was accounted for using the cost method.

Reversal (Provision) on an Unconfirmed Bank Balance

The Group recorded a reversal of a provision on an unconfirmed bank balance of SAR 5.1 million in the fiscal year 2022G in relation to a provision recorded in the fiscal year 2021G as a result of the lack of confirmation from the bank of the bank account balance with the group from the legal auditor when reviewing the financial statement accounts for the fiscal year 2021G. Confirmation was obtained from the bank later in the fiscal year 2022G.

The Group recorded a reversal of a provision on an unconfirmed bank balance of SAR 475 thousand in the six-month period ending 30 June 2022G in relation to a provision recorded in the fiscal year 2021G as a result of the lack of confirmation from the bank of the bank account balance with the Group from the legal auditor when reviewing the accounts financial statements for the fiscal year 2021G, as confirmation was obtained from the bank later in the fiscal year 2022G.

Reverse (Custom) Agency Fees

The Group reversed a provision amounting to SAR 3.5 million in the six-month period ended 30 June 2022G relating to a surplus provision recorded in respect of amounts due to the Group's external sales agents.

Profits from the Sale of Real Estate Investments

Profits from the sale of real estate investments amounted to SAR 13.9 million in the fiscal year 2022G, representing profits from the sale of the Khurais piece of land worth SAR 15.2 million, compared to a book value of SAR 1.3 million.

Profits from the sale of real estate investments amounted to SAR 13.9 million in the six-month period ending on 30 June 2022G. The profit from the sale of the Khurais piece of land amounted to SAR 15.2 million, compared to a book value of SAR 1.3 million.

Receiving Unclaimed Overpayments

The value of unclaimed overpayments amounted to SAR 2.7 million in the fiscal year 2021 AD and SAR 6.0 million in the fiscal year 2022G and relate to outdated customer balances in addition to overpayments received by some customers.

Profits from Revaluation of Real Estate Investments

Profits from the revaluation of real estate investments amounted to SAR 3.3 million in the fiscal year 2022G in relation to the revaluation of the group's real estate investments in the city of Jubail and the Riyadh industrial city.

Loss on Disposal of Property, Plant and Equipment

The loss from the disposal of property, machinery and equipment amounted to SAR 1.3 million in the fiscal year 2020G and SAR 719 thousand in the fiscal year 2021G in connection with the disposal of assets from the group's subsidiary Ameron.

Loan Rescheduling Settlement Profits

Loan rescheduling settlement gains relate to discounts granted to the Group by its lenders. The profits from the loan rescheduling settlement amounted to SAR 12.5 million in the fiscal year 2020G, and related to a discount from ABC Bank amounting to SAR 6.1 million, and a discount from Samba Bank amounting to SAR 6.7.

The profits from the loan rescheduling settlement amounted to SAR 20.1 million in the fiscal year 2021G and related to a discount of SAR 13.1 million on a loan from Al Baraka Bank and a discount of SAR 6.9 million on a loan from Al Jazira Bank.

Gain (Loss) From the Sale of Equity-Accounted Investments

The (loss) from the sale of equity-accounted investments amounted to (SAR 18.6) million in the fiscal year 2020G and relates to the group's sale of 50% and 49% ownership stakes in AFEC Egypt and Ameron Egypt, respectively, for a total value of SAR 7.5 million where the investment values were completely amortized before selling. It should be noted that the group incurred foreign currency conversion expenses amounting to SAR 23.2 million, resulting in a loss of SAR 15.7 million. In addition, the Group sold a 15% ownership stake in Amensos for SAR 6.3 million as its book value was SAR 7.4 million before the sale, thus recording a loss of SAR 2.9 million after incurring a foreign currency translation expense of SAR 1.8 million. This was coupled with profits from the sale of an equity investment in the amount of SAR 12.4 million in fiscal year 2021G, associated with the group's liquidation of its subsidiary «Amitech Morocco».

Modifying an Employee Share Option Plan

An expense related to amending the employee share option plan by remeasuring the employee stock ownership program amounted to a reversal of SAR 26.8 million in the fiscal year 2020G when remeasuring the employee ownership program during the same period.

Impairment of Equity-Accounted Investment

The impairment of the equity-accounted investment relates to the extinguishment of 50% of the value of Amiblu, which is the equity-accounted investment. The group amortized 50% of the value of Amiblu in the fiscal year 2020G due to the company's poor performance, which led to recording an impairment charge of SAR 9.9 million.

Impairment of Goodwill

Goodwill impairment was an expense of SAR 1.6 million in the six-month period ended 30 June 2023G in relation to partial goodwill impairment, with the total impairment amounting to SAR 4.6 million. The Group sold and merged this investment (a subsidiary) with another entity as of 31 March 2023G. The remaining goodwill balance of SAR 3.0 million is expected to be written off during the remainder of the fiscal year 2023.

VAT Penalty

The VAT penalty amounted to SAR 2.5 million in the six-month period ending 30 June 2023G and relates to VAT payments due relating to the period between 31 January 2023G and 31 May 2023G.

Miscellaneous Income

Miscellaneous income relates to miscellaneous income generated by the Group's subsidiaries.

Miscellaneous revenues increased from revenues of SAR 1.2 million in fiscal year 2020G to SAR 5.0 million in fiscal year 2021G, primarily attributable to (1) accrual reversal in respect of PWT of SAR 4.6 million, as well as revenues from the use of vehicles; Clearance amounting to SAR 304 thousand.

Miscellaneous revenues amounted to SAR 80 thousand in the fiscal year 2022G.

Miscellaneous revenues increased from SAR (12) thousand in the six-month period ending on 30 June 2022G to SAR 3,407 thousand in the six-month period ending on 30 June 2023G in connection with the recovery of an amount of SAR 365 thousand from the Human Resources Development Fund and the reversal of an allocation of SAR 341 thousand in accrued professional fees.

5-5-2 Audited statement of financial position

Table 32 : Statement of financial position as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	As of December 31, 2020G (Audited)	As of December 31, 2020G (Audited)	As of December 31, 2022G (Audited)	As of June 30, 2023G (non- Audited)
Assets				
Current assets				
Cash and cash equivalents	53,255	75,136	41,741	37,771
Trade receivables	343,852	253,279	190,442	230,204
Contractual assets	372,358	322,812	296,075	300,797
Prepayments and other receivables	202,731	94,785	73,891	88,697

(SAR '000)	As of December 31, 2020G (Audited)	As of December 31, 2020G (Audited)	As of December 31, 2022G (Audited)	As of June 30, 2023G (non-Audited)
Inventory - Net	271,551	242,122	276,389	268,579
Total current assets	1,243,747	988,134	878,538	926,048
Non-current assets				
Non-current receivables - Net	345,371	326,912	370,803	342,750
Investments registered using the equity method	429,692	407,200	451,120	475,873
Property, plant, and equipment - net	217,319	556,866	563,757	550,352
Right-to-use asset - net	-	5,973	5,581	5,259
Real Estate Investments	-	10,427	10,580	10,580
Intangible assets - net	-	7,386	6,685	5,091
Deferred tax assets	-	802	756	771
Other non-current assets	16,779	-	-	-
Total non-current assets	1,009,161	1,315,566	1,409,282	1,390,676
Total assets	2,252,908	2,303,700	2,287,820	2,316,724
Liabilities and Equity				
Current liabilities				
Loans	1,142,730	1,126,238	1,140,610	1,145,284
Trade payables	325,047	234,939	174,628	187,138
Accrued expenses and other liabilities	87,296	69,548	93,488	117,647
Contractual obligations	81,901	99,240	90,656	78,754
Lease obligations	1,039	895	927	949
Zakat and income tax due	188,195	195,387	200,899	198,639
Total current liabilities	1,826,208	1,726,247	1,701,208	1,728,411
Non-current liabilities				
Provision for end-of-service benefits for employees	66,558	59,835	64,435	64,602
Provision for warranty	8,896	3,289	2,744	1,308
Provision for invalid contracts	175,145	162,174	152,515	155,872
Lease obligations	7,343	5,354	5,731	4,985
Other non-current liabilities	-	2,083	644	644
Total non-current liabilities	257,942	232,735	226,069	227,411
Total Liabilities	2,084,150	1,958,982	1,927,277	1,955,822
Equity				
Capital	320,000	320,000	99,000	99,000

(SAR '000)	As of December 31, 2020G (Audited)	As of December 31, 2020G (Audited)	As of December 31, 2022G (Audited)	As of June 30, 2023G (non-Audited)
Revaluation reserve	-	375,780	373,014	373,014
Statutory reserve	132,176	-	-	-
Accumulated losses	(205,499)	(247,024)	(34,559)	(42,780)
Employee Stock Ownership Program and Reserve	(7,146)	(2,083)	(644)	(644)
Hedging reserve	-	2,430	48,461	49,156
Reserve foreign currency translation	(90,952)	(123,705)	(147,759)	(144,044)
Total shareholders' equity attributable to the Company's shareholders	148,579	325,398	337,513	333,702
Non-controlling interests	20,179	19,320	23,030	27,200
Total Equity	168,758	344,718	360,543	360,902
Total liabilities and equity	2,252,908	2,303,700	2,287,820	2,316,724
Return on assets	(17.5%)	(7.5%)	(0.2%)	(0.2%)
Return on equity	(233.4%)	(50.0%)	(1.4%)	(1.0%)
Debt to Equity Ratio	6.8	3.3	3.2	3.2
Average collection period	361	248	159	133
Average days of inventory turnover	221	182	211	186
Average Pay Period	237	198	166	130

financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and reviewed financial statements for the six-month period ending on June 30, 2023.

* The balance of other non-current assets of 16.8 million Saudi riyals in fiscal year 2020 includes real estate investments (8.3 million Saudi riyals), intangible assets (8.0 million Saudi riyals) and deferred tax assets (543 thousand Saudi riyals), but they were classified as separate items starting as of year financial year 2021G.

5-5-2-1 Cash and Cash equivalent

Table 33: Cash and cash equivalents as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	As of December 31, 2020G (Audited)	As of December 31, 2021G (Modified)	As of December 31, 2022G (Audited)	As of June 30, 2023G (Management Information)
Cash	1,052	853	779	736
Balances at banks	52,152	72,319	39,173	32,728
Term Deposits	51	1,964	1,789	4,308
Total	53,255	75,136	41,741	37,771

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and management information for the six-month period ending on June 30, 2023.

Cash and cash equivalents mainly include current accounts with banks and term deposits with a maturity of less than 3 months.

Cash and cash equivalents increased from 53.3 million Saudi riyals as of December 2020 to 75.1 million Saudi riyals as of December 31, 2021, as a result of an increase in bank balances of 20.2 million Saudi riyals, coinciding with an increase in cash flows from operating activities.

Cash and cash equivalents decreased from 75.1 million Saudi riyals as of December 31, 2021 to 41.7 million Saudi riyals as of December 31, 2022, as a result of a decrease in bank balances of 33.1 million Saudi riyals coinciding with a decrease in cash flows from operating activities.

Cash and cash equivalents decreased from 41.7 million Saudi riyals as of December 31, 2022 to 37.8 million Saudi riyals as of June 30, 2023, coinciding with a decrease in bank balances of 6.4 million Saudi riyals during the period.

5-5-2-2 Trade Receivables

Table 34: Trade receivables as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	As of December 31, 2020G (Audited)	As of December 31, 2021G (Modified)	As of December 31, 2022G (Audited)	As of June 30, 2023G (Non-Audited)
Accounts receivable - third parties	482,615	363,811	288,751	328,131
Accounts receivable - related parties	11,717	15,381	3,696	3,696
Provision for expected credit losses	(150,480)	(125,913)	(102,005)	(101,623)
Total	343,852	253,279	190,442	230,204

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and management information for the six-month period ending on June 30, 2023.

The trade receivables balance relates mainly to third party customers and related parties. Trade receivables are non-interest bearing and generally due within 30 to 90 days.

Trade receivables decreased from SAR 343.9 million as of 31 December 2020G to SAR 253.3 million as of 31 December 2021G as a result of an increase in collections from third parties of SAR 100.9 million in the same period.

Trade receivables decreased from SAR 253.3 million as of 31 December 2021G to SAR 190.4 million as of 31 December 2022G as a result of the reclassification of two current receivables to non-current receivables with a value of SAR 112.5 million, while this was offset by an increase in the balance receivables from other third parties amounting to SAR 30.5 million during the period.

Trade receivables increased to SAR 230.2 million as of 30 June 2023G, as a result of an increase in the balance from third parties of SAR 39.4 million in the same period.

A. Accounts Receivable - Third Parties

The balance of receivables - third parties decreased from SAR 482.6 million as of 31 December 2020G to SAR 363.8 million as of 31 December 2021G as a result of collections from the company's customers during the period;

The balance of receivables - third parties continued to decrease to SAR 288.8 million as of 31 December 2022G as a result of the reclassification of two current receivables to non-current receivables with a value of SAR 112.5 million, while the balance of other receivables increased by SAR 30.5 million during the period.

The balance of receivables - third parties increased from 288.8 million Saudi riyals as of 31 December 2022G to SAR 328.1 million as of 30 June 2023G, coinciding with the increase in the company's revenues during the period.

B. Accounts Receivable - Related Parties

Table 35: Accounts Receivable - Related Parties as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	nature of relationship	Fiscal year ending December 31 2020G Management informa- tion	Fiscal year ending December 31 2021G Management informa- tion	Fiscal year ending December 31 2022G Management informa- tion	six-month period ending June 30 2023G Management infor- mation
Embello Company	Commercial	-	11,114	81	81
Amiantit Libya Company	Commercial	7,775	-	-	-
Amiantit Egypt Company	Commercial	2	2	2	2
Amitech Algeria	Commercial	2,070	2,070	2,070	2,070
FIOTTE Technology	Commercial	1,325	1,325	1,325	1,325
Other	Commercial	545	870	218	218
Total		11,717	15,381	3,696	3,696

Source: Management Information

The balance of receivables - related parties increased from 11.7 million Saudi riyals as of December 31, 2020 to 15.4 million as of December 31, 2021, as a result of the increase in the balance of receivables from Emplo Company by 11.1 million Saudi riyals, while this was offset by the write-off of receivable balances from Amiantit. Libya, worth 7.8 million Saudi riyals during the same period.

The balance of receivables - related parties decreased to 3.7 million Saudi riyals as of December 31, 2022 and June 30, 2023 as a result of the decrease in the balance of Ambilo (-11.0 million Saudi riyals). This is due to Ambilo's acquisition of 65% of the ownership of Amitech Morocco, one of the group's subsidiaries (AEH).

c. Provision for Expected Credit Losses

Table 36: Movement on the account of impairment as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year ending December 31 2020G Audited	Fiscal year ending December 31 2020 G Modified	Fiscal year ending December 31 2022G Audited	six-month period ending June 30 2023G Management information
January 1	121,468	150,480	125,913	102,005
Additions	41,532	1,686	313	-
Reverse	(5,659)	-	(1,766)	518
write off	(8,111)	(24,533)	(4,653)	(972)
Reclassification	-	-	(16,510)	-
Foreign currency translation adjustments	1,250	(1,720)	(1,292)	72
December 31	150,480	125,913	102,005	101,623

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and management information for the six-month period ending on June 30, 2023.

Table 37: Aging of trade receivables as on June 30, 2023

(SAR '000)	Undue	Balances that have exceeded their maturity date and have not fallen in value				
		Less than 180 days	181 to 365 days	From 366 days to 730 days	More than 730 days	Total
Accounts receivable - third parties	69,607	87,215	21,461	22,911	28,709	229,903
Accounts receivable - related parties	81	-	218	-	2	301
Total	69,688	87,215	21,679	22,911	28,711	230,204

Source: Management Information

The Group recognizes a provision for expected credit losses from trade receivables in accordance with the matrix for calculating expected credit losses for trade receivables. Provision rates are based on days past due for groups of different customer segments with similar loss patterns. The provision matrix is initially based on the Group's observed historical default rates and is adjusted by forward-looking information. To assess whether there has been a significant increase in credit risk, the Group compares the risk of default on an asset at the reporting date with the risk of default at the date of initial recognition.

The balance of the provision for expected credit losses decreased from SAR 150.5 million as of 31 December 2020G to SAR 125.9 million as of 31 December 2021G, as a result of the write-off of provisions amounting to SAR 24.5 million during the period.

The balance of the allowance for expected credit losses continued to decrease from SAR 125.9 million as of 31 December 2021G to SAR 102.0 million as of 31 December 2022G as a result of a reclassification of SAR 16.5 million related to the collection and rescheduling of receivables from large customers, in addition to a write-off of SAR 4.7 million as a result of the period's collection.

The balance of the allowance for expected credit losses decreased to SAR 101.6 million as of 30 June 2023G, as a result of a write-off amounting to SAR 972 thousand.

5-5-2-3 Contractual Assets

Contractual assets are initially recognized from revenues generated from construction contracts, as receipt of consideration is conditional on the successful completion of key milestones. When the milestones are completed and accepted by the customer, the amounts recognized are reclassified as contract receivable assets. Contract assets are stated net of the impact of expected credit losses.

The balance of contractual assets mainly consists of a balance of PWT Germany amounting to SAR 300.3 million as of 30 June 2023G.

Contractual assets decreased from SAR 372.4 million as of 31 December 2020G to SAR 322.8 million as of 31 December 2021G. This is mainly due to a partial write-off of the balance of PWT Germany amounting to SAR 44.6 million during the same period.

Contractual assets then decreased to SAR 296.1 million as of 31 December 2022G, mainly due to an adjustment in currency conversion due to the weakness of the euro against the US dollar, in addition to an increase in billing to PWT Germany (about SAR 51 million) compared to revenues (about SAR 40 million) during the period.

The balance of contractual assets increased to SAR 300.8 million as of 30 June 2023G. This is mainly due to an increase in the balance of PWT Germany by SAR 11.4 million.

This was offset by a decrease in the balance of Aesic Company and its subsidiaries by SAR 6.7 million.

5-5-2-4 Prepayments and Other Receivables

Table 38: Prepayments and other receivables as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30, 2023 Management information
Prepayments	51,472	69,737	62,004	71,457
Advance payments to suppliers	26,795	24,749	11,432	15,652
Receivables from subscription rights	120,000	-	-	-
Other	4,464	299	455	1,588
Total	202,731	94,785	73,891	88,697

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and management information for the six-month period ending on June 30, 2023.

The balance of prepayments and other receivables SAR 88.7 million as of 30 June 2023G, consisting mainly of prepaid expenses (worth SAR 71.5 million), advance payments to suppliers (worth SAR 15.7 million) and other receivable balances.

Prepayments

Prepaid expenses increased from SAR 51.5 million as at 31 December 2020G to SAR 69.7 million as at 31 December 2021G, driven by an increase in VAT receivables (SAR +3.6 million) primarily related to VAT on sales tax payments to B.C. WT Germany and advance payments (SAR +12.8 million) relating to a 20% advance payment made to La Fontaine in order to secure iron ore for one of the group's subsidiaries (SADIP).

Prepaid expenses decreased from SAR 69.7 million as of 31 December 2021G to SAR 62.0 million as of 31 December 2022G, as a result of the decrease in the balance of advance payments on current assets of SAR 16.4 million, in addition to the value-added tax receivable and other taxes of SAR 3.6 million, partially offset by an increase in deposits and guarantees amounting to SAR 5.4 million.

Prepaid expenses increased to SAR 71.5 million as of 30 June 2023G, driven by an increase in prepaid medical expenses amounting to SAR 3.0 million, which are expected to be amortized during the fiscal year 2023G, and value-added tax dues amounting to SAR 2.4 million.

Advance Payments to Suppliers

The balance of advance payments to suppliers decreased from SAR 26.8 million as of 31 December 2020G to SAR 24.7 million as of 31 December 2021G as a result of receiving invoices related to advance payments from suppliers, lack of liquidity within the company, and an attempt to obtain requests with a cash payment policy from customers. Then the balance continued to decrease to SAR 11.4 million as of 31 December 2022G as a result of better negotiations with suppliers to obtain extended credit terms instead of advance payments.

The balance of payments made to suppliers increased to SAR 15.7 million as of 30 June 2023G, in line with the increase in customer orders and revenues during the same period.

Receivables from Subscription Rights

Receivables from subscription rights amounted to SAR 120.0 million as of 31 December 2020G and decreased to zero during the following fiscal year as a result of receiving the amount.

Other

Other advance payments relate to assets held for sale. Other prepayment balances decreased from SAR 4.5 million as of 31 December 2020G to SAR 299 thousand as of 31 December 2021G as a result of a decrease in some assets held for sale (SAR 3.1 million) and then reached SAR 445 thousand as of 31 December 2022G.

Other advance payments increased to SAR 1.6 million as at 30 June 2023G as a result of prepaid legal consulting fees.

5-5-2-5 Inventory

Table 39: Inventories as at December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
Finished goods	159,351	148,994	162,564	143,704
Raw materials	60,291	37,199	56,039	70,920
Supplies, not for sale	46,355	46,160	44,855	42,102
Goods under manufacture	6,045	9,138	10,976	11,059
Goods in transit	(491)	631	1,955	794
Total	271,551	242,122	276,389	268,579

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

The company's strategy is to always keep inventory in order to meet any anticipated needs. The company also operates within the framework of a mixed operation between:

- Production for storage: which is mainly related to fast-moving goods, and the company guarantees that a minimum of these goods are kept in stock.
- Production for sale: It depends on purchase orders received from customers.

However, it should be noted that in light of the company's declining liquidity and incurring continuous losses, the strategy has changed to produce for sale only since the beginning of incurring losses.

The inventory balance decreased from SAR 271.6 million as of 31 December 2020G to SAR 242.1 million as of 31 December 2021G, mainly due to the decrease in the balance of finished products and raw materials by SAR 10.4 million and SAR 23.1 million Saudi, respectively. As a result of the continuous decline in sales and consequently the decline in production during the same period.

The inventory balance increased from SAR 242.1 million as of 31 December 2021G to SAR 276.4 million as of 31 December 2022G, mainly due to an increase in the balance of finished products and raw materials by SAR 13.6 million and SAR 18.8 million, respectively during the period.

The inventory balance decreased to SAR 268.6 million as of 30 June 2023G, mainly due to the decrease in the balance of finished products and supplies not intended for sale by SAR 18.9 million and SAR 2.8 million, respectively. This was partially offset by the increase in the balance Raw materials worth SAR 14.9 million.

Finished Goods

The balance of finished products decreased from SAR 159.4 million as of 31 December 2020G to SAR 149.0 million as of 31 December 2021G as a result of the delivery of products to customers, mainly due to products supplied from abroad (SAR -7.4 million), and assemblies - Prefabricated equipment (SAR -1.6 million), among others.

Finished products increased to SAR 162.6 million as of 31 December 2022G, mainly as a result of the increase in semi-finished products (SAR +16.3 million), and then decreased to SAR 143.7 million as of 30 June 2023G, mainly driven by a decrease in semi-finished products (SAR -17.7 million) due to consumption.

Raw Materials

Raw material balances include the basic materials from which products are made.

The balance of raw materials decreased from SAR 60.3 million as of 31 December 2020G to SAR 37.2 million as of 31 December 2021G as a result of smaller quantities of purchases during the year. It then increased to SAR 56.0 million and SAR 70.9 million as of 31 December 2022G and as of 30 June 2023G, respectively, in line with the noticeable improvement in the group's operations and the increase in revenues during the period.

Supplies, Not Intended For Sale

Supplies not intended for sale remained stable at SAR 46.2 million SR as of 31 December 2020G and 31 December 2021G.

The balance of supplies, not intended for sale, decreased to SAR 44.9 million as of 31 December 2022G and then to SAR 42.1 million as of 30 June 2023G, in line with the improved inventory management applied by the company during the period.

Goods in Transit

The balance of goods in process increased from SAR 6.0 million as of 31 December 2020G to SAR 9.1 million as of 31 December 2021G, then to SAR 11.0 million as of 31 December 2022G, and SAR 11.1 million as of 30 June 2023G due to the delay in receipt from customers.

Goods on the Way

Goods in transit represent incoming shipments that are held until they are cleared from customs procedures, after which they are transferred from the balance. The balance of goods on the road increased from negative SAR 491 thousand as of 31 December 2020G to SAR 631 thousand as of 31 December 2021G.

The balance of goods on the road increased to SAR 2.0 million as of 31 December 2022G and SAR 794 thousand as of 30 June 2023G.

The volatility of goods in transit depends largely on the timing of shipment.

5-5-2-6 Non-Current Receivables

Table 40: Non-current receivables as at December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2022G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
Trade receivables under legal collection	477,079	441,947	546,698	532,022
Retention Receivable	62,740	74,650	20,196	7,839
Less: provision for impairment	(194,448)	(189,685)	(196,091)	(197,111)
Total	345,371	326,912	370,803	342,750

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

The balance of non-current receivables mainly relates to a) trade receivables that the company was unable to collect from customers, so they were classified as trade receivables under legal collection, and b) receivables, which represent a warranty for the company's proper implementation of projects. The company implements water and piping technology projects based on completion rates in each period, and on this basis, the client or main contractor for each project by deducting a portion of each payment certificate (ranging between 5% and 10% depending on the contract) as a warranty of proper implementation. The full balance is settled when the project is completed, or the warranty period expires.

Non-current receivables decreased from SAR 345.4 million as of 31 December 2020G to SAR 326.9 million as of 31 December 2021G, as a result of the collection during the period of the balance of trade receivables under legal collection amounting to SAR 14.5 million.

Non-current receivables increased to SAR 370.8 million at 31 December 2022, mainly due to the reclassification of two major receivables related to PWT Germany amounting to SAR 39 million for the Samawah project and SAR 74 million for the Turkmenistan project, which was partially offset by the decrease. In amounts retained in the amount of SAR 54.5 million as a result of the completion and delivery of several projects, mainly related to Doosan Heavy Industries and Construction Company.

Non-current receivables decreased to SAR 342.8 million as of 30 June 2023G due to a decrease in the balance of trade receivables under legal collection by SAR 14.7 million in addition to a decrease in amounts withheld by SAR 12.4 million.

The company faced some political and geographical circumstances that negatively affected the implementation of some projects in the countries

of Iraq and Turkmenistan, including the following:

1. The Samawa project was subject to a legal dispute subject to the jurisdiction of the Iraqi courts. It is worth noting that this provision is temporary and subject to increase according to market prices of materials and cost expectations in the future. The Samawa project is a stressful contract for the group. Management indicated that the Samawa project was not considered a stressful project by the Group as of 30 September 2023G in light of the following developments:
2. All legal cases against the group were dropped, as the Prime Minister and Cabinet approved the group to resume the Samawa project.
3. The project billing and pricing mechanism has shifted from the lump sum to the specific cost of completion, enabling the Group to perform additional scope that can be billed accordingly;
4. The letter of credit has been provided regarding the value and due dates. The Iraqi government agreed to refund part of the deductions made earlier and absorb the renewal fees under the letter of credit.
5. The case of Turkmenistan's project concerns the Turkmenistan Water Infrastructure Project, which had a specific timeline from July 2012G to December 2012G. The project witnessed several delays and was extended until 2018G. Furthermore, the collectability of a \$17 million outstanding receivable was in doubt. This receivable was from its main contractor and resulted from foreign currency bank transfer restrictions imposed by the Government of Turkmenistan. However, the management is confident of recovering this amount.

A. Trade Receivables under Legal Collection

Trade receivables are legally collected after a period exceeding one year from the reporting date. All accounts receivable balances under statutory collection have been outstanding for more than two years.

Commercial receivables under legal collection decreased from SAR 477.1 million as of 31 December 2020G to SAR 441.9 million as of 31 December 2021G as a result of a decrease in balances scheduled for collection according to judicial rulings amounting to SAR 14.5 million as a result of the period's collection while it was offset by an increase in obtaining some judicial rulings in favor of the company, and settlements with customers are still in place, coinciding with a decrease in the amounts still under legal procedures and rescheduling their collection in accordance with judicial rulings.

Commercial receivables under legal collection increased to SAR 546.7 million as of 31 December 2022G as a result of the increase in judicial rulings in favor of the company, and settlements with customers are still outstanding from SAR 27.3 million as of 31 December 2021G to SAR 137.1 million as of 31 December 2022G.

Trade receivables under legal collection decreased to SAR 532.0 million as of 30 June 2023G, as a result of a decrease in amounts due rescheduled pursuant to judicial rulings amounting to SAR 11.3 million.

Table 41: Trade receivables under legal collection as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30, 2023 Management information
Balances scheduled for collection in accordance with judicial rulings	99,991	85,486	87,079	75,766
Judicial judgment balances in favor of the group, and settlements with clients are still outstanding	346,041	329,130	322,565	315,460
Balances still under legal action	31,047	27,331	137,054	140,796
Total	477,079	441,947	546,698	532,022

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

a. Reservations Due

Reservations due represent the amounts that the customer holds and must pay to the company. Reservations due do not carry interest and are usually collected upon completion of the project.

Reservations due decreased from 62.7 million Saudi riyals as of December 31, 2020 to 74.7 million Saudi riyals as of December 31, 2021, in line with the increase in the revenues of the water management sector projects.

Outstanding bookings decreased to 20.2 million Saudi riyals as of December 31, 2022G and then continued to decline to 7.8 million Saudi riyals as of June 30, 2023G as a result of the completion and delivery of several projects, mainly related to Doosan Heavy Industries and Construction Company.

b. Provision For Impairment

Table 42: Movement Provision for impairment of non-current receivables as at December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30, 2023 Management information
January 1	125,424	194,448	189,685	196,091
Additions	69,725	13,882	-	675
Reverse	(701)	(18,645)	(5,584)	-
Reclassification	-	-	16,510	-
Foreign currency translation adjustments	-	-	-	345
Write off	-	-	(4,520)	-
December 31	194,448	189,685	196,091	197,111

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and management information for the six-month period ending on June 30, 2023.

Trade receivables under statutory collection are monitored by third party attorneys and impairment is calculated based on the status of the balances under statutory collection from the court and the expected potential outcomes

The impairment provision decreased from SAR 194.4 million as of 31 December 2020G to SAR 189.7 million as of 31 December 2021G as a result of writing off the impairment provision of SAR 18.6 million.

The impairment charge increased to 196.1 million Saudi riyals as of December 31, 2022G as a result of the reclassification of a balance amounting to 16.5 million Saudi riyals, then it increased to 197.1 million Saudi riyals as of June 30 2023G as a result of an increase in the percentage of additions amounting to 675 thousand Saudi riyals during the period.

5-5-2-7 Investments registered using the equity method

Investments recorded using the equity method consist of investments in joint ventures and investments in associates.

Table 43: Investments recorded using the equity method as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
Investments in joint projects				
Ameblo Holding GmbH («Ameblo»)*	279,499	251,563	243,163	256,065
International Water Distribution Company (Tawzea **)	82,549	91,471	140,260	146,297
Total shares in the joint venture	362,048	343,034	383,423	402,362
Investing in associated companies				
Other associated companies	15,194	14,448	23,848	29,423
Total investments in associated companies	67,644	64,166	67,697	73,511
Total investments recorded using the equity method	429,692	407,200	451,120	475,873

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

* Saudi Arabian Amiantit Company owns a subsidiary called Ametek Switzerland, which is 100% owned by it, and which owns 50% investments in Ameblo Holding GmbH («Ameblo»). It is worth noting that the Company does not have any revenues resulting from any special operations, but only to record profits from these investments.

** Saudi Arabian Amiantit Company owns 50% of the International Water Distribution Company through its subsidiary, «Global Infrastructure Management and Operations Company Limited,» which is a 100%-owned subsidiary of Saudi Arabian Amiantit Company. The company does not carry out any operational activity. The Company announced on the Tadawul website on December 31, 2023G, the signing of a settlement agreement with a local creditor bank, «Alinma Bank» on 18/06/1445H, corresponding to 31/12/2023G, according to which ownership of the entire shares of Saudi Arabian Amiantit Company (the «Company») in the Global Infrastructure Management and Operation Company Ltd, which is 100% owned by an investment fund managed by the capital company affiliated with Alinma Bank, in return, the bank exempts the «Company» from all its obligations to the bank, amounting to 572.7 million Saudi riyals

Investments recorded using the equity method decreased from 429.7 million Saudi riyals as of December 31, 2020G to 407.2 million Saudi riyals as of December 31, 2021G. This is mainly due to the decrease in investments in Ameplo Company, amounting to 27.9 million Saudi riyals, offset by an increase in Investments in the International Water Distribution Company (Tawzea) amounted to 8.9 million Saudi riyals during the same period.

Investments recorded using the equity method increased to 451.1 million Saudi riyals as of December 31, 2022, mainly due to the increase in the value of the shareholding in the International Water Distribution Company (Tawzea) by 48.8 million Saudi riyals, offset by a decrease in investments in Ameblo Company by 8.4 million Saudi riyals. During the same period.

Investments recorded using the equity method increased to 475.9 million Saudi riyals as of June 30, 2023, as a result of an increase in the value of the shareholding in Ameblo Holding GmbH («Ameblo») by 12.9 million Saudi riyals during the period.

5-5-2-8 Property, plant and equipment - net

Table 44: Property, plant and equipment as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
Lands	51,315	424,365	413,816	412,769
Buildings and land improvements	49,673	36,271	36,314	34,051
Plants, machinery and equipment	100,749	83,723	100,685	90,422
Furniture, fixtures and office equipment	7,637	5,969	5,368	5,056
Capital work in progress	7,945	6,538	7,574	8,054
Total	217,319	556,866	563,757	550,352

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

Lands

Based on what was announced by the Capital Market Authority on 31/12/2019G allowing listed companies to use the fair value or revaluation model to measure real estate and investment properties for the financial periods of the fiscal year beginning during the year 2022G or after, the company, on 30 June 2022G, by changing its accounting policy to the fair value model to measure investment properties and the revaluation model to measure land, while continuing to apply the cost model to measure other items of property, machinery, equipment and intangible assets. The management appointed two independent valuers licensed by the Saudi Authority for Certified Valuers («Taqeem») to evaluate both the lands and the investment property when preparing the initial condensed consolidated financial statements for the second quarter of 2022G, provided that the re-evaluation will occur later on an annual basis in line with the Capital Market Authority's requirements. The financial market chose the lower of the two ratings. A change from the cost to fair value model or revaluation model in recording investment property and land is considered a change in accounting policy. Consequently, prior period adjustments to accumulated losses of SAR 0.96 million were made on 1 January 2022G and a revaluation reserve of SAR 375.78 million was recorded as at that date.

The net book value of land increased from SAR 51.3 million as of 31 December 2020G to SAR 424.4 million as of 31 December 2021G, driven mainly by the revaluation of owned lands in Dammam (area: 331.7 thousand square meters) and Germany (area: 22.5 thousand square meters) which was conducted by two accredited external valuers in the Kingdom of Saudi Arabia (accredited by the Saudi Authority for Certified Evaluators «Taqeem») and two accredited external valuers in Germany.

The net book value of the land decreased slightly to SAR 413.8 million as of 31 December 2022G and to SAR 412.8 million as of 30 June 2023G due to impairment charges recorded during the period.

Buildings and Land Improvements

The balance of buildings and land improvements decreased from SAR 49.7 million as of 31 December 2020G to SAR 36.3 million as of 31 December 2021G and 31 December 2022G. The cost of depreciation was accompanied by small additions during the period.

The balance of buildings and land improvements continued to decrease to SAR 34.1 million as of 30 June 2023G, in line with the cost of depreciation during the aforementioned period.

Property, Plant, and Equipment

The balance of property, plants, and equipment decreased from SAR 100.7 million as of 31 December 2020G to SAR 83.7 million SAR as of 31 December 2021G as a result of depreciation costs for the period.

The balance of plant, machinery and equipment increased to SAR 100.7 million as of 31 December 2022G as a result of the reversal of impairment amounting to SAR 31.6 million after reviewing the impairment model for Ductile Iron Pipe Company Limited (SADIP). This was partially offset by the consumption charge during the period (SAR 14.4).

The balance of plants, machinery and equipment decreased to SAR 90.4 million as of 30 June 2023G as a result of the cost of depreciation during the aforementioned period.

Office Furniture, Fixtures and Equipment

The balance of office furniture, fixtures and equipment decreased from SAR 7.6 million as of 31 December 2020G to SAR 6.0 million as of 31 December 2021G, then to SAR 5.4 million as of 31 December 2022G and SAR 5.1 million as of 30 June 2023G as a result of cost Consumption during the period without recording any noticeable additions during the period.

Capital Work in Progress

Capital work in progress as at 30 June 2023G mainly represents payments made to suppliers for the purchase of machinery and equipment in addition to improvement projects, and an impairment charge has been fully recorded.

Capital work in progress decreased from SAR 7.9 million as of 31 December 2020G to SAR 6.5 million as of 31 December 2021G as a result of transferring a completed portion of it to fixed assets.

Capital work in progress increased to SAR 7.6 million as of 31 December 2022G, as a result of additions worth SAR 1.2 million during the year.

Capital work in progress continued to rise to SAR 8.1 million as of 30 June 2023G, as a result of additions worth SAR 475 thousand during the period.

5-5-2-9 Other Non-Current Assets

Table 45: Other non-current assets as of December 31, 2020, 2021, 2022 and June 30, 2023

(SAR '000)	Fiscal year Ended Decem- ber 31 2020G Audited	Fiscal year Ended Decem- ber 31 2021G Modified	Fiscal year Ended Decem- ber 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
Investment properties	8,250	10,427	10,580	10,580
Intangible assets	7,986	7,386	6,685	5,091
Deferred Tax Assets	543	802	756	771
Total	16,779	18,615	18,021	16,442

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

Other non-current assets consist of intangible assets, investment properties and deferred tax assets. These assets, together or individually, are not considered materially important to the Group. Other non-current assets amounted to SAR 16.8 million as of 31 December 2021G, SAR 18.6 million as of 31 December 2021G, SAR 18.0 million as of 31 December 2022G, and SAR 16.4 million as of 30 June 2023G. Other non-current assets represent assets that are not, together or individually, of relative significance to the Group.

Investment Properties

Investment real estate amounted to SAR 8.3 million as of 31 December 2020G, and represents lands received from some customers as payment to Amiantit for receivables that they were unable to pay. The investment real estate is currently not offered for sale since it is used in the company's activities, noting that the company had received a deed for each land received from the client.

Investment properties increased to SAR 10.4 million as of 31 December 2021G due to the reclassification of SAR 3.1 million related to two plots of land from the assets held for sale as investment properties. Investment properties then increased to SAR 10.6 million as of 31 December 2022G and 30 June 2023G based on the impairment test conducted at the end of the year during the fiscal year 2022 period by a certified external valuer but it was classified as a separate item starting from the fiscal year 2021G.

Source: Management information

Intangible Assets

Intangible assets consist of the value of goodwill, computer software, etc., as well as research and development costs and other assets that are amortized.

Intangible assets decreased from SAR 8.0 million as of 31 December 2020G to SAR 7.4 million as of 31 December 2021G as a result of a decrease in research and development during the same period.

Intangible assets continued to decline to SAR 6.7 million as of 31 December 2022G. Then, intangible assets decreased to SAR 5.1 million as of 30 June 2023G, mainly driven by the decline in the value of goodwill during the period as a result of the impairment test that had been performed during the period.

Deferred Tax Assets

Deferred tax assets increased from SAR 543 thousand as of 31 December 2020G to SAR 802 thousand as of 31 December 2021G as a result of the increase in losses incurred by one of the group's subsidiaries (Amitech Astana), then they decreased to SAR 756 thousand as of 31 December 2022G and SAR 771 thousand as of 30 June 2023G.

5-5-2-10 Short Term Loans

Table 46: Short-term loans as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
SAR	841,112	824,476	844,458	848,947
USD	37,500	4,540	-	-
Other currencies	4,595	1,316	216	221
Current portion of long-term loans included in current liabilities	259,523	295,906	295,936	296,116
Total	1,142,730	1,126,238	1,140,610	1,145,284

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

These loans represent credit facilities obtained from several commercial banks and carry financial charges at prevailing market rates based on interbank offer rates plus a fixed margin.

It is worth noting that the group has obtained a number of long-term loans from the National Bank, Alinma, Al-Bilad, Samba, Gulf International, Al-Baraka Islamic Bank, and the Arab Banking Corporation. Its entire balance has been included among current liabilities in the consolidated statement of financial position as of 31 December 2020G, and 31 December 2021G and 31 December 2022G and 30 June 2023G because the loans have already matured as a result of the group's breach of some of the financial covenants stipulated in the credit facility agreements with commercial banks that are subject to annual review by the lenders, which gives the lenders the right to demand the urgent repayment of their funds. For more information, please see Subparagraph (2-1-16) Risks of non-compliance with credit facility agreements and loans.

The company intends to recycle short-term loans when they mature, amounting to SAR 1,145 million SAR as of 30 June 2023G. Short-term loans also include the current portion of long-term loans amounting to SAR 296.1 million as of 30 June 2023G.

Short-term loans decreased from SAR 1,143 million as of 31 December 2020G to SAR 1,126 million as of 31 December 2021G as a result of repayments during the period amounting to SAR 52.9 million, while this was offset by an increase in the current portion of long-term loans amounting to SAR 36.4 million.

Short-term loans increased to SAR 1,141 million as of 31 December 2022G and then to SAR 1,145 million SAR as of 30 June 2023G.

Table 47: Details of short-term loans as of June 30, 2023 (including the current portion of long-term loans included in current liabilities)

Company (borrower) (thousand Saudi riyals)	Funding entity	Nature of the loan	Six-month period ending June 30, 2023 (Management information)
Amiantit	Alinma Bank	Short term loan	525,234
Amiantit	National Bank	Short term loan	310,000
Amiantit	Bank Albilad	Short term loan	268,000
Amiantit	Saudi Investment Bank	Short term loan	13,646
Amiantit	British Saudi Bank	Short term loan	1,616
Amiantit	Al Rajhi Bank	Short term loan	2,590
Amiantit Fiberglass Manufacturing Company Limited	Riyad Bank	Short term loan	14,340
Amitech Astana Limited	Mr. Abikayev*	Loan from a partner	9,638
PWT Wasser - und Abwassertechnik GmbH	National Private Foundation of Turkmenistan Suatli Doganlar Economic Association of Turkmenistan (Ashgabat Industrial Bank**)	Short term loan	221
Total			1,145,284

* The loan is from a partner (ownership percentage 34%) and is a financial assistance without charging any interest and is not bound by a specific repayment date, so there is no expiration date for the agreement, but the shareholder can decide which installments will be paid depending on the results of Amitech Astana Ltd. at the end of the year .

** The short-term loan is financial assistance without charging any interest.

5-5-2-11 Long Term Loans

Table 48: Long-term loans as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
Loans from commercial banks	259,523	295,906	295,936	296,116
Current portion included in current liabilities	(259,523)	(295,906)	(295,936)	(296,116)
Non-current portion included in non-current liabilities	-	-	-	-

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

Table 49: Book values of long-term loans denominated in currencies as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
SAR	250,000	286,479	286,479	286,479
USD	9,523	9,427	9,457	9,637
Total	259,523	295,906	295,936	296,116

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

The company signed agreements to reschedule Islamic banking facility agreements with commercial banks, which management believes will have a positive impact on enhancing the company's performance during the coming periods. Management believes that the Company's cash flows will improve and that rescheduling will enhance the Company's operations commensurate with the new time period described as follows:

Term Loans

New terms were signed including a new 10-year schedule period, reducing the annual finance charges ranging from SUBOOR + 3.25% to 2.75% to SUBOOR + 1.5%. The scheduled financing periods are as follows:

- One-time term loans of SAR 367,700,000 (non-renewable) and term loans up to SAR 268 million (one-time payment) (new) for a total period of 10 years, including a grace period of two years, to be repaid in semi-annual installments, and profits will be paid semi-annually during the grace period. The Company has used a total amount of SAR 634,364,066 as of 31 December 2022G.
- The sub-limit for term loans, documentary letter of credit, and letter of guarantee is SAR 157,600 million (renewable) to be used against any installment paid from the basic limit that does not exceed 30% of the total limit to finance working capital requirements through direct purchase of raw materials, for a total period not exceeding 12 months. The Company has fully utilized this facility as of 31 December 2022G.
- Term loans/participation letter of credit (SAR 80 million) to be availed against any installment paid from the basic limit that does not exceed 30% of the total limit to finance working capital requirements through direct purchase of raw materials and maintenance expenses or issuance of letters of credit for participation (upon seeing, deferred (domestic, international)) for a maximum period of 12 months including the letter of credit deferment period. The Company has not yet used this facility yet as at 31 December 2022G.

Commercial Facilitation Loans

New terms were signed including a new schedule period i.e. 10 years, which reduced the annual finance fees from SUBOOR+ 3.25% to SUBOOR+ 1.5%. The financing period as scheduled is as follows:

- One-time commercial facilitation of SAR 219,100 million (non-renewable) for a total period of 10 years, including a two-year grace period to be paid in semi-annual installments with profits paid semi-annually during the grace period (the last installment does not exceed 31 December 2031G). The Company has fully utilized this facility as of 31 December 2022G.
- Trade facilitation sub-limit, documentary letter of credit, letter of guarantee, SAR 110,900 million can be used against any installment paid from the basic limit that does not exceed 30% of the total limit to finance working capital requirements through direct purchase of raw materials and capital expenditures, for a total period not exceeding 12 months. The company used SAR 97,563,750 million as of 31 December 2022G.

The group obtained a number of loans from the National Bank, Alinma, Al-Bilad, Samba, Gulf International, Al-Baraka Islamic Bank, and the Arab Banking Corporation. The net carrying value of loans is calculated by subtracting any accumulated depreciation, amortization or impairment charges from the underlying cost. These loans generally carry finance charges based on interbank offer rates plus a fixed margin.

The entire balance of long-term loans has been included in current liabilities in the consolidated statement of financial position as of 31 December 2020G, 31 December 2021G, 31 December 2022G, and 30 June 2023G, because the loans have already matured as a result of the group's breach of some financial covenants stipulated in credit facility agreements with commercial banks which are subject to annual review by lenders, that give lenders the right to demand urgent repayment of their money. In the meantime, the company was able to reschedule these loans after agreeing with the relevant banks, the administration also expects another rescheduling of repayment by the end of the fiscal year 2031G.

The main financial terms breached by the group are as follows:

provisions	Requirements
Total liabilities to net tangible value	200% - 250%
Current ratio	100% - 125%
Minimum equity attributable to shareholders	950 Million Saudi Riyals

forementioned breach, the lending banks have the right to cancel the credit facilities or to expedite the schedule of future payments. Accordingly, the entire balance of long-term loans was included within the current liabilities in the consolidated statement of financial position as on 30, June 2023G.

Debt constitutes a large proportion of the company's financing structure, with the ratio of debt to the total financing structure reaching 87.1%, 76.6%, 76%, and 76%, as of December 31, 2020, 2021, 2022, and June 30, 2023. The following table shows the details of the company's financing structure:

Table 50: Financing structure as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
Debt	1,142,730	1,126,238	1,140,610	1,145,284
Cash and cash equivalents	53,255	75,135	41,741	37,771
Capital	320,000	320,000	99,000	99,000
Revaluation reserve	-	375,780	373,014	373,014
Statutory reserve	132,176	-	-	-
Accumulated losses	(205,499)	(247,024)	(34,559)	(42,780)
Employee Stock Ownership Program and Reserve	(7,146)	(2,083)	(644)	(644)
Hedging reserve	-	2,430	48,461	49,156
Reserve foreign currency translation	(90,952)	(123,705)	(147,759)	(144,044)
Non-controlling interest	20,179	19,320	23,030	27,200
Total Equity	168,758	344,718	360,543	360,902
Financing Structure (Total Debt + Equity)	1,311,488	1,470,956	1,501,153	1,506,186
Leverage % = (Total Debt / Financing Structure)	87.1%	76.6%	76.0%	76.0%

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

5-5-2-12 Trade Payables

Trade payables consist of amounts due to third parties (due to suppliers of raw materials and workforce) and amounts due to related parties. Trade payables decreased from SAR 325.0 million as of 31 December 2020G to SAR 234.9 million as of 31 December 2021G as a result of the payment of some amounts due, and the decrease in raw materials and labor required coinciding with the decrease in sales in this period by imposing Suppliers to the Cash payment policy instead of deferred sale.

Trade payables decreased to SAR 174.6 million as at 31 December 2022G, mainly due to a decrease in balances due to payments made to a number of suppliers. Trade payables subsequently increased to SAR 187.1 million as at 30 June 2023G, driven mainly by an increase in balances resulting from Ferron Trading FZCO (+SAR 19.8 million) and others, partially offset by a decrease in balances related to CBIC Aba Hussein Fiber Glass. LLC (-SAR 11.1 million), among other suppliers.

5-5-2-13 Accrued Expenses and Other Liabilities

Table 51: Accrued expenses and other liabilities as of December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
Accrued financial expenses	20,671	2,315	17,220	28,678
Sales agents' fees are payable	9,240	7,843	2,586	3,114
Salaries, wages and benefits owed	7,073	5,690	4,630	4,613
Accrued expenses and other liabilities	50,312	53,700	69,052	81,242
Total	87,296	69,548	93,488	117,647

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

Accrued expenses and other liabilities consist mainly of accrued financing costs, sales agent fees and others. Accrued expenses and other liabilities decreased from SAR 87.3 million as of 31 December 2020G to SAR 69.5 million as of 31 December 2021G as a result of a decrease in financing cost accruals of SAR 18.4 million as a result of a decrease in loans during the same period, and this was offset by an increase in value-added tax and tax dues amounting to SAR 6.1 million.

Accrued expenses and other liabilities increased from SAR 69.5 million as of 31 December 2021G to SAR 93.5 million as of 31 December 2022G and thereafter to SAR 117.6 million as of 30 June 2023G as a result of the increase in value-added tax and income tax payable during historical period worth SAR 17.1 million and SAR 11.6 million respectively.

Accrued Financial Expenses

Accrued financial expenses decreased from SAR 20.7 million SAR as of 31 December 2020G to 2.3 million as of 31 December 2021G as a result of the reversal of the provision for financial facilities fees that had been discontinued in the amount of SAR 15.9 million.

Accrued financial expenses increased to SAR 17.2 million as of 31 December 2022G, and then to SAR 28.7 million as of 30 June 2023G, as a result of the increase in interest rates during the period.

Sales Agents' Fees

The company has sales agents outside the Kingdom in countries such as South Korea, the Emirates, Kuwait, and others. Agent fees represent 2.5% to 5% of sales (depending on the contract). Sales agent fees receivable decreased from SAR 9.2 million as at 31 December 2020G to SAR 7.8 million as at 31 December 2021G, in line with the decrease in export sales during the same period. Then it decreased to SAR 2.6 million as of 31 December 2022G and rose to SAR 3.1 million as of 30 June 2023G.

Salaries, Wages and Benefits Owed

Salaries, wages and benefits accrued decreased from SAR 7.1 million as of 31 December 2020G to SAR 5.7 million as of 31 December 2021G, in line with the decrease in the number of employees during the period.

Salaries, wages and benefits accrued continued to decrease to SAR 4.6 million as of 31 December 2022G as a result of the payment of contractual employee entitlements during the period.

Salaries, wages and benefits accrued remained at SAR 4.6 million as of 31 December 2022G and 30 June 2023G.

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities increased from SAR 50.3 million as at 31 December 2020G to SAR 53.7 million as at 31 December 2021G, driven primarily by an increase in value-added tax and income tax payable (+ SAR 6.1 million).

Expenses and other accrued liabilities continued to rise to SAR 69.1 million as of 31 December 2022G and 81.2 million SAR as of 30 June 2023G, driven mainly by an increase in value-added tax and income tax payable by 17.1 million SAR and 11.6 million SAR on straight.

5-5-2-14 Contractual Obligations

Contractual obligations include long-term advance payments received for construction contracts and short-term advance payments received for pipe installation as well as the transaction price allocated to performance obligations that have not yet been satisfied.

The balance of contractual obligations increased from SAR 81.9 million as of 31 December 2020G to SAR 99.2 million as of 31 December 2021G as a

result of an increase in the balance of the Saudi Arabian Ductile Iron Pipe Company by SAR 12.3 million in addition to an increase in the company's balance of Fiberglass and Bundstrand, at a value of SAR 4.2 million, in line with the increase in cost of revenues during the same period.

The balance of contractual obligations decreased to SAR 90.7 million as of 31 December 2022G, as a result of a decrease in the balance of 1) PWT Company, amounting to SAR 8.8 million, 2) Saudi Arabian Ductile Iron Pipe Company, amounting to SAR 4.9 million, and 3) Bond Strand Company in the value of SAR 4.3 million. This was partially offset by an increase in the balance of Emtec Astana Company by SAR 15.4 million.

The balance of contractual obligations continued to decrease to SAR 78.8 million as of 30 June 2023G, as a result of a decrease in the balance of Emetek Astana Company by SAR 7.6 million.

5-5-2-15 Provision For Zakat and Income Tax

Table 52: Zakat and income tax as of December 31, 2020G, 2021G, 2022G, and June 30, 2023G

(SAR '000)	Fiscal year Ended December 31	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30, 2023 Management information
January 1	145,976	188,195	195,387	200,899
Charged during the year/period	44,974	24,324	19,396	12,589
Paid during the year /period	(2,755)	(17,132)	(13,884)	(14,850)
Total	188,195	195,387	200,899	198,639

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and management information for the six-month period ending on June 30, 2023.

Table 53: Zakat provision charge as of December 31, 2020G, 2021G, 2022G, and June 30, 2023G

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30, 2023 Management information
Zakat and income tax for the current year:				
Ongoing operations	44,974	23,705	19,396	12,589
- Discounting operations	-	619	-	-
Total	44,974	24,324	19,396	12,589

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

The company and its Saudi subsidiaries are subject to zakat. Zakat is due at the rate of 2.5% of the approximate zakat base or the adjusted net profit, whichever is higher. Income tax is due according to the tax rates of foreign subsidiaries. The most important components of the zakat base for each company according to zakat regulations consist mainly of shareholders' equity, provisions, long-term loans, and adjusted net profit, less the net book value of real estate, factories, investments, and some other items. The balance of the provision for zakat and income tax amounted to SAR 198.6 million as of 30 June 2023G.

The provision for zakat and income tax increased from SAR 188.2 million as of 31 December 2020G to SAR 195.4 million as of 31 December 2021G, as a result of additions amounting to SAR 24.3 million, offset by payments amounting to SAR 17.1 million during the same period.

The provision for zakat and income tax continued to rise to SAR 200.9 million as of 31 December 2022G as a result of additions worth SAR 19.4 million, offset by payments worth SAR 13.9 million during the same period.

Then the provision for zakat and income tax decreased to SAR 198.6 million as of 30 June 2023G as a result of additions worth SAR 12.6 million, offset by payments worth SAR 14.9 million during the same period.

The company and its Saudi subsidiaries submit their zakat returns on a consolidated basis. The company and its Saudi subsidiaries received the final zakat and income tax certificates for the previous years until 2021G. The company received final assessments from the Zakat, Tax and Customs Authority until 2020G.

5-5-2-16 Provision for end-of-service benefits for employees

Table 54: Provision for employees' end-of-service benefits on December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30, 2023 Management information
1 January	69,522	66,558	59,835	64,435
Charged to profit or loss	6,929	5,699	5,182	4,434
Actuarial remeasurement charged to the statement of other comprehensive income	(1,190)	1,284	1,594	-
Paid during the year / period	(8,703)	(13,706)	(2,176)	(4,267)
31 December	66,558	59,835	64,435	64,602

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and management information for the six-month period ending on June 30, 2023.

In accordance with international financial reporting standards adopted in the Kingdom, the company began calculating the end-of-service benefits using the actuarial calendar. Calculating the allowance requires making assumptions related to variables such as discount rates, salary increase rates, mortality rates, employee turnover rates, and future health care costs. Periodically, management consults with external actuaries regarding these assumptions.

The remeasurement amounts of actuarial gains and losses are recognized on the defined benefit obligation, if any, and the remeasurements of employees' end-of-service benefits, after deducting zakat, are included in the statement of comprehensive income and the accumulated actuarial profits are included in the statement of changes in equity.

The provision for employees' end-of-service benefits decreased from SAR 66.6 million as of 31 December 2020G to SAR 59.8 million as of 31 December 2021G, as a result of payments of SAR 13.7 million during the same period, while this was offset by additions of SAR 5.7 million.

The provision for employees' end-of-service benefits increased to SAR 64.4 million as of 31 December 2022G, as a result of additions worth SAR 5.2 million, offset by payments worth SAR 2.2 million.

The provision for employees' end-of-service benefits increased slightly to SAR 64.6 million as of 30 June 2023G as a result of additions amounting to SAR 4.4 million, offset by payments amounting to SAR 4.3 million during the period

5-5-2-17 Provision for Guarantees

Table 55: Provision Guarantee at on December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30, 2023 Management information
January 1	4,752	8,896	3,289	2,744
Extras (redemption)	4,038	(1,298)	(454)	(1,436)
Used and modifications	-	(4,218)	-	-
Foreign currency translation adjustments	106	-91	-91	-
December 31	8,896	3,289	2,744	1,308

Source: Audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and management information for the six-month period ending on June 30, 2023.

A warranty provision represents an obligation on the company, as the company calculates and recognizes expected costs related to projects as guarantees. The provision is initially calculated and recognized based on previous experience, and is then reviewed annually. The change in the warranty provision is the result of the annual review of the provision by the company based on the expected costs of the projects.

The warranty provision decreased from SAR 8.9 million as of 31 December 2020G to SAR 3.3 million as of 31 December 2021G, as a result of usage of SAR 4.2 million. The warranty provision continued to decrease to SAR 2.7 million as of 31 December 2022G and SAR 1.3 million as of 30 June 2023G as a result of recoveries amounting to SAR 454 thousand SAR and 1.4 million, respectively, in addition to foreign currency translation adjustments during the fiscal year 2022G.

5-5-2-18 Provision for Ineffective Contracts

This provision mainly relates to losses expected to be incurred to complete the Samawa, Iraq project contract. The change in the warranty provision results from the annual review of the provision by the Company based on the costs expected to be incurred to complete the project.

The balance of the provision for ineffective contracts decreased from SAR 175.1 million as of 31 December 2020G to SAR 162.2 million as of 31 December 2021G as a result of negative adjustments to foreign currency translation amounting to SAR 13.0 million.

The balance of the provision for ineffective contracts decreased to SAR 152.5 million as of 31 December 2022G, and then increased to SAR 155.9 million as of 30 June 2023G due to foreign currency translation adjustments over the period, which amounted to (-SAR 9.7 million) and SAR 3.4 million, respectively.

5-5-2-19 Other Non-Current Liabilities

The balance of other non-current liabilities relates to warranty provisions and other provisions.

The balance of other non-current liabilities increased from zero as of 31 December 2021G to SAR 2.1 million as of 31 December 2021G as a result of the increase in the balance of employee stock options by the same amount. Then it decreased to SAR 644 thousand as of 31 December 2022G and 30 June 2023G.

5-5-2-20 Capital

As of 30 June 2023G, the capital consists of the authorized, issued and fully paid-up capital of SAR 9.9 million ordinary shares at a price of 10 SAR per share. All shares are issued and paid in full. (31 December 2022G: 9.9 million ordinary shares at a price of 10 SAR per share).

On 1 December 2020G, the Group's shareholders approved in their extraordinary general assembly to reduce the capital from SAR 344.5 million to SAR 200.0 million by reducing the number of shares from 34.5 million shares to 20.0 million shares at a value of 10 SAR per share. The capital reduction was used to offset SAR 144.5 million of the group's accumulated losses.

At the same Ordinary General Assembly, shareholders also approved the issuance of 12 million ordinary shares at a value of 10 SAR per share to increase the number of shares from 20.0 million shares to 32.0 million shares at a value of 10 SAR per share and to use the net proceeds to finance working capital as well as pay some dues to suppliers And commercial banks.

As of 31 December 2020G, the total accumulated losses amounted to SAR 205.5 million, representing 64% of the capital share. In accordance with Article 130 of the Companies Law, the company decided, through a Board of Directors decision issued on 27 March 2021G, to make full use of the remaining legal reserve balance amounting to SAR 132.2 million to partially adjust the company's accumulated losses amounting to SAR 205.5 million, so that the accumulated losses become SAR 73, 3 million, representing 22.9% of the company's capital.

As of 30 September 2021G, the accumulated losses in relation to capital amounted to about 69%, and in addition to the company's request to reduce its capital to the Capital Market Authority, the Authority, on 17/02/ 2022G, approved the company's request to reduce its capital, and then the company's shareholders presented it in their general assembly. Extraordinary meeting on 27 February 2022G by approving the reduction of capital from SAR 320 million to SAR 99 million and reducing the total number of shares from 32 million shares to 9.9 million shares at a value of 10 SAR each to compensate for SAR 221 million of the company's accumulated losses.

The Board of Directors acknowledges that no material change has occurred in the capital of the company or any of its subsidiaries, except for what was disclosed in this prospectus.

5-5-2-21 Revaluation Reserve

As of 30 June 2022G, the company changed its accounting policy to the fair value model to measure investment properties and the revaluation model to measure land, while continuing to apply the cost model to measure other items of property, machinery, equipment and intangible assets. Management has appointed at least two independent evaluators licensed by the Saudi Authority for Certified Valuers («Taqeem») to evaluate both the land and the investment property when preparing the unaudited condensed consolidated interim financial statements for the second quarter of 2022G, provided that the re-evaluation is done on the basis of annually, in line with the requirements of the Capital Market Authority and when using the fair value model and revaluation model for the first time and choosing the lower of the two valuations. A change from the cost to fair value model or revaluation model in recording investment properties and land is considered a change in accounting policy. Consequently, prior period adjustments to the accumulated losses of SAR 0.96 million as at 1 January 2021G and the revaluation reserve of SAR 375.78 million as at that date were included in shareholders' equity.

5-5-2-22 Statutory Reserve

The balance of the statutory reserve amounted to SAR 132.2 million as of 31 December 2020G as a result of the company's Board of Directors' decision on 26 August 2020G to reduce the statutory reserve by 30.2% and transfer part of it in the amount of SAR 57.3 million to extinguish part of the company's accumulated losses amounting to SAR 205.5 million.

Then, on 27 March 2021G, the company's Board of Directors decided to make full use of the remaining legal reserve balance of 132.2 million SAR to amortize the accumulated losses, to partially adjust the company's accumulated losses and reduce the balance to SAR 247.0 million, representing 77.2% of the capital as of 31 December 2021G. Then it decreased to zero during the remaining period.

5-5-2-23 Accumulated Losses

The percentage of accumulated capital losses amounted to 64.2%, 77.2%, 34.9%, and 43.2% as of 31 December 2020G, 2021G, 2022G, and 30 June 2023G, respectively.

Accumulated losses increased from SAR 205.5 million as of 31 December 2020G to SAR 247.0 million as of 31 December 2021G as a result of the losses incurred during the period.

Accumulated losses decreased to SAR 34.6 million as of 31 December 2022G, as a result of the decrease in losses incurred during the period.

Accumulated losses increased to SAR 42.8 million as of 30 June 2023G, as a result of recording losses during the six-month period ending on 30 June 2023G.

5-5-2-24 Employee Stock Ownership Program and Reserve

The company implemented an employee stock ownership program that provides rewards for specific job grades starting 1 January 2012G. Consequently, the company purchased 5.2 million shares of its stock through a financial institution for the purpose of the employee stock ownership program, which was recorded under the name «Employee Stock Ownership Reserve Program» in the consolidated statement of financial position.

Based on their contributions to the program, completion of three years of service, and maintenance of a certain performance level, employees were granted free shares until the vesting date during the year 2015G. The Employee Stock Ownership Program and Reserve represents the value of the remaining shares held by the trustee for future options to be offered to the company's employees.

The balance of the employee ownership program and reserve decreased from SAR 7.1 million as of 31 December 2020G to SAR 2.1 million as of 31 December 2021G.

The balance of the employee ownership program and reserve decreased to SAR 644 thousand as of 31 December 2022G and 30 June 2023G.

5-5-2-25 Hedging Reserve

The hedging reserve amounted to SAR 2.4 million as of 31 December 2021G, SAR 48.5 million as of 31 December 2022G, and SAR 49.2 million as of 30 June 2023G, and it relates to International Water Distribution (Tawzee).

5-5-2-26 Foreign Currency Translation Reserve

The risk of fluctuation in the value of financial instruments as a result of changes in foreign exchange rates. Currency risk arises when future business transactions and assets and liabilities are recognized in a currency different from the Group's presentation currency. The Group's exposure to foreign currency risk is primarily limited to transactions in US dollars and euros, and the Group's management believes that its exposure to currency risks linked to the US dollar is limited because the Group's presentation currency is pegged to the US dollar.

The foreign currency translation reserve balance decreased from negative SAR 91.0 million as of 31 December 2020G to negative SAR 123.7 million as of 31 December 2021G as a result of the negative change in currency rates such as the euro during the period.

Then the foreign currency translation reserve balance continued to decline to negative 147.8 as of 31 December 2022G and negative 144.0 as of 30 June 2023G.

Non-Controlling Interests

The balance of non-controlling interests relates to 1) Bond Strand (60% owned); It is a pipe production company (GRE) located in Dammam, Saudi Arabia and 2) Emetek Astana Company (51% owned); It is also a pipe production company (GRP) founded in Kazakhstan.

The balance of non-controlling interests decreased from SAR 20.2 million as of 31 December 2020G to SAR 19.3 million as of 31 December 2021G. Then the balance of non-controlling interests increased to SAR 23.0 million as of 31 December 2022G, and then to SAR 27.2 million as of 30 June 2023G.

5-5-2-27 Contingent Liabilities and Commitments

Capital Commitments

The capital expenditures contracted by the Group but not incurred as of 30 June 2023G amounted to SAR 0.3 million (0.6 million SAR as of 31 December 2022G, SAR 0.9 million as of 31 December 2021G, and SAR 2.6 million as of 31 December 2020G).

Potential Liabilities

The group has owned an industrial plot of land in the Al-Mulaisa area in the city of Jeddah since 2009G through the acquisition, from a related party, of a subsidiary company that owns this land. The ownership of this land was disputed in the Saudi judicial law, and thus a dispute arose over

this land. In light of this, the Group has booked an impairment charge for the full land amounting to SAR 150 million at the acquisition date, before deducting any impairment allowance. The legal dispute over land concerns a tribe's claim to ownership of the land.

The Group believes that this dispute will not have an impact on the book values or useful lives of the property, machinery and equipment located on this land. The dispute over the land has already been settled and a royal order has been issued confirming the land to its current owners, a copy of which the group has not received. However, the Jeddah municipality has begun taking the necessary measures to confirm the land to its current owners, and work is underway to develop a zoning plan for the Al-Mulaisa area in the entire city of Jeddah in preparation for issuing electronic bonds. In the event of obtaining an electronic instrument, the company will re-evaluate the land and record the fair value accordingly, and there is no potential liability based on that.

Guarantees

The Group was conditionally liable for bank letters of guarantee issued in the ordinary course of business amounting to SAR 54.9 million as at 30 June 2023G (SAR 56.2 million as at 31 December 2022G, SAR 76.9 million as at 31 December 2021G, and SAR 73.0 million as of 31 December 2020G.) The company also bears, together with other shareholders in its related companies, a contingent liability for corporate guarantees amounting to SAR 161.7 million as of 30 June 2023G (SAR 162.3 million as of 31 December 2022G and SAR 168.6 million as of 31 December 2021G and SAR 554.0 million as of 31 December 2020G) in relation to borrowing facilities for the relevant associated companies.

5-5-2-28 Audited Statements of Cash Flows

Table 56: Statement of cash flows for the financial years ending on December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended December 31 2022G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30 2023G (Non audited)
Loss of the year	(393,867)	(172,421)	(5,063)	(3,588)
Depreciation, amortization, and impairment	32,136	30,834	(10,866)	15,835
Share in the results of investments recorded using the equity method	(24,808)	(8,050)	(31,135)	(25,005)
Impairment in the value of investments recorded using the equity method	9,909	-	-	-
Zakat and foreign income tax charged	44,974	24,324	19,396	12,589
Employees' end of service benefits, net	5,254	4,673	3,974	4,434
Impairment losses in the value of financial assets	105,598	20,756	(12,990)	701
Designed for obsolete and slow-moving goods	-	5,022	(260)	-
Provision for security (Reverse)	4,038	(1,298)	(454)	(1,436)
Realized loss from currency conversion	24,952	-	-	-
Provision for useless contracts	34,676	44,631	-	-
Financing charges	64,081	8,797	41,091	-
Loss / (profit) on disposal of property, plant and equipment	1,291	719	-	-
Gain on disposal of equity-accounted investments	(6,401)	(12,412)	-	(1,350)
Impairment of goodwill	-	-	-	1,600
Total	(98,167)	(54,425)	(13,629)	3,780
Changes in Working Capital:				
Trade receivables (current and non-current) and asset contracts	107,368	63,175	37,121	(9,690)
Prepayments and other receivables	(135,211)	103,160	21,221	(14,205)
Inventory	69,226	24,058	(34,654)	8,055
Accounts Payable	(16,598)	(88,180)	(58,401)	11,836
Accrued expenses and other obligations and contractual obligations	2,677	4,549	22,634	11,092

(SAR '000)	Fiscal year Ended December 31 2022G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30 2023G (Non audited)
Zakat and foreign income tax paid	(2,755)	(17,132)	(13,884)	(14,850)
Paid employment termination benefits	(8,703)	(13,706)	(2,176)	(4,266)
Provision for useless contracts used	-	-	-	-
Net cash generated from operating activities	(82,163)	21,499	(41,768)	(8,248)
Investment activities				
Proceeds from the sale of lands	-	-	5,775	-
Proceeds from the sale of real estate investments	-	-	15,225	-
Proceeds from disposal of equity-registered investments	13,802	12,835	-	-
Proceeds from disposal of property, plant and equipment	-	43	-	-
Dividends received on equity-accounted investments	11,665	13,238	16,181	2,384
Acquisition of property, plant and equipment	(2,554)	(1,780)	(2,913)	(1,956)
Additions to right-of-use assets	-	-	(778)	-
Net change in other non-current assets	1,650	294	66	(284)
Net cash generated from (used in) investing activities	24,563	24,630	33,556	144
Financing activities				
Increasing the capital through the issuance of rights shares	120,000	-	-	-
Acquisition of a non-controlling interest in a subsidiary	24,768	5,063	1,439	-
Paid finance expenses	(64,081)	(8,797)	(41,091)	-
Paid lease obligations	699	(2,133)	409	(724)
Net change in other non-current liabilities	(55)	(1,109)	(232)	-
Net cash used in financing activities	17,801	(23,197)	(24,498)	3,765
Net change in cash and cash equivalents	(39,799)	22,932	(32,710)	(4,339)
Cash and cash equivalents as at the beginning of the year	89,819	53,254	75,136	41,741
The effect of foreign currency translation on cash and cash equivalents	3,235	(1,051)	(685)	369
Cash and cash equivalents at the end of the year	53,255	75,135	41,741	37,771

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

Cash Flows Generated From (Used In) Operating Activities

Net cash generated from operating activities increased from negative SAR 82.2 million in fiscal year 2020G to SAR 21.5 million in fiscal year 2021G as a result of an increase in prepayments and other receivables by SAR 103.2 million.

Net cash generated from operating activities decreased to negative 41.8 million SAR in fiscal year 2022 as a result of a decrease in advance payments and other receivables amounting to 21.2 million SAR.

Net cash generated from operating activities amounted to negative SAR 8.2 million in the six-month period ending 30 June 2023G, mainly due to the change in the balance of trade receivables (current and non-current) and asset contracts amounting to negative SAR 9.7 million, prepayments and other receivables. The amount was negative SAR 14.2 million, and this was offset by the change in the balance of trade receivables amounting to SAR 11.8 million.

Cash Flows Generated From (Used In) Investment Activities

Net cash generated from investment activities stabilized at SAR 24.6 million in fiscal year 2020G and fiscal year 2021G as a result of annual distributions from investments recorded using the equity method amounting to SAR 11.7 million and SAR 13.2 million, respectively, in addition to proceeds from investment disposals recorded using the equity method. Ownership rights amounting to SAR 13.8 million and SAR 12.8 million, respectively.

Net cash generated from investment activities increased to SAR 33.6 million in fiscal year 2022G as a result of the increase in proceeds from the sale of real estate investments worth SAR 15.2 million and the proceeds from the sale of lands worth SAR 5.8 million.

Net cash generated from investing activities amounted to SAR 144 thousand in the six-month period ending 30 June 2023G, related to dividends received from investments recorded using the equity method and the purchase of property, machinery and equipment during the period.

Cash Flows Used in Financing Activity

Net cash used in financing activities decreased from SAR 17.8 million in fiscal year 2020G to negative SAR 23.2 million in fiscal year 2021G as a result of a decrease in short-term loans amounting to SAR 16.2 million in addition to an increase in financing expenses paid by SAR 8.8 million SAR.

Net cash used in financing activities decreased to negative SAR 24.5 million in fiscal year 2022G. The increase in financing expenses paid amounted to SAR 41.1 million, partially offset by an increase in short-term loans amounting to SAR 15.0 million.

Net cash used in financing activities amounted to SAR 3.8 million in the six-month period ending 30 June 2023G due to the change in short-term loans amounting to SAR 4.5 million.

5-6 Management's discussion and analysis of the financial position of Amiantit Fiberglass Manufacturing Company Limited (AFIL) and the results of its operations

Table 57: Statement of comprehensive income for the fiscal years ending on December 31, 2020, 2021, 2022, and June 30, 2023

Statement (SAR '000)	Fiscal Year 2020(Audited)	Fiscal Year 2021(Audited)	Fiscal Year 2022 (Audited)	Annual Change 2020-2021G	Annual Change 2021-2022G	CAGR 2020-2022	Six-month period ending on June 30, 2022 - Reviewed	Six-month period ending on June 30, 2023 - Reviewed	Change for the period 2022-2023
Revenue	165,253	128,082	191,931	(22.5%)	49.9%	7.8%	82,956	153,395	84.9%
Revenue of cost	(166,679)	(143,689)	(183,538)	(13.8%)	27.7%	4.9%	(83,222)	(117,818)	41.6%
Gross (loss) / profit	(1,426)	(15,607)	8,393	994.5%	(153.8%)	N/A	(266)	35,577	(13474.8%)
(Losses) reversal of financial assets Impairment - net	(15,645)	10,614	6,798	(167.8%)	(36.0%)	N/A	7,165	1,244	(82.6%)
Selling, general and administrative expenses	(16,331)	(12,762)	(14,742)	(21.9%)	15.5%	(5.0%)	(7,119)	(9,204)	29.3%
Operating loss/profit	(33,402)	(17,755)	449	(46.8%)	(102.5%)	N/A	(220)	27,617	(12653.2%)
Other income/(expenses), net	6,240	745	7,423	(88.1%)	896.4%	9.1%	3,398	(576)	(117.0%)
Financing costs	(3,577)	(3,827)	(5,138)	7.0%	34.3%	19.8%	(2,229)	(4,213)	89.0%
Profit (loss) before zakat	(30,739)	(20,837)	2,734	(32.2%)	(113.1%)	N/A	949	22,828	2305.5%
Zakat expense	(7,623)	(7,513)	(6,762)	(1.4%)	(10.0%)	(5.8%)	-	-	N/A
(Loss) / profit for the year / period	(38,362)	(28,350)	(4,028)	(26.1%)	(85.8%)	(67.6%)	949	22,828	2305.5%

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

Revenues

Revenues decreased by 22.5% from SAR 165.3 million in fiscal year 2020G to SAR 128.1 million in fiscal year 2021G. This is mainly due to the delay of some projects resulting from the consequences of the Corona pandemic, in addition to the lack of liquidity in general, which negatively affected

the company's negotiations with main suppliers are unable to obtain competitive prices and their subsequent impact on the pricing of the final product, which has led to the loss of some projects.

Revenues increased by 49.9% to SAR 191.9 million in the fiscal year 2022G, mainly driven by management's ability to negotiate significantly with major suppliers and schedule outstanding debts while ensuring the arrival of new raw materials at competitive prices and better payment terms, in addition to increasing the company's opportunities as a local manufacturer, which gave the company priority in obtaining new projects on cash payment terms or through documentary credits.

Revenues increased by 84.9% from SAR 83.0 million in the six-month period ending 30 June 2022G to SAR 153.4 million in the six-month period ending 30 June 2023G, primarily due to continued management efforts in general to increase the volume of new orders, subject to payment in cash or through documentary credits.

Cost of Revenue

Cost of revenues decreased by 13.8% from SAR 166.7 million in fiscal year 2020 to SAR 143.7 million in fiscal year 2021G primarily due to lower revenues.

Cost of revenues increased by 27.7% to SAR 183.5 million in fiscal year 2022G, driven primarily by increased revenues and management efforts to rationalize and control operating costs and maintain them at reasonable levels.

Cost of revenues increased by 41.6% from SAR 83.2 million in the six-month period ending 30 June 2022G to SAR 117.8 million in the six-month period ending 30 June 2023G, mainly due to increased revenues and management's efforts to rationalize and control operating and maintenance costs at reasonable levels.

(Losses) Reversal of Impairment of Financial Assets - Net

Impairment losses on financial assets decreased from (-SAR 15.6 million) in fiscal year 2020G to a reversal of SAR 10.6 million in fiscal year 2021G, mainly due to the collection of certain receivables.

The reversal of impairment in financial assets decreased to SAR 6.8 million in fiscal year 2022G, mainly driven by the collection of certain receivables.

The reversal of impairment in the value of financial assets decreased from SAR 7.2 million in the six-month period ended 30 June 2022G to SAR 1.2 million in the six-month period ended 30 June 2023G, primarily due to the volume of receivables collection.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased by 21.9% from SAR 16.3 million in fiscal year 2020G to SAR 12.8 million in fiscal year 2021G, primarily due to a decrease in right-to-know fees of SAR 2.9 million, which is mainly related to lower revenues.

Selling, general and administrative expenses increased by 15.5% to SAR 14.7 million in fiscal year 2022G, driven primarily by an increase in right-to-know fees of SAR 2.1 million, mainly related to increased revenues.

Selling, general and administrative expenses increased by 29.3% from SAR 7.1 million in the six-month period ending 30 June 30, 2022 to SAR 9.2 million in the six-month period ending 30 June 2023G, mainly due to an increase in right-to-know fees of SAR 2.1 million, mainly linked to increased revenues.

Other Income/(Expenses), Net

Other revenues decreased by 88.1% from SAR 6.2 million in FY 2020G to SAR 745 thousand in FY2021G mainly due to a discount of SAR 6.4 million resulting from the full settlement of Samba Bank facilities.

Other revenues increased to SAR 7.4 million in fiscal year 2022G, mainly driven by the company recording SAR 3.3 million as a gain from revaluing real estate investments at fair value.

Other revenues decreased from SAR 3.4 million in the six-month period ending 30 June 2022G to expenses of (SAR -576 thousand) in the six-month period ending 30 June 2023G, mainly due to the company recording a loss from the revaluation of real estate investments of SAR 576 thousand.

Financing Costs

Financing costs stabilized at SAR 3.7 million in the fiscal years 2020G and 2021G.

Financing costs increased to SAR 5.1 million in the fiscal year 2022G, mainly driven by an increase in facilities related to discounts on documentary credit and thus an increase in financing expenses.

Financing costs increased from SAR 2.2 million in the six-month period ending 30 June 2022G to SAR 4.2 million in the six-month period ending 30 June 2023G, mainly due to an increase in the interest rate index (SUBOOR).

Zakat Expense

Zakat expense stabilized at 7.6 million SAR in the fiscal years 2020G and 2021G, and decreased to SAR 6.8 million in the fiscal year 2022G in line with the changes in the zakat base.

The company did not record zakat expense in the six-month period ending on 30 June 2022G and 2023G, as the zakat expense is distributed for each period at the end of each year.

Table 58: Statement of financial position for the fiscal years ending on December 31, 2020, 2021, 2022, and June 30, 2023

(SAR '000)	Fiscal year Ended Decem- ber 31 2020G Audited	Fiscal year Ended Decem- ber 31 2021G Modified	Fiscal year Ended Decem- ber 31 2022G Audited	Six-month period ending June 30 2023G (Non audited)
Non-current assets	225,191	216,043	165,754	142,613
Current assets	363,924	296,106	319,461	366,163
Total assets	589,115	512,149	485,215	508,776
Equity	128,128	99,026	94,756	117,584
Non-current liabilities	15,286	217,481	219,790	219,452
Current liabilities	445,701	195,642	170,669	171,740
Total liabilities	460,987	413,123	390,459	391,192
Total equity and liabilities	589,115	512,149	485,215	508,776

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

Non-Current Assets

Non-current assets decreased from SAR 225.2 million as of 31 December 2020G to SAR 216.0 million as of 31 December 2021G, driven mainly by a decrease in property and equipment of SAR 13.2 million as a result of depreciation during the year.

Non-current assets decreased to SAR 165.8 million as at 31 December 2022G, mainly driven by a decrease in non-current receivables amounting to SAR 37.5 million.

Non-current assets decreased to SAR 142.6 million as at 30 June 2023G, mainly driven by a decrease in real estate investments by SAR 10.6 million, non-current receivables by SAR 7.4 million and property, plant and equipment by SAR 5.2 million.

Current Assets

Current assets decreased from SAR 363.9 million as of 31 December 2020G to SAR 296.1 million as of 31 December 2021G, driven mainly by a decrease in trade receivables of SAR 71.2 million, partially offset by an increase in cash and cash equivalents of 6.2 million SAR. .

Current assets increased to SAR 319.5 million as of 31 December 2022G, driven mainly by an increase in trade receivables of SAR 71.2 million.

Current assets increased to SAR 366.2 million as at 30 June 2023G, mainly driven by an increase in trade receivables of SAR 57.6 million.

Property Rights

Equity decreased from SAR 128.1 million as of 31 December 2020G to SAR 99.0 million as of 31 December 2021G, driven mainly by an increase in accumulated losses of SAR 28.1 million.

Ownership rights also decreased to SAR 94.8 million as of 31 December 2022G, as a result of recording net losses for the year 2022G in the amount of SAR 4.0 million.

Ownership rights increased to SAR 117.6 million as of 30 June 2023G, mainly due to recording profits for the period amounting to SAR 22.8 million.

During the review period, the capital was adjusted from SAR 180.0 million as of 31 December 2021G to SAR 87.0 million as of 31 December 2022G.

Non-Current Liabilities

Non-current liabilities increased from SAR 15.3 million as at 31 December 2020G to SAR 217.5 million as at 31 December 2021, mainly due to the reclassification of the balance due to related parties of SAR 160.5 million and SAR 207.4 million to Non-current liabilities.

Non-current liabilities increased to SAR 219.8 million on 31 December 2022G and SAR 219.5 million on 30 June 2023, mainly driven by an increase in the provision for employees' end-of-service benefits by SAR 1.7 million and SAR 464 thousand, respectively.

Current Liabilities

Current liabilities decreased from SAR 445.7 million as of 31 December 2020G to SAR 195.6 million as of 31 December 2021, mainly due to the reclassification of the balance due to related parties of SAR 160.5 million and SAR 207.4 million to non-current liabilities.

Current liabilities decreased to SAR 170.7 million as of 31 December 2022G and SAR 171.7 million as of 30 June 2023G as a result of the decrease in trade payables by SAR 21.7 million during the year 2022G and as a result of the decrease in trade payables by SAR 28.2 million during the period For the six months ending 30 June 2023G. This was partially offset by an increase in accrued expenses and other liabilities amounting to SAR 13.2 million and short-term loans amounting to SAR 12.9 million.

5-7 Management's discussion and analysis of the financial position of Amitech Istana Pipe Company and the results of its operations

Table 59 : Statement of comprehensive income for the fiscal years ending on December 31, 2020, 2021, 2022, and June 30, 2023

Statement (SAR '000)	Fiscal Year 2020(Audited)	Fiscal Year 2021(Audited)	Fiscal Year 2022 (Audited)	Annual Change 2020-2021G	Annual Change 2021-2022G	CAGR 2020-2022	Six-month period ending on June 30, 2022 - Reviewed	Six-month period ending on June 30, 2023 - Reviewed	Change for the period 2022-2023
Revenue	11,584	10,458	21,870	(9.7%)	109.1%	37.4%	6,431	22,587	251.2%
Cost of Revenue	(9,748)	(8,045)	(15,670)	(17.5%)	94.8%	26.8%	(4,289)	(12,521)	191.9%
Gross profit	1,836	2,413	6,200	31.4%	156.9%	83.8%	2,142	10,066	369.9%
(Losses) reversal of financial assets Impairment - net	(230)	(65)	(169)	(71.7%)	160.0%	(14.3%)	-	(74)	N/A
Selling, general and administrative expenses	(2,353)	(2,432)	(4,226)	3.4%	73.8%	34.0%	(1,322)	(2,250)	70.2%
Operating loss/profit	(747)	(84)	1,805	(88.8%)	(2248.8%)	N/A	820	7,742	844.1%
Other income (Expenses), Net	(1,766)	(56)	(1,065)	(96.8%)	1801.8%	(22.3%)	(2,048)	1,855	(190.6%)
Financing Cost	(117)	(413)	138	253.0%	(133.4%)	N/A	(11)	68	(718.2%)
Profit (loss) before zakat and Foreign Income Tax	(2,630)	(553)	878	(79.0%)	(258.8%)	N/A	(1,239)	9,665	(880.1%)
Foreign Income Tax	50	277	-	454.0%	(100.0%)	N/A	-	-	N/A
Profit (Loss) for the period	(2,580)	(276)	878	(89.3%)	(418.1%)	N/A	(1,239)	9,665	(880.1%)

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

Revenues

Revenues decreased by 9.7% from SAR 11.6 million in fiscal year 2020G to SAR 10.5 million in fiscal year 2021G mainly due to the unexpected cessation of certain hydropower projects.

Revenues increased by 109.1% to SAR 21.9 million in fiscal year 2022G, driven primarily by the acquisition of new contracts from three major clients.

Revenues increased from SAR 6.4 million in the six-month period ending 30 June 2022G to SAR 22.6 million in the six-month period ending 30 June 2023G, primarily due to the Company's increased opportunities to obtain new projects from three major clients.

Cost of Revenue

Cost of revenues decreased by 17.5% from SAR 9.7 million in fiscal year 2020G to SAR 8.0 million in fiscal year 2021G mainly due to lower sales.

Cost of revenues increased by 94.8% to SAR 15.7 million in fiscal year 2022G, driven primarily by increased sales.

Cost of revenues increased by 191.9% from SAR 4.3 million in the six-month period ending 30 June 2022G to SAR 12.5 million in the six-month period ending 30 June 2023G, primarily due to increased sales.

(Losses) The Reversal of the Decline in the Value of Financial Assets - Net

Impairment losses on financial assets decreased from SAR 230 thousand in fiscal year 2020G to SAR 65 thousand in fiscal year 2021G, primarily due to the collection of certain trade receivables.

Impairment losses in the value of financial assets increased to SAR 169 thousand in the fiscal year 2022G, mainly driven by recording additional provisions based on the expected credit loss model.

Impairment losses on financial assets increased from nothing in the six-month period ending 30 June 2022G to SAR 74 thousand in the six-month period ending 30 June 2023G, primarily due to recording additional provisions based on the expected credit loss model.

Selling, General and Administrative Expenses

Selling, general and administrative expenses stabilized at SAR 2.4 million in the fiscal years 2020G and 2021G, then selling, general and administrative expenses increased by 73.8% to SAR 4.2 million in the fiscal year 2022G, mainly driven by an increase in right-to-know fees in addition to other administrative expenses and professional fees coinciding with the increase the sales.

Selling, general and administrative expenses increased by 70.2% from SAR 1.3 million in the six-month period ending 30 June 2022G to SAR 2.3 million in the six-month period ending 30 June 2023G, primarily due to an increase in right-to-know fees in addition to other administrative expenses. Professional fees coincide with increased sales.

Other Income/(Expenses), Net

Other expenses decreased by 96.8% from (-SAR 1.8 million) in the fiscal year 2020G to (-SAR 56 thousand) in the fiscal year 2021. This is mainly due to recording foreign currency translation settlement gains, as the company buys and sells services in foreign currency (Kazakh tenge).

Other expenses increased to (-SAR 1.1 million) in fiscal year 2022G, mainly driven by recording foreign currency translation adjustment losses as the company buys and sells services in foreign currency (Kazakhstani tenge).

Other expenses increased from (-SAR 2.0 million) in the six-month period ending 30 June 2022G to revenues of SAR 1.9 million in the six-month period ending 30 June 2023G, primarily due to recording foreign currency translation settlement gains as the Company Buying and selling services in foreign currency (Kazakhstani tenge).

Financing Costs

Financing costs increased from (-SAR 117 thousand) in fiscal year 2020 to (-SAR 413 thousand) in fiscal year 2021G, mainly due to higher interest costs on bank loans in fiscal year 2021G.

Financing costs decreased to record revenues of SAR 138 thousand in the fiscal year 2022G, mainly driven by the settlement of some bank loans.

Financing costs decreased from 11 thousand SAR in the six-month period ending 30 June 2022G to record revenues of SAR 68 thousand in the six-month period ending 30 June 2023G, mainly due to the settlement of some bank loans.

Foreign Income Tax

Foreign income tax increased from SAR 50 thousand in fiscal year 2020G to SAR 277 thousand in fiscal year 2021G, mainly due to tax losses and balances carried forward from the previous year.

Foreign income tax decreased to nil in fiscal 2022G primarily due to the carryover of certain deferred tax asset loss balances from prior years, which the Company did not use during the year.

Foreign income tax was zero in the six-month periods ended 30 June 2022G and 2023G, primarily due to the carryover of certain deferred tax asset loss balances from prior years that the Company did not use during the year.

Table 60: Statement of financial position for the fiscal years ending on December 31, 2020G, 2021G, 2022G, and June 30, 2023G

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30 2023G (Non audited)
Non-Current Assets	2,565	2,390	2,015	2,836
Current Assets	25,538	18,858	30,710	30,346
Total Assets	28,103	21,248	32,725	33,182
Equity	(31,126)	(31,049)	(30,293)	(21,300)
Non-Current liabilities	23,510	23,259	21,770	21,730
Current liabilities	35,719	29,038	41,248	32,752
Total Liabilities	59,229	52,297	63,018	54,482
Total Equity and liabilities	28,103	21,248	32,725	33,182

Source: The audited financial statements for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the reviewed financial statements for the six-month period ending on June 30, 2023G.

Non-Current Assets

The non-current assets decreased from 6.6 million Saudi riyals, as of December 31 2020G, to 4.0 million Saudi riyals, as of December 31, 2021G, driven by decreased property, equipment and machinery in the amount of 1.0 million Saudi riyals as a result of consumption during the year and the decrease in the value of investments in other subsidiaries of Amiantit (Aquamondo and BW TSUW) in the amount of 1.5 million Saudi riyals.

The non-current assets have increased to 98.2 million Saudi riyals, as of December 31 2022G, mainly driven by the re-classification of the city's receivables from the Iraq and Turkmenistan project from circulating assets to non-circulating assets of 95.9 million Saudi riyals.

Non-current assets increased to SAR 2.8 million as of 30 June 2023G mainly driven by the increase in property, plant and equipment due to renovation of office buildings and equipment.

Current Assets

Current assets decreased from SAR 25.5 million as of 31 December 2020G to SAR 18.9 million as of 31 December 2021G, mainly driven by a decrease in trade receivables as a result of better collections and the sale of most of the finished product inventory by the end of 2021G.

Current assets increased to SAR 30.7 million as of 31 December 2022G, then decreased to SAR 30.3 million as of 30 June 2023G, mainly driven by better management of trade receivables, as collections increased, production increased, and most of the inventory of finished products was sold.

Equity

equity remains at (SAR -31.1 million) as of 31 December 2020G and 31 December 2021G.

equity increased to (SAR -30.3 million) as of 31 December 2022G as a result of the decrease in accumulated losses due to achieving a net profit for the year 2022G.

equity increased to (SAR -21.3 million) as of 30 June 2023G, mainly due to the decrease in accumulated losses due to achieving a net profit in the first quarter of 2023G.

During the review period, the company's capital was not adjusted.

Non-Current Liabilities

Non-current liabilities remain at SAR 23.3 million as of 31 December 2020G and 31 December 2021G.

Non-current liabilities decreased to SAR 21.8 million of 31 December 2022G and 30 June 2023G due to foreign currency retranslation on the balance of non-current liabilities denominated in Kazakhstani tenge to Saudi riyals.

Current liabilities

Current liabilities decreased from SAR 35.7 million as of 31 December 2020G to SAR 29.0 million as at 31 December 2021G, mainly due to the repayment of most bank loans in 2021G and management's focus on settling supplier receivables.

Current liabilities increased to SAR 41.2 million as of 31 December 2022G due to the increase in advance payments received from customers.

Current liabilities decreased to SAR 32.8 million as of 30 June 2023G as a result of billing of most advance payments received from customers.

Table 61: Statement of comprehensive income for the fiscal years ending on December 31, 2020G, 2021G, 2022G, and June 30, 2023G

Statement (SAR 1000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual Change 2020G - 2021G	Annual Change 2021G - 2022G	CAGR 2020G - 2022G	Six-month pe- riod ending on June 30, 2022G - Reviewed	Six-month pe- riod ending on June 30, 2023G - Reviewed	Change for the period 2022G - 2023G
Revenue	17,414	60,144	39,901	245.4%	(33.7%)	51.4%	20,478	23,341	14.0%
Revenue cost	(59,754)	(112,431)	(57,349)	88.2%	(49.%)	(2.0%)	(31,416)	(28,144)	(10.4%)
Gross Profit	(42,340)	(52,287)	(17,448)	23.5%	(66.6%)	(35.8%)	(10,938)	(4,803)	(56.1%)
Selling, general and administra- tive expenses	(32,913)	(20,597)	(18,669)	(37.4%)	(9.4%)	(24.7%)	(8,386)	(11,053)	31.8%
Operating loss	(75,253)	(72,884)	(36,117)	(3.1%)	(50.4%)	(30.7%)	(19,324)	(15,856)	(17.9%)
Other income/(expenses), net	(5,943)	6,035	6,279	(201.5%)	4.0%	N/A	4,375	1,222	(72.1%)
Financing costs	(4,562)	(3,790)	(2,167)	(16.9%)	(42.8%)	(31.1%)	(1,137)	(1,085)	(4.6%)
Loss before foreign income tax	(85,758)	(70,639)	(32,005)	(17.6%)	(54.7%)	(38.9%)	(16,086)	(15,719)	(2.3%)
Foreign income tax	143	(355)	(93)	(348.3%)	(73.8%)	N/A	(24)	(99)	312.5%
Loss for the year/period	(85,615)	(70,994)	(32,098)	(17.1%)	(54.8%)	(38.8%)	(16,110)	(15,818)	(1.8%)
Revenue	17,414	60,144	39,901	245.4%	(33.7%)	51.4%	20,478	23,341	14.0%

Source: The audited financial statements for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the reviewed financial statements for the six-month period ending on June 30, 2023G.

Revenues

Revenues increased by 245.4% from SAR 17.4 million in fiscal year 2020G to SAR 60.1 million in fiscal year 2021G, mainly due to the increase in projects and operations in Germany and Morocco, as examples of the Al-Nawasir and Had Al-Sawalim projects.

Revenues decreased by 33.7% to SAR 39.9 million in fiscal year 2022G, mainly driven by a decrease in the volume of billing for some existing projects, in addition to the cessation of the Samawa project in Iraq.

Revenue increased by 14.0% from SAR 20.5 million in the six-month period ending 30 June 2022G to SAR 23.3 million in the six-month period ending 30 June 2023G, mainly due to the acquisition of new projects such as the Himara wastewater treatment plant in Albania.

Cost of Revenue

Cost of revenue increased by 88.2% from SAR 59.8 million in fiscal year 2020G to SAR 112.4 million in fiscal year 2021G mainly due to recording a provision for ineffective contracts of SAR 44.6 million.

Cost of revenue decreased by 49.0% to SAR 57.3 million in fiscal year 2022G, mainly driven by the recording of a provision for ineffective contracts of SAR 44.6 million in 2021G, and is consistent with decreasing overall sales.

Cost of revenue decreased by 10.4% from SAR 31.4 million in the six-month period ending June 30, 2022G to SAR 28.1 million in the six-months period ending 30 June 2023G, mainly due to the acquisition of new projects with good profit margins.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased by 37.4% from SAR 32.9 million in fiscal year 2020G to SAR 20.6 million in fiscal year 2021G mainly due to recording an expected credit loss allowance for receivables related to the Turkmenistan project of SAR 11.2 million in 2020G.

Selling, general and administrative expenses decreased by 9.4% to SAR 18.7 million in fiscal year 2022G, mainly driven by a decrease in professional fees and a decrease in some administrative expenses such as cars rental.

Selling, general and administrative expenses increased by 31.8% from SAR 8.4 million in the six-month period ending 30 June 2022G to SAR 11.1 million in the six-month period ending 30 June 2023G, mainly due to recording a provision for restructuring employees' end-of-service benefits.

Other Revenues / (Expenses), Net

Other expenses decreased from (SAR -5.9 million) in fiscal year 2020G and recorded revenues of SAR 6.0 million in fiscal year 2021G mainly due to the reversal of excess accruals, social insurance provisions, payroll tax, security, bonuses and restructuring for a total amount of SAR 4.6 million.

Other revenues increased to SAR 6.3 million in fiscal year 2022G mainly driven by the recording of some overpayments made by customers from prior years on old projects that are no longer scheduled to be serviced; Payments of these amounts has not yet been claimed.

Other revenues decreased from SAR 4.4 million in the six-month period ending 30 June 2022G to SAR 1.2 million in the six-month period ending 30 June 2023G, mainly due to a foreign currency translation adjustment loss as the Company buys and sells goods and services in foreign currency by SAR 3.4 million.

Financing Costs

Financing costs decreased from SAR 4.6 million in fiscal year 2020G to SAR 3.8 million in fiscal year 2021G, mainly due to decrease in bank fees and interest rates on loans.

Financing costs decreased to SAR 2.2 million in fiscal year 2022G, mainly driven by decrease in bank fees and interest rates on loans.

Financing costs remains at SAR 1.1 million in the six-month period ending 30 June 2022G and 2023G.

Foreign Income Tax

Foreign income tax increased from SAR 143 thousand in fiscal year 2020G to (SAR -355 thousand) in fiscal year 2021G, mainly due to the increase in income tax with the increase in revenues compared to 2020G.

Foreign income tax decreased to (SAR -93 thousand) in the fiscal year 2021G, mainly due to the decrease in income tax with the decrease in revenues compared to 2021G.

Foreign income tax increased from (SAR -24 thousand) in the six-month period ending June 30, 2022G to (SAR -99 thousand) in the six-month period ending 30 June 2023G, mainly due to the increase in income tax with the increase in Revenues compared to the comparison period.

Table 62: Statement of financial position as at December 31, 2020G, 2021G, 2022G, and June 30, 2023G

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30 2023G (Non audited)
Non-Current Assets	6,601	4,045	98,164	99,689
Current Assets	503,307	447,000	333,647	344,651
Total Assets	509,908	451,045	431,811	444,340
Equity	146,252	67,910	37,043	21,537
Non-Current liabilities	205,049	229,895	245,433	270,482
Current liabilities	158,607	153,240	149,335	152,321
Total Liabilities	363,656	383,135	394,768	422,803
Total Equity and liabilities	509,908	451,045	431,811	444,340

Source: The audited financial statements for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the reviewed financial statements for the six-month period ending on June 30, 2023G.

Non-current assets

The non-current assets decreased from 6.6 million Saudi riyals, as of December 312020G, to 4.0 million Saudi riyals, as of December 31, 2021G, driven by decreased property, equipment and machinery in the amount of 1.0 million Saudi riyals as a result of consumption during the year and the decrease in the value of investments in other subsidiaries of Amiantit (Aquamondo and BW TSUW) in the amount of 1.5 million Saudi riyals.

The non-current assets have increased to 98.2 million Saudi riyals, as on December 312022G, mainly driven by the re-classification of the city's receivables from the Iraq and Turkmenistan project from circulating assets to non-circulating assets of 95.9 million Saudi riyals.

Non-current assets increased to 99.7 million Saudi riyals, as of June 30, 2023G, mainly paid to the 1.5 million Saudi riyals resulting from transferring foreign currencies to the uninterrupted balance.

Current Assets

Current assets decreased from SAR 503.3 million as of 31 December 2020G to SAR 447.0 million as of December 31, 2021G, mainly driven by a decrease in the value of contractual assets of SAR 44.63 million for the Samawa project in Iraq.

Current assets decreased to SAR 333.6 million as of 31 December 2022G, mainly driven by the reclassification of receivables from the Samawa project in Iraq and Turkmenistan from current assets to non-current assets amounting to SAR 95.9 million.

Current assets increased to SAR 344.7 million as of 30 June 2023G mainly driven by increased value of contractual assets through the acquisition of new projects such as the Himara Wastewater Treatment Plant in Albania.

Owner's Equity

equity decreased from SAR 146.3 million as of 31 December 2020G to SAR 67.9 million as of 31 December 2021G, mainly driven by an increase in accumulated losses of SAR 71.0 million.

equity also decreased to SAR 37.0 million as of 31 December 2022G, resulted from a decrease in accumulated losses by SAR 32.1 million.

equity decreased to SAR 21.5 million as of 30 June 2023G, mainly due to an increase in accumulated losses of SAR 15.8 million.

During the review period, the company's capital was not adjusted.

Non-Current Liabilities

Non-current liabilities increased from SAR 205.0 million as of 31 December 2020G to SAR 229.9 million as of 31 December 2021G, mainly due to an increase in loans from the parent company.

Non-current liabilities increased to SAR 245.4 million as of 31 December 2022G, mainly driven by an increase in loans from the parent company.

Non-current liabilities increased to SAR 270.5 million as of 30 June 2023G, mainly driven by an increase in loans from the parent company

Current Liabilities

Current liabilities decreased from SAR 158.6 million as of 31 December 2020G to SAR 153.2 million as of 31 December 2021G, mainly due to a decrease in advances from customers of SAR 5.0 million and its billing during 2021G.

Current liabilities decreased to SAR 149.3 million as of 31 December 2022G, mainly due to a decrease in advances from customers amounting to SAR 8.8 million and its billing during 2022G.

Current liabilities increased to SAR 152.3 million as of 30 June 2023G, mainly due to the increase in trade payables of SAR 2.3 million as purchases to provide raw materials for new projects.

5-8 Management's discussion and analysis of the financial position of the Engineering Infrastructure Company for General Contracting Limited and the results of its operations

Table 63: Statement of comprehensive income for the fiscal years ending on December 31, 2020G, 2021G, 2022G, and June 30, 2023G

Statement (SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual Change 2020G - 2021G	Annual Change 2021G - 2022G	CAGR 2020G - 2022G	Six-month pe- riod ending on June 30, 2022G Reviewed	Six-month pe- riod ending on June 30, 2023G Reviewed	Change for the period 2022G - 2023G
Revenue	63,266	56,666	40,636	(10.4%)	(28.3%)	(19.9%)	24,867	30,642	23.2%
Revenue cost	(49,881)	(52,178)	(33,784)	4.6%	(35.3%)	(17.7%)	(16,459)	(17,378)	5.6%
Gross Profit	13,385	4,488	6,852	66.5%	52.7%	(28.5%)	8,408	13,264	57.8%
(Losses) The reversal of the im- pairment of financial assets net	(4,394)	(9,235)	2,170	110.2%	(123.5%)	N/A	3,421	(3,073)	(189.8%)
Selling, general and administra- tive expenses	(5,756)	(5,823)	(3,509)	1.2%	(39.7%)	(21.9%)	(2,384)	(1,368)	(42.6%)
Operating profit (loss).	3,235	(10,570)	5,513	(426.7%)	(152.2%)	30.5%	9,445	8,823	(6.6%)
Other income/(expenses), net	36	571	3,574	1486.1%	525.9%	896.4%	43	723	1581.4%

Statement (SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual Change 2020G - 2021G	Annual Change 2021G - 2022G	CAGR 2020G - 2022G	Six-month period ending on June 30, 2022G Reviewed	Six-month period ending on June 30, 2023G Reviewed	Change for the period 2022G - 2023G
Financing income	2,693	3,476	4,141	29.1%	19.1%	24.0%	2,096	2,353	12.3%
Profit (loss) before zakat	5,964	(6,523)	13,228	(209.4%)	(302.8%)	48.9%	11,584	11,899	2.7%
Zakat expense	(3,157)	(2,651)	(2,490)	(16.0%)	(6.1%)	(11.2%)	-	-	N/A
Profit/(loss) for the period	2,807	(9,174)	10,738	(426.8%)	(217.0%)	95.6%	11,584	11,899	2.7%

Source: The audited financial statements for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the reviewed financial statements for the six-month period ending on June 30, 2023G.

Revenues

Revenues decreased by 10.4% from SAR 63.3 million in fiscal year 2020G to SAR 56.7 million in fiscal year 2021G mainly due to not acquiring projects with good profit margins.

Revenues decreased by 28.3% to SAR 40.6 million in fiscal year 2022G, mainly driven by not acquiring projects with good profit margins.

Revenues increased by 23.2% from SAR 24.9 million in the six-month period ending 30 June 2022G to SAR 30.6 million in the six-month period ending 30 June 2023G, mainly due to acquiring projects with good profit margins.

Cost of Revenue

Cost of revenue increased by 4.6% from SAR 49.9 million in fiscal year 2020G to SAR 52.2 million in fiscal year 2021G, mainly due to recording additional unplanned project costs.

Cost of revenue decreased by 35.3% to SAR 33.8 million in fiscal year 2022G, mainly driven by decrease in revenue.

Cost of revenue increased by 5.6% from SAR 16.5 million in the six-month period ending 30 June 2022G to SAR 17.4 million in the six-month period ending 30 June 2023G, mainly due to increased revenue.

(Losses) Reversal of Financial Assets Impairment

Financial assets impairment losses increased from (SAR -4.4 million) in the fiscal year 2020G to (SAR -9.2 million) in the fiscal year 2021G, based on the application of the expected credit loss model, and recording an allowance for expected credit losses amounting to SAR 4.4 million in 2020G, compared to recording expected credit losses of SAR 9.2 million in 2021G.

Financial assets impairment losses decreased to a reversal of SAR 2.2 million in the fiscal year 2022G based on the application of the expected credit loss model, and recording the provision for expected credit losses in the amount of SAR 9.2 million in 2021G, compared to recording a reversal of the provision for expected credit losses in the amount of SAR 2.2 million in 2022G.

The reversal of financial assets impairment decreased from SAR 3.4 million in the six-month period ending 30 June 2022G to losses of (-SAR 3.1 million) in the six-month period ending 30 June 2023G, mainly due to recording an allowance for expected credit losses amounting to 3.1 SAR million in June 2023, compared to recording a reversal of an expected credit provision of 3.4 million in June 2022G

Selling, General and Administrative Expenses

Selling, general and administrative expenses remain at SAR 5.8 million in the fiscal years 2020G and 2021G.

Selling, general and administrative expenses decreased by 39.7% to SAR 3.5 million in fiscal year 2022G as a result of the decrease in sales.

Selling, general and administrative expenses decreased by 42.6% from SAR 2.4 million in the six-month period ending 30 June 2022G to SAR 1.4 million in the six-month period ending 30 June 2023G, mainly due to management's efforts to rationalize selling, general and administrative expenses.

Other Income/(Expenses), Net

Other revenues increased from SAR 36 thousand in fiscal year 2020G to SAR 571 thousand in fiscal year 2021G, mainly due to obtaining a discount from some suppliers in exchange for settling debts.

Other revenues increased to SAR 3.6 million in fiscal year 2022G, mainly driven by a reversal of the expected credit losses model for retention amounts.

Other revenues increased from SAR 43,000 in the six-month period ending 30 June 2022G to SAR 723,000 in the six-month period ending 30 June 2023G, mainly due to the reversal of an additional provision for indirect labor benefits.

Financing Income

Financing income increased from 2.7SAR million in fiscal year 2020G to SAR 3.5 million in fiscal year 2021G, mainly due to an increase in revenues charged to the parent company related to the balances due from the parent company at the end of the year.

Financing revenues increased to SAR 4.1 million in the fiscal year 2022G, mainly driven by an increase in revenues charged to the parent company related to the balance due from the parent company at the end of the year.

Financing revenues increased from SAR 2.1 million in the six-month period ending 30 June 2022G to SAR 2.4 million in the six-month period ending 30 June 2023G, mainly due to an increase in revenues charged to the parent company related to the balance due from the parent company at the end of Period.

Zakat Expense

Zakat expense decreased from SAR 3.2 million in the fiscal year 2020G to SAR 2.7 million in the fiscal year 2021G and SAR 2.5 million in the fiscal year 2022G in line with the changes in the zakat base.

The company did not record zakat expense in the six-month period ending on 30 June 2022G and 2023G, as the zakat expense is distributed for each period at the end of each year.

Table 64: Statement of financial position as at December 31, 2020G, 2021G, 2022G, and June 30, 2023G

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30 2023G (Non audited)
Non-Current Assets	18,298	19,773	12,648	9,537
Current Assets	94,303	88,680	101,227	120,771
Total Assets	112,601	108,453	113,875	130,308
Equity	66,017	56,853	64,564	76,551
Non-Current liabilities	3,466	3,316	3,680	3,742
Current liabilities	43,118	48,284	45,631	50,015
Total Liabilities	46,584	51,600	49,311	53,757
Total Equity and liabilities	112,601	108,453	113,875	130,308

Source: The audited financial statements for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the reviewed financial statements for the six-month period ending on June 30, 2023G.

Non-Current Assets

Non-current assets increased from SAR 18.3 million as of 31 December 2020G to SAR 19.8 million as of 31 December 2021G, mainly driven by an increase in non-current receivables of SAR 2.5 million.

Non-current assets decreased to SAR 12.6 million as of 31 December 2022G, mainly driven by a decrease in non-current receivables amounting to SAR 6.6 million.

Non-current assets decreased to SAR 9.5 million as of 30 June 2023, mainly driven by a decrease in non-current receivables of SAR 2.8 million.

Current Assets

Current assets decreased from SAR 94.3 million as of 31 December 2020G to SAR 88.7 million as of 31 December 2021G, mainly driven by a decrease in advance payments and other receivables of SAR 3.3 million and trade receivables of SAR 3.0 million.

Current assets increased to SAR 101.2 million as of 31 December 2022G, mainly driven by an increase in trade receivables of SAR 7.6 million.

Current assets increased to 120.8 million Saudi riyals as of 30 June 30, 2023G, driven mainly by an increase in trade receivables amounting to 36.3 million Saudi riyals, partially offset by a decrease in contractual assets amounting to SAR 13.2 million.

Owner's Equity

Owner's equity decreased from SAR 66.0 million as of 31 December 2020G to SAR 56.9 million as of 31 December 2021G, mainly driven by a decrease in retained earnings of SAR 9.2 million.

Owner's equity increased to SAR 64.6 million as of 31 December 2022G, as a result of an increase in retained earnings of SAR 8.1 million.

Owner's equity also increased to SAR 76.6 million as of 30 June 2023G, mainly due to an increase in retained earnings of SAR 11.1 million

During the review period, the company's capital was not adjusted.

Non-Current Liabilities

Non-current liabilities decreased from SAR 3.5 million as of 31 December 2020G to SAR 3.3 million as of 31 December 2021G, mainly due to a decrease in the provision for employees' end-of-service benefits of SAR 150 thousand.

Non-current liabilities increased to SAR 3.7 million as of 31 December 2022G and as of 30 June 2023G, mainly driven by the increase in the provision for employees' end-of-service benefits by SAR 364 thousand and SAR 62 thousand, respectively.

Current Liabilities

Current liabilities increased from SAR 43.1 million as of 31 December 2020G to SAR 48.3 million as of 31 December 2021G, mainly due to an increase in the zakat provision of SAR 2.4 million and accrued expenses and other liabilities of SAR 2.0 million.

Current liabilities decreased to SAR 45.6 million as of 31 December 2022G as a result of a decrease in the provision for non-viable contracts by SAR 2.7 million.

Current liabilities increased to SAR 53.8 million as of 30 June 2023G, as a result of an increase in the zakat provision of SAR 5.0 million.

5-9 Management's discussion and analysis of the financial position of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited (SADIP) and the results of its operations

Table 65: Statement of comprehensive income for the fiscal years ending on December 31, 2020, 2021, 2022, and June 30, 2023

Statement (SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual Change 2020G - 2021G	Annual Change 2021G - 2022G	CAGR 2020G - 2022G	Six-month peri- od ending on June 30, 2022G Reviewed	Six-month peri- od ending on June 30, 2023G Reviewed	Change for the period 2022G - 2023G
Revenue	137,710	135,489	145,656	(1.6%)	7.5%	2.8%	68,403	112,676	64.7%
Revenue cost	(173,421)	(140,952)	(91,844)	(18.7%)	(34.8%)	(27.2%)	(53,309)	(106,807)	100.4%
Gross Profit	(35,711)	(5,463)	53,812	(84.7%)	(1085.0%)	NA	15,094	5,869	(61.1%)
(Losses) The reversal of the decline in the value of financial assets (net)	(62,721)	(6,275)	4,906	(90.0%)	(178.2%)	NA	3,072	1,464	(52.3%)
Selling, general and administrative expenses	(9,310)	(7,852)	(9,271)	(15.7%)	18.1%	(0.2%)	(4,547)	(4,131)	(9.1%)
Operating profit (loss).	(107,742)	(19,590)	49,447	(81.8%)	(352.4%)	NA	13,619	3,202	(76.5%)
Other income/(expenses), net	58	567	3,644	877.6%	542.7%	(692.6%)	1,323	(181)	(113.7%)
Financing income	(11,281)	(1,975)	(6,069)	(82.5%)	207.3%	(26.7%)	(3,059)	(2,386)	(22.0%)
Profit (loss) before zakat	(118,965)	(20,998)	47,022	(82.3%)	(323.9%)	NA	11,883	635	(94.7%)
Zakat expense	(4,716)	(7,330)	(7,258)	55.4%	(1.0%)	24.1%	-	-	NA
Profit/(loss) for the period	(123,681)	(28,328)	39,764	(77.1%)	(240.4%)	NA	11,883	635	(94.7%)

Source: The audited financial statements for the fiscal years ending on December 31, 2020, 2021, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023.

Revenues

Revenues remains at SAR 136.6 million in the fiscal years 2020G and 2021G.

Revenues increased by 7.5% to SAR 145.7 million in fiscal year 2022G, mainly driven by an increase in the volume of exports by SAR 27.0 million, in addition to increasing the company's opportunities as a local manufacturer, which gave the company priority in obtaining new projects on cash payment terms or letter of credit.

Revenues increased by 64.7% from SAR 68.4 million in the six-month period ending 30 June 2022G to SAR 112.7 million in the six-month period ending 30 June 2023G, mainly due to an increase in the volume of new orders in terms of cash payment or letter of credit.

Cost of Revenue

Cost of revenues decreased by 18.7% from SAR 173.4 million in fiscal year 2020G to SAR 141.0 million in fiscal year 2021G, mainly due to cost rationalization based on the plan established for the consequences of the Corona pandemic.

Cost of revenues decreased by 34.8% to SAR 91.8 million in fiscal year 2022G, mainly driven by the retrospective recording of depreciation resulting from the reversal of the fixed assets impairment of SAR 13.0 million

Cost of revenues increased by 100.4% from SAR 53.3 million in the six-month period ending 30 June 2022G to SAR 106.8 million in the six-month period ending 30 June 2023G, mainly due to the coincidence of increased revenues, supply of required raw materials, and management efforts in rationalizing and controlling operating costs and maintaining them at reasonable levels.

(Losses) Reversal of Financial Assets Impairment, Net

financial assets Impairment losses decreased from (SAR -62.7 million) in the fiscal year 2020G to (SAR -6.3 million) in the fiscal year 2021G. This is mainly due to the application of the expected credit loss model, and recording an allowance for expected credit losses in the amount of SAR 6.3 million in 2021G, compared to recording expected credit losses of SAR 62.7 million Saudi riyals in 2020G.

Impairment losses on financial assets decreased to a reversal of SAR 4.9 million in fiscal year 2022 based on the expected credit loss matrix.

The reversal of financial assets impairment decreased from SAR 3.1 million in the six-month period ending on 30 June 2022G to SAR 1.5 million in the six-month period ending on 30 June 2023G. This is due to the matrix of expected credit losses, where the reversal of the loss provision was recorded expected credit of SAR 3.1 million in the six-month period ending on 30 June 2022G, compared to 1.5 million Saudi riyals in the six-month period ending on 30 June 2023G.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased by 15.7% from SAR 9.3 million in fiscal year 2020G to SAR 7.9 million in fiscal year 2021G, mainly due to a decrease in cost rationalization based on the plan established for the consequences of the Corona pandemic.

Selling, general and administrative expenses increased by 18.1% to SAR 9.3 million in the fiscal year 2022G, mainly driven by an increase in some selling and administrative expenses consistent with the increase in sales.

Selling, general and administrative expenses decreased by 9.1% from SAR 4.5 million in the six-month period ending 30 June 2022G to SAR 4.1 million in the six-month period ending 30 June 2023G, mainly due to the recording of certain professional fees in the six-month period ending 30 June 2022G.

Other Income/(Expenses), Net

Other revenues increased from SAR 58,000 in fiscal year 2020G to SAR 567 thousand in fiscal year 2021G, mainly due to recording foreign currency translation settlement gains in 2021G.

Other revenues increased to SAR 3.6 million in fiscal year 2022G as a result of the reassessment of due material release fees in addition to professional fees.

Other revenues decreased from SAR 1.3 million in the six-month period ending 30 June 2022G to expenses of (-SAR 181,000) in the six-month period ending 30 June 2023G, mainly due to the reassessment of due material release fees in addition to professional fees.

Financing Cost

Financing costs decreased from SAR 11.3 million in fiscal year 2020G to SAR 2.0 million in fiscal year 2021G, mainly due to the settlement of some bank loans.

Financing costs increased to SAR 6.1 million in the fiscal year 2022G, mainly due to the increase in expenses charged by the parent company related to the balance due to the parent company at the end of the year.

Financing costs decreased from SAR 3.1 million in the six-month period ending 30 June 2022G to SAR 2.4 million in the six-month period ending 30 June 2023G, mainly due to a decrease in expenses charged by the parent company related to the balance due to the parent company at the end of the period.

Zakat Expense

Zakat expense increased from SAR 4.7 million in the fiscal year 2020G to SAR 7.3 million in the fiscal years 2021G and 2022G in line with the changes in the zakat base.

The company did not record zakat expense in the six-month period ending on 30 June 2022G and 2023G, as the zakat expense is distributed for each period at the end of each year.

Table 66: Statement of financial position as at December 31, 2020G, 2021G, 2022G, and June 30, 2023G

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30 2023G (Non audited)
Non-Current Assets	157,404	138,655	171,246	159,089
Current Assets	208,089	191,577	214,252	214,212
Total Assets	365,493	330,232	385,498	373,301
Equity	86,915	58,784	98,863	99,498
Non-Current liabilities	260,326	254,442	268,138	255,803
Current liabilities	18,252	17,006	18,497	18,000
Total Liabilities	365,493	330,232	385,498	373,301
Total Equity and liabilities	157,404	138,655	171,246	159,089

Source: The audited financial statements for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the reviewed financial statements for the six-month period ending on June 30, 2023G.

Non-Current Assets

Non-current assets decreased from SAR 157.4 million as of 31 December 2020G to SAR 138.7 million as of 31 December 2021G, mainly driven by a decrease in non-current receivables of SAR 17.3 million.

Non-current assets increased to SAR 171.2 million as of 31 December 2022G, mainly driven by an increase in property, plant and equipment of SAR 36.6 million as a result of reversing the impairment of property, plant and equipment.

Non-current assets decreased to SAR 159.1 million as of 30 June 2023G, mainly driven by a decrease in non-current receivables of SAR 8.4 million and property, plant and equipment by SAR 3.8 million as a result of depreciation.

Current Assets

Current assets decreased from SAR 208.1 million as of 31 December 2020G to SAR 191.6 million as of 31 December 2021G, mainly driven by a decrease in inventory of SAR 30.3 million.

Current assets increased to SAR 214.3 million as of 31 December 2022G, mainly driven by a decrease in inventory of SAR 27.8 million.

Current assets remain at SAR 214.3 million as of 31 December 2022G and 30 June 2023G.

Owner's Equity

Owner's equity decreased from SAR 86.9 million as of 31 December 2020G to SAR 58.8 million as of 31 December 2021G, mainly driven by the increase in the company's accumulated losses as a result of the losses for the year.

Owner's equity increased to SAR 98.9 million as of 31 December 2022G, as a result of the decrease in accumulated losses by SAR 86.6 million due to recording profits for the year in the amount of SAR 40 million, in addition to amortize the balance of the statutory reserve in the amount of SAR 46.6 million.

Owner's equity increased to SAR 99.5 million as of 30 June 2023G, mainly due to the decrease in accumulated losses as a result of recording profits for the period.

During the review period, the capital was adjusted from SAR 180.0 million as of 31 December 2019G to SAR 280.0 million as of 31 December 2020G and then to 86.9 million as of 31 December 2021G.

Non-Current Liabilities

Non-current liabilities decreased from SAR 18.3 million as of 31 December 2020G to SAR 17.0 million as of 31 December 2021G, mainly due to a decrease in the non-current portion of lease liabilities of SAR 647 thousand and the provision for employees' end-of-service benefits of SAR 599 thousand.

Non-current liabilities increased to SAR 18.5 million as of December 31 as a result of an increase in the provision for employees' end-of-service benefits of SAR 1.4 million.

Non-current liabilities decreased to SAR 18.0 million as of the six-month period ending 30 June 2023G, driven by a decrease in the non-current portion of lease liabilities by SAR 729 thousand, partially offset by an increase in the provision for employees' end-of-service benefits by SAR 233 thousand.

Current Liabilities

Current liabilities decreased from SAR 260.3 million as of 31 December 2020G to SAR 254.4 million as of 31 December 2021G, mainly due to a decrease in short-term loans of SAR 162.8 million, partially offset by an increase in trade receivables of SAR 142.1 million.

Current liabilities increased to SAR 268.1 million on 31 December 2022G due to an increase in trade payables by SAR 13.9 million.

Current liabilities decreased to SAR 255.8 million as of 30 June 2023G, mainly driven by a decrease in accrued expenses and other liabilities and a provision for zakat of SAR 10.7 million.

5-10 Management's discussion and analysis of the financial position of Bondstrand Factory Company Limited (Bondstrand) and the results of its operations

Table 67: Statement of comprehensive income for the fiscal years ending on December 31, 2020G, 2021G, 2022G, and June 30, 2023G

Statement (SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual Change 2020G - 2021G	Annual Change 2021G - 2022G	CAGR 2020G - 2022G	Six-month peri- od ending on June 30, 2022G Reviewed	Six-month peri- od ending on June 30, 2023G Reviewed	Change for the period 2022G - 2023G
Revenues	42,163	53,127	60,914	26.0%	14.7%	20.2%	26,449	11,729	(55.7%)
Cost of revenues	(48,625)	(54,688)	(56,948)	12.5%	4.1%	8.2%	(26,204)	(12,346)	(52.9%)
Gross Profit	(6,462)	(1,561)	3,966	(75.8%)	(354.1%)	N/A	245	(617)	(351.8%)
Sales, general and administrative expenses	(3,773)	(4,495)	(5,198)	43.9%	15.6%	17.4%	(2,679)	(1,624)	(39.4%)
(Losses) The reversal of the decline in the value of financial assets (net)	(1,962)	39	(1,471)	(149.6%)	(3871.8%)	(13.4%)	(264)	(683)	158.7%
Operating loss	(12,197)	(6,017)	(2,703)	(50.7%)	(55.1%)	(52.9%)	(2,698)	(2,924)	8.4%
Other income/(expenses), net	5,766	2,091	11,452	(63.7%)	447.7%	40.9%	945	(149)	(115.8%)
Financing costs	(1,644)	1,505	(530)	(191.5%)	(135.2%)	(43.2%)	2,724	2,483	(8.8%)
Profit (loss) before zakat and foreign income tax	(8,075)	(2,421)	8,219	(70.0%)	(439.5%)	N/A	971	(590)	(160.8%)
Zakat and foreign income tax	(2,214)	(1,712)	(1,471)	(22.7%)	(14.1%)	(18.5%)	-	-	N/A
Profit/(loss) for the period	(10,289)	(4,133)	6,748	(59.8%)	(263.2%)	N/A	971	(590)	(160.8%)

Source: The audited financial statements for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the reviewed financial statements for the six-month period ending on June 30, 2023G.

Revenues

Revenues increased 26.0% from SAR 42.2 million in fiscal year 2020G to SAR 53.1 million in fiscal year 2021G mainly due to an increase in project volume to epoxy specifications.

Revenues increased by 14.7% to SAR 60.9 million in fiscal year 2022G, mainly driven by an increase in the volume of projects to epoxy specifications from government and semi-government agencies.

Revenues decreased by 55.7% from SAR 26.4 million in the six-month period ending 30 June, 2022G to SAR 11.7 million in the six-month period ending 30 June 2023G, mainly due to a decrease in the volume of projects to epoxy specifications from government and semi-government agencies.

Cost of Revenue

Cost of revenues increased by 12.5% from SAR 48.6 million in fiscal year 2020G to SAR 54.7 million in fiscal year 2021G mainly due to increased sales.

Cost of revenues increased by 4.1% to SAR 56.9 million in fiscal year 2022G, mainly driven by increased sales.

Cost of revenues decreased by 52.9% from SAR 26.2 million in the six-month period ended 30 June 2022G to SAR 12.3 million in the six-month period ended 30 June 2023G, mainly due to decrease in sales.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by 19.1% from SAR 3.8 million in fiscal year 2020G to SAR 4.5 million in fiscal year 2021G. This is mainly due to the increase in sales, in addition to the reversal of the warranty provision as a result of the completion of some projects and the completion of the warranty period obligation.

Selling, general and administrative expenses increased by 15.6% to SAR 5.2 million in the fiscal year 2022G, mainly driven by a reversal of the warranty provision as a result of the completion of some projects and the completion of the warranty period obligation in 2021G.

Selling, general and administrative expenses decreased by 39.4% from SAR 2.7 million in the six-month period ending 30 June 2022 to SAR 1.6 million in the six-month period ending 30 June 2023G, mainly due to decrease in sales.

(Losses) Reversal of Financial Assets Impairment, Net

Financial assets impairment losses increased from (SAR -2.0 million) in the fiscal year 2020G to a reversal of SAR 39 thousand in the fiscal year 2021G based on the application of the expected credit loss model, and recording an allowance for expected credit losses in the amount of SAR 2.0 million in 2020G. compared to not recording expected credit losses in 2021G.

Financial assets impairment reversal decreased to (SAR -1.5 million) in the fiscal year 2022G based on the application of the expected credit loss model, recording an allowance for expected credit losses in the amount of SAR 1.5 million in 2022G, compared to not recording expected credit losses in 2021G.

Financial assets impairment losses increased from (SAR -264 thousand) in the six-month period ending on 30 June 2022G to (SAR -683 thousand) in the six-month period ending on 30 June 2023G, and were recorded based on the application of the expected credit loss model.

Other Income/(Expenses), Net

Other revenues decreased from SAR 5.8 million in fiscal year 2020G to SAR 2.1 million in fiscal year 2021G, mainly due to recording a loss related to an unconfirmed bank balance.

Other revenues increased to SAR 11.5 million in fiscal year 2022G, mainly driven by recording a reversal of loss related to an unconfirmed bank balance after confirmation with the bank.

Other revenues decreased from SAR 945 thousand in the six-month period ending 30 June 2022G to expenses of (-SAR 149,000) in the six-month period ending 30 June, 2023G, mainly due to the reversal of an additional provision for agents' commissions in fiscal year 2022G.

Finance Cost

Financing costs decreased from (-SAR 1.6 million) in fiscal year 2020G to revenues of SAR 1.5 million in fiscal year 2021G mainly due to the reversal of an annual management fee provision as a result of the rescheduling of the main banks.

Financing costs decreased to (-SAR 530 thousand) in the fiscal year 2022G, mainly due to the reversal of the annual management fee provision as a result of the rescheduling of the main banks in 2021G, in addition to the decrease in interest rates as a result of the rescheduling.

Financing income remains at SAR 2.6 million in the six-month period ending 30 June 2022G and the six-month period ending 30 June 2023G.

Zakat and Foreign Income Tax

Zakat and foreign income tax expense decreased from SAR 2.2 million in the fiscal year 2020G to SAR 1.7 million in the fiscal year 2021G and SAR 1.5 million in the fiscal year 2022G in line with the changes in the zakat base.

The company did not record zakat and foreign income tax expense in the six-month period ending on 30 June 2022G and 2023G, as the zakat expense is distributed for each period at the end of each year.

Table 68: Statement of financial position as of December 31, 2020G, 2021G, 2022G, and June 30, 2023G

(SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	Six-month period ending June 30 2023G (Non audited)
Non-Current Assets	6,766	7,775	6,342	4,486
Current Assets	140,529	113,396	117,330	112,760
Total Assets	147,295	121,171	123,672	117,246
Equity	79,858	75,906	82,782	82,192
Non-Current liabilities	7,656	4,726	5,412	4,820
Current liabilities	59,781	40,539	35,478	30,234
Total Liabilities	67,437	45,265	40,890	35,054
Total Equity and liabilities	147,295	121,171	123,672	117,246

Source: The audited financial statements for the fiscal years ending on December 31, 2020G, 2021G, and 2022, and the reviewed financial statements for the six-month period ending on June 30, 2023 and 2023G, as the zakat expense is distributed for each period at the end of each year.

Non-Current Assets

Non-current assets increased from SAR 6.8 million as of 31 December 2020G to SAR 7.8 million as of 31 December 2021G, mainly driven by an increase in non-current receivables of SAR 1.1 million.

Non-current assets decreased to SAR 6.3 million as of 31 December 2022G, mainly driven by a decrease in non-current receivables of SAR 1.4 million.

Non-current assets decreased to SAR 4.5 million as of 30 June 2023G, mainly driven by a decrease in non-current receivables of SAR 1.9 million.

Current Assets

Current assets decreased from SAR 140.5 million as of 31 December 2020G to SAR 113.4 million as of 31 December 2021G, mainly driven by a decrease in trade receivables of SAR 30.9 million.

Current assets increased to SAR 117.3 million as of 31 December 2022G, driven mainly by an increase in cash and cash equivalents of SAR 5.1 million, partially offset by a decrease in advance payments and other receivables of SAR 2.4 million.

Current assets decreased to SAR 112.8 million as of 30 June 2023G, mainly driven by a decrease in contractual assets amounting to SAR 2.7 million and trade receivables amounting to SAR 2.1 million.

Owner's Equity

Owner's equity decreased from SAR 79.9 million as of 31 December 2020G to SAR 75.9 million as of 31 December 2021G, mainly driven by a decrease in retained earnings of SAR 4.0 million.

Owner's equity increased to SAR 82.8 million as of 31 December 2022G, as a result of an increase in retained earnings by SAR 6.9 million.

Owner's equity decreased to SAR 82.2 million as of 30 June 2023G, mainly due to a decrease in retained earnings of SAR 590 thousand.

During the review period, the company's capital was not adjusted.

Non-Current Liabilities

Non-current liabilities decreased from SAR 7.7 million as of 31 December 2020G to SAR 4.7 million as of 31 December 2021G, mainly due to a decrease in the provision for employees' end-of-service benefits of SAR 2.0 million and the guaranteed provision of SAR 935 thousand.

Non-current liabilities increased to SAR 5.4 million as of 31 December 2022G, mainly driven by an increase in the employees' end-of-service benefits provision amounting to SAR 686 thousand.

Non-current liabilities decreased to SAR 4.8 million as of 30 June 2023G, mainly driven by a decrease in the guaranteed provision amounting to SAR 634 thousand.

Current Liabilities

Current liabilities decreased from SAR 59.8 million as of 31 December 2020G to SAR 40.5 million as of 31 December 2021G, mainly due to a decrease in the balance of short-term loans from SAR 19.4 million to zero.

Current liabilities decreased to SAR 35.5 million as of 31 December 2022G, as a result of a decrease in accrued expenses and other liabilities of SAR 7.8 million, partially offset by an increase in trade payables of SAR 3.0 million.

Current liabilities decreased to SAR 30.2 million as of 30 June 2023G, as a result of a decrease in trade payables of SAR 3.9 million and accrued expenses and other liabilities by SAR 1.0 million.

5-11 Management’s discussion and analysis of the financial position of the International Infrastructure Management and Operations Company Limited

Table 69: Statement of comprehensive income for the fiscal years ending on December 31, 2020G, 2021G, and 2022G and the six-month periods ending on June 30, 2022G and 2023G.

Statement (SAR '000)	Fiscal Year 2020G (Audited)	Fiscal Year 2021G (Audited)	Fiscal Year 2022G (Audited)	Annual Change 2020G -2021G	Annual Change 2021G -2022G	CAGR 2020G -2022G	Six-month period ending on June 30, 2022G - Reviewed	Six-month period ending on June 30, 2023G - Reviewed	Change for the period 2022G -2023G
General and administrative expenses	(362)	(85)	(73)	(76.5%)	(14.1%)	(55.10%)	(34)	(19)	(44.1%)
Other expenses	(2,704)	(1,207)	-	(55.4%)	(100%)	(100%)	-	-	N/A
Operating loss	(3,066)	(1,292)	(73)	(57.9%)	(94.3%)	(84.60%)	(34)	(19)	(44.1%)
Share in the results of investments in subsidiaries and associates	(78,944)	(61,426)	10,840	(22.2%)	(117.6%)	N/A	3,749	5,474	46.0%
Financing Cost	(84)	-	-	(100%)	NA	(100%)	-	-	N/A
Profit (loss) before zakat	(82,094)	(62,718)	10,767	(23.6%)	(117.2%)	N/A	3,715	5,455	46.8%
Zakat	-	-	(269)	N/A	N/A	N/A	-	-	N/A
Profit (Loss) for the period	(82,094)	(62,718)	10,498	(23.6%)	(116.7%)	N/A	3,715	5,455	46.8%

Source: Audited financial statements for the financial years ending on December 31, 2020G, 2021G, and 2022G, and unaudited financial statements for the fiscal periods ending on June 30, 2022G, and June 30, 2023G.

Selling, general and administrative expenses

General and administrative expenses decreased by 76.5% from SAR 362 thousand in the fiscal year 2020G to SAR 85 thousand in the fiscal year 2021G. This is mainly due to the decrease in other general and administrative expenses by SAR 338 thousand, offset by an increase in professional fees expense by SAR 61 thousand during the same period.

Selling, general and administrative expenses decreased by 14.1% to SAR 73 thousand in the fiscal year 2022G, mainly driven by a decrease in professional fees of SAR 33 thousand.

Selling, general and administrative expenses decreased by 44.1% from SAR 34 thousand in the six-month period ending on June 30, 2022G to SAR 19 thousand in the six-month period ending on June 30 2023G, mainly due to a decrease in other administrative expenses.

Other expenses

Other expenses decreased by 55.4% from SAR 2.7 million in the fiscal year 2020G to SAR 1.2 million in the fiscal year 2021G, as a result of a decrease in the loss of differences in translation of foreign currency amounting to SAR 1.8 million. The loss related to the disposal of an investment also decreased by SAR 1.1 million.

Share in the results of investments in subsidiaries and associates

The Company’s share in the results of investments in subsidiaries and associates decreased by 22.2% from a loss of SAR 78.9 million in the fiscal year 2020G to a loss of SAR 61.4 million in the fiscal year 2021G, as a result of the decrease in the Company’s share in the results of the German Company PWT by SAR 13.83 million by 16.1%, which decreased from a loss of SAR 85.77 million in 2020G to a loss of SAR 71.94 million in 2021G, in addition to an increase in the Company’s share in the profits of its investments in the International Water Distribution Company “Tawzea” by SAR 4.41 million

by 72.1%, which increased from SAR 6.12 million in 2020G to SAR 10.53 million in 2021G.

The Company's share in the results of investments in subsidiaries and associates increased to 1SAR 0.8 million in the fiscal year 2022G, mainly driven by an increase in the Company's share in the profits of its investments in the International Water Distribution Company "Tawzea" by SAR 10.86 million.

The Company's share in the results of investments in subsidiaries and associates increased by 46.0% from SAR 3.74 million in the six-month period ending on June 30, 2022G to SAR 5.47 million in the six-month period ending on June 30, 2023G, driven by an increase in the Company's share in profits of its investments in the International Water Distribution Company "Tawzea".

Table 70 : Statement of financial position for the fiscal years ending on December 31, 2020G, 2021G, and 2022G, and the six-month period ending on June 30, 2023G

Statement (SAR '000)	Fiscal year Ended December 31 2020G Audited	Fiscal year Ended December 31 2021G Modified	Fiscal year Ended December 31 2022G Audited	The six-month period ending June 30 2023G (Non audited)
Non-Current Assets	228,989	91,531	140,294	146,330
Bank Balances	10,470	5	5	5
Accounts receivables and prepayments	94	68,609	68,549	68,556
Current Assets	10,564	68,614	68,554	68,561
Total Assets	239,553	160,145	208,848	214,891
Non-Current Liabilities	573,106	563,528	553,557	553,583
Accounts Payable and Accruals	3,307	145	137	137
Accrued Zakat	8,088	8,091	8,352	8,352
Current Liabilities	11,395	8,236	8,489	8,489
Total Liabilities	584,501	571,764	562,046	562,072
Capital	100,000	100,000	100,000	100,000
Statutory Reserve	406	406	406	406
Accumulated losses	(451,631)	(514,382)	(501,992)	(496,670)
Adjustments to translation of foreign currencies	6,277	(73)	(73)	(73)
Hedge reserve	-	2,430	48,461	49,156
Owners' Equity	(344,948)	(411,619)	(353,198)	(347,181)
Total Owners Equity and Liabilities	239,553	160,145	208,848	214,891

Source: Audited financial statements for the financial years ending on December 31, 2020G, 2021G, and 2022G, and unaudited financial statements for the financial periods ending on June 30, 2022G and June 30, 2023G.

Non-current assets

Non-current assets decreased from SAR 229.0 million as of December 31, 2020G to SAR 91.5 million as of December 31, 2021G, mainly driven by a decrease in investments in subsidiaries («PWT») amounting to SAR 146.4 million, partially offset by an increase in investments in («Tawzea») Co, amounting to SAR 9.0 million.

Non-current assets increased to 140.3 million Saudi riyals as of December 31, 2022G, in line with the increase in investments in the Company («Tawzea»).

Non-current assets increased to 146.33 million Saudi riyals as of June 30, 2023G in line with the increase in investments in the Company («Tawzea»).

Assets

Current assets increased from SAR 10.6 million as of December 31, 2020G to SAR 68.6 million as of December 31, 2021G, mainly driven by an increase in receivables related to related parties and prepayments amounting to SAR 68.5 million, partially offset by a decrease in the bank balance by SAR 10.5 million.

Current assets remain at SAR 68.6 million as of December 31, 2022G. Current assets remains at SAR 68.6 million as of June 30, 2023G.

Non-current liabilities

Non-current liabilities decreased from SAR 573.1 million as of December 31, 2020G to SAR 563.5 million as of December 31, 2021G, mainly due to a decrease in due to related parties («Saudi Amiantit Company»).

Non-current liabilities decreased to SAR 553.6 million as of December 31, 2022G, mainly driven by an additional decrease in due to related parties («Saudi Amiantit Company»).

Non-current liabilities remained stable at SAR 553.6 million as of June 30, 2023G.

Current liabilities

Current liabilities decreased from SAR 11.4 million as of December 31, 2020G to SAR 8.2 million as of December 31, 2021G, mainly due to a decrease in the due to related parties balance from SAR 3.3 million to SAR 145 thousand.

Current liabilities increased to SAR 8.5 million as of December 31, 2022G as a result of the increase in zakat due.

Current liabilities remained stable at SAR 8.5 million as of June 30, 2023G.

Owners Equity

The equity deficit increased from SAR 344.9 million as of December 31, 2020G to SAR 411.6 million as of December 31, 2021G, mainly driven by an increase in accumulated losses amounting to SAR 60.4 million.

The deficit in equity decreased to SAR 353.2 million as of December 31, 2022G, as a result of an increase in the hedging reserve by SAR 46.1 million, and a decrease in accumulated losses by SAR 12.4 million.

The deficit in equity decreased to SAR 347.2 million as of June 30, 2023G, as a result of an increase in the hedging reserve by SAR 0.70 million and a decrease in accumulated losses by SAR 5.3 million.

On 18/06/1445H, corresponding to 31/12/2023G, Saudi Arabian Amiantit Company announced the signing of a settlement agreement with Alinma Bank to settle all financial obligations due to Alinma Bank, amounting to SAR 572.7 million, in exchange for Saudi Arabian Amiantit Company relinquishing all of its shares in The International Infrastructure Management and Operations Company Limited, which is 100% owned by an investment fund managed by the financial Company affiliated with Alinma Bank.

The agreement included transferring ownership of all of the Company's shares in the International Infrastructure Management and Operations Company Limited, which is a limited liability Company 100% owned by the Company. It was agreed that the value of the shares of the Global Infrastructure Management and Operation Company Limited would be considered to be SAR (217.5) million, and in case that all procedures for transferring the shares in the Global Infrastructure Management and Operation Company Limited were completed and its ownership would be transferred to Alinma Opportunities Investment Company (a subsidiary of Alinma Bank) This amounts to paying the entire financial obligations due to Alinma Bank by the Company, and the bank is committed to returning all guarantees and documents provided by the customer, including promissory notes, within seven (7) working days from the date of payment.

This agreement will be valid from December 31, 2023G and expire after 90 days on March 31, 2024G. If the Company does not commit to transferring ownership of the Global Infrastructure Management and Operation Company Limited to Alinma Opportunities Investment Company (a subsidiary of Alinma Bank), then the bank may demand that the Company pay all the amounts due. According to the previous credit facilities agreement, the Company has authorized the bank to deduct or deduct any amount due from the Company's current or investment accounts. The bank also has the right to collect from any other financial sources under the Company's control, such as guarantees, collection documents, and payment orders of various kinds. The bank has the absolute right to collect its rights directly from all securities and commercial securities in the name of the Company held by the bank without the need to notify or take any legal action. Also, if the Company does not adhere to the terms and conditions of the agreement, the bank is not obligated to implement what is stated therein, and the bank has the right to request compensation in case the Company violates any of the terms of this agreement, unless it is for reasons not attributable to the Company. It is worth noting that the Global Infrastructure Management and Operation Company Limited does not practice Any operational activity, and it does not have any operating revenues. The Company's activity is represented by the share in the results of investments in subsidiaries and associates, which is represented by its ownership of 50% of the International Water Distribution Company (Tawzea).

The book value of the International Infrastructure Management and Operations Company Limited, "the assigned Company," amounted to 155.3 million Saudi riyals as of the date of the agreement (including 65.1 million Saudi riyals as a provision for hedging against interest rate risks and/or foreign currency risks related to the investments of the assigned Company).

Saudi Arabian Amiantit Company expects the following financial impacts on it and its operations as a result of signing this agreement:

- 1) Accounting profits amounting to SAR 482.5 million, represented by the following:
 - 1.1 The amount of SAR 417.4 million is the result of the difference between the amount of financial obligations due from Saudi Arabian Amiantit Company to this bank amounting to SAR 572.7 million, and the book value of the Global Infrastructure Management and Operation Company Limited, «**the assigned Company**» amounting to SAR 155.3 million as of the date of the agreement.
 - 1.2 The amount of SAR 65.1 million resulted from the reversal of the provision for hedging against interest rate risks and/or foreign currency risks related to the transferred Company's investments, after transferring them.
- 2) Maximizing shareholders' equity and improving earnings per share.
- 3) Reducing 50% of the total financial obligations owed by the Company to banks.
- 4) Reducing the zakat impact for the coming years of the Zakat, Tax and Customs Authority regarding loans.
- 5) Reducing the cash flow coming out of the Company as repayment of this loan and improving the Company's operational operations as a result of this saving.
- 6) Strengthening the Company's financial position after amortizing the total accumulated losses of (172.9) million Saudi riyals as of September 30, 2023G and recording about (309.6) million Saudi riyals as retained profits by recording accounting profits with a total of about (482.5) million Saudi riyals, which will be reflected as other revenues within the items of the consolidated profit and loss statement, which will be reflected in the item (losses) accumulated within the items of equity in the statement of the center Consolidated Finance. The accounting profit of approximately SAR (482.5) million is as follows:
 - Recording accounting profits in the amount of (417.4) million Saudi riyals as a result of settling the amount of financial obligations to Alinma Bank, amounting to (572.7) million Saudi riyals, against the book value of International Infrastructure Management and Operation Company Limited, «**the assigned company**» amounting to (155.3) million Saudi riyals.
 - Recording accounting profits in the amount of (65.1) million Saudi riyals as a result of reversing the provision for hedging against interest rate risks and/or foreign currency risks related to the investments of the International Infrastructure Management and Operation Company Limited, «**the assigned company**», after its assignment.
- 7) And thus addressing the observations contained in the auditor's report for the third quarter of 2023G related to the principle of Company continuity.

There are no cash proceeds from this agreement, and it will not result in any cash flow within the Company. There are no related parties.



06

**Use of the Offering Proceeds
and Future Projects**

6- Use of the Offering Proceeds and Future Projects

6-1 Net Offering Proceeds

The total proceeds from the rights issue offering are three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals, of which an amount of about twenty-five million (25,000,000) Saudi riyals will be paid to cover the offering costs, which include the fees of the Financial Advisor, Lead Manager, Underwriter, Legal Advisor, Auditor, marketing, printing, distribution expenses, and other expenses related to the subscription.

The net proceeds of the offering will amount to three hundred and twenty-one million five hundred thousand (321,500,000) Saudi riyals. This increase aims primarily to finance working capital and pay some bank obligations. 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 (Tadawul) website if there is a difference of 5% or more between the actual use of the Offering Proceeds versus what was disclosed in this Prospectus as soon as it becomes aware of that.

6-2 Use of the Offering Proceeds

The net Offering Proceeds will be used mainly for the purpose of financing working capital so that the Company can increase operating capacity, support its future activity, and pay some bank obligations. Shareholders will not receive any of the proceeds arising from the Offering.

The Company will use the net Offering Proceeds as follows:

- Working capital:

Through financing its capital, the Company seeks to increase its production of fiberglass, ductile, and epoxy products. Therefore, the Company allocated an amount of 125,927,632 million Saudi riyals to purchase raw materials such as raw iron, resins, fiberglass, and other production materials that contribute to reaching the finished product ready for sale. The Company will also allocate an amount of 31,107,872 Saudi riyals for the direct costs of the workforce for operations and other manufacturing costs, which will mostly be used in fiberglass and ductile factories, in order to speed up production processes, which contributes positively to creating a competitive advantage for the Company, in addition to the indirect costs related to manufacturing operations, such as utilities, rent, and costs of transportation and handling resulting from the increase in production, as the Company seeks to increase the quantity produced and maintain its ability to cover current and potential sales orders. The work plan is expected to begin during the year 2024G.

The following table shows details of working capital and its percentage of total proceeds:

In SAR	Total	Percentage (%)
Purchasing raw materials	125,927,632 Saudi riyals	36.343%
Direct manpower costs for manufacturing operations	31,107,872 Saudi riyals	8.978%
Other manufacturing costs	7,964,496 Saudi riyals	2.299%
Total	165,000,000 Saudi riyals	47.619%

- Payment of some bank obligations:

An amount of (156,500,000) Saudi riyals from the proceeds will be directed to repay part of the loan due to the Saudi National Bank, amounting to (313,000,000) Saudi riyals as of the date of this Prospectus, (please see subparagraph (9-11) «Loans and Facilities») from Section 9 «Legal Information». This is to reduce the amount of annual financial burdens incurred by the Company, which will improve levels of profitability and financial performance.

- Offering costs:

The Company allocated an amount of 25,000,000 Saudi riyals to cover the Offering costs, which include the fees of the Financial Advisor, Lead Manager, Underwriter, Legal Advisor, Auditor, marketing, printing, distribution expenses, and other expenses related to the subscription.

The expected schedule for using the offering proceeds is as follows:

Table 71: Uses of Offering Proceeds

In SAR	2024				Total	Percentage (%)
	Q1	Q2	Q3	Q4		
Financing Working Capital	41,250,000	41,250,000	41,250,000	41,250,000	165,000,000	47.619%
Repayment of some banking obligations	156,500,000	-	-	-	156,500,000	45.166%
Offering expenses	25,000,000	-	-	-	25,000,000	7.215%
Total	222,750,000	41,250,000	41,250,000	41,250,000	346,500,000	100.00%

It should be noted that the above-mentioned items will be financed from the Offering Proceeds.



07

Experts Statement

7- Experts Statement

Written consents were obtained from the Financial Advisor, Legal Advisor, Underwriter and Lead Manager of the Company whose names appear on pages (**, **) to include their names, logos and statements in the form contained in this Prospectus. A written consent of the Company's Auditors was also obtained to include their names and logos in the form contained in this Prospectus. This consent has not been withdrawn as on the date of this Prospectus. None of the above-mentioned parties, their employees or their relatives have any shares or interests in the Company and its subsidiaries of any kind.



02.5000
87-48
096
ALLIANCE
ACC023-SM1-54-03
SPEC HEAD OFFICE
Φ 1500mm
L 2260mm
V. 22-043

08

Directors' Declarations

8- Directors' Declarations

As at the date of this Prospectus, the Company's Directors declare that:

- Other than what is mentioned in page (**), subparagraph (5-3) of Section (3) «**The Company Background and its Nature of its Business**» of this Prospectus, there was no interruption in the business of the Company that could affect or have had a significant impact on the financial condition during the last (12) months.
- No commissions, discounts, brokerage fees, or any non-monetary compensation were granted by the Issuer or any of its subsidiaries during the three (3) years immediately preceding the date of submitting the application for registration and the Offering of securities in relation to the issuance or offering of any securities.
- Other than what was stated on page (**) in subparagraph (9-1-7) «**The Company's Capital and its Historical Changes**» of Section (9) «**Legal Information**» regarding reducing and raising capital, and what was stated in subparagraph 2-1- 28 «**Risks of Liquidation of Subsidiary Companies**» from Section 2 «**Risk Factors**», and what was stated in subparagraph 2-2-23 «**Risks of Differences in Zakat Amounts and Value Added Tax Fines**» from Section 2 «**Risk Factors**», there was no material negative change in the financial and commercial conditions of the Issuer or any of its subsidiaries during the three years immediately preceding the date of submitting the application for registration and offering the securities subject to this Prospectus, in addition to the period covered by the Auditor's report until approval of the Prospectus.
- Other than what is stated on page (v) of 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 Issuer or any of its subsidiaries.
- The Company did not keep treasury shares, and the EGM of the Company has not approved the purchase of the Company's shares.



09

Legal Information

9- Legal Information

9-1 Introduction on the Company

Saudi Arabian Amiantit Company is a Saudi joint stock company established under Commercial Registration Certificate No. (2050002103) dated 17/03/1388H (14/06/1968G).

9-1-1 Company's Incorporation and Milestones of its Capital Development

The Saudi Arabian Amiantit Company was initially established as a limited liability company under the articles of incorporation documented by the notary public in Dammam on 26/11/1411H (corresponding to 09/06/1991G).

- On 17/06/1414H (corresponding to 30/11/1993G), the General Assembly of partners approved the conversion of the legal entity of the company from a limited liability company into a closed joint stock company. Ministerial Resolution No. (886) was issued on 06/08/1414H (corresponding to 18/01/1994G) approving the conversion request, and the Company was registered in the Commercial Register under Certificate No. (2050002103) dated 17/03/1388H (corresponding to 14/06/1968G). The Company's capital upon conversion to a joint stock company amounted three hundred and fifty million (350,000,000) Saudi riyals divided into seven million (7,000,000) shares of equal value, each with a nominal value of fifty (50) riyals.
- On 14/12/1416H (corresponding to 01/05/1996G) all the Company's shares were listed in the Saudi Stock Exchange (Tadawul - the main market), numbering seven million (7,000,000) shares, representing (100%) of the Company's capital amounting to three hundred Fifty million (350,000,000) Saudi riyals, with a nominal value of fifty (50) Saudi riyals per share, and the Company was converted into a public joint stock company accordingly.
- On 28/01/1421H (corresponding to 03/05/2000G) the Company's Extraordinary General Assembly approved the Board's recommendation to increase the Company's capital from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by granting one free share for every 7 shares, so that the number of its shares become eight million (8,000,000) shares.
- On 08/02/1422H (corresponding to 02/05/2001G), the Company's Extraordinary General Assembly approved the Board's recommendation to increase the Company's capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals increasing the company's shares from eight million (8,000,000) shares to eleven (11,000,000) shares, with a nominal value of (50) riyals per share, by distributing three (3) free shares for every eight (8) shares using the entire profits of the Company.
- On 01/02/1423H (corresponding to 14/04/2002G), the Company's Extraordinary General Assembly of Shareholders approved the recommendation of the Board of Directors to increase the Company's capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of the year 2001 to the capital and distributing two shares (2) for every eleven (11) shares, thus increasing the number of shares from eleven million (11,000,000) shares to thirteen million (13,000,000) shares, with a nominal value of (50) riyals per share.
- On 03/04/1424H (corresponding to 03/06/2003G), the Company's extraordinary general assembly of shareholders approved the recommendation of the Company's Board of Directors to increase the capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, by transferring fifty million (50,000,000) Saudi riyals from the profits of 2002G to the capital and the distribution of one (1) free share for every thirteen (13) shares, and accordingly the number of shares was increased from thirteen million (13,000,000) to fourteen million (14,000,000) shares, with a nominal value of (50) riyals per share..
- On 30/03/1425H (corresponding to 19/05/2004G), the Company's extraordinary general assembly of shareholders approved the recommendation of the Company's Board of Directors to increase the capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, by transferring 70 million Saudi riyals from the retained earnings to the capital and the distribution of a free share for every ten (10) shares, which resulted in an increase in the Company's shares from fourteen million (14,000,000) to fifteen million and four hundred thousand (15,400,000) shares
- On 12/06/1426H (corresponding to 18/07/2005G) the Company's extraordinary general assembly of shareholders approved the recommendation of the Company's Board of Directors to increase the capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals, by issuing and listing seven million seven hundred thousand (7,700,000) shares with a total nominal value of three hundred and eighty-five million (385,000,000) Saudi riyals, at a nominal value of SAR 50 per share, in order to strengthen its financial position and support its local industrial projects in the field of pipe industry and water management projects to keep pace with the country's needs of water pipes and other uses.
- On 27/08/1438H (corresponding to 23/05/2017G), the Company's extraordinary general assembly of shareholders approved amending and updating the Company's Articles of Association in line with the new Companies Law and amending Article (3) related to the Company's objectives, Article (16) relating to the Company's management, Article (19) relating to the powers of the Board, Article (20) relating to the remuneration of the Board, Article (21) relating to the powers of the Chairman and Managing Director, Chief Executive Officer and the Secretary, Article (22) relating to Board meetings, Article (30) relating to the quorum of the Ordinary General Assembly meeting, and Article (31) relating to the quorum of the Ordinary General Assembly meeting

- On 09/01/1441H (corresponding to 08/09/2019G), the Company's extraordinary general assembly of shareholders approved the recommendation of the Company's Board of Directors to reduce the capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals, at a reduction rate of (70.2%) of the Company's capital, thus reducing the number of the Company's shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand three hundred (81,048,300) shares, in order to extinguish the total accumulated losses and amending Articles (7 and 8) of the articles of association accordingly.
- On 16/04/1442H (corresponding to 01/12/2020G), the Company's extraordinary general assembly of shareholders approved the recommendation of the Company's Board of Directors to reduce the capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals, at a reduction rate of (41.95%) of the company's capital, thus reducing the number of the Company's shares from thirty-four million four hundred and fifty-one thousand seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million four hundred and fifty-one thousand seven hundred (14,451,700) shares of the Company's issued shares. The same general assembly also agreed to increase the Company's capital through a rights issue, and the Offering is represented in offering twelve million (12,000,000) new ordinary shares and increasing the Company's capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals.
- The Company's accumulated losses as of 30/09/2021 amounted to (221,146,000) riyals, which represents (69.11%) of the Company's capital.
- On 17/04/1443H (corresponding to 22/11/2021G), the Board of Directors recommended to restructure the Company's capital to extinguish the accumulated losses, by reducing the capital from three hundred and twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, by canceling twenty-two million one hundred thousand (22,100,000) shares of the Company's shares by reducing one (1) share for every (1.447) shares, and then increasing the capital to three hundred twenty million (320,000,000) Saudi riyals through a rights issue worth (221,000,000) Saudi riyals to support working capital.
- On 26/06/1443H (corresponding to 29/01/2022G) the Board of Directors recommended amending its previous recommendation issued on 17/04/1443H (corresponding to 22/11/2021G) regarding reducing the Company's capital and then increasing it. The Board of Directors recommended reducing the Company's capital by two hundred and twenty-one million (221,000,000) Saudi riyals, which represents (69.06%) of the Company's capital, and then increasing the Company's capital by offering rights shares worth three hundred and forty-six million five hundred thousand (346,500,000) Saudi riyals.
- On 11/07/1443H (corresponding to 12/02/2022G), the Board of Directors decided to separate the submission of the capital reduction file from the capital increase file. The reason for this is due to the accumulated losses reaching (69.06%) of the capital and the near expiry of the deadline granted to the listed joint-stock companies regarding the suspension of some provisions of the articles of the Companies Law, including Article (150) of the Companies Law based on the Royal Decree No. (15016) dated 16/03/1442H (corresponding to 02/11/2020G).
- On 16/07/1443H (corresponding to 17/02/2022G), the Capital Market Authority approved the Company's request to reduce its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reducing the number of shares from Thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares. Note that this approval is conditional on the approval of the Company's EGM and the completion of the relevant regulatory procedures and requirements.
- On 26/07/1443H (corresponding to 27/02/2022G), the Company's extraordinary general assembly of shareholders agreed to reduce the Company's capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals with a reduction rate of (69.06%) by canceling twenty-two million one hundred thousand (22,100,000) shares of the Company, as one (1) share was reduced for every (1.447) shares, bringing the number of shares after the reduction to nine million nine hundred thousand (9,900,000) shares, i.e. (99.93%) of the Company's accumulated losses.
- On 07/05/1444H (corresponding to 01/12/2022G), the Capital Market Authority approved the Company's request to increase its capital by offering rights shares worth three hundred and forty-six million and five hundred thousand (346,500,000) riyals, noting that this approval is conditional on the approval of the Extraordinary General Assembly, and finalizing the relevant regulatory procedures and requirements.
- On 21/10/1444H (corresponding to 11/05/2023G), the (extraordinary) General Assembly did not approve the Board of Directors' recommendation to increase the capital from (99,000,000) riyals to (445,500,000) riyals by offering rights shares worth three hundred and forty-six Million and five hundred thousand (346,500,000) riyals.
- On 28/02/1445H (corresponding to 13/09/2023G), the Company's Board of Directors recommended to the Extraordinary General Assembly to increase the Company's capital by issuing rights shares from ninety-nine million (99,000,000) riyals to four hundred and forty-five million five hundred thousand (445,500,000) riyals, through offering and listing rights shares worth (346,500,000) riyals, conditional on the approval of the Capital Market Authority, Tadawul, and the (extraordinary) general assembly of shareholders.
- The current capital of the Company is ninety-nine million (99,000,000) Saudi riyals, and several changes have occurred in the Company's capital since its founding until the date of publishing this Prospectus (for more details about the historical changes that occurred in the Company's capital since its founding until the date of publishing this Prospectus, please See subparagraph (9-1-7) The Company's capital and its historical changes).
- The Company is currently managed by a Board of Directors consisting of five members, and their terms expire on 03/08/1449H (corresponding to 31/12/2027G) (For more details about the Board of Directors, please see subparagraph No. (9-2-1) «**Board of Directors**»).

9-1-2 Company Purposes

According to Article Three (3) of its Articles of Association, following are the purposes of the Company:

Table 72: Company activities

General Scope	Special Scope	Activities	Activity Code
Construction	Construction of utility projects	Water lines extension between cities and inside them as well as establishment and maintenance of new networks	422031
		Construction of sewer systems, sewage disposal plants and pumping stations	422050
	Electrical installations	Network wiring	432113
	Building construction	Construction of all types of residential buildings	410010
	Plumbing and air conditioning and heating works	Installation, maintenance and repair of lawn sprinkler systems	432254
Transformative Industries	Manufacture of plastic products	Manufacture of semi-finished plastic products, includes (tablets, slices, sheets, tapes, pipes, hoses and supplies... etc.)	222010
		Manufacture of pipes, hoses, plastic tubes, links and supplies	222020
	Manufacture of glass and glass products	Manufacture of pipes	231083
	Manufacture of basic precious and non-steel metals	Non-ferrous traditional metal works, including (wires - pipes - tubes - powders - papers - plates ... etc.)	242060
	Iron and steel casting	Manufacture of tubes, pipes, hollow forms, and pipes and tubes connections.	243120
		Installation of industrial machinery and equipment	Installation of industrial machinery in industrial plant
	Installation of industrial process control equipment		332012
	Installation of machinery and equipment		332013
	Dismantling large-scale machinery and equipment		332032
	Manufacture of synthetic plastics and rubber in their primary forms	Manufacture of plastics in primary forms	201310
		Manufacture of synthetic rubber taken from oils in their primary forms	201320
		Manufacture of polyethylene	201360
	Manufacture of glass and glass products	Manufacture of glass fibers, includes (glass wool.. etc.)	231081
		Manufacture of water reservoirs	231082
		Manufacture of pipes	231083
Making base iron and steel	Manufacture of cast iron including steel and cast iron castings	241025	
	Manufacture of pipes, tubes and hollow shapes from iron and steel	241050	
	Manufacture of tubes, pipes, hollow forms, and pipes and tubes connections.	243120	
Manufacture of other formed metal products not classified elsewhere	Manufacture of sewerage covers	259973	
Wholesale, retail trade, repair of motor vehicles and motorcycles	Retail sale of other new goods in specialized stores	Retail sale and installation of factory machinery and equipment	477395
	Retail sale of metalware, paint and glass in specialized stores	Retail sale of metal pipes	475286
Administrative and support services	Integrated office administrative services activities	Combined office administrative service activities	821100
Real estate activities	Real estate activities in owned or rented properties	Management and leasing of owned or rented properties (residential)	681021
		Management and leasing of owned or leased properties (non-residential)	681022

General Scope	Special Scope	Activities	Activity Code
Professional, scientific and technical activities	Architectural engineering activities and related technical advisory services	Architectural and engineering consultancy activities	711013
		Engineering consultations for water and sanitation	711037
		Industrial consulting activities	711033
	Experimental research and development in the field of natural sciences and engineering	Research and development on engineering and technology	721002
Manufacture of glass and glass products	Transformative Industries	Multi-Purpose Fiberglass Boxes & Enclosures manufacturing	231086
Water supply, sanitation, waste management and treatment activities	Construction of utility projects	Repair and maintenance of water distribution stations, networks and main lines	422033
		Repair and maintenance of sewer systems, sewage disposal plants and pumping station	422045
Water supply and sanitation activities, waste management and treatment	Water collection, treatment and delivery	Water distribution and transfer	360014

The Company carries out its activities in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

According to the Company's Commercial Registration data, the following are its activities:

The manufacture of plastics in their primary forms, the manufacture of synthetic rubber derived from oils in their primary forms, the manufacture of polyethylene, the manufacture of semi-manufactured products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and their accessories... etc.), the manufacture of pipes and plastic hoses and pipes and their connections and supplies, the manufacture of fiberglass, including (glass wool, etc.), manufacturing water tanks, manufacturing pipes, manufacturing multi-purpose cans and boxes from fiberglass, manufacturing cast iron, including steel and cast iron castings, manufacturing pipes, and hollow shapes from iron and steel, manufacturing ordinary non-steel metal products, including (wires, pipes, tubes, powders, papers, sheets, etc.), manufacturing pipes, tubes, hollow shapes, and pipe or pipe fittings, manufacturing sewage manhole covers, installing industrial devices in industrial facilities, installing control equipment in industrial operations, complete dismantling of large machines and equipment, installing machinery and equipment, transport and distribution of water, general construction of residential buildings, extensions of water lines between and within cities and installing new networks, construction of stations and main lines for water distribution, repair and maintenance of stations, networks and main lines for water distribution, repair and maintenance of stations, sewage projects and networks, sewers and pumps, construction of sewage stations and projects, sewage networks and pumps, extension, maintenance and repair of irrigation network, building finishing, retail sale of metal and steel pipes, sale and installation of machinery and factory equipment, operating and maintaining pumping stations and pipelines, management and leasing of owned or rented properties (residential), management and leasing of owned or rented properties (Non-residential), research and development in the field of engineering and technology, integrated administrative services activities for offices).

The Company carries out its activities through its head office, which it established within the Kingdom in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any (for more information, please review subparagraph (9-3) Licenses, Approvals, and Certificates for the Head Office and the Company's Branches» in this section).

9-1-3 Substantial Shareholders

As of the date of preparing this Prospectus, the Substantial Shareholders who own (5%) or more of the Company's shares are Prince Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%), and Prince Fahd Khaled Abdullah Abdulrahman Al Saud, who owns (5.235%).

9-1-4 Company name

The Company was registered in the commercial registry upon its incorporation under the trade name «Saudi Arabian Amiantit Company» and no changes have occurred to the Company's name since its incorporation until the date of publishing this Prospectus.

9-1-5 Head Office

The Company's headquarters is located in Dammam - 8212, First Industrial District - Dammam-Al-Khobar Expressway - P.O. 3361 Zip Code: 32234 Phone: 138471500.

According to Article Five (5) of the Articles of Association, the Company's head office is located in the city of Dammam in the Kingdom of Saudi Arabia, and it may establish branches, offices or agencies inside or outside the Kingdom by decision of the Board of Directors. As of the date of publishing this Prospectus, the Company has (7) branches within the Kingdom of Saudi Arabia (for more information, please review subparagraph (3-4) Branches of Saudi Arabian Amiantit Company» in Section (3) (Company Background and the Nature of its Business)

9-1-6 Term of the Company

Article Six (6) of the Articles of Association stipulates that the term of the Company shall be ninety-nine (99) years starting from the date of issuance of the Minister of Commerce Resolution No. (886) dated 06/08/1414H (corresponding to 18/01/1994G) approving the conversion of the Company from a limited Liability to a joint-stock company, and it is always permissible to extend the Company's term by a decision issued by the extraordinary general assembly at least one year before its expiry.

Commercial Registration data indicate that the Company's term ends on 20/08/1516H (corresponding to 18/01/2093G).

9-1-7 The Company's capital and its historical changes

- In accordance with Article Seven (7) of the Articles of Association, the Company's capital is determined at the amount of ninety-nine million (99,000,000) Saudi riyals, divided into nine million nine hundred thousand (9,900,000) shares of equal value, the value of each of which is ten (10) Saudi riyals, all of which are cash ordinary shares.
- In accordance with Article Eight (8) of the Articles of Association, shareholders subscribed to the entire capital of nine million nine hundred thousand (9,900,000) and all of them are fully paid shares.
- Since the Company's incorporation until the date of Prospectus, the capital has undergone many amendments.
- Article (12) of the Companies Law requires all joint stock companies to state the name of the Company, its form, the address of its head office, its email address, and its commercial registration number, in addition to a statement of the Company's capital and the amount paid from it. Such information shall be included in all contracts, receipts and other documents issued by the Company. It was clear from the Company's official letterhead that it is committed to including all the data stipulated in Article (12) of the Companies Law.

9-1-8 Historical changes that occurred in the Company's capital

- The Company was initially established as a limited liability company, with its capital amounting to one hundred and sixty million (160,000,000) riyals.
- The Company's capital upon its conversion into a closed joint stock company amounted to three hundred and fifty million (350,000,000) Saudi riyals.
- On 28/01/1421H (corresponding to 03/05/2000G) the Company's EGM approved to increase the capital from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals.
- On 08/02/1422H (corresponding to 02/05/2001G), the Company's EGM approved to increase the capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals by transferring all profits for the year 2000 and part of the reserves to capital.
- On 01/02/1423H (corresponding to 14/04/2002G), the Company's EGM approved to increase the capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of 2001G to the capital.
- On 03/04/1424H (corresponding to 03/06/2003G), the Company's EGM approved to increase the capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, through the transfer of 50 million Saudi riyals from the profits of 2002G to the capital.
- On 30/03/1425H (corresponding to 19/05/2004G), the Company's EGM approved to increase the capital the capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, by transferring 70,000,000 million Saudi riyals from the retained earnings to the capital.
- On 12/06/1426H (corresponding to 18/07/2005G) the Company's EGM approved to increase the capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals, by issuing rights issue shares worth eighty-five million (385,000,000) Saudi riyals.
- On 09/01/1441H (corresponding to 08/09/2019G), the Company's EGM approved to reduce the capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals, by canceling eighty-one million and forty-eight thousand three hundred (81,048,300) shares with a capital reduction rate of (70.2%), in order to extinguish the total accumulated losses.
- On 16/04/1442H (corresponding to 01/12/2020G), the Company's EGM approved to reduce the capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals, thus reducing the number of the Company's shares from thirty-four million four hundred and fifty-one thousand seven hundred (4,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million, four hundred and fifty-one thousand and seven hundred (14,451,700) shares at a capital reduction rate of (41.95%), and the same assembly approved to increase the Company's through a rights issue. The subscription consists of offering twelve million (12,000,000) new ordinary shares and increasing the Company's capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals.

- On 17/07/1443H (corresponding to 17/02/2022G), the Capital Market Authority approved the Company's request to reduce its capital from three hundred and twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, thus reducing the number of shares from thirty-two million (32,000,000) Saudi riyals to nine million nine hundred thousand (9,900,000) shares. Note that this approval is conditional on the approval of the Company's extraordinary general assembly (EGM) and the completion of the relevant regulatory procedures and requirements.
- On 26/07/1443H (corresponding to 27/02/2022G), the Company's EGM approved to reduce its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, at a capital reduction rate of (69.06%), by canceling twenty-two million and one hundred thousand (22,100,000) of the Company's shares, whereby one (1) share was reduced for every (1.447) shares, so that the number of shares after the reduction became nine million and nine hundred thousand (9,900,000) shares. The reason for this is due to the extinguishment of (99.93) % of the company's accumulated losses.
- On 21/10/1444H (corresponding to 11/05/2023G), the (extraordinary) General Assembly did not approve the Board of Directors' recommendation to increase the capital from (99,000,000) riyals to (445,500,000) riyals by offering rights shares worth three hundred and forty-six million five hundred thousand (346,500,000) riyals.
- On 12/01/1445H (corresponding to 30/07/2023G), the Company announced the preliminary financial results for the period ending on 30/06/2023G, where the accumulated losses amounted to forty-two million seven hundred and eighty thousand (42,780,000) riyals, which constitutes (43.21)% of Capital, and accordingly, Article Four of the «Procedures and Instructions for Companies whose Shares are Listed on the Exchange and whose Accumulated Losses have Reached (20%) or More of their Capital» shall be applied to the Company, which concerns the Company's accumulated losses reaching 35% or more and less than 50% of its capital. The Authority placed an (orange) mark next to the Company's name on the Exchange's website to symbolize that the accumulated losses have reached this limit. The announcement of the financial results included the Company's implementation of the procedures and instructions in this regard, and thus it is exempted from publishing an independent announcement about the number of accumulated losses and the measures it will take in this regard in accordance with the stipulations of Article Four of the aforementioned procedures and instructions. The main reasons that led to these accumulated losses over the previous years are due to the lack of liquidity in general, which hinders the Company from obtaining new sales orders that fully suit its production capacity, due to its inability to provide the necessary liquidity to obtain the raw materials for these orders.
- On 28/02/1445H (corresponding to 13/09/2023G), the Company's Board of Directors recommended to the Extraordinary General Assembly to increase the Company's capital by offering and listing rights shares from ninety-nine million (99,000,000) riyals to four hundred and forty-five million five hundred thousand (445,500,000) riyals, conditional on the approval of the Capital Market Authority, Tadawul, and the General Assembly of Shareholders (Extraordinary).

9-2 Board of Directors, Committees, and Executive Management

According to Article (17) of the Company Article of Association, the Company's management shall be managed by a board of five (5) members, and each shareholder has the right to nominate himself, another person or more of the shareholders of the Company's Board membership.

9-2-1 Board of Directors

9-2-1-1 Composition of the Board of Directors

On 15/06/1445H (corresponding to 28/12/2023G), the General Assembly of Shareholders (ordinary) voted to elect members of the Board of Directors in its current term, which begins on 19/06/1445H (corresponding to 01/01/2024G) for a period of four years ending on 03/08/1449H (corresponding to 31/12/2027G). The following members were elected:

The table below shows the current Board of Directors term:

Table 73: Board of Directors Positions

N	Name	Positions	Nationality	Age	Capacity	Independence	Membership date	Representation	Owned Shares		
									Direct	Total	(%)
1	Prince Ahmad bin Khalid bin Abdullah bin Abdulrahman Al Saud	Chairman	Saudi	63	Non-Executive	Non-Independent	01/01/2024G	Self	198,725	198,7254	2.0073232%
2	Prince Abdulaziz bin Mohammad bin Fahd bin Abdulaziz Al Saud	Deputy Chairman	Saudi	33	Non-Executive	Non-Independent	01/01/2024G	Self	7,096	7,096	0.0716768%
3	Dr. Solaiman Abdulaziz Al-Twajiri	Member	Saudi	59	Non-Executive	Non-Independent	01/01/2024G	Self	-	-	-

N	Name	Positions	Nationality	Age	Capacity	Independence	Membership date	Representation	Owned Shares		
									Direct	Total	(%)
4	Dr. Mohammad Saud Al-Badr	Member	Saudi	69	Non-Executive	Independent	01/01/2024G	Self	400	400	0.0040404%
5	Mr. Khaled bin Mohammed Saad Al-Bawardi8	Member	Saudi	52	Non-Executive	Independent	01/01/2024G	Self	108	108	0.0010909%

Source: The Company

- The Company is compliant with Companies Law in terms of the number of members of the Board of Directors, which must not be less than three (3) members. It is also compliant with Article Sixteen (16) of the Corporate Governance Regulations, which requires listed companies to have a majority of the board members being non-executive members and that the number of its independent members should not be less than two members or a third of the board members (whichever is greater), based on the total number of members five (5) non-executive members have been appointed, including two (2) independent members and three non-independent members, namely (His Highness Prince Ahmad bin Khalid bin Abdullah bin Abdul Rahman Al Saud - His Highness Prince Abdulaziz bin Mohammad bin Fahd bin Abdulaziz Al Saud - Dr. Solaiman bin Abdulaziz Al-Twaijri). (For more information about the Company's compliance with the Governance Regulations, please review Paragraph (9-5-5) "Continuing Obligations According to the Requirements of the Capital Market Authority" of this section).

9-2-1-2 Appointment to mandatory positions (Chairman, Vice Chairman, CEO and Secretary)

- In accordance with Article Twenty-Two (22) of the Company's Articles of Association, the Board of Directors shall appoint from among its members a Chairman and Deputy Chairman and may appoint a CEO for the Company.
- The position of the Chairman of the Board of Directors may not be combined with any executive position in the Company. The Board of Directors shall appoint from among its members or from other chairman, and the Chairman of the Board of Directors may delegate (by written decision) some of his powers to other members of the Board or to third parties to undertake specific work or works. The Deputy Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence in cases where The Board of Directors has a Deputy Chairman.
- The Chairman of the Board or his deputy, in the event of the Chairman's absence, shall have the authority to call the Board for meeting and chair the meetings of the Board and the ordinary and extraordinary General Assembly of Shareholders, in addition to the powers stipulated in Article (22) of the Articles of Association. Accordingly, the appointment of a Deputy Chairman has become a mandatory position, but as for the managing director, according to the context of the text, it is not mandatory. The Board of Directors must appoint a Secretary for the Board.
- The Company is committed to its Bylaws and Corporate Governance Regulations with regard to mandatory appointment of these positions. The Board of Directors approved the appointment to these positions for the current Boards term of four years that begin on 01/01/2024G and ends on 31/12/2027G according to the following:

Table 74: mandatory positions in the Company

Position	Date of the appoint decision in the Board	Name of the appointed person
Chairman of the Board	19/06/1445H (corresponding to 01/01/2024G)	His Highness Prince Ahmed Khaled bin Abdullah bin Abdul Rahman Al Saud
Deputy Chairman	19/06/1445H (corresponding to 01/01/2024G)	His Royal Highness Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud
Chief Executive Officer	26/76/1443H (corresponding to 27/02/2022G)	Mr. Feras Ghassab Al-Harbi*
Secretary	19/06/1445H (corresponding to 01/01/2024G)	Mr. Waleed Mohammed Abu Kishk

Source: The Company

9-2-1-3 Member Board and Executive Management Rights and Obligations

- The Company's Articles of Association in Article Twenty-first (21) indicates that the Nominations and Remuneration Committee shall submit to the Board of Directors a recommendation regarding the Remuneration of the members of the Board of Directors. The Board of Directors' remuneration may consist of a specific amount, an attendance allowance for sessions, in-kind benefits, or a specific percentage of net profits. Two or more of the above may be combined. The Board of Directors shall submit a proposal to the Ordinary General Assembly regarding the maximum limit for these remunerations every year separately. The General Assembly determines the amount of these remunerations.
- The report of the Board of Directors to the ordinary general assembly must include in its annual meeting a comprehensive statement of all that it obtained or deserved to be obtained by each member of the Board of Directors during the fiscal year of the remuneration, expenses, and other advantages. It shall also include a statement of what received by Members of the Board as workers, managers, or what they received for technical or administrative or consulting works and include a statement of the number of sessions of the Board and the number of sessions attended by each member.
- Take into account in identifying and disbursing the Remuneration of the board of directors the Regulations stipulated in the Companies Law, and regulations issued by the competent authorities and internal company regulations in this regard.
- No dividends were distributed for the fiscal year ending on 31/12/2020G and the fiscal year ending on 31/12/2021G. The value of compensations and attendance session allowances for the members of the Board of Directors for the fiscal year ended on December 31, 2020G was (135,000) Saudi riyals and the fiscal year ending on December 31, 2021G was (243,000) Saudi riyals. It should be noted that four members of the Board of Directors have abdicated their Remuneration for the years 2018 and 2019G, which amounted to (1,600,000) Saudi riyals, which is entitled to them under the decision of the General Assembly of shareholders, and a remuneration was only distributed to one member who did not agree to relinquish its Remuneration and its value was (400,000) riyals. On 01/11/1443H (corresponding to 31/05/2022G), the General Assembly (ordinary) voted to disperse an amount of one million (1,000,000) riyals as remuneration for members of the Board of Directors for the fiscal year ending 31/12/2021G.
- On 21/10/1444H (corresponding to 11/05/2023G) the General Assembly (extraordinary) voted to disburse an amount of (1,000,000) riyals as remuneration for members of the Board for the year ending in 31/13/2022G. The following table shows the remuneration obtained by members of the Board of Directors and senior executives:

Table 75: Remunerations of the members of the Board of the Board of Directors, relevant committees and senior executives

In SAR	2019	2020	2021	2022
Compensations	84,400	135,000	243,000	147,000
Remunerations	200,000	0	1,000,000	1,000,000
Total	284,400	135,000	1,243,000	1,147,000

Source: The Company

9-2-1-4 Board Meetings

- According to Article Twenty-Three (23) of the Articles of Association, the Board of Directors meets at least four (4) times a year at the invitation of its chairman in accordance with the conditions stipulated in the Company's Bylaws. The competent authority has the right to amend the stipulated limit. The Chairman of the Board must invite the Board to the meeting when it is required in writing by any member of the Board to discuss any or more subjects. The meeting of the Board of Directors is not valid unless it is attended by half of the members (in person or by proxy) at least. In the event of tie vote voices, the side with which the Chairman of the meeting voted shall prevail. The board of directors determines the place of its meetings and may be held using modern technology.
- The Company is compliant with the minimum number of board meetings, and it has been found that the number of board meetings has reached four (4) meetings during the year 2020G, eight (8) meetings during the year 2021G, seven (7) meetings during the year 2022G, and eight (8) meetings during the year 2023G.
- The Board of Directors' work charter (work regulation) was approved on 19/08/1442H (corresponding to 01/04/2021G), by the Ordinary General Assembly held on 14/09/1442H (corresponding to 26/04/2021G).
- The report of the Board of Directors for the year 2022G was reviewed by the General Assembly held on 21/10/1444H (corresponding to 11/05/2023G), and the report of the Board of Directors for the fiscal year 2021G was voted by the General Assembly held on 01/11/1443H (corresponding to 31/05/2022G).

9-2-2 Board Committees

Subject to the requirements of the Capital Market Authority, the Board of Directors shall form specialized committees in accordance with the Company's need, circumstances and conditions, in a way that enables it to perform its tasks, provided that the internal policies and procedures for each committee are established according to the regulations and Regulations set by the competent authority. The specialized committees are formed by decisions from the Board of Directors in which the duration of the committee, its powers and responsibilities is determined and how it is controlled by the Board, provided that the decision to form the committee its members and determine their tasks, rights and duties in it.

On the date of the publication of this Prospectus, the Company has four (4) committees emanating from the Board of Directors according to the following:

9-2-2-1 Audit Committee

- An Audit Committee shall be formed by a decision of the Board of Directors whose number is not less than three (3) and not more than five (5) members of the executive board of directors, whether from the shareholders or others, and the committee's tasks, charter and remuneration of its members shall be specified in the decision.
- The Audit Committee is concerned with monitoring the Company's business, and for this it has the right to see its records and documents and request any clarification or statement from the members of the Board of Directors or the executive management, and it may ask the Board of Directors to invite the general assembly of the Company to convene if the board of directors impedes its work or the Company is exposed to severe damages or losses, in addition to the powers that it was delegated to it according to the implementing regulations of the Companies Law for the joint stock companies and the corporate governance regulations.
- The Company has an Audit Committee consisting of three (3) members that has been formed and the appointment of its members by the Board of Directors on 19/06/1445H (corresponding to 01/01/2024G) and ends at the end of the current Board term on 31/12/2027G. It consists of the following members:

Table 76: Members of the Audit Committee

Name	Position	Other positions held currently by the member
Dr. Suleiman Abdullah Al-Sakran	Member	From outside the Board
Mr. Waleed Mohammed Al-Othaimeen	Member	From outside the Board
Dr. Muhammad Saud Al-Badr	Member	- Independent member of the Board of Directors - Chairman of the Nominations and Remuneration Committee

Source: The Company

* Based on the audit committee's work regulations, the committee appointed by the Board of Directors on 06/19/1445H corresponding to 01/01/2024G must choose a chairman from among its members, and until the date of publishing this prospectus, the committee has not appointed a chairman.

- The Company has a special work regulation for the Audit Committee that was approved by the Board of Directors on 19/08/1442H (corresponding to 01/04/2021G), and by the ordinary general assembly held on 14/09/1442H (corresponding to 26/04/2021G).
- According to the terms of reference of the Audit Committee, the committee meets at least once every three months, and when it is needed.
- Until the date of the publication of this Prospectus, the Audit Committee held a number of meetings according to the following:

Table 77: Audit Community meetings

Year	2020	2021	2022	2023
No. of Audit Committee Meetings	4	6	5	7

Source: The Company

- It should be noted that the text of Article (51) paragraph (F) of the corporate governance regulation that prevents every person or who is or was working during the past two years in the Company's executive or financial management, or with the Company's auditor, to be a member of the Audit Committee and the Company is compliant with that.
- The Company is compliant with the provisions of Article (88) of the Corporate Governance Regulations, where the annual report of the Audit Committee for the year 2022G was reviewed and includes its opinion on the extent of the adequacy of the Company's internal control system.
- The annual report of the Audit Committee for the year 2022G was recited by its chairman before the General Assembly of shareholders held on 21/10/1444H (corresponding to 11/05/2023G).

9-2-2-2 Executive Committee

- The Company has an executive committee of five (5) members.
- The members of the Executive Committee were appointed by the Board of Directors at its meeting held on 19/06/1445H (corresponding to 01/01/2024G) for four years, starting from 01/01/2024G, until 31/12/2027G, and it consists of the following members:

Table 77: Executive Committee Members

Name	Position	Other positions held currently by the member
Prince Ahmad bin Khalid bin Abdullah bin Abdulrahman Al Saud	Chairman of the Committee	Chairman of the Board of Directors-non independent Member of the Nominations and remuneration Committee
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Deputy Chairman of the Committee	Deputy Chairman-Non-Independent Chairman of the Investment Committee
Dr. Suleiman bin Abdullah Al-Amro	Member	From outside of the Board of Directors
Dr. Solaiman bin Abdulaziz Al-TwajiriSuleiman bin Abdullah Al-Amro	Member	Member of the Board of Directors- Non independent
Mr. Feras Ghassab Al-Harbi	Member	Chief Executive Officer Member of the Investment Committee

Source: The Company

- The committee meets at least twice at the invitation of its chairman, and the chairman of the committee may invite it to meet in exceptional cases if the need arises.
- The terms of reference of the Executive Committees were approved by the Board of Directors on 19/08/1442H (corresponding to 01/04/2021G), and by the ordinary general assembly held on 14/09/1442H (corresponding to 26/04/2021G).
- Until the date of the publication of this Prospectus, the Executive Committee held a number of meetings according to the following:

Table 78: Meeting of the Executive Committee

Year	2020	2021	2022	2023
No. of Executive Committee meetings	3	8	2	2

Source: The Company

9-2-2-3 Nominations and Remuneration Committee

- The Nominations and Remunerations Committee shall be formed by a decision of the Company's board of directors, provided that its members are not members of the Executive Board of Directors, provided that one of them at least shall be an independent member.
- The Nominations and Remunerations Committee must consist of (3) members as a minimum, provided that among the appointed members shall be at least one independent member and this committee cannot be chaired by the Chairman of the Board of Directors. The members of the Nominations and Remunerations Committee were appointed by the Board of Directors on 19/06/1445H (corresponding to 01/01/2024G) and ends at the end of the current Board term on 31/12/2027G. It consists of the following members:

Table 79: Members of the Nominations and Remuneration Committee

Name	Position	Other positions held currently by the member
Dr. Mohammed Saud Al -Badr	Committee	Member of the Board of Directors -Independent Member of the Audit Committee
His Highness Prince Ahmed bin Khalid bin Abdullah bin Abdul Rahman Al Saud	Member	Chairman of the Board-non- independent Chairman of the Executive Committee
Mr./ Khaled bin Mohammed Al-Bawardi	Member	Board Member - Independent

Source: The Company

- The general assembly of the Company, based on a proposal from the Board of Directors, shall issue the terms of reference for the Nominations and Remunerations Committee, provided that it shall include the Regulations and procedures of the committee's work and tasks, the rules for selecting its members, the duration of their membership and their remuneration. The regulations for the Nominations and Remunerations Committee were approved by the Board of Directors on 19/08/1442H (corresponding to 01/04/2021G), and by the ordinary general assembly held on 14/09/1442H (corresponding to 26/04/2021G).
- The Nominations and Remuneration committee holds its meetings periodically and when need arises, provided that they shall not be less than two meetings (2) during the same fiscal year (once every six months), and the committee shall submit its reports to the Board.
- Until the date of the publication of this Prospectus, the Nominations and Remuneration Committee held a number of meetings according to the following:

table 80: Meetings of the Nominations and Remuneration Committee

Year	2020	2021	2022	2023
No. of Executive Committee meetings	4	5	2	4

Source: The Company

9-2-2-4 Investment Committee

- The Investment Committee shall be formed by a decision of the Company's Board of Directors for a period of three years. The number of committee members must not be less than three and not more than five years, and members may be appointed from outside the Board.
- The members of the Investment Committee were appointed by the Board of Directors on 13/05/1442H (corresponding to 28/12/2020G) and ended at the end of the current Board's term on 31/12/2023G. The new Board of Directors did not appoint an investment committee for a new term
- The Company has a special work regulation for the Investment Committee that was approved by the Board of Directors on 21/05/1442H (corresponding to 05/01/2021G).
- The committee meets at least once a year or as needed at the invitation of the Board of Directors.
- Until the date of the publication of this Prospectus, the Investment Committee held a number of meetings according to the following:

Table 81: Members of the Investment Committee

Name	Position	Other positions held currently by the member
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Chairman	Deputy Chairman- not independent
Mr. Mohammed Abdul Rahman Al-Luhaidan	Member	Member of the Board of Directors -independent
Mr. Sulaiman Abdullah Al-Amro	Member	Member of the Nominations and Remuneration Committee
Mr. Feras Ghassab Al-Harbi	Member	Chief Executive Officer

Source: The Company

- The Company has a special work regulation for the Investment Committee that was approved by the Board of Directors on 21/05/1442H (corresponding to 05/01/2021G).
- The committee meets at least once a year or as needed at the invitation of the Board of Directors.
- Until the date of the publication of this Prospectus, the Investment Committee held a number of meetings according to the following:

Table 82: Investment Committee meetings

Year	2021G	2022G	2023G
No. of Investment Committee meetings	3	1	1

Source: The Company

9-2-3 Executive Management

- According to the Company's policies and relevant board decisions, the Company's executive management is entrusted with the CEO and CFO. The position of CEO is currently held by Dr. Feras Ghassab Al -Harbi, for a period of three years as of 01/03/2022G, according to the Board's decision on 26/07/1443H (corresponding to 27/02/2022G.).
- The table below shows the details of the executive management:

Table 83: Members of the executive management

Name	Position	Nationality	Age	Appointment date	Owned Shares			
					Direct		Indirect	
					Number	%	Number	%
Feras Ghassab Al-Harbi	CEO	Jordanian	52	01/06/2020G	-	-	-	-
Waleed Mohammed Abu Kishk	General Manager of Legal Affairs and Compliance	Jordanian	62	01/09/1990G	-	-	-	-
Asghar Youssef Sargroh	Finance Manager	Indian	58	11/09/2001G	-	-	-	-
Mohammed Saleh Alshamrani	Sales and Marketing Manager	Saudi	44	08/11/200G	-	-	-	-
Suhaib Zahid Al-Warhi	Supply Chain Manager	Pakistani	33	27/11/202G	-	-	-	-
Omar Zain Al-Abidin bin Mohammed Hakim	General Manager of Support Services	Saudi	35	08/01/202G	-	-	-	-
Wathiq Ali Al-Hawara	Internal Audit Manager	Jordanian	44	15/02/2021G	-	-	-	-

Source: The Company

- The value of the remunerations, allowances and compensations allocated to the senior executives (including the CEO, CFO, General Manager of Legal Affairs and Compliance, Sales and Marketing Manager and Joint Services Manager) for the year 2020G amounting to (8,439,479) Saudi riyals and for 2021 m (11,431,000) Saudi riyals.

9-3 Licenses, Approvals and Certificates for the Head Office and branches of the Company

9-3-1 Licenses, approvals and certificates related to the head office

- The Company has obtained several legal and operational licenses and certificates from the competent authorities necessary to carry out its activities in accordance with the regulations in force in the Kingdom of Saudi Arabia. These licenses are renewed periodically.

The following table shows the current licenses and approvals obtained by the Company in relation to its main Commercial Registration.

Table 84: Licenses, Approvals, and Certificates for the Head Office

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Commercial Register	Registration of the Company in the Commercial Companies Register (Joint stock company)	Saudi Arabian Amiantit Company joint stock company	2050002103	17/03/1388H (Corresponding to 14/06/1986G)	04/07/1448H (Corresponding to 13/12/2026G)	Ministry of Commerce - Commercial Registry Office in Dammam	Unified number: 7014779628
Chamber of Commerce and Industry membership certificate (Class 1)	In compliance with the provisions of the commercial registry Law The company falls under the (first class)	Saudi Arabian Amiantit Company	457	12/02/1424H (Corresponding to 14/04/2003G)	04/07/1448H (Corresponding to 13/12/2026G)	Chamber of Commerce and Industry in the Eastern Province	-
Certificate of Zakat and Income	To enable the Company to finalize all its transactions, including paying its final dues on contracts.	Saudi Arabian Amiantit Company	1110224541	11/10/1444H (Corresponding to 01/05/2023G)	21/10/1445H (Corresponding to 30/04/2024G)	Zakat, Tax and Customs Authority	-

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Certificate of registration of a tax group in VAT	To indicate that the Company and its subsidiaries are registered with value added tax	Saudi Arabian Amiantit Company and some of its subsidiaries	300434259210003	11/03/1439H (Corresponding to 29/11/2017G)	--	Zakat, Tax and Customs Authority	-
Evaluation certificate of a company entity	Evaluation of the Company entity according to Nitaqat program, which indicates that the Company is in the (platinum) range.	Saudi Arabian Amiantit Company	None	December 2023G	None	Electronic Services Department, Ministry of Human Resources and Social Development	File No.: 4-7934
Social insurance certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Arabian Amiantit Company	59979810	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription number 110003129
Wages Protection System Compliance Certificate	The Company's commitment to the Regulations of the wages protection program	Saudi Arabian Amiantit Company	20042311003903	08/05/1445H (Corresponding to 22/11/2023G)	10/07/1445H (Corresponding to 22/01/2024G)	Ministry of Human Resources and Social Development	Entity No. 4-7934
Saudization certificate	To indicate that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Arabian Amiantit Company	18481106-214328	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No.: 4-7934
Municipality license	Business activity license	Saudi Arabian Amiantit Company	21073	19/07/1439 H (Corresponding to 05/04/2018G)	21/06/14440H (Corresponding to 27/02/2019G)	Ministry of Municipal and Rural Affairs and Housing ***** East Dammam Municipality	Work is under-way to renew the license
Safety certificate	The Company's commitment to the safety conditions of civil defense	Saudi Arabian Amiantit Company	40-000199059-2	21/11/14440 H (Corresponding to 24/07/2019G)	21/11/14440H (Corresponding to 12/07/2020G)	General Directorate of Civil Defense	Work is under-way to renew the certificate

Source: The Company

9-3-2 Licenses, Approvals, and Certificates for the Company's Branches the Company's branches

Article Five (5) of the Company's Articles of Association stipulates that the Company may establish branches, offices or agencies for it inside or outside the Kingdom of Saudi Arabia by a decision of the board of directors

9-3-2-1 Company's branches within the Kingdom of Saudi Arabia

The Company has seven (7) branch registrations distributed across the Kingdom's regions (Riyadh, Dammam and Jeddah). The following is an overview of the Company's branches.

9-3-2-1-1 Jeddah Branch (Saudi Arabian Amiantit Company)

The branch was registered in the commercial registry under number (4030006691) on 25/11/1390H (corresponding to 22/01/1971G) as a branch of the Company in the city of Jeddah in order to carry out the activity (integrated administrative services activities for offices). This certificate is valid until 04/07/1448H. (corresponding to 13/12/2026G). The branch is managed by Mr. Thamer bin Salman bin Ali Al-Methem. The following is an overview of the licenses obtained by the branch:

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Commercial Registration	Register the company branch in the commercial companies registry in Jeddah	Branch of Saudi Arabian Amiantit Company	4030006691	25/11/1390H (Corresponding to 22/01/1971G)	04/07/1448H (Corresponding to 13/12/2026G)	Ministry of Commerce - Commercial Registry Office in Jeddah	Unified number: 7011543472
Chamber of Commerce and Industry Membership Certificate (first class)	In compliance with the provisions of the Commercial Registration Law	Branch of Saudi Arabian Amiantit Company	7011543472	16/01/1400H (Corresponding to 05/12/1979G)	04/07/1448H (Corresponding to 13/12/2026G)	Chamber of Commerce and Industry (Jeddah Chamber)	-

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Social insurance subscription certificate	In compliance with the social insurance law	Branch of Saudi Arabian Amiantit Company	59979717	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	An establishment not subject to the provisions of the Law, subscription number 100068834
Company entity evaluation certificate - Nitaqat	Evaluating the company's entity according to the Nitaqat program, indicating that the company is in the (platinum) range.	Branch of Saudi Arabian Amiantit Company	None	December 2023G	None	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
A certificate of compliance with the wage protection law	The company's commitment to the Regulations of the Wage Protection Program	Branch of Saudi Arabian Amiantit Company	20092401000818	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development	-
Saudization certificate	To report that the company is committed to the percentage of Saudization required of it according to the Nitaqat Program	Branch of Saudi Arabian Amiantit Company	198110-20127645	14/02/1445H (Corresponding to 30/08/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No. 9-15242

Source: The Company

9-3-2-1-2 Dammam City Branch (Amiantit Factory for the Production of Epoxy Pipes)

The branch was registered in the commercial registry under the number (2050042140) on 04/12/1423H (corresponding to 05/02/2003G) as a branch of the company in the city of Dammam in order to practice the activity of (manufacturing semi-manufactured plastic products, including (boards, strips, sheets, strips, Pipes, hoses and supplies ... etc.). Manufacture of pipes, hoses, plastic tubes, fittings and fittings. Manufacture of pipes and non-ferrous metal products, including (wires, tubes, tubes, powders, papers, sheets, etc.) Manufacture of tubes, tubes, hollow shapes, pipe fittings, or tubes)) This certificate is valid until the date of 01/12/1446H (corresponding to 27/05/2025G). The branch is managed by Mr. Thamer bin Salman bin Ali Al-Methem. The following is an overview of the licenses obtained by the branch:

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Commercial register	Register the company in the commercial registry	Amiantit Factory for Production of Epoxy Pipes	2050042140	04/12/1423H (Corresponding to 05/02/2003G)	01/12/1446H (Corresponding to 27/05/2025G)	Commercial Registry Office in Dammam	Unified number: 7014921675
Membership certificate of the Chamber of Commerce and Industry (first class)	In compliance with the provisions of the commercial register law The company is classified as (first) class	Amiantit Factory for Production of Epoxy Pipes	6372	13/01/1444H (Corresponding to 11/08.2022G)	01/12/1446H (Corresponding to 28/05/2025G)	Chamber of Commerce and Industry in the Eastern Province	-
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Factory for Production of Epoxy Pipes	59042718	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription number 507105890
Saudization certificate	Stating that the company is committed to the Saudization percentage required according to Nitaqat program	Amiantit Factory for Production of Epoxy Pipes	751321-15183885	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No. 4-33801
Company Structure Evaluation Certificate-Nitaqat	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Amiantit Factory for Production of Epoxy Pipes	Without	December 2023G	Without	E-Services Department Ministry of Human Resources and Social Development	-
Wage Protection Certificate	In compliance with the Wage Protection Regulations	Amiantit Factory for Production of Epoxy Pipes	20042401000213	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development	-

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
A national industrial license	. The company's compliance with the regulations of Ministry of Industry and Mineral Resources (Glass and glass products manufacturing activity)	Amiantit Factory for Production of Epoxy Pipes	431110119099	10/11/1443H (Corresponding to 09/06/2022G)	04/01/1449H (Corresponding to 08/07/2027G)	Ministry of Energy, Industry and Mineral Resources	-
An environmental permit for operation	In compliance with the Law of the National Center for Oversight of Environmental Compliance	Amiantit Factory for Production of Epoxy Pipes	22485	12/10/1443H (Corresponding to 13/05/2022G)	18/09/1446H (Corresponding to 18/03/2025G)	National Center for Oversight of Environmental Compliance	-
Safety certificate *	The company's commitment to civil defense safety requirements	Amiantit Factory for Production of Epoxy Pipes	1-000592656-42	20/01/1443H (Corresponding to 28/08/2021G)	20/01/1444H (Corresponding to 18/08/2022G)	Ministry of Interior - General Directorate of Civil Defense	Work is underway to renew the license

Source: the Company

*The factory is not located within «MODON»

9-3-2-1-3 Dammam City Branch (Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory)

The branch was registered in the commercial registry under the number (2050041516) on 21/08/1423H (corresponding to 27/10/2002G) as a branch of the company in the city of Dammam in order to practice the activity of (manufacturing semi-manufactured products of plastic, including (plates, strips, sheets, tapes, pipes, hoses, and their supplies...etc.). This certificate is valid until 15/08/1445H (corresponding to 24/02/2024G). The branch is managed by Mr. Thamer bin Salman bin Ali Al-Mu'tham. The following is an overview of the licenses obtained by the branch:

Type of license	Purpose	License holder	License number	Date of issuance/ renewal	Expiry date	Issuing authority	Note
Commercial register	Register the company in the commercial registry	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory	2050041516	21/08/1423H (Corresponding to 27/10/2002G)	15/08/1445H (Corresponding to 24/02/2024G)	Commercial Registry Office in Dammam	Unified number: 7006459528
Membership certificate of the Chamber of Commerce and Industry (first class)	In compliance with the provisions of the commercial register law The company is classified as (first) class	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory	16611	21/08/1423H (Corresponding to 27/10/2002G)	15/08/1445H (Corresponding to 25/02/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Saudization certificate	Stating that the company is committed to the Saudization percentage required according to Nitaqat program	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory	188205-19392142	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No. 4-33514
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory	59979723	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription number 500571551
Company Structure Evaluation Certificate-Nitaqat	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory	None	December 2023G	None	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
Wage Protection Certificate	In compliance with the Wage Protection Regulations	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory	20042401000214	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development	-
A national industrial license	The company's compliance with the regulations of the Ministry of Energy, Industry and Mineral Resources (Plastic products manufacturing activity)	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory	431110119096	10/11/1423H (Corresponding to 09/06/2022G)	04/01/1449H (Corresponding to 09/06/2027G)	Ministry of Energy, Industry and Mineral Resources	-

Type of license	Purpose	License holder	License number	Date of issuance/ renewal	Expiry date	Issuing authority	Note
An environmental permit for operation	In compliance with the law of the National Center for Oversight of Environmental Compliance	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory	1442015751	08/01/1445H (Corresponding to 26/07/2023G)	08/08/1447H (Corresponding to 27/01/2026G)	National Center for Oversight of Environmental Compliance	
Safety certificate *	The company's commitment to civil defense safety requirements	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory	1-000592663-42	08/02/1443H (Corresponding to 15/09/2021G)	08/02/1444H (Corresponding to 04/09/2022G)	Ministry of Interior - General Directorate of Civil Defense	Work is underway to renew the license

Source: The Company

*The factory is not located within «MODON»

9-3-2-1-4 Dammam City Branch (Branch of the Saudi Arabian Amiantit Company for Construction, Maintenance and Operation)

The branch was registered in the commercial registry under the number (2050101638) on 19/09/1435H (corresponding to 16/07/2014G) as a branch of the company in the city of Dammam in order to practice the activity of (general construction of residential buildings, building finishing). This certificate is valid until 18/09/1445H (corresponding to 28/03/2024G), and the branch is managed by Mr. Thamer bin Salman bin Ali Al-Methem. The following is an overview of the licenses obtained by the branch:

Type of license	Purpose	License holder	License number	Date of issuance/renewal	Expiry date	Issuing authority	Note
Commercial register	Register the company in the commercial registry	Branch of the Saudi Arabian Amiantit Company for Construction, Maintenance and Operation	2050101638	19/09/1435H (Corresponding to 16/07/2014G)	18/09/1445H (Corresponding to 28/03/2024G)	Commercial Registry Office in the Eastern Province	Unified No. 7012354556
Membership certificate of the Chamber of Commerce and Industry	In compliance with the provisions of the commercial register law The company is classified as (first) class	Branch of the Saudi Arabian Amiantit Company for Construction, Maintenance and Operation	171380	24/03/1441H (Corresponding to 21/11/2019G)	18/09/1445H (Corresponding to 28/03/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Saudization certificate	Stating that the company is committed to the Saudization percentage required according to Nitaqat program	Branch of the Saudi Arabian Amiantit Company for Construction, Maintenance and Operation	586753-57408110	24/12/1444H (Corresponding to 12/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No. 4-1259405
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Branch of the Saudi Arabian Amiantit Company for Construction, Maintenance and Operation	59979796	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription No. 509180024
Company Structure Evaluation Certificate-Nitaqat	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (low green) range.	Branch of the Saudi Arabian Amiantit Company for Construction, Maintenance and Operation	NA	December 2023G	NA	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
Wage Protection Certificate	In compliance with the Wage Protection Law	Branch of the Saudi Arabian Amiantit Company for Construction, Maintenance and Operation	20042401000209	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development	-

Source: the Company

*Given that the facility is located on a land that is not planned, and the competent authorities stipulated the developing of this land, then after that the municipal and civil defense licenses will be issued. A large part of the project has been completed and during the next seven months the project will be fully completed and the licenses are issued.

9-3-2-1-5 Riyadh City Branch (Saudi Arabian Amiantit Company)

The branch was registered in the commercial registry under the number (1010006234) on 10/04/1392H (corresponding to 23/05/1972H) as a branch of the Company in the city of Riyadh in order to carry out the activity of (integrated administrative services activities for offices). This certificate is valid until the date of 04/07/1448H (corresponding to 13/12/2026G), and the branch is managed by Mr. Thamer bin Salman bin Ali Al-Methem. The following is an overview of the licenses obtained by the branch:

Type of license	Purpose	License holder	License number	Date of issuance/ renewal	Expiry date	Issuing authority	Note
Commercial register	Register the company in the commercial registry	Branch of the Saudi Arabian Amiantit Company	1010006234	10/04/1392H (Corresponding to 23/05/1972)	04/07/1448H (Corresponding to 13/12/2026G)	Commercial Registry Office in Riyadh	Unified number 7006700863
Membership certificate of the Chamber of Commerce and Industry	In compliance with the provisions of the commercial register law The company is classified as (first) class	Branch of the Saudi Arabian Amiantit Company	2631	25/02/1395H (Corresponding to 09/03/1975G)	04/07/1448H (Corresponding to 13/12/2026G)	Chamber of Commerce and Industry in Riyadh	-
Saudization certificate	Stating that the company is committed to the Saudization percentage required according to Nitaqat program	Branch of the Saudi Arabian Amiantit Company	108568-14526604	02/03/1445H (Corresponding to 17/09/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	-
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Branch of the Saudi Arabian Amiantit Company	5997978	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription No. 1100003153
Company Structure Evaluation Certificate-Nitaqat	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Branch of the Saudi Arabian Amiantit Company	NA	December 2023G	NA	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	
Wage Protection Certificate	The Company's Compliance with the Wage Protection Law	Branch of the Saudi Arabian Amiantit Company	20012401001365	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development	No. 1-76706
Municipal license	License to practice a commercial activity	Branch of the Saudi Arabian Amiantit Company	440410880420	-	14/04/1446H (Corresponding to 17/10/2024G)	The Ministry of Municipal and Rural Affairs Municipality of Al-Olaya-Riyadh	-
Safety certificate *	The company's commitment to civil defense safety requirements	Branch of the Saudi Arabian Amiantit Company	43-000839743-1	23/05/1443H (Corresponding to 27/12/2021G)	23/05/1444H (Corresponding to 17/12/2022G)	General Directorate of Civil Defense	Work is underway to renew the license

Source: the Company

9-3-2-1-6 Dhahran City Branch (Amiantit Center for Research and Development)

The branch was registered in the commercial registry under the number (2052002451) on 08/05/1435H (corresponding to 09/03/2014G) as a branch of the Company in Dhahran City to practice (research and development in the field of engineering and technology). This certificate is valid until 06/05/1448H (corresponding to 17/10/2026G) and the branch is managed by Mr. Thamer bin Salman bin Ali Al -Mu'tam.

Below is a summary of the licenses obtained by the branch:

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Commercial register	Register the company in the commercial registry	Amiantit Center for Research and Development	2052002451	08/05/1435H (Corresponding to 09/03/2014G)	06/05/1448H (Corresponding to 17/10/2026G)	Commercial Registry Office in Dhahran	Unified No. 7006927342
Membership certificate of the Chamber of Commerce and Industry	In compliance with the provisions of the commercial register law The company is classified as (first) class	Amiantit Center for Research and Development	154944	17/11/1444H (Corresponding to 06/06/2023G)	07/05/1448H (Corresponding to 18/10/2026G)	Chamber of Commerce and Industry in the Eastern Province	-

Source: the Company

9-3-2-1-7 Branch of Boly Pipe Manufacturing Company (Jeddah)

The branch was registered in the commercial registry under the number (4030479127) on 09/12/1443H (corresponding to 08/07/2022G) as a branch of the Company in the city of Jeddah to practice the activity of (water lines extensions between and inside cities and the establishment of new networks. This certificate is valid until the date of 09/12/1445H (corresponding to 15/06/2024G) and the branch is managed by Mr. Thamer bin Salman bin Ali Al -Methem. Below is a summary of the licenses obtained by the branch:

Type of license	Purpose	License holder	License number	Date of issuance/renewal	Expiry date	Issuing authority	Note
Commercial register	Register the company in the commercial registry	Branch of Boly Pipe Manufacturing Company	40304791271	09/12/1443H (Corresponding to 08/07/2022G)	09/12/1445H (Corresponding to 15/06/2024G)	Commercial Registry Office in Jeddah	Unified No. 7029983033
Membership certificate of the Chamber of Commerce and Industry	In compliance with the provisions of the commercial register law The company is classified as (first) class	Branch of Boly Pipe Manufacturing Company		09/12/1443H (Corresponding to 08/07/2022G)	09/12/1445H (Corresponding to 15/06/2024G)	Chamber of Commerce and Industry in Jeddah	
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Branch of Boly Pipe Manufacturing Company	59979356	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	A facility not subject to the provisions of the law Subscription number: 633987491
Saudization certificate	Stating that the company is committed to the Saudization percentage required according to Nitaqat program	Branch of Boly Pipe Manufacturing Company	191171-11049611	14/02/1445H (Corresponding to 30/08/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	Establishment Number 2108108-9
Company Structure Evaluation Certificate-Nitaqat	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Branch of Boly Pipe Manufacturing Company	NA	December , 2023	NA	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
Certificate of Commitment to the Wages Protection Law	The company's commitment to the controls of the Wages Protection Program	Boly Pipe Manufacturing Company	20092401000819	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development	-

Source: the Company

9-4 Subsidiaries and Associate companies.

- In accordance with Article Four (4) of the Articles of Association, the company may establish companies on its own (with limited liability or closed joint stock). It may also own shares and stakes in other existing companies or merge with them, and it has the right to participate with others in establishing joint stock or limited liability companies, after fulfilling the requirements of the regulations and instructions followed in this regard. The company may also dispose of these shares or stakes, provided that this does not include mediation in their trading.
- As of the date of publishing this prospectus, the company has ten (10) subsidiaries within the Kingdom of Saudi Arabia. Details of the subsidiaries are as follows.

9-4-1 Subsidiary companies within the Kingdom of Saudi Arabia

9-4-1-1 Amiantit Fiberglass Manufacturing Company Limited, a one-person company (AFIL)

Overview:

- The company was established in 1977G and was registered in the commercial registry in Dammam with the number (2050005268) on 25/10/1397H (Corresponding to 09/10/1977G), and was subsequently converted into a one-person company wholly owned by the Saudi Arabian Amiantit Company. The company manufactures water tanks, pipes, tanks and sewage manhole covers.

- On 03/09/1443H (corresponding to 04/04/2022G), the owner of the capital agreed to reduce the capital of the subsidiary company from one hundred and eighty million (180,000,000) riyals to (86,999,000) riyals, and that pursuant to the electronic amended Articles of Association No. (25167).
- On 28/08/1444H (corresponding to 20/03/2023G), the owner of the company's capital wished to amend the article of association and convert it to a bylaw in accordance with the Companies Law issued by Royal Decree No. (132/M) dated 01/12/1443H in electronic version No. (1).
- Capital : The current capital of the company is (86,999,000) Saudi riyals divided into (86,999) cash shares of equal value, the value of each share is (1000) riyals distributed to the partners according to the following:

Ownership structure of the subsidiary company's shares (Amiantit Fiberglass Manufacturing Company Limited)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	Saudi Arabian Amiantit Company	86,999	1000	86,999,000	100%
Total		86,999	1000	86,999,000	100%

Source: The Company

- Commercial activity:** The main activity of the company, according to Commercial Registration Certificate No. (2050005268), is the manufacture of fiberglass, including (glass wool, etc.), the manufacture of water tanks, the manufacture of pipes, the manufacture of tubes, pipes, hollow shapes, and pipe or pipe fittings, the manufacture of tanks, the manufacture of Sewage manhole covers.)
- Management:** The company is managed by a board of directors consisting of five (5) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in Article (5) of the company's bylaws, noting that all directors are appointed by the company.
- Head office and branches:** According to Article (2) of the bylaws, the company's head office is located in the city of Dammam/the industrial area, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company requires, with the approval of the owner of the capital.

The table below shows the most prominent licenses obtained by the company:

Table of subsidiary company licenses (Amiantit Fiberglass Industry Limited)

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Amiantit Fiberglass Industry Company Ltd	2050005268	25/10/1397H (corresponding to 09/10/1977G)	04/07/1448G (corresponding to 13/12/2026G)	Ministry of Commerce - Commercial Registry Office in Dammam	Unified No. 7000676747
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law The company falls under the (first class)	Amiantit Fiberglass Industry Company Ltd	417	26/12/1407H (Corresponding to 20/08/1987G)	04/07/1448H (Corresponding to 13/12/2026G)	Chamber of Commerce and Industry in the Eastern Province	
Zakat certificate	To enable the Company to finalize all its transactions, including paying its final dues on contracts.	Amiantit Fiberglass Industry Company Ltd	1020222784	14/10/1444H (Corresponding to 04/05/2023G)	21/10/1445H (corresponding 30/04/2024G)	Zakat, Tax and Customs Authority	
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Fiberglass Industry Company Ltd	59979775	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription No. 110003145
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Fiberglass Industry Company Ltd	178110-20892490	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No. 4-3860
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Amiantit Fiberglass Industry Company Ltd	December 2023G	-	without	Ministry of Human Resources and Social Development	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Wage Protection Certificate	In compliance with the Wage Protection Law	Amiantit Fiberglass Industry Company Ltd	20042310003127	16/04/1445H (Corresponding to 31/10/2023G)	18/06/1445H (Corresponding to 31/12/2023G)	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-

Source: The Company

- Given that the facility is located on unplanned land, the competent authorities have stipulated that this land be developed, after which municipal and civil defense licenses will be issued. A large part of the project has been completed, and within the next seven months the project will be fully completed and licenses will be issued. Municipal licensing and safety certificate are in process.
- This register does not engage in any industrial activity

The subsidiary has three branches as follows:

1. Amiantit Fiberglass Manufacturing Company Branch

- The branch was registered in the Commercial Register under the number (2050106908) on 28/12/1436H (corresponding to 11/10/2015G) as a branch of the company in the city (Dammam - First Industrial Area - Tenth Street) for practicing the activity of (laying pipes of various types for electricity and communications and others) and the branch is managed by Mr. Thamer Salman Ali Al-Moatham.

Table of licenses for the Amiantit Fiberglass Manufacturing Company Ltd. Branch

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Commercial Register	Registration of the company in the register of commercial companies	Amiantit Fiberglass Industries Company Ltd. branch	2050106908	28/12/1436H (corresponding to 11/10/2015G)	02/12/1445H (corresponding to 08/06/2024G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	7006439348
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law The company falls under the (first class)	Amiantit Fiberglass Industries Company Ltd. branch	185086	03/07/1442H (corresponding to 15/02/2021G)	02/12/1445H (corresponding to 08/06/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Fiberglass Industries Company Ltd. branch	97469048-160402	17/12/1444H (corresponding to 05/07/2023G)	15/09/1445H (corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	Subscription No. 1255777-4
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Fiberglass Industries Company Ltd. branch	59979757	22/06/1445H (corresponding to 04/01/2024G)	21/07/1445H (corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription No. 509288607
Wage Protection Certificate	In compliance with the Wage Protection Law	Amiantit Fiberglass Industries Company Ltd. branch	20042301000207	22/06/1445H (corresponding to 04/10/2024G)	23/08/1445H (corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Amiantit Fiberglass Industries Company Ltd. branch	Without	December 2023G	Without	Ministry of Human Resources and Social Development	-
Safety Certificate	The company's commitment to the safety conditions of the Civil Defense	Amiantit Fiberglass Industries Company Ltd. branch	42-000589810-1	16/07/1443H (corresponding to 17/02/2022G)	16/07/1444H (corresponding to 07/02/2023G)	General Directorate of Civil Defense	Work is underway to renew the license

Source: The Company

* Because the entity is located on unplanned land, the competent authorities have stipulated that this land be developed, after which municipal and civil defense licenses will be issued. A large part of the project has been completed, and within the next seven months the project will be fully completed and licenses will be issued. Safety certification and municipal licensing are in process.

2. Amiantit Fiberglass Industries Company -Factory

- The branch was registered in the commercial registry under the number (2050104272) on 01/03/1436H (corresponding to 23/12/2014G) as a branch of the company in (Dammam/First Industrial City - Tenth Street) in order to practice the activity of (manufacture of water tanks, pipe industry, pipe manufacturing). And pipes, hollow shapes, and pipe fittings or pipes for the manufacture of tanks and tanks, and the manufacture of sewage manhole covers). The branch is managed by Mr. Thamer Salman Ali Al-Methem, and the branch's commercial register expires on 29/02/1446H (corresponding to 02/09/2024G).

Table of licenses for the Amiantit Fiberglass Industries Company Factory

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Amiantit Fiberglass Industries Company -Factory	2050104272	01/03/1436H (corresponding to 23/12/2014G)	29/02/1446G (corresponding to 02/09/2024G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	Unified No. 7012840620
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law The company falls under the (first class)	Amiantit Fiberglass Industries Company -Factory	177867	03/08/1445H (Corresponding to 06/03/2022G)	29/02/1446H (Corresponding to 02/09/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Fiberglass Industries Company -Factory	59979746	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription No. 110003145
Wage Protection Certificate	In compliance with the Wage Protection Law	Amiantit Fiberglass Industries Company -Factory	20042401000206	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Fiberglass Industries Company -Factory	13096891-147774	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	Subscription No. 4-1982034
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Amiantit Fiberglass Industries Company -Factory	Without	December 2023G	Without	Ministry of Human Resources and Social Development	-
Industrial Facility License	The company's commitment to the regulations of the Ministry of Energy, Industry and Mineral Resources to practice the activity of (manufacture of glass and glass products)	Amiantit Fiberglass Industries Company -Factory	4411110121894	29/03/1444H (corresponding to 25/10/2022G)	25/05/1449H (corresponding to 25/10/2027G)	Ministry of Industry and Mineral Resources	-
Environmental License for Operation	In compliance with the law of the National Center for Monitoring Environmental Compliance	Amiantit Fiberglass Industries Company -Factory	3868	08/03/1444H (corresponding to 04/10/2022G)	24/01/1447H (corresponding to 19/07/2025G)	National Center for Monitoring Environmental Compliance	-
Municipality*	License to practice a commercial activity	-	-	-	-	Secretariat__	Work is under-way to issue the license
Safety Certificate*	In compliance with the requirements of civil defense	Amiantit Fiberglass Industries Company -Factory	42-000589810-1	16/07/1443H (corresponding to 17/02/2022G)	16/07/1444H (corresponding to 07/02/2023G)	Ministry of Interior -General Directorate of Civil Defense	Work is under-way to renew the license

Source: The Company

* The factory is not located within the scope of «MODON»

3. Amiantit Fiberglass Industries Company Factory (Jeddah)

- The branch was registered in the commercial registry under the number (4030135751) on 05/08/1422H (corresponding to 21/10/2001G) as a branch of the company in the city of (Jeddah - 10th - Al-Quzain) in order to practice the activity of (manufacture of pipes, hoses, plastic tubes, their connections and supplies - industry water tanks). The branch is managed by Mr. Thamer Salman Ali Al-Methem, and the branch's commercial register expires on 04/08/1445H (14/02/2024G).

Table of licenses for the Amiantit Fiberglass Industries Company Factory (Jeddah)

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Amiantit Fiberglass Industries Company -Factory	4030135751	05/08/1422H (corresponding to 21/10/2001G)	04/08/1445G (corresponding to 14/02/2024G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	Unified No. 7012452046
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law The company falls under the (first class)	Amiantit Fiberglass Manufacturing Company -Factory	81325	05/08/1422H (corresponding to 21/10/2001G)	04/08/1445G (corresponding to 14/02/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Fiberglass Industries Company -Factory	14743598-126613	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	Subscription No. 9-117318
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Fiberglass Industries Company -Factory	59979761	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription No. 100058022
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Amiantit Fiberglass Industries Company -Factory	Without	December 2023G	Without	Ministry of Human Resources and Social Development	-
Wage Protection Certificate	In compliance with the Wage Protection Law	Amiantit Fiberglass Industries Company -Factory	20092401000817	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
Industrial Facility License	The company's commitment to the regulations of the Ministry of Energy, Industry and Mineral Resources to practice an activity (manufacture of glass and glass products)	Amiantit Fiberglass Industries Company -Factory	441102125538	29/08/1444H (corresponding to 21/03/2023G)	11/09/1445H (corresponding to 21/03/2024G)	Ministry of Energy, Industry and Mineral Resources	Work is underway to renew the license
Environmental Permit for Operation	In compliance with the law of the National Center for Monitoring Environmental Compliance	Amiantit Fiberglass Industries Company -Factory	4141	14/03/1444H (corresponding to 10/10/2022G)	08/03/1447H (corresponding to 31/08/2025G)	National Center for Monitoring Environmental Compliance	Work is underway to renew the license

Source: The Company

- * The factory is not located within the scope of «MODON»

9-4-1-2 Amiantit Rubber Industries Ltd. Co. Factory (ARIL)

Overview:

- The company was established in the year 1977G and was registered in the commercial registry in the city of Dammam under the number (2050004586) on 20/02/1397H (corresponding to 09/02/1977G). It was later transformed into a one-person company wholly owned by the Saudi Arabian Amiantit Company, and the company operates Actively manufactures synthetic rubber in various forms, manufactures other rubber products, builds ships and public facilities, manufactures air and space vehicles and related machinery, and manufactures military combat vehicles.

- On 29/08/1444H (corresponding to 21/03/2023G), the owner of the company's capital wished to amend the articles of incorporation and convert it to a bylaws in accordance with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H in electronic copy No.(1).
- Capital: The current capital of the company is eight million seven hundred and fifty thousand (8,750,000) Saudi riyals, divided into eight thousand seven hundred and fifty (8,750) cash shares of equal value. The value of each share is (1,000) riyals distributed to the partners according to the following:

Ownership structure of the subsidiary company's shares (Amiantit Rubber Industries Ltd. Co. Factory)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	Saudi Arabian Amiantit Company	8,750	1,000	8,750,000	100%
Total		8,750	1,000	8,750,000	100%

Source: The Company

- Commercial activity:** The main activity of the company, according to Commercial Registration Certificate No. (2050004586), is (manufacture of synthetic rubber derived from oils in their primary forms, manufacture of plates, bars and sheets, manufacture of military ship parts, manufacture of military aircraft parts, manufacture of military land and amphibious vehicles)
- Management:** The company is managed by a board of directors consisting of five (5) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's bylaws, noting that all directors are appointed by the owner of the capital.
- Headquarters and branches:** According to the commercial registry certificate, the company's head office is located in the city of Dammam/ Industrial Area, and the company has the right to open branches inside or outside the Kingdom whenever the company's interest so requires and with the approval of the owner of the capital.
- The table below shows the most prominent licenses obtained by the company:

Table of Subsidiary Company Licenses (Amiantit Rubber Industries Ltd. Co. Factory)

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Amiantit Rubber Industries Ltd. Co. Factory - One person	2050004586	20/02/1397H (corresponding to 02/09/1977G)	26/02/1446G (corresponding to 29/08/2024G)	Ministry of Commerce - Registry Office in Dammam	Unified No. 7001362586
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law The company falls under the (first class)	Amiantit Rubber Industries Ltd. Co. Factory	3600	07/03/1444H (corresponding to 03/10/2022G)	26/02/1446G (corresponding to 30/08/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Zakat certificate	To enable the Company to finalize all its transactions, including paying its final dues on contracts.	Amiantit Rubber Industries Ltd. Co. Factory	1020244602	20/10/1444H (Corresponding to 11/05/2023G)	21/10/1445H (corresponding 30/04/2024G)	Zakat, Tax and Customs Authority	
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Rubber Industries Ltd. Co. Factory	59979645	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription No. 210077200
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Rubber Industries Ltd. Co. Factory	64191938-132273	24/12/1444H (Corresponding to 12/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No. 4-6945
Wage Protection Certificate	In compliance with the Wage Protection Law	Amiantit Rubber Industries Ltd. Co. Factory	20042401000208	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (Platinum) range.	Amiantit Rubber Industries Ltd. Co. Factory	Without	December 2023G	Without	Ministry of Human Resources and Social Development	-
Industrial Facility License	The company's commitment to the regulations of the Ministry of Energy, Industry and Mineral Resources to practice an activity (manufacture of glass and glass products)	Amiantit Rubber Industries Ltd. Co. Factory	441102119991	05/01/1444H (corresponding to 03/08/2022G)	06/01/1447H (corresponding to 01/07/2025G)	Ministry of Energy, Industry and Mineral Resources	-
Environmental Permit for Operation	In compliance with the law of the National Center for Monitoring Environmental Compliance	Amiantit Rubber Industries Ltd. Co. Factory	10724	26/04/1443H (corresponding to 01/12/2021G)	20/04/1446H (corresponding to 23/10/2024G)	National Center for Monitoring Environmental Compliance	-
Civil Defense Permit*	The company's commitment to the safety conditions of the Civil Defense	Amiantit Rubber Industries Ltd. Co. Factory	42-000592644-1	12/02/1443H (corresponding to 19/09/2021G)	12/02/1444H (corresponding to 08/09/2022G)	General Directorate of Civil Defense	Work is underway to renew the license

Source: The Company

* The factory is not located within the scope of «MODON»

9-4-1-3 Saudi Arabian Ductile Iron Pipes Co. Ltd., a one-person Company

Overview:

- The company was established in the year 1988G, and it was registered in the commercial registry in the city of Dammam with the number (2050017573) and the date of 08/06/1408H (corresponding to 28/01/1988G), and was subsequently converted into a one-person company wholly owned by the Saudi Arabian Amiantit Company. The company actively manufactures plastic products, manufactures basic iron and steel, casts iron and steel, and manufactures other formed metal products not classified in another topic.
- On 09/11/1444H (corresponding to 02/04/2023G), the owner of the company's capital wished to amend the articles of incorporation and convert it to a bylaws in accordance with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H in electronic copy No.(1).
- The company's current capital is (86,915,000) riyals, divided into shares of equal value, the value of the share being (1,000) riyals. It was distributed to the partners as follows:

Ownership structure of subsidiary company shares (Saudi Arabian Ductile Iron Pipes Co. Ltd)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	Saudi Arabian Amiantit Company	86,915	1000	86,915,000	100%
	Total	86,915		86,915,000	100%

Source: The Company

- Commercial activity:** The main activity of the company according to Commercial Registration Certificate No. (2050017573) is (manufacture of tubes, pipes, hollow shapes, pipe fittings or tubes, manufacturing semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and their fittings... etc.), manufacture of pipes, tubes and hollow shapes of iron and steel, manufacture of metal fasteners, including (nails, staples, nuts and rings of all kinds)
- Management:** The company is managed by a board of directors consisting of four (4) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all directors are appointed by the company.

- **Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in the city of Makkah / the second industrial area, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

Table of Licenses for the Subsidiary Company (Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.)

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. One person	2050017573	08/06/1408H (corresponding to 28/01/1988G)	29/05/1448G (corresponding to 09/11/2026G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	Unified No. 7018053657
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law The company falls under the (first class)	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	1395	21/06/1408H (corresponding to 09/02/1988G)	29/05/1448G (corresponding to 09/11/2026G)	Chamber of Commerce and Industry in the Eastern Province	-
Zakat certificate (Restricted)	To enable the Company to finalize all its transactions, including paying its final dues on contracts.	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	1020243113	20/10/1444H (Corresponding to 09/04/2023G)	21/10/1445H (corresponding to 30/04/2024G)	Zakat, Tax and Customs Authority	
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	59979718	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription No. 200019512
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	49477414-132076	24/12/1444H (Corresponding to 12/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No. 4-1426765
Wage Protection Certificate	In compliance with the Wage Protection Law	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	20042401000210	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (Platinum) range.	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	Without	December 2023G	Without	Ministry of Human Resources and Social Development	-
Operating license	In compliance with the terms and regulations issued by "Modon"	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	5941444610030150	10/06/1444H (corresponding to 03/01/2023G)	14/12/1444H (corresponding to 02/07/2023G)	Saudi Authority for Industrial Cities and Technology Zones	Contract Number: (812194) Operating license belonging to the factory, the company's branch, but issued with the main registration number

Source: The Company

• This branch does not engage in any industrial activity and does not have an industrial facility license and an environmental permit for operation

As of the date of publication of this Prospectus, the subsidiary has two branches as follows:

1. Branch of the Saudi Arabian Ductile Iron Pipe Company Limited

- The branch was registered in the commercial registry under the number (2050106909) on 28/12/1436H (corresponding to 11/10/2015G) as a branch of the Company in the city of (Dammam - Second Industrial Zone) to practice the activity of laying pipes of various types for electricity, communications, etc., and manages Branch Mr. Thamer bin Salman Ali Al-Methem.

Table of licenses for the branch of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Ltd

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Commercial Register	Registration of the company in the register of commercial companies	Branch of the Saudi Arabian Ductile Iron Pipes Company Ltd.	2050106909	28/12/1436H (Corresponding to 11/10/2015G)	02/12/1445H (Corresponding to 20/06/2023G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	Unified No 7014004910
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law	Branch of the Saudi Arabian Ductile Iron Pipes Company Ltd.	185087	14/02/1445H (Corresponding to 30/08/2024G)	02/12/1445H (Corresponding to 07/06/2024G)	Chamber of Commerce and Industry in the Eastern Province	-

Source: The Company

- The branch does not own any workers and does not engage in any industrial activity. It is located within the scope of MODON, and the operating certificate includes the head office and branches.

2. Saudi Arabian Ductile Iron Pipe Company Limited factory

- The branch was registered in the commercial registry under the number (2050101313) and dated 28/08/1435H corresponding to 26/06/2014G as a branch of the company in the city of Dammam - the Second Industrial Zone) to practice the activity of (manufacturing pipes, tubes, and hollow shapes of iron and steel. Manufacturing pipes, tubes, and hollow shapes pipe fittings or pipes, manufacturing metal fasteners, including (nails, pins, nuts, and all kinds of washers). The branch is managed by Mr. Thamer bin Salman Ali Al-Methem.

Licenses of the Saudi Arabian Ductile Iron Pipe Company Ltd Factory

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Saudi Arabian Ductile Iron Pipe Company Ltd Factory	2050101313	28/08/1435H (corresponding to 26/06/2004G)	28/08/1445G (corresponding to 08/03/2024G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	Unified No. 7006522895
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law The company falls under the (first class)	Saudi Arabian Ductile Iron Pipe Company Ltd Factory	177865	03/08/1443H (corresponding to 06/03/2022G)	27/08/1445G (corresponding to 08/03/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Arabian Ductile Iron Pipe Company Ltd Factory	96143343-122373	24/12/1444H (Corresponding to 12/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	Subscription No. 4-1428502
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Arabian Ductile Iron Pipe Company Ltd Factory	59979726	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription No. 511746884
Wage Protection Certificate	In compliance with the Wage Protection Law	Saudi Arabian Ductile Iron Pipe Company Ltd Factory	20042310003129	16/04/1445H (Corresponding to 31/10/2023G)	18/06/1445H (Corresponding to 31/12/2023G)	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (---) range.	Saudi Arabian Ductile Iron Pipe Company Ltd Factory	Without	December 2023G	Without	Ministry of Human Resources and Social Development	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Industrial Facility License	The company's commitment to the regulations of the Ministry of Energy, Industry and Mineral Resources to practice an activity (manufacture of glass and glass products)	Saudi Arabian Ductile Iron Pipe Company Ltd Factory	441102120238	18/01/1444H (corresponding to 16/08/2022G)	19/01/1447H (corresponding to 14/07/2025G)	Ministry of Energy, Industry and Mineral Resources	-
Environmental Permit for Operation	In compliance with the law of the National Center for Monitoring Environmental Compliance	Saudi Arabian Ductile Iron Pipe Company Ltd Factory	2360	12/03/1444H (corresponding to 08/10/2022G)	05/02/1447H (corresponding to 30/07/2025G)	National Center for Monitoring Environmental Compliance	-

Source: The Company

9-4-1-4 Bondstrand Company Limited factory

Overview:

- The company was established in 1982G and was registered in the commercial registry in the city of Dammam under the number (2050011976) dated 16/04/1402H (corresponding to 11/02/1982G). The company is actively manufacturing semi-manufactured plastic products that include (boards, strips, sheets, tapes). Manufacture of pipes, tubes, hollow shapes of iron and steel, and pipe and pipe fittings. The company's current capital is (20,000,000) Saudi riyals, divided into 20,000 shares of equal value. The value of each share is 1,000 Saudi riyals, which was distributed to the partners as follows:
- Capital: The current capital of the company is twenty million (20,000,000) Saudi riyals, divided into twenty thousand (20,000) cash shares of equal value. The value of each share is (1,000) Saudi riyals distributed to the partners according to the following:

Ownership structure of the subsidiary's shares (Bondstrand Factory Limited)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	Saudi Arabian Amiantit Company	12000	1,000	12,000,000	60%
2	Ameron BV (Netherlands)	8000	1,000	8,000,000	40%
Total		20,000	-	20,000,000	100%

- Commercial activity:** The main activity of the company, according to Commercial Registration Certificate No. (2050011976), is (manufacture of semi-manufactured products from plastics, including (boards, strips, sheets, tapes). Manufacture of pipes, hoses, plastic tubes and their connections and fittings, pipe manufacturing, ordinary non-metallic products. Iron includes (wires, tubes, powders, papers, sheets), manufacturing of tubes, pipes, hollow shapes, and pipe or pipe fittings)
- Management:** The company is managed by a board of directors consisting of (5) Directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, noting that all directors are appointed by the company.
- Headquarters and branches:** According to the commercial registry certificate, the company's head office is located in the city of Dammam/ Industrial city, and the company has the right to open branches inside or outside the Kingdom whenever the company's interest so requires and pursuant to a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

Licenses obtained by Bondstrand Factory Limited

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Bondstrand Co., Ltd. Factory	2050011976	16/04/1402H Corresponding to 11/02/1982G	26/02/1449H Corresponding to 29/07/2027G	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	Unified number: 7000676630

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial register law first degree	Bondstrand Co., Ltd. Factory	869	24/02/1444H (Corresponding to 20/09/2022G)	26/02/1449H Corresponding to 29/07/2027G	Chamber of Commerce and Industry (Eastern Chamber)	-
A foreign investment license	In compliance with the General Investment Authority Regulation	Bondstrand Co., Ltd. Factory	1031037121	01/09/1417H (Corresponding to 10/01/1997G)	20/02/1446H Corresponding to 26/08/2024G	Chamber of Commerce and Industry	-
Zakat certificate	To indicate that the company has submitted its annual declaration	Bondstrand Co., Ltd. Factory	1020216676	12/10/1444H (Corresponding to 02/05/2023G)	21/10/1445H Corresponding to 30/04/2024G	Zakat, Tax and Customs Authority	-
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Bondstrand Co., Ltd. Factory	131198-36343630	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H Corresponding to 25/03/2024G	Ministry of Human Resources and Social Development	File No: 4-7811
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Bondstrand Co., Ltd. Factory	59979687	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H Corresponding to 02/02/2024G	General Organization for Social Insurance	Subscription number 200019512
A certificate of compliance with the wage protection law	The company's compliance with the Regulations of the Wage Protection Program	Bondstrand Co., Ltd. Factory	20042311003897	08/05/1445H (Corresponding to 22/11/2023G)	10/07/1445H Corresponding to 22/01/2024G)	Ministry of Human Resources and Social Development	-
Company Structure Evaluation Certificate	Evaluating the company's entity according to Nitaqat program, which indicates that the company is in the (green) range	Bondstrand Co., Ltd. Factory	-	December 2023G	without	E-Services Department Ministry of Human Resources and Social Development	-
Civil defense license (safety)	In compliance with the civil defense law	Bondstrand Co., Ltd. Factory	1-000590057-42	15/10/1442H (Corresponding to 27/05/2021G)	15/10/1443H (Corresponding to 16/05/2022G)	General Directorate of Civil Defense	Work is underway to renew the license
Industrial facility license	The company's compliance with the regulations of the Ministry of Energy, Industry and Mineral Resources to license the activity (manufacture of construction clay products)	Bondstrand Co., Ltd. Factory	443110124082	22/06/1444H (Corresponding to 15/01/2023G)	03/07/1445H (Corresponding to 15/01/2024G)	Ministry of Energy, Industry and Mineral Resources	-
Environmental permit for operation	The approval of the National Center for Environmental Control over the factory's activity from an environmental point of view.	Bondstrand Co., Ltd. Factory	25275	15/10/1442H (Corresponding to 27/05/2021G)	26/06/1445H (Corresponding to 08/01/2024G)	National Center for Monitoring Environmental Compliance	-

Source: The Company

* The Company stated that the factory is not located within the scope of «MODON»

9-4-1-5 International Infrastructure Development Management and Operation Company Limited, a one-person company

Overview

- The company was established in 2012G, as a limited liability company between the two partners, Saudi Arabian Amiantit Company and Amiantit Fiberglass Manufacturing Company Limited. It was registered in the commercial registry in the city of Dammam under the number (2050083715), dated 02/07/1433H (corresponding to 23/05/2012G). The company is engaged in sanitation activities and construction of utility projects. The Company does not engage in any operational activity.

- On 05/01/1442H (corresponding to 24/08/2020G), Amiantit Fiberglass Industries Company Limited decided to transfer all of its shares in the company, amounting to (20,000) shares representing (20%) of the capital, to Saudi Arabian Amiantit Company, so that the company becomes International Infrastructure Development Management and Operations Limited is a one-person company owned (100%) by the Saudi Arabian Amiantit Company.
- On 01/09/1444H (corresponding to 23/03/2023G), the owner of the company's capital wished to amend the articles of incorporation and convert it to a bylaws in accordance with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H in electronic copy No.(1).
- Capital: The current capital of the company is one hundred million (100,000,000) Saudi riyals, divided into one hundred thousand (100,000) cash shares of equal value, the value of each share is (1,000) riyals distributed to the partners according to the following:

Ownership structure of the subsidiary's shares (International Infrastructure Development Management and Operations Company Limited)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	Saudi Arabian Amiantit Company	100,000	1,000	100,000,000	100%
Total		100,000	-	100,000,000	100%

Source: The Company

- Commercial activity:** The main activity of the company, according to Commercial Registry Certificate No. (2050083715), is (disposal of sewage, operating sewage treatment networks and facilities, extending pipes of various types for electricity, communications, and others, extending water lines between and within cities, creating new networks, establishing main stations and lines for water distribution, repair and maintenance of main water distribution stations, networks, and lines. Construction of irrigation and watering canals and main water storage towers. Drilling of tubular water wells. Drilling of hand water wells. Repair and maintenance of irrigation and irrigation canals and main water storage towers. Repair and maintenance of sewage stations and projects, sewage networks and pumps. Establishment of sewage stations and projects, sewage networks and pumps)
- Management:** The company is managed by a board of directors consisting of four (4) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's bylaws, noting that all directors are appointed by the owner of the capital.
- Headquarters and branches:** According to the commercial registry certificate, the company's head office is located in Dammam/First Industrial City - Dammam-Al-Khobar Expressway, and the company has the right to open branches inside or outside the Kingdom whenever the company's interest requires that, with the approval of the owner of the capital.

The table below shows the most prominent licenses obtained by the company:

The licenses obtained by the International Infrastructure Development Management and Operation Company Limited, a one-person company

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	International Infrastructure Development Management and Operation Company Limited	2050083715	02/07/1433H (Corresponding to 23/05/2012G)	09/10/1445H (Corresponding to 18/04/2024G)	Ministry of Commerce branch in the Eastern Province	Unified number: 7001738124
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law The company falls under the (first class)	International Infrastructure Development Management and Operation Company Limited	150100	03/08/1443H (Corresponding to 06/03/2022G)	09/10/1445H (Corresponding to 18/04/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Zakat certificate	To enable the Company to finalize all its transactions, including paying its final dues on contracts.	International Infrastructure Development Management and Operation Company Limited	1020253012	26/10/1444H (Corresponding to 16/05/2023G)	21/10/1445H (Corresponding to 30/04/2024G)	Zakat, Tax and Customs Authority	
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	International Infrastructure Development Management and Operation Company Limited	59979643	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription number 505585941
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	International Infrastructure Development Management and Operation Company Limited	111260-15174039	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No: 4-98309
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (High green) range.	International Infrastructure Development Management and Operation Company Limited	-	December 2023G	without	E-Services Department Ministry of Human Resources and Social Development	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Wage Protection Certificate	In compliance with the Wage Protection Law	International Infrastructure Development Management and Operation Company Limited	20042310003124	16/04/1445H (Corresponding to 31/10/2023G)	18/06/1445H (Corresponding to 31/12/2023G)	Ministry of Human Resources and Social Development	

Source: The Company

* Because the facility is located on unplanned land, the competent authorities have stipulated that this land be developed, after which municipal and civil defense licenses will be issued. A large part of the project has been completed, and within the next seven months the project will be completed entirely and the licenses and a municipal license will be issued, where as other certification, municipality and Safety are under process.

Saudi Arabian Amiantit Company has entered into a settlement agreement to assign the entire shares of the subsidiary «**International Infrastructure Development Management and Operation Company Limited - a one person company**» to Alinma Opportunities Investment Company until the date of publication of this prospectus. The legal procedures have not been completed and the memorandum of association of the subsidiary company has been amended and documented by the ownership of the new partner (Alinma Opportunities Investment Company).

9-4-1-6 Infrastructure Engineering Contracting Company Limited, a one-person company

Overview:

The company was established in the year 2014G and was registered in the commercial registry in the city of Dammam under the number (2050097629) and dated 26/03/1435H (corresponding to 27/01/2014G). The company is actively engaged in the construction of utility projects.

- On 01/09/1444H (corresponding to 23/03/2023G), the owner of the company's capital wished to amend the articles of incorporation and convert it to a bylaw in accordance with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H in electronic copy No. (1).
- Capital: The current capital of the company is five hundred thousand (500,000) Saudi riyals, divided into five hundred (500) cash shares of equal value. The value of each share is (1,000) riyals distributed to the partners according to the following:

Ownership structure of subsidiary company shares (Infrastructure Engineering Contracting Company Limited)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	Saudi Arabian Amiantit Company	500	1,000	500,000	100%
Total		500	-	500,000	100%

Source: The Company

- Commercial activity:** The main activity of the company in accordance with Commercial Registration Certificate No. (2050097629) (operating sewage treatment networks and facilities, laying oil and gas pipelines, extensions of water lines between and within cities, establishing and maintaining new networks, irrigation projects, sewage disposal, treatment waste water, extensions of water lines between and within cities, construction of new networks and their maintenance, construction and repair of stations and main lines for water distribution.)
- Management:** The company is managed by a board of directors consisting of three (3) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all directors are appointed by the company.
- Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in Dammam / First Industrial City - 10th Street, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

Licenses obtained by the Infrastructure Engineering Contracting Company Limited, a one-person company:

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Infrastructure Engineering Contracting Company Ltd.	2050097629	26/03/1435H (Corresponding to 27/01/2014G)	24/03/1446H (Corresponding to 27/09/2023G)	Ministry of Commerce Branch the in Dammam	Unified number: 7001830632
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law	Infrastructure Engineering Contracting Company Ltd.	109911	09/04/1445H (Corresponding to 24/10/2023G)	25/03/1446H (Corresponding to 28/09/2023G)	Chamber of Commerce and Industry	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Zakat certificate	To indicate that the company is registered in VAT law	Infrastructure Engineering Contracting Company Ltd.	1020291480	25/11/1444H (Corresponding to 14/06/2023G)	21/10/1445H (Corresponding to 30/04/2023G)	Zakat, Tax and Customs Authority	Certification is in progress
Contractors classification certificate	to indicate that the facility is among the contractors	Infrastructure Engineering Contracting Company Ltd.	18306	21/08/1439H (Corresponding to 07/05/2018G)	21/08/1443H (Corresponding to 24/03/2022G)	Ministry of Municipal and Rural Affairs, Deputy Ministry for Contractor Classification Affairs	Work is underway to renew the certificate
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Infrastructure Engineering Contracting Company Ltd.	59979711	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription number 508131496
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Infrastructure Engineering Contracting Company Ltd.	784441-41776466	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development	File No. 4-109518
Wage Protection Certificate	In compliance with the Wage Protection Law	Infrastructure Engineering Contracting Company Ltd.	20042310003126	16/04/1445H (Corresponding to 31/10/2023G)	18/06/1445H (Corresponding to 31/12/2023G)	Ministry of Human Resources and Social Development	-
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Infrastructure Engineering Contracting Company Ltd.	without	December 2023G	without	Electronic services management Ministry of Human Resources and Social Development	-

Source: The Company

- Because the facility is located on unplanned land, and the competent authorities have stipulated that this land be developed, after which municipal and civil defense licenses will be issued. A large part of the project has been completed, and within the next seven months the project will be completely completed and licenses will be issued. Work is underway to obtain the license.
- As of the date of publication of this Prospectus, the subsidiary (Infrastructure Engineering Contracting Company Limited) has a branch according to the following:

9-4-1-7 Branch of the Infrastructure Engineering Contracting Company Limited (one person company)

The branch was registered in the commercial registry under the number (2050139169) on 17/03/1442H (corresponding to 03/11/2020G) as a branch of the company in the city (8212 - Tenth - First Industrial City 334) in order to practice the activity of wholesale sale of machinery and equipment for construction, building and civil engineering, selling Wholesale of ground service equipment and its spare parts, wholesale of metal and iron pipes, retail sale of metal and iron pipes, retail sale of water tanks including (fiberglass tanks and their supplies), and the branch is managed by Mr. Thamer bin Salman Ali Al-Methem.

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Commercial Register	Registration of the company in the register of commercial companies.	Infrastructure Engineering Contracting Company Ltd., a one-person company	2050139169	17/03/1442H (Corresponding to 03/11/2020G)	16/03/1446H (Corresponding to 19/09/2024G)	Ministry of Commerce branch in the Dammam	Unified number: 7008834165
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry law -2nd grade	Infrastructure Engineering Contracting Company Ltd., a one-person company	301508	09/04/1445H (Corresponding to 24/10/2023G)	09/06/1446H (Corresponding to 10/12/2024G)	Chamber of Commerce and Industry	-

Source: The Company

Branches of the Infrastructure Engineering Contracting Company Limited outside Saudi Arabia

The subsidiary has a number of branches outside the Kingdom of Saudi Arabia as follows:

#	Activity	State of Incorporation	Subsidiary capital	Currency	Amiantit's share %
1	Infrastructure Engineering Contracting Company Limited (IECC Kuwait)	Design and installation services	Kuwait	Kuwait	100
2	Infrastructure Engineering Contracting Company Limited (IECC Dubai)	Design and installation services	Dubi	UAE	100
3	Infrastructure Engineering Contracting Company Limited (IECC Qatar)	Design and installation services	Doha	Qatar	100
4	Infrastructure Engineering Contracting Company Limited (IECC Abu Dhabi)	Design and installation services	Abu Dhabi	UAE	100
5	Infrastructure Engineering Contracting Company Limited (IECC Oman)	Design and installation services	Muscat	Oman	100

9-4-1-8 Saudi Amicon Company Ltd.

Overview

- The company was established in the year 2002G, and was registered in the commercial registry in the Dammam under the number (2050039735) on 24/10/1422H (corresponding to 08/01/2002G). The company is actively producing fiberglass tanks and basins, pipes, spare parts, fiberglass inspection rooms and tubes, ductile flanges and pipe fittings made of ductile iron, ductile iron pipe accessories **«elbows-sleeves»**, steel pipe accessories (elbows/tips/slips), ductile pipe fittings (elbows and fittings), connecting and fixing supplies, and ductile valves.
- Capital: The current capital of the company is fifteen million (15,000,000) Saudi riyals divided into fifteen thousand (15,000) cash share of equal value, the value of each share (1,000) riyals distributed to the partners according to the following:

Ownership Structure of Subsidiary Shares (Saudi Amicon Company Limited)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	Saudi Arabian Amiantit Company	14,990	1,000	14,990,000	99.93%
2	Mr. Franc Heinz	10	1,000	10,000	0.07%
Total		15,000	-	15,000,000	100%

Source: The Company

- Commercial activity:** The main activity of the company, according to Commercial Registration Certificate No. (2050039735), is (manufacture of semi-manufactured products from plastics, including (plates, strips, sheets, tapes, pipes, hoses, and their accessories... etc.) Manufacture of pipes, tubes, and hollow shapes of iron and steel. Manufacture of metal fasteners, including (nails, pins, nuts, and all kinds of washers) Manufacture of faucets, valves, valves, and similar devices).
- Management:** The company is managed by a board of directors consisting of four (4) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all directors are appointed by the company.
- Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in the second industrial city of Dammam, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the subsidiary:

Licenses obtained by Saudi Amicon Company Limited

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Saudi Amicon Company Limited	2050039735	24/10/1422H (Corresponding to 08/01/2002G)	23/10/1449H (Corresponding to 18/03/2028G)	Ministry of Commerce branch in the Eastern Province	
Chamber of Commerce and Industry membership certificate	In compliance with the commercial registry law	Saudi Amicon Company Limited	1766	17/11/1444H (Corresponding to 06/06/2023G)	23/10/1449H (Corresponding to 18/03/2028G)	Chamber of Commerce and Industry in the Eastern Province	
Zakat and income certificate	To indicate that the company is registered in VAT law	Saudi Amicon Company Limited	1020195540	29/09/1444H (Corresponding to 20/04/2023G)	21/10/1445H (Corresponding to 30/04/2024G)	Zakat, Tax and Customs Authority	
Saudization certificate	To indicate that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Amicon Company Limited	155023-22502857	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	Ministry of Human Resources and Social Development E-services	File No. 4-1433680
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Amicon Company Limited	59979773	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription number 200096770
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Saudi Amicon Company Limited	without	December 2023G	without	E-Services Department Ministry of Human Resources and Social Development	
Wage Protection Certificate	In compliance with the Wage Protection Law	Saudi Amicon Company Limited	20042310003128	16/04/1445H (Corresponding to 31/10/2023G)	18/06/1445H (Corresponding to 31/12/2023G)	Ministry of Human Resources and Social Development	
A foreign investment license	In compliance with the General Investment Authority Regulation	Saudi Amicon Company Limited	12103381274859	21/12/1438H (Corresponding to 12/09/2017G)	11/12/1445H (Corresponding to 18/06/2024G)	Ministry of Investment	
Licensing an industrial	In compliance with the regulations of the Ministry of Industry and Mineral Resources to practice iron and steel foundry industry activity	Saudi Amicon Company Limited	451110132498	26/05/1445H (Corresponding to 10/12/2023G)	09/06/1446H (Corresponding to 10/12/2024G)	Ministry of Industry, Wealth and Minerals	
Operating license	In compliance with Mudun regulations	Saudi Amicon Company Limited	OLC-23-03-09000710	17/08/1444H (Corresponding to 09/03/2023G)	28//08/1445H (Corresponding to 09/03/2024G)	Saudi Authority for Industrial Cities and Technology Zones	Contract number (809417)
Environmental license to operate	In compliance with the regulations of the National Center for Environmental Compliance	Saudi Amicon Company Limited	17985	06/09/1443H (Corresponding to 07/04/2022G)	18/07/1446H (corresponding to 18/01/2025G)	the National Center for Environmental Compliance	

Source: The Company

9-4-1-9 Saudi Arabian Amiantit Management Company Limited, a one-person company

Overview:

The company was established in 2015G, and was registered in the commercial registry in the city of Dammam under the number (2050105945) and dated 17/08/1436H (corresponding to 04/06/2015G). The company is actively engaged in main office activities (supervising and managing other units in the company or institution and activities Integrated administrative services for offices.

- On 11/09/1444H (corresponding to 02/04/2023G), the owner of the company's capital wished to amend the articles of incorporation and convert it to a bylaws in accordance with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H in electronic copy No.(1).
- Capital: The current capital of the company is ten million (10,000) Saudi riyals divided into ten (10) cash shares of equal value, the value of each share is (1,000) riyals distributed among the partners as follows:

Ownership structure of the subsidiary shares (Saudi Arabian Amiantit Management Company Limited)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	Saudi Arabian Amiantit Company	10	1,000	10,000	100%
Total		10	-	10,000	100%

Source: The Company

- Commercial activity:** The main activity of the company is in accordance with Commercial Registration Certificate No. (2050105945) (activities of integrated administrative services for offices)
- Management:** The company is managed by a board of directors consisting of three (3) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's founding contract, knowing that all directors are appointed by the company.
- Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in the first industrial city of Dammam, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the subsidiary:

Licenses obtained by Saudi Arabian Amiantit Management Company Limited, a one-person company.

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Saudi Arabian Amiantit Management Company Ltd. Sole Proprietorship	2050105945	17/08/1436H Corresponding to 4/06/2015G	16/08/1446H (Corresponding to 15/02/2025G)	Branch of Ministry Commerce in the Eastern Province	Unified number: 7009379665
Chamber of Commerce and Industry membership certificate (second class)	In compliance with the regulations of the commercial registry law The company falls under the (first class)	Saudi Arabian Amiantit Management Company Ltd.	177866	16/05/1443H (Corresponding to 10/12/2021G)	16/08/1446H (Corresponding to 15/02/2025G)	Chamber of Commerce and Industry in Dammam	
Zakat and income certificate	To indicate that the company is registered in VAT law	Saudi Arabian Amiantit Management Company Ltd.	1020176872	18/09/1444H (Corresponding to 09/04/2023G)	21/10/1445H (Corresponding to 30/04/2024G)	Zakat, Tax and Customs Authority	
Saudization certificate	To indicate that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Arabian Amiantit Management Company Ltd.	123081-12480061	19/11/1444H (Corresponding to 08/06/2023G)	10/08/1445H (Corresponding to 20/02/2024G)	E-service Human Resources and Social Development	
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Arabian Amiantit Management Company Ltd.	59983543	22/06/1445H (Corresponding to 04/01/2024G)	21/07/1445H (Corresponding to 02/02/2024G)	General Organization for Social Insurance	Registration number 509229856
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Saudi Arabian Amiantit Management Company Ltd.	without	December 2023G	without	E-Services Department Ministry of Human Resources and Social Development	
Wage Protection Certificate	In compliance with the Wage Protection Law	Saudi Arabian Amiantit Management Company Ltd.	20042310003091	09/04/1445H (Corresponding to 24/10/2023G)	11/06/1445H (Corresponding to 12/08/2022G)	Ministry of Human Resources and Social Development	File number: 4-1264934

Source: The Company

* Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months the project will be fully completed and licenses issued.

9-4-1-10 Al-Arabia Company for Trading Building Materials and Industrial Equipment Ltd.

Overview:

- The company was established in 1982G, and it was registered in the commercial registry in Dammam with the number (2050008853) and the date of 03/12/1402H (corresponding to 12/09/1982G). The company is active in managing and leasing owned or leased properties (non-residential), leasing construction and building equipment with operator, purchase and sale of land and real estate and its subdivision, off-plan sales activities, sale and installation of machinery and factory equipment.
- Capital: The company's current capital is two million (2,000,000) Saudi riyals, divided into cash shares of equal value, distributed to the partners according to the following:

Ownership Structure of Subsidiary Company Shares (Arabia Building Materials and Industrial Equipment Trading Co. Ltd.)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	Saudi Arabian Amiantit Company	2,000	1,000	2,000,000	100%
Total		2,000	1,000	2,000,000	100%

Source: The Company

- Commercial activity: The main activity of the company, according to Commercial Registry Certificate No. (2050008853), is (renting construction and building equipment with an operator, selling and installing machinery and factory equipment, purchasing and selling land and real estate, dividing it, and off-plan sales activities, managing and renting owned or rented (non-residential) real estate)
- Management: The company is managed by a board of directors consisting of five (5) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of incorporation, noting that all directors are appointed by the company.
- Headquarters and branches: According to the commercial registry certificate, the company's main center is located in Dammam/First Industrial City - Dammam-Khobar Road, and the company has the right to open branches inside or outside the Kingdom whenever the company's interest so requires and pursuant to a decision from the owner of the capital.
- The table below shows the most prominent licenses obtained by the subsidiary.

Licenses obtained by the Arab Building Materials and Industrial Equipment Trading Company Limited

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial limited liabilities companies.	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	2050008853	03/12/1402H (Corresponding to 12/09/1982G)	04/07/1448H (Corresponding to 12/12/2026G)	Branch of Ministry Commerce in the Eastern Province	Unified number: 7011030587
Chamber of Commerce and Industry membership certificate (first class)	In compliance with the regulation of the commercial registry law	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	3669	07/09/1408H (Corresponding to 23/04/1988G)	04/07/1448H (Corresponding to 13/12/2026G)	Chamber of Commerce and Industry in Dammam	
Zakat and income certificate	To indicate that the company has submitted its zakat returns	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	1020358705	09/01/1445H (Corresponding to 27/07/2023G)	21/10/1445H (Corresponding to 30/04/2024G)	Zakat, Tax and Customs Authority	
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	59042801	08/05/1445H (Corresponding to 22/11/2023G)	08/06/1445H (Corresponding to 21/12/2023G)	General Organization for Social Insurance	Subscription number 537278218 A facility that is not subject to the regulations of the law because there is no employment*
Wage Protection Certificate	In compliance with the Wage Protection Law	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	--20042310003125	16/04/1445H (Corresponding to 31/10/2023G)	18/06/1445H (Corresponding to 31/12/2023G)	Ministry of Human Resources and Social Development	

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	without	December 2023	without	E-Services Department Ministry of Human Resources and Social Development	
Saudization certificate	To indicate that the Company is committed to the required Saudization percentage according to the Nitaqat program	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	14853536-163609	14/02/1445H (Corresponding to 30/08/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	E-service Human Resources and Social Development	File number: 4-1816569

Source: The Company

* This facility does not require a certificate of commitment to the wage protection law and a Saudization certificate for the absence of employment.

** Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months, the project will be fully completed and licenses issued.

9-4-1-11 PWT Saudi Arabia

Overview:

- The company was established in 2012G as a limited liability company, and it was registered in the commercial register in Dammam with the number (2050080446) dated 24/02/1433H (corresponding to 18/01/2012G). The company's activities were specified according to the commercial register by establishing, operating and maintaining plants for purification and treatment of drinking and wastewater, treatment of waste, pollution and solid pollutants, and the establishment, operation and maintenance of electrical technical systems and low and medium voltage automated systems under the license of the General Investment Authority No. (1220321112115) dated 11/11/1432H (corresponding to 09/10/2011G).
- It should be noted that the Saudi Arabian Amiantit Company owns the Saudi PWT Company (100%) indirectly, as it owns the PWT Wasser und Abwassertechnik GmbH, established in Germany (100%), and the Global Infrastructure Management and Operation Company. Infrastructure (100%).
- Capital: The current capital of the company is five hundred thousand (500,000) Saudi riyals divided into five hundred (500) cash shares of equal value, the value of each share is (1,000) riyals distributed to the partners according to the following:

Ownership Structure of Subsidiary Shares (PWT Saudi Arabia)

#	Partners	No. of shares	Value of shares	Total	Percentage
1	PWT WASSER- UND ABWASSTERTECHNIK GMBH (PWT)	245	1,000	245,000	49%
2	International infrastructure development management and operation company	255	1,000	255,000	51%
Total		500	-	500,000	100%

Source: The Company

- Commercial activity:** The main activity of the company is, according to the Commercial Registry Certificate No. (2050080446) (water collection, water purification, water desalination, water transportation and distribution, sewage disposal, water line extensions between and within cities and the establishment of new networks, construction of stations and main lines for water distribution, repair and maintenance of stations, networks and main lines for water distribution Construction of main irrigation and watering canals and water storage towers, drilling of tubular water wells Repair and maintenance of main irrigation and irrigation canals and water storage towers, establishment of sewage stations and projects, sewage networks and pumps Establishment and establishment of electrical power stations and transformers, operating and maintaining pumping stations and pipelines Activities providing engineering design services for energy efficiency standards).
- Management:** The company is managed by a board of directors consisting of four (4) managers appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all managers are appointed by the Company.
- Headquarters and branches:** According to the commercial registry certificate, the company's head office is located in Riyadh city, Al-Azhar neighborhood, Othman bin Affan Road and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

Subsidiary Company Licensing Schedule (Saudi PWT Company)

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Saudi PWT Company	2050080446	24/02/1433H (Corresponding to 18/01/2012G)	22/02/1445H (Corresponding to 26/08/2024G)	Ministry of Commerce - Commercial Registry Office in Riyadh	Unified number: 7008058245
Chamber of Commerce and Industry membership certificate (Second class)	In compliance with the regulations of the commercial registry system	Saudi PWT Company	-	01/07/1444H (Corresponding to 23/01/2023G)	18/06/1445H (Corresponding to 31/12/2023G)	Chamber of Commerce and Industry	-
A foreign investment license	In compliance with the General Investment Authority Regulation	Saudi PWT Company	1220321112115	11/11/1431H (Corresponding to 19/10/2010G)	23/10/1445H (Corresponding to 02/05/2024G)	Ministry of Investment	-
Zakat and income certificate	To indicate that the company has been registered in VAT	Saudi PWT Company	1040222443	11/10/1444H (Corresponding to 01/05/2023G)	21/10/1445H (Corresponding to 30/04/2024G)	Zakat, Tax and Customs Authority	-
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi PWT Company	59979816	22/06/1445H (corresponding to 04/01/2024G)	21/07/1445H (corresponding to 02/02/2024G)	General Organization for Social Insurance	Subscription number 640021144
Saudization certificate	To indicate that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi PWT Company	568434-17024810	27/12/1444H (Corresponding to 16/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	E-service Human Resources and Social Development	File number: 4-2020720
Certificate of Commitment to the Wages Protection System	The company's commitment to the Regulations of the Wages Protection Program	Saudi PWT Company	20042401000205	22/06/1445H (Corresponding to 04/01/2024G)	23/08/1445H (Corresponding to 04/03/2024G)	Ministry of Human Resources and Social Development	-

Source: The Company

* This entity does not require a certificate of commitment to the wage protection system and a Saudization certificate as it has no employees.

** Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months, the project will be fully completed and licenses issued.

- The company is newly in existence after a long absence and has not carried out the business that requires the licenses in the register

9-4-1-12 Branch of the subsidiary in Germany, PWT Arabia

The subsidiary company PWT, established in Germany, has a branch of the Arab company PWT, established in Dammam, which engages in the activity of establishing, managing, and maintaining water and wastewater technology plants. The following certificates for the branch have been viewed:

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Zakat and Tax Certificate	To confirm that the company is registered for value added tax	PWT Arabia	3008528765	10/10/1444H (01/05/2023)	21/10/1445H (30/04/2024G)	Zakat, Tax and Customs Authority	

Source: The Company

* This Registration is being deleted as it is no longer needed

9-4-2 Companies (inside the kingdom) owned directly or indirectly by Amiantit Company 50% or less shares

The Company has a number of subsidiaries in which it owns 50% or less of the shares, directly or indirectly, as follows:

No.	Company	Activity	State of Incorporation	Subsidiary capital	Currency	Amiantit's share %
1	International Water Distribution Company «Tawzea»	Water Distribution	Saudi Arabia / Jeddah	146,000,000	SAR	50
2	East Gas Company Ltd	Gas Distribution	Saudi Arabia / Dammam	80,000,000	SAR	13

Source: The Company

9-4-3 Subsidiaries (outside the Kingdom) owned directly or indirectly by Amiantit Company in full or by majority of shares (more than 50%):

The Company has a number of subsidiaries established outside the Kingdom of Saudi Arabia and owned by Amiantit Company in full or by the majority of the shares as follows:

No.	Company	Activity	State of Incorporation	Subsidiary capital	Currency	Amiantit's share %
1	Amiantit Holding Company Limited	Holding company	Kingdom of Bahrain - Manama	32,000,000	USD	100
2	Ductile Technology Company Limited (DCTC)	Buying, selling and renting real estate	Kingdom of Bahrain - Manama	20,000	Bahrain Dinar	100
3	Aquamando Co., Ltd.	Water management	Germany	3,000,000	Euro	100
4	PWTP Wasser & Wasser Technik GmbH	Establishment, management and maintenance of water and wastewater purification plants	Germany	3,000,000	Euro	100
5	Amiantit Malta Holding Limited	Holding company	Malta	49,025,000	Euro	100
6	Amitech Astana Company	Pipe industry	Kazakhstan	403,000,000	Tangi - Kazakhstan	51
7	Amitech Switzerland	Holding	Switzerland	10,500,000	Swiss Franc	100
8	Flowtite Engineering	Consulting and technology	Germany	30,000	Euro	100
9	PWT WO OO - Turkmenistan	water management	Turkmenistan	250,000	USD	100
10	Flowtite for Export IS	sale and trade	Germany	1,000,000	Norwegian krone	100
11	PWTArabia Company	Establishment, management and maintenance of water and wastewater purification plants	Germany	-	Euro	100

Source: The Company

9-4-4 Companies (outside the Kingdom) that are directly or indirectly owned by Amiantit by (50%) or less of the shares:

No.	Company	Activity	State of Incorporation	Subsidiary capital	Currency	Amiantit's share %
1	Amitech Algeria Company	Pipes Manufacturing	Algeria	262,769,000	Algerian Dinars	50
2	Amiantit Qatar Pipes Ltd. Co. (Acap) Ltd.	Pipes Manufacturing	Qatar	37,200,000	Qatar Riyal	40
3	Sar Plast (under liquidation)	Pipes Manufacturing	Switzerland	1,600,000	Euro	23.7
4	Fiber Tai Pipes Manufacturing Ltd. Co.	Pipes Manufacturing	Qatar	200,000	Qatar Riyal	20.4
5	Subor Industrial Company Vikart AS	Pipes Manufacturing	Turkey	48,306,000	Turkish Liras	20
6	Subor Gap Industrial Company Vikart AS	Pipes Manufacturing	Turkey	21,700,000	Turkish Liras	16
7	Amitech Pipe Systems	Pipes Trading	Romania	327,620	Romanian lei	20
8	Amiblu HoldingCo. GMBH	Pipe manufacturing	Austria	5,950,000	Euro	50
9	Industrial Initiative SPI	Pipe manufacturing	Italy	3,700,000	Euro	4.48
10	Aquapower Distribution	Water Distribution	KSA / Jeddah	500,000	SAR	35

Source: The Company

9-4-5 Companies whose activities have been suspended

During the previous years, the company liquidated and closed some of its subsidiaries and sold its shares in other companies, according to the following details:

- On 20/02/2019G, the group's management decided to stop the activities of the Saudi Arabian Ameron Company Ltd. with a CR No (2050006330) and the Saudi Arabian Concrete Products Company Ltd. (SACOP), CR No (4030015025), due to the cessation of demand for the products of those companies and the liquidation is still being worked on.
- During the year 2019, the group liquidated the Romanian-based Amitech Pipe Systems Company, which is 100% owned by Suboor. Amiantit Company owns 20% of Suboor Company. and its liquidation resulted in a loss of 793 Saudi riyals.
- During the year 2020, the group officially liquidated the German-based John Hansen Company, which is 100% owned by the group, and its liquidation resulted in a loss of 1.5 million Saudi riyals. The revenues of John Hansen Company represented (0.00%) of the total group revenues for the years 2018, 2019 and 2020G and the nine-month period ending on September 30, 2021G.
- During the year 2020, the group sold its stake in Amensos SA, based in Morocco, a company owned by 15% of the group, and its liquidation resulted in a loss of 2.8 million Saudi riyals.
- During the year 2020, the company sold its stakes owned by 50% and 49% in Amiantit Fiberglass Company Egypt and Ameron Egypt Company, respectively, and this resulted in actual realized losses in the amount of 15.7 million Saudi riyals.
- On 23/11/2020, the company sold its 50% owned stake in Amitac Morocco, which resulted in a net profit of (12.4) million Saudi riyals.
- During 2021, the group formally liquidated the Norway-based Flotite Export ES, a 100% owned subsidiary of the group. The liquidation resulted in a loss of 48.8 thousand Saudi riyals. The revenues of Flotite Export Co. represented (0.00%) of the total group revenues for the years 2018, 2019 and 2020 and the nine-month period ending on September 30, 2021G.

9-5 Continuing obligations imposed by Government agencies on the Company being the «Licensee»


Regulatory authorities, which obligate the license holder to comply with some essential requirements in order to maintain the license, as follows:

- Continuing obligations as required by the Ministry of Commerce

1. Parent Company «Saudi Arabian Amiantit Company»

- The Company is committed to the commercial registry system in terms of registration with the Commercial Registry Department in the city

of Dammam, where the main headquarters is under Certificate No. (2050002103) dated 17/03/1388H (corresponding to 14/06/1968G), which expires on 04/07/1448H (corresponding to 13/12/2026G).

- The Company is committed to the commercial registry system in terms of obtaining a membership certificate of the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) under Certificate No. (457) dated 16/05/1443H (corresponding to 20/12/2021G) stating that the Company has been subscribed in the Chamber since 12 /02/1424H (corresponding to 14/04/2003G) and it expires on 04/07/1448H (corresponding to 13/12/2026G).
- The Company is also committed to completing the procedures for establishing its branches and is committed to the commercial registry system in terms of registration with the Commercial Registry Department and the issuance of membership certificates for its branches in the Chambers of Commerce and Industry, (for more details about the Company's branches and points of sale, please see sub-paragraph 4 «Company Branches»).
- The Company amended its articles of association in line with the new and recent amendments that occurred based on the companies' system issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G) and on 21/10/1444H (corresponding to 11/05/2023G). The Extraordinary General Assembly decided to amend the articles of the Company's bylaws in accordance with the new Companies Law. The current version of the Company's bylaws was approved based on the decision of the extraordinary general assembly dated 21/10/1444H (corresponding to 11/05/2023G) and was approved with No. Version (1) and application number (37922). The Company also complied with the requirements of the Capital Market Authority and the Saudi Tadawul Company (Tadawul), in terms of uploading a copy of the articles of association on the Tadawul website on the Company's page.
- The value of the set aside reserve amounted to one hundred and thirty-two million, one hundred and seventy-five thousand, six hundred and eighty-seven (132,175,687) Saudi riyals as of 31/12/2020G. On 14/08/1442H (corresponding to 27/03/2021G), the Board of Directors took a decision to use the aforementioned reserve to extinguish part of the Company's accumulated losses amounting to two hundred and five million, four hundred and ninety-eight thousand, seven hundred and ninety-nine (205,498,799) Saudi riyals. The company's accumulated losses became seventy-three million, three hundred and twenty-three thousand, one hundred and twelve (73,323,112) Saudi riyals, representing (22.91%) of the company's capital. As of 30/09/2021, the reserve balance reached zero riyals.
- The Company has a logo  that was registered as a trademark under category (37) with the Ministry of Commerce under Certificate No. (143308990) dated 19/07/1434H (corresponding to 29/05/2013G), which expires on 28/07/1453H (corresponding to 14/11/2031G). This will enable the Company to place its name and logo on its products and on the external facade of the building or offices occupied by the Company, since it has registered the trademark and granted it the necessary legal protection in accordance with the trademark Law.
- The Company is compliant with the text of Article (88) of the Companies Law, which requires the general assembly of shareholders to be held at least once during the six months following the end of the company's fiscal year, as the company held both assemblies during the statutory period, a general assembly (extraordinary) on 21/10/1444H. (corresponding to 11/05/2023G) for the first six months from the beginning of the fiscal year for the year 2023G and an ordinary general assembly on 01/11/1443H (corresponding to 31/05/2022G) for the first six months of the fiscal year for the year 2022G.

2. Saudi Subsidiaries

- The subsidiaries of the Saudi Arabian Amiantit Company and their branches are committed to the commercial registry law in terms of registration with the Commercial Registry Department in the cities where their headquarters are located. They are also committed to the commercial registry law in terms of obtaining a membership certificate of the Chamber of Commerce and Industry in the region where the headquarters are located. The following table shows the compliance of the subsidiaries with the requirements of the commercial Registration.

Table of certificates of commercial Registrations and chambers of commerce and industry

SN	Subsidiary Name	Commercial registration certificate number	Date of Issue	Expiry Date	Issuer	Membership of the Chamber of Commerce and Industry
International Company for Infrastructure Management and Operation Ltd. (Sole Proprietorship)						
1.	International Company for Infrastructure Development Management and Operation Ltd.	2050083715	02/07/1433H (Corresponding to 23/05/2012G)	09/10/1445H (corresponding to 18/04/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, according to the subscription certificate in Chamber of Commerce and Industry in the Eastern Province (Alsharqia Chamber) in the first class with number (150100) dated 03/08/1443H (corresponding to 06/03/2022G). The certificate states that this company has been subscribed to the Chamber since 06/07/1433H (corresponding to 07/02/2022G) and is valid until 09/10/1445H (corresponding to 18/04/2024G)
Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. (Sole Proprietorship)						
2.	Saudi Arabian Ductile Iron Pipes Company Ltd. (Sole Proprietorship)	2050017573	08/06/1408H (corresponding to 28/01/1988G)	29/05/1448H (Corresponding to 09/11/2026G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, according to the certificate of subscription in the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first degree with the number (1395) dated 03/08/1443H (corresponding to 06/03/2022G) . The certificate states that this company has been subscribed to the Chamber since 21/06/1408H (corresponding to 09/02/1988G) and is valid until 29/05/1448H (corresponding to 09/11/2026G).

SN	Subsidiary Name	Commercial registration certificate number	Date of Issue	Expiry Date	Issuer	Membership of the Chamber of Commerce and Industry
Branch	Saudi Arabian Ductile Iron Pipes Company Ltd.	2050106909	28/12/1436H (corresponding to 11/11/2015G)	02/12/1445H (corresponding to 07/06/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam is	Compliant, according to the subscription certificate in Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (185087) and the date of 14/02/1445H (corresponding to 30/08/2023G). The certificate states that this company has been subscribed to the Chamber since 01/01/1437H (corresponding to 14/10/2015G) and is valid until 02/12/1445H (corresponding to 07/06/2024G).
Branch	Factory of the Saudi Arabian Ductile Iron Pipes Company Ltd.	2050101313	28/08/1435H (corresponding to 26/06/2014G))	28/08/1445H (corresponding to 08/03/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, according to the subscription certificate In the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (177865) and the date of 03/08/1443H (corresponding to 06/03/2022G). The certificate states that this company has been subscribed to the Chamber since 29/08/1436H (corresponding to 16/06/2015G) and is valid until 27/08/1445H (corresponding to 08/03/2024G)
Arab Building Materials and Industrial Equipment Trading Company Ltd.						
3.	AlArabia Building Materials and Industrial Equipment Trading Company Ltd.	2050008853	03/12/1402H (corresponding to 21/09/1982G)	04/02/1448H (corresponding to 13/12/2026G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, according to a certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) In the first class with the number (3669) dated 16/05/1443H (corresponding to 20/12/2021G). The certificate states that this company has been subscribed to the Chamber since 07/09/1408H (corresponding to 23/04/1988G) and is valid until 04/07/1448H (corresponding to 13/12/2026G).
Infrastructure Engineering Contracting Company Ltd. (Sole Proprietorship)						
4.	Infrastructure Engineering Contracting Company Limited (Sole Proprietorship)	2050097629	26/03/1435H (corresponding to 27/01/2014G)	24/03/1446H (corresponding to 27/09/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, pursuant to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the second class with the number (109911) dated 09/04/1445H (corresponding to 24/10/ 2024G) and it is valid until the date of 25/03/1446H (corresponding to 28/09/2024G)
Branch	Infrastructure Engineering Contracting Company Limited (one person company)	2050139169	17/03/1442H (corresponding to 03/11/2020G)	16/03/1446H (corresponding to 19/09/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, pursuant to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the second class with number (301508) dated 09/04/1445H (corresponding to 24/10/2024G) and is valid until 09/04/1446H (corresponding to 12/10/2024G)
Saudi Arabian Amiantit Management Company Ltd. (Sole Proprietorship)						
5	Saudi Arabian Amiantit Management Company Ltd. (Sole Proprietorship)	2050105945	17/08/1436H (corresponding to 04/06/2015G)	16/08/1446H (corresponding to 15/02/2025G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, pursuant to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the second class with number (177866) dated 16/05/1443H (corresponding to 20/12/2021G). The certificate states that this company has been subscribed to the Chamber since 29/08/1436H (corresponding to 16/06/2015G) and is valid until 16/08/1446H (corresponding to 15/02/2025G)
Amiantit Fiberglass Manufacturing Co. Ltd. (Sole Proprietorship)						
6.	Amiantit Fiberglass Industries Co. Ltd. (Sole Proprietorship)	2050005268	25/10/1397H (corresponding to 09/10/1977G)	04/07/1448H (corresponding to 13/12/2026G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, pursuant to certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (417) dated 16/05/1443H (corresponding to 20/12/2021G). The certificate states that this company has been subscribed to the Chamber since 26/12/1407H (corresponding to 20/08/1987G) and is valid until 04/07/1448H (corresponding to 13/12/2026G).
Branch	Factory of Amiantit Fiberglass Industries Company	4030135751	05/08/1422H (corresponding to 18/03/2021G)	04/08/1445H (corresponding to 14/02/2024G)	Ministry of Commerce - Commercial Registry Office in Jeddah	Compliant, pursuant to the subscription certificate in the Jeddah Chamber of the first class with the number (81325) dated 01/04/1440H (corresponding to 08/12/2018G) and it is valid until 04/08/1445H (corresponding to 14/02/2024G)
Branch	Factory of Amiantit Fiberglass Industries Company Ltd.	2050104272	01/03/1436H (corresponding to 23/12/2014G)	29/02/1446H (corresponding to 02/09/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, pursuant to the subscription certificate in the Chamber of Commerce Industrial area in the Eastern Province (Asharqia Chamber) in the first class with the number (177867) dated 03/08/1443H (corresponding to 09/10/2021G). The certificate states that this company has been subscribed to the Chamber since 29/08/1436H (corresponding to 16/06/2015G). It is valid until 29/02/1446H (corresponding to 02/09/2024G)

SN	Subsidiary Name	Commercial registration certificate number	Date of Issue	Expiry Date	Issuer	Membership of the Chamber of Commerce and Industry
Branch	Amiantit Fiberglass Industries Company Ltd.	2050106908	28/12/1436H (corresponding to 11/10/2015G)	02/12/1445H (corresponding to 08/06/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, according to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (185086) dated of 03/07/1442H (corresponding to 15/02/2021G). The certificate states that this company has been subscribed to the Chamber since 01/01/1437H (corresponding to 14/10/2015G) and is valid until 02/12/1445H (corresponding to 08/06/2024G).
Amicon Saudi Company Ltd						
7.	Amicon Saudi Company Ltd.	2050039735	24/10/1422H (corresponding to 08/01/2002G)	22/10/1449H (corresponding to 18/03/2028G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, according to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (1766) dated 23/02/1446H (corresponding to 27/08/2024G). The certificate states that this company has been subscribed to the Chamber for this year and it is valid until 23/10/1449H (corresponding to 18/03/2028G).
Amiantit Rubber Industry Co., Ltd. Factory (Sole Proprietorship)						
8.	Amiantit Rubber Industries Ltd. Co. (ARIL). Factory (Sole Proprietorship)	2050004586	20/02/1397H (corresponding to 09/02/1977G)	26/02/1446H (corresponding to 29/08/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, pursuant to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (3600) dated 07/03/1444H (corresponding to 03/10/2022G). The certificate states that this company has been subscribed to the Chamber since 17/08/1418H (corresponding to 17/12/1997G) and is valid until the date of 26/02/1446H (corresponding to 30/08/2024G).
Bondstrand Co., Ltd. Factory						
9.	Bondstrand Co., Ltd. Factory	20500011976	16/04/1402H (corresponding to 11/02/1982G)	26/02/1449H (corresponding to 29/07/2027G)	Ministry of Commerce - Commercial Registry Office in Dammam	Compliant, pursuant to the subscription certificate to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with No. (869) dated 24/02/1444H (corresponding to 20/09/2022G). The certificate states that this company has been subscribed to the Chamber since 12/08/1408H (corresponding to 30/03/1988G). It is valid until 26/02/1449H (corresponding to 29/07/2027G).
Saudi PWT Co.						
10.	Saudi PWT Co.	20500080446	24/02/1433H (corresponding to 18/01/2012G)	22/02/1445H (corresponding to 08/26/2024G)	Ministry of Commerce - Commercial Registry Office in Riyadh	Compliant, pursuant to the subscription certificate to the Chamber of Commerce and Industry in the Eastern Province (Riyadh Chamber) in the second class dated 01/07/1444H (corresponding to 23/01/2023G). The certificate states that this company has been subscribed to the Chamber and It is valid until 1823/026/14465H (corresponding to 3127/1208/20243G).

Source: The Company

- The subsidiaries have logos that have been registered as a trademark under the categories of their products and services, according to certificates of registration with the Ministry of Commerce. For more details about trademarks, please refer to sub-paragraph No. (16) of this section.

Continuing obligations according to the requirements of the Zakat, Tax and Customs Authority

1. Parent Company «Saudi Arabian Amiantit Company»

- The Company, like other registered establishments and companies operating in the Kingdom, is obliged to submit its zakat and tax returns within (120) days from the end of the fiscal year for the purpose of renewing the certificate issued by the Zakat, Tax and Customs Authority. The Company was registered as a taxpayer under the distinguished tax number (3004342592). The Company submitted its zakat return for the fiscal year ending on December 31, 2022G and obtained a zakat certificate from the Zakat, Tax and Customs Authority with the number (1110224541) dated 11/10/1442H (corresponding to 01/05/2023G) and it is valid until 21/10/1445H (corresponding to 30/04/2024G). It should be noted that the value of Zakat paid to the Zakat, Tax and Customs Authority during the fiscal year ending on December 31, 2022, amounted to (13,884,000) riyals, and the amount of (17,132,000) Saudi riyals paid for the fiscal year ending on December 31, 2021G.
- The Company is committed to the value-added tax system and its implementing regulations, and it is registered with the Zakat, Tax and Customs Authority on 11/03/1439H (corresponding to 29/11/2017G) under the tax number (300434259210003)
- The Company has a certificate of registration of a tax group in the value added tax represented by the taxpayer, the Saudi Arabian Amiantit Company, under the tax number (300434259210003). The tax group includes the following subsidiaries:

1. Bondstrand Company Limited Factory
2. Amicon Saudi Company Ltd. (The name of this company has been changed from the Factory of Fiberglass Pipes and Ductile Iron Pipes Ltd. to the current name in accordance with the contract certified by the notary public No. (391394687) and dated 05/09/1439H) corresponding to 22/12/2018G).
3. Saudi Arabian Amiantit Management Company Ltd.
4. Saudi Arabian Concrete Products Company
5. Amiantit Rubber Industries Ltd. Co. (ARIL)
6. Amiantit Fiberglass Industries Co., Ltd.
7. Infrastructure Engineering Contracting Company
8. International Company for Infrastructure Management and Operation Ltd.
9. Ameron Saudi Arabia Co. Ltd.
10. Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.

* Note that the company and its subsidiary companies in the Kingdom of Saudi Arabia submit Zakat's declarations on a unified basis.

- a. The Company and the Saudi subsidiaries have received zakat and final income certificates for the years from incorporation until the fiscal year ending on December 31, 2022G.
- b. During the year ending on December 31, 2020G, the company and its subsidiaries in the Kingdom of Saudi Arabia received the final zakat from the Zakat, Tax and Customs Authority for years 2014G and years from 2015 to 2017G, it demands an additional zakat amount of (16.4) million for 2014G and (231.9) million Saudi riyals for 2015-2018G. The Company submitted an objection to the Zakat, Tax and Customs Authority within (60) days of receiving this request, and the objection was escalated to the General Secretariat of the Zakat, Tax and Customs Committees for the years from 2014G to 2018G.

During the year 2021G, the Group received the final zakat for the year 2019G and 2020G, according to which the Zakat Authority demands an additional amount of Zakat of (23.8) million riyals, and accordingly the Company submitted an objection to the Zakat, Tax and Customs Authority within (60) days of receiving this request. The objection was escalated to the General Secretariat of the Zakat, Tax and Customs Committees for the aforementioned years, and the Company decided to re-appeal. The Company's management believes that it has sufficient provisions in its statement of financial position, and therefore no other provisions have been registered.

In detail of what was mentioned above:

- On the date of 05/05/1442H (corresponding to 20/12/2020G) the Company received letters to amend the zakat declarations submitted for the years from 2015G to 2018G and demanding the payment of zakat differences for these years at a value (231,117,518.17) riyals
- The company raised a list of objections to these amendments during the regular period and on 18/10/1443H (corresponding to 19/05/2022G), the authority issued its decision to accept some of the Company's objections to the items mentioned in the objection and rejected some other items.
- On 07/11/1443H (corresponding to 06/06/2022G) the company received the decision of the First Circuit to Adjudicate the violations and disputes of income tax. It was found that the total amounts that the committee agreed to the Company's objection is about 150 million riyals. The company maintains a provision that covers the amounts for which the objection has not been accepted.
- On 18/08/1444H (corresponding to 10/03/2023G), the Company received decisions from the First Appellate Circuit for Violations and Income Tax Disputes by accepting the resumption of the Zakat, Tax and Customs Authority, and we will overturn the decision of the First Circuit issued by the First Appeal Circuit for Violations and Income Tax Disputes regarding the loan item for the years from 2015G to 2018G and other obligations for the years 2015, 2016G and 2018G and its amendment for the year 2017G, accepting the company's resumption regarding the item of reservations for spare parts for the year 2017G and the item of settlements on the allocations for the year 2018G, and the end of the dispute over the comprehensive income profit item for the year 2017G, and refused to resume the Company and the Authority regarding the rest of the items in place of the lawsuit and support the decisions of the First Circuit for the years 2015 to 2018G.
- The company submitted a request for a petition to the General Secretariat of the Tax Committees to reconsider the decisions.
- On 18/01/1445H (corresponding to 08/08/2023G), the company received an email request from the Zakat, Tax and Customs Authority to pay the dues for the years from 2015G to 2018G with a total of 219,764,641.48 Saudi riyals.
- On 02/03/1445H (corresponding to 17/09/2023G) the Company received the decision to seek a review of the First Appellate Circuit for Violations and Income Tax Disputes by e-mail from the General Secretariat of Zakat, Tax and Customs Committees by accepting the seeking to review appeal in form and reject it in subject. The Company announced this through its webpage on Tadawul website without showing the

financial impact, indicating that it will be announced at a later time.

On 26/10/2023G, the Company announced the financial impact, by registering (115,000,000) riyals as an additional allowance for zakat in the third quarter of 2023G.

The Company will take the necessary financial measures and possible financial solutions in coordination with the General Authority for Zakat, Tax and Customs.

2. Subsidiary Company Bondstrand Factory Co., Ltd.:

During the year 2020G, the subsidiary company received the Zakat assessment for the year 2018G in the amount of 800 thousand Saudi riyals, and within 60 days of the same year 2020G, the Company objected and later in 2021G it escalated the objection to the General Secretariat of Tax Committees «the Secretariat» and in the year 2022G the Company obtained the «Secretariat» decision for the aforementioned year decided to appeal this decision, and the result of the appeal was issued not to accept the appeal in form, in order to submit it after the end of the legally specified period.

The subsidiary did not receive any zakat assessments for the years from 2019G to 2021G from the Zakat, Tax and Customs Authority..

3. Saudi subsidiaries

The subsidiaries have complied with the regulations of the Zakat, Tax and Customs Authority and are registered as taxpayers. They have submitted their zakat returns for the period ending on 31/12/202G, and have obtained zakat certificates to enable them to complete all their transactions, including disbursing their final dues from contracts, according to the following table:

Table of Zakat certificates for subsidiaries

No.	Name of the subsidiary company (the taxpayer)	Zakat certificate number	Distinguished Number	Issue Date	Expiry Date	Notes
1.	Amiantit Fiberglass Industries Company Ltd.	1020796613	3004480379	27/10/1442H (Corresponding to 08/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Includes three branches
2.	Saudi Amicon Co. Ltd.	1020772131	3004417244	21/10/1442H (Corresponding to 02/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
3.	Saudi Arabian Ductile Pipe Co. Ltd.	1020798713	300549466	28/10/1442H (Corresponding to 09/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Includes two branches
4.	Al Arabia Building Materials and Industrial Equipment Trading Company Ltd.	1020741144	3102903604	27/09/1442H (Corresponding to 09/05/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
5.	Amiantit Rubber Industries Ltd. Co. (ARIL). Factory	1020813403	3004553488	12/11/1442H (Corresponding to 22/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
6.	Infrastructure Engineering Contracting Company Ltd.	1021116020	3010735873	12/04/1442H (Corresponding to 17/11/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
7.	PWT Arabia Company	1040722297	3008528765	17/09/1442H (Corresponding to 29/04/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
8.	Saudi PWT Company	1040720245	3005155529	16/09/1442H (Corresponding to 28/04/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
9.	Saudi Arabian Amiantit Management Company Ltd.	1020787808	3100021769	29/10/1442H (Corresponding to 10/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
10.	Bondstrand Factory Ltd	1020765905	3004417035	14/10/1442H (Corresponding to 26/05/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-

Source: The Company

Continuing obligations as required by the Ministry of Human Resources and Social Development

1. Parent Company «Saudi Arabian Amiantit Company»

- A file has been opened for the Saudi Arabian Amiantit Company with the Ministry of Human Resources and Social Development (Labor Office) No. (7934-4) according to the Saudization certificate obtained from the Labor Office.
- As of the date of publication of this Prospectus, the company benefits from the electronic services of the Ministry, and the Saudization certificate was issued under the number (18481106-214328) and dated 17/12/1444H (corresponding to 05/07/2023G) and expires on 15/09/1445H (corresponding to 25/03/2024G). to indicate that the company is committed to the percentage of Saudization required of it according to the Nitaqat Program. The Saudization rate reached (46.43%) and it is classified as a (small category - B), within the wholesale and retail activity, and it falls within the high green range.
- The company is also committed to issuing Saudization certificates to its branches in compliance with the requirements of the Ministry of Human Resources and Social Development. The company has an internal work organization regulation approved by the Ministry of Human Resources and Social Development (Labor Office) No. (4593) dated 23/09/1435H (corresponding to 24/03/2014G).
- The company is committed to documenting the employment contracts of its employees electronically, so that the compliance rate reached (96.3%) as of August 2023, according to a report issued by the (Qiwa) platform.
- The company is also compliant with the wage protection system and the regular increase in the wages of its workers, according to a report issued by the Qiwa platform dated August 2023, where the commitment rate reached (97%). Accordingly, the Ministry of Human Resources and Social Development granted it a certificate of compliance with the Wage Protection System under the number (20042311003904) dated 08/05/1445H (corresponding to 22/11/2023G), which is valid until 10/07/1445H (corresponding to 22/01/2024G).

Number of Saudi and non-Saudi employees of the parent company

Authority	Reference	Number of Saudi workers	Number of non-Saudi workers	Wage	Total	Date of Issue
Labour Office Nitaqat Certificate	Saudi Arabian Amiantit Company, parent company (7934-4)	12	14		26	December. 2023
	Amiantit Factory for the Production of Epoxy Pipes (33801-4)	15	24		39	
	Amiantit Plastic Products Factory (33514-4)	5	57		62	
	Saudi Arabian Amiantit Company Branch - Riyadh (76706-1)	3	1		4	
	Saudi Arabian Amiantit Company Branch - Jeddah (15242-9)	0	0		0	
	Saudi Arabian Amiantit Company for Construction, Building, Maintenance and Operation (1259405-4)	66	89	259	414	
Passports (Muqem)	Saudi Arabian Amiantit Company, parent company (7014779628)		23			04/01/2024
	Saudi Arabian Amiantit Company Branch - Riyadh (7006700863)		1			
	Company branch «Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory» (7006459528)		57			
	Company branch «Saudi Arabian Amiantit Company for Construction, Maintenance and Operation» (7012354556)		106			
	The company's branch is Amiantit Factory for the Production of Epoxy Pipes (7014921675)		17			
The Company	The company and its subsidiaries				1382	August 2023

Source: The Company

- The Company is also committed to issuing Saudization certificates for its branches in compliance with the requirements of the Ministry of Human Resources and Social Development, as shown in the following table:

Saudization certificate table

Branch name	Certificate number	Issue date	Expiry date	File number
Saudi Arabian Amiantit Company Branch (Jeddah)	20127645-198110	14/02/1445H (Corresponding to 30/08/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	9-15242

Branch name	Certificate number	Issue date	Expiry date	File number
Amiantit factory for the production of epoxy pipes	15183885-751321	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	4-33801
Saudi Arabian Amiantit Company for the manufacture of plastic products	19392142-188205	17/12/1444H (Corresponding to 05/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	4-33514
Branch of Saudi Arabian Amiantit Construction, Building and Maintenance Company	57408110-586753	24/12/1444H (Corresponding to 12/07/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	4-1259405
Saudi Arabian Amiantit Company Branch	14526604-108568	02/03/1445H (Corresponding to 17/09/2023G)	15/09/1445H (Corresponding to 25/03/2024G)	1-76706
Poly Tube Manufacturing Company Branch	11049611-191171	14/02/1445H (corresponding to 30/08/2023G)	15/09/1445H (corresponding to 25/03/2024G)	2108108-9

Source: The Company

2. Saudi Subsidiaries

International Company for Infrastructure Development Management and

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) under the number (4-98309) and according to the data of the (Mudad) platform - the monthly commitment report, which indicates that the subsidiary company, the Global Infrastructure Management and Operation Company Limited, is committed to protecting wages by (100%) as of August 2023.

The total number of employees at the company is (0) Saudi, meaning a Saudization rate of (00%). It is classified as a very small enterprise, Category A, within the activity of «**very small consolidated entities**» and falls within the small green range as of December 2023.

The table below shows the number of employees of the International Company for Infrastructure Management and Operation Ltd.:

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
Labor Office	Nitaqat Certificate	0	0	0	December 2023
Passports (Passport Office)	Muqem	0	0	0	-

Source: The Company

• Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. (One Person Company) No. (2050017573)

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) under number (1426765-4).

The table below shows the number of employees of the Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd.

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
Labor Officer	Company's Nitaqat certificate (4-1426765)	63	1	63	December 2023G
	Factory's Nitaqat certificate (4-1428502)	122	294	416	December 2023G
Passports	Muqem / Factory	-	290	290	04/01/2024G

Source: The Company

- Al Arabia Company for Trading Building Materials and Industrial Equipment Ltd.

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) with the number (1816569-4), and according to a report issued by (Mudad), the Company does not have any employment.

- Engineering Infrastructure Contracting Company Limited (One Person Company) No. (2050097629)

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) under the number (109518-4) and according to the data of the (Mudad) platform - the monthly compliance report, which indicates that the subsidiary company, Infrastructure Engineering Contracting Company Limited, is a one-person company committed to protecting wages by (99%) in August 2023G.

The total number of employees at the company is (96), including (18) Saudi workers and (78) non-Saudi workers, meaning a Saudization rate of (25.69%). The company is classified as a medium category (A) facility within the «operation and maintenance» activity and falls within the medium green range as of December 2023.

The table below shows the number of employees of the Engineering Infrastructure Contracting Company Ltd. (one person company)

Authority	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
Labor Office	18	78	96	December 2023G
Passports	-	75	75	04/01/2024G

Source: The Company

It should be noted that the company has branch number (205139169) that does not have any employees.

- Saudi Arabian Amiantit Management Company Limited No. (2050105945)

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) under the number (1264934-4). The total number of workers at the company is (9) workers, including (5) Saudi workers and (4) non-Saudi workers, meaning a Saudization percentage of (64%). The company has been classified as a small enterprise (B) within the activity (business services activities) and falls within the platinum range.

The table below shows the number of employees of the Saudi Arabian Amiantit Management Company Ltd.

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
Labor Office	Nitaqat Certificate	5	4	9	As on September 2023G
Passports	Muqem	--	4	4	As on 04/01/2024G

- Amiantit Fiberglass Manufacturing Company Limited (One Person Company) No. (2050005268)

A file was opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) under the number (3860-4) and according to the data of the (Mudad) platform - the monthly compliance report, which indicates that the subsidiary company, Amiantit Fiberglass Manufacturing Company Limited, is a one-person company committed to protecting wages by a percentage (98%) as of August 2023.

According to Nitaqat certificate:

- The total number of employees at Amiantit Fiberglass Manufacturing Company Limited (4-125777) is (70) workers, including (29) Saudi workers and (41) non-Saudi workers, meaning a Saudization rate of (43%). The company is classified as a medium category B facility within the “Telecommunications Infrastructure” activity and falls within the high green range as of December 2023G.
- The total number of employees at the branch of the subsidiary “Amiantit Fiberglass Manufacturing Company” (4-1982034) reached (192) workers, including (51) Saudi workers and (141) non-Saudi workers, as of December 2023.
- The total number of employees at Amiantit Fiberglass Manufacturing Company Limited per person is (3860-4) (25) workers, including (19) Saudi workers and (6) non-Saudi workers, as of December 2023G

- The total number of workers at Amiantit Fiberglass Manufacturing Company Limited per person is (117318-9) (36) workers, including (20) Saudi workers and (16) non-Saudi workers, meaning a Saudization rate of (35%). The company is classified as a medium category (C) facility within the "Industries" activity and falls within the high green range as of December 2023.

The table below shows the number of employees of Amiantit Fiberglass Manufacturing Company Ltd. (one person company)

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Rented Labor	Issue Date
Labor Office (Nitaqat certificate)	Amiantit Fiberglass Manufacturing Company/Main (3860-4)	19	6	-	25	December 2023G
	Amiantit Fiberglass Manufacturing Company branch/Dammam branch (1255777-4)	29	41	-	70	
	Amiantit Fiberglass Manufacturing Company Branch/Dammam Factory (1982034-4)	51	141		192	
	Amiantit Fiberglass Manufacturing Company/Jeddah Factory (117318-9)	20	16		36	
Passports	Parent company			12	12	04/01/2024G
	Amiantit Fiberglass Manufacturing Company Ltd. Factory - Dammam Factory			138	138	04/01/2024G
	Branch of Amiantit Fiberglass Manufacturing Co., Ltd Dammam branch			37	37	04/01/2024G
	Saudi Arabian Amiantit Company Branch (Jeddah)			15	15	04/01/2024G

Source: The Company

- Saudi Amicon Company Limited No. (2050039735)

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) with the number (4-1433680)

The table below shows the number of employees at Saudi Amicon Company Limited

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
Labor Office	Nitaqat Certificate	3	3	6	December 2023G
Passports	Muqem	--	2	2	04/01/2024G

- Amiantit Rubber Industry Company Limited Factory (one person company) No. (2050004586)

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) with the number (4- 6945) and according to the data of the platform (Mudad) - the monthly report of the compliance, which states that the subsidiary company (Amiantit Rubber Industry Company Ltd. One-Person Company) is committed to protecting wages by (100%) as of August 2023. The total number of workers according to the Nitaqat certificate is (25) workers, including (9) Saudi workers and (16) non-Saudi workers, i.e. the Saudization rate reached (46%) and it is classified as a small Class B facility within the activity of (Hydrocarbons and their operations), and falls within the (Platinum) range as of December 2023G.

The table below shows the number of employees at Amiantit Rubber Industry Limited (one person company)

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
Labor Office	Nitaqat Certificate	9	16	25	December 2023G
Passports	Muqem	--	15	15	04/01/2024G

Source: The Company

- **Bond Strand Company Limited Factory No. (2050011976)**

A file has been opened for this subsidiary company at the Ministry of Human Resources and Social Development (Labor Office) with the number (7811-4) and the total number of workers according to the Nitaqat certificate is (158) workers, including (45) Saudi workers and (113) non-Saudi workers, i.e. the Saudization rate reached (29.83%), which is classified as a medium establishment category (B) within the activity of (industries), and falls within the (green-medium) range as of December 2023G.

The table below shows the number of employees at Bond Strand Limited

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
Labor Office	Nitaqat Certificate	45	113	158	December 2023G
Passports	Muqem	--	115	115	04/01/2024G

Source: The Company

- **PWT Saudi Arabia Company (2050080446)**

A file has been opened for this subsidiary company at the Ministry of Human Resources and Social Development (Labor Office) with the number (2020720-4) and it does not own any non-Saudi worker. The total number of workers according to the Nitaqat certificate is (4) workers, including (2) Saudi workers and (2) non-Saudi workers, i.e. the Saudization rate reached (88%), which is classified as a small establishment (category A) within the activity of (very small complex entities), and falls within the (green-small) range as of December 2023G.

The table below shows the number of employees at PWT Saudi Arabia

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
Labor Office	Nitaqat Certificate	2	02	04	December 2023G
Passport	-	2	2	2	04/01/2024G

Source: The Company

- **Continuing obligations according to the requirements of the General Organization for Social Insurance**

1. The parent company “Saudi Arabian Amiantit Company”

A file was opened for the company with the General Organization for Social Insurance under subscription number (110003129), and it is subscribed to the pensions and occupational hazards branch for Saudi subscribers, and for non-Saudis, subscription to the occupational hazards branch, in accordance with Social Insurance Certificate No. (59979810) dated 22/06/1445H (corresponding to 04/01/2024G) which ends on 21/07/1445H (corresponding to 02/02/2024G). The total number of those registered in the social insurance system reached (28) workers, including (12) Saudi workers and (16) non-Saudis. The value of the contributions paid for the year 2022 amounted to (1,347,935.25) Saudi riyals.

Number of employees at the parent company according to data from the General Organization for Social Insurance:

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Ajeer	Total	Issue Date
General Organization for Social Insurance	Saudi Arabian Amiantit Company, parent company (110003129)	12	16	-	28	As of January 2024G
	Branch of Saudi Arabian Amiantit Company for Construction, Building, Maintenance and Operation (509180024)	66	109	-	175	As of January 2024G
	Amiantit Plastic Products Manufacturing Company (500571551)	6	57	-	63	As of January 2027G
	Amiantit Factory for the Production of Epoxy Pipes (Subscription No. 507105890)	15	17	-	32	As of January 2024G
	Branch of Saudi Arabian Amiantit Company - Jeddah (600362046)	0	0	-	0	As of January 2024G
	Branch of Saudi Arabian Amiantit Company - Riyadh (110003153)	3	1	-	4	As of January 2024G

2. Saudi subsidiaries

- The subsidiaries have obtained subscription certificates with the General Organization for Social Insurance, as shown in the following table:
- Number of workers at the General Organization for Social Insurance and its subsidiaries
- Global Infrastructure Management and Operation Company Limited No. (2050083715).

The table below shows the number of employees at the International Infrastructure Management and Operations Company Limited:

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
General Organization for Social Insurance	Social insurance certificate	0	0	0	January 2024G

Source: The Company

- Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited (one person company) No. (2050017573)

The table below shows the number of employees at the Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited:

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
General Organization for Social Insurance	Social Insurance/Company Certificate (Subscription 200019512)	63	4	67	As of January 2024G
	Social Insurance Certificate / Factory - Subscription No. 511746884)	123	292	415	As of January 2024G

Source: The Company

- Infrastructure Engineering Contracting Company Limited (one person company) No. (2050097629)

The table below shows the number of employees at Infrastructure Engineering Contracting Company Limited (one person company)

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
General Organization for Social Insurance	Social insurance certificate	18	84	102	As of January 2024G

Source: The Company

It should be noted that the company has branch number (205139169) that does not have any employees.

- Saudi Arabian Amiantit Management Company Limited No. (2050105945)

The table below shows the number of employees at Saudi Arabian Amiantit Management Company Limited

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
General Organization for Social Insurance	Social insurance certificate	5	5	10	As of January 2024G

Source: The Company

- Amiantit Fiberglass Manufacturing Company Limited (one person company) No. (2050005268)

The table below shows the numbers of employees at Amiantit Fiberglass Manufacturing Company Limited and its branches (one person company)

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Ajer	Total	Issue Date
General Organization for Social Insurance	Amiantit Fiberglass Manufacturing Company/Head Office (110003145)	20	8		27	As of January 2024G
	Amiantit Fiberglass Manufacturing Company Branch/Dammam Branch (509288607)	30	43		73	
	Amiantit Fiberglass Manufacturing Company Branch/Dammam Factory (609670894)	51	139		190	
	Amiantit Fiberglass Manufacturing Company/Jeddah Factory (100058022)	20	16		36	

Source: The Company

- Saudi Amicon Company Limited No. (2050039735)

The table below shows the number of employees at Saudi Amicon Company Limited

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
General Organization for Social Insurance	Social insurance certificate (200096770)	3	3	6	January 2024G

Source: The Company

- Amiantit Rubber Industry Company Limited Factory (one person company) No. (2050004586)

The table below shows the number of employees at Amiantit Rubber Industry Limited (one person company)

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
General Organization for Social Insurance	Social insurance certificate	9	16	25	As of January 2024G

Source: The Company

- Bond Strand Company Limited Factory No. (2050011976)

The table below shows the number of employees at Bond Strand Limited

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
General Organization for Social Insurance	Social insurance certificate	45	118	163	As of January 2024G

Source: The Company

- PWT Saudi Arabia Company (20500802446)

The table below shows the number of employees at PWT Saudi Arabia

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Issue Date
General Organization for Social Insurance	Social insurance certificate	2	1	3	As of January 2024G

Source: The Company

1. Continuing obligations according to the requirements of the Capital Market Authority

- The Authority requires listed companies to adhere to the rules of offering securities, continuing obligations, and special instructions issued by the Authority, especially the obligation to periodically disclose fundamental and financial developments and the Board of Directors' report. According to the Guide to Continuing Obligations of Listed Companies,
- The annual financial results announced on the Tadawul website must be derived from the audited financial statements approved by the company's external auditor appointed by the association and approved by the Board of Directors. The announcement models included in the instructions for companies' announcements of their financial results must be adhered to, and the company must also submit a statement of all the causes and effects of the change in the financial results for the current fiscal year with the comparison period, so that the causes include all items of the financial results announcement.

The Authority also obligated companies listed on the capital market to disclose the stages of their compliance with the transition to international accounting standards. On 30/05/1438H (corresponding to 27/02/2017G), the company announced on the Tadawul website its commitment to this.

- The company obtained the Authority's approval to adopt an incentive program for employees through the allocation of shares during an extended period from 2012G until 2015G. The number of shares allocated to employees was two million five hundred and fifteen thousand six hundred and ninety-one (2,515,691) shares, and five hundred and sixty-four thousand three hundred and nine (564,309) shares were distributed during the year 2015G. The remaining shares as of June 30, 2022G are (48,353) shares. As treasury shares allocated to the Employee Stock Ownership Plan and in the event of a capital increase, stock split or dividend (in the form of a share), the number of shares and the exercise price subject to the Employee Stock Ownership Plan will be adjusted accordingly.
- The Authority also obligated companies listed on the financial market to follow the list of instructions for announcements of joint stock companies whose shares are listed on the financial market issued pursuant to the Authority's Board Resolution No. (1-199-2006) dated 18/07/1427H (corresponding to 12/08/2006G) and amended by Resolution No. (3-79-2023) dated 19/02/1445H (corresponding to 04/09/2023G)..
- The Authority obligated companies listed on the financial market to appoint representatives to the Capital Market Authority for all purposes related to the application of the Capital Market Authority's Law and its implementing regulations. The company has committed to this, as the Board of Directors held on 19/06/1445H (corresponding to 01/01/2024) appointed Dr. Mohammed bin Saud Al-Badr (Board Member), Mr. Feras bin Ghassab Al-Harbi (CEO), and Mr. Waleed Mohammed Abu Kishk (General Director of Legal Affairs and Compliance and Board Secretary) to represent the company before the Authority for all Purposes related to increasing the company's capital, the subject of this prospectus.

- The Authority also obligated listed companies to implement the conditions contained in the implementing regulations of the Companies Law for listed joint-stock companies issued by the Authority's Board pursuant to Resolution No. (2-26-2023) dated 16/01/1438H (corresponding to 17/10/2016G) based on the companies' Law. Issued by Royal Decree No. (M/3) dated 01/28/1437H, and amended by Authority Board Resolution No. (2-26-2023) dated 05/09/1444H (corresponding to 27/03/2023G) based on the Companies Regulations issued by Royal Decree No. (M/132) and dated 12/01/1443H, disclosing in the Board of Directors' report the details of policies related to remuneration, the mechanisms for determining them, and the amounts and financial and in-kind benefits paid to each member of the Board of Directors in exchange for any executive, technical, administrative, or advisory work or positions. The company has committed to disclosing the remuneration received by members of the Board of Directors for the fiscal years 2020, 2021, and 2022.

On 23/01/1438H (corresponding to 24/10/2016G). The Authority's Board of Directors Resolution No. (1-130-2016) was issued amending the procedures and instructions for companies whose shares are listed on the market whose accumulated losses amounted to (50%) or more of their capital in light of the Companies Law, and whose name was amended to become «**Procedures and Instructions for Companies whose Shares Are Listed**» In the market whose accumulated losses amounted to (20%) or more of its capital,» as amended by Capital Market Authority Board Resolution No. (1-77-2018) dated 05/11/1439H (18/07/2018G). These procedures and instructions have been amended pursuant to Capital Market Authority Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G), which stipulates that if the company's accumulated losses reach (20%) or More than its capital, the company must announce this event immediately in accordance with the procedures stipulated in the regulations of procedures and instructions. On 29/03/1443H (corresponding to 04/11/2021G), the company's losses amounted to more than (50%) of its capital. Article Five (5) of the procedures and instructions for companies whose shares are listed on the market whose accumulated losses amounted to (50%) or more was specified. Of the capital, the measures that the company must take in response to losses are as follows:

1. Disclosing to the public immediately and without delay in an independent announcement when its accumulated losses reach (50% or more of the capital), provided that the announcement includes the amount of the accumulated losses and their percentage of the capital, the main reasons that led to these losses, and the measures that the company will take regarding them with An indication in the announcement that these procedures and instructions will be applied to it, and if the disclosure required in accordance with this paragraph coincides with the announcement of the initial or annual financial results, the company will be exempt from disclosure in a separate announcement if it includes it in the announcement of the initial or annual financial results.
 2. The market will add a mark next to the company's name on the market's website, symbolizing that the company's accumulated losses have reached (50%) of its capital immediately after the issuance of the announcement referred to in Paragraph (1) above of this article.
 3. Taking into account the provisions of Article (132) of the Companies Law, the company must, after announcing that its accumulated losses reach (50%) or more of its capital, announce the following:
 - The date of the last day on which the Board of Directors can invite the (extraordinary) General Assembly to meet, and the date of the last day for the (extraordinary) General Assembly to meet to address the accumulated losses.
 - The Board of Directors' recommendation to the (extraordinary) General Assembly regarding its accumulated losses immediately upon its issuance.
- On 29/03/1443H (corresponding to 04/11/2021G), Saudi Arabian Amiantit Company announced that its accumulated losses had reached (69.11%) of the capital and the provisions of Article Five (5) of the procedures and instructions for companies whose shares are listed on the market in which Its accumulated losses amounted to (50%) or more of its capital, and accordingly the company took the necessary measures to disclose and reduce these losses, as the company set the date 30/05/1443H (corresponding to 03/01/2022G) as the last day for the Board of Directors to call the extraordinary general assembly. To hold a meeting according to what was stated in Article (150) of the (repealed) Companies Law, and the date of 02/10/1443H (corresponding to 03/05/2022G) as the last day for the extraordinary general assembly to be held to address the accumulated losses according to what was stated in Article (150) of the Law. Companies (cancelled).
 - On 17/04/1443H (corresponding to 22/11/2021G), the Board of Directors decided to restructure the company's capital to extinguish the accumulated losses and recommend to the Extraordinary General Assembly to reduce the company's capital from three hundred and twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, by canceling twenty-two million and one hundred thousand (22,100,000) shares of the company's shares, and then increasing the capital to three hundred and twenty million (320,000,000) Saudi riyals to support working capital.
 - On 26/06/1443H (corresponding to 29/01/2022G), the Board of Directors recommended amending its previous recommendation issued on 18/04/1443H (corresponding to 23/11/2021G) regarding reducing the company's capital and then increasing it. The Board of Directors recommended reducing the company's capital by two hundred and twenty-one million (221,000,000) Saudi riyals, which represents (69.06%) of the company's capital, and then increasing the company's capital by offering priority rights shares worth three hundred and forty-six million and five hundred thousand (346,500,000). SR.
 - On 11/07/1443H (corresponding to 12/02/2022G), the Board of Directors decided to separate the submission of the capital reduction file from the capital increase file via priority rights shares. The reason for this is that the accumulated losses have reached (69.06%) of the capital and the near expiration of the deadline granted to listed joint stock companies regarding the suspension of work on some provisions of the articles of the Companies Law based on the Royal Order No. (15016) dated 16/03/1442H (corresponding to 02/11/2020G).
 - On 16/07/1443H (corresponding to 17/02/2022G), the Capital Market Authority approved the company's request to reduce its capital

from three hundred and twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, thus reducing the number of shares from thirty-two million (32,000,000) Saudi riyals. 1 to nine million nine hundred thousand (9,900,000) shares. Note that this approval is conditional on the approval of the company's extraordinary general assembly and the completion of the relevant legal procedures and requirements. The Extraordinary General Assembly, held on 26/07/1443H (corresponding to 02/27/2022G), agreed to reduce the company's capital from ninety-nine million (99,000,000) Saudi riyals by canceling twenty-two million and one hundred thousand (22,100,000) shares of stock. The company, by diluting (1) share for every (1,447) shares (with a nominal value of 10 Saudi riyals per share) of the company's shares.

- In accordance with the procedures and instructions for companies whose shares are listed on the market and whose accumulated losses amount to (20% or more of their capital), as amended by the decision of the Capital Market Authority Council No. (1-77-2018) dated 05/11/1439H (18/07/2018G). These procedures and instructions have been amended pursuant to Capital Market Authority Board Resolution No. (8-5-2023) dated 06/25/1444H (corresponding to 01/18/2023G), which stipulates that if the company's accumulated losses reach (20%) or more than its capital, the company must announce this event immediately. Article Three (3) of the procedures and instructions for companies whose shares are listed in the market whose accumulated losses amount to (20%) or more and less than (35%) of the capital is as follows:
 1. Disclosing to the public immediately and without delay in an independent announcement when its accumulated losses reach (20%) or more and less than (35%) of its capital, provided that the announcement includes the amount of accumulated losses and their percentage of the capital, and the main reasons that led to these losses being reached, Noting in the announcement that these procedures and instructions will be applied to them. If the disclosure required in accordance with this paragraph coincides with the announcement of the initial or annual financial results, the company will be exempt from disclosure in a separate announcement if it includes it in the announcement of the initial or annual financial results.
 2. The market will add a mark next to the company's name on the market's electronic website, symbolizing that the company's accumulated losses have reached (20%) or more and less than (35%) of its capital immediately after the issuance of the announcement referred to in Paragraph (1) above of this article.
- 4. Upon obtaining a report from the chartered accountant showing the financial position, the company must disclose to the public immediately and without delay, in an independent announcement, when its accumulated losses are reduced by (20%) of its capital.
 - On 07/07/1444H (corresponding to 29/01/2023G), the company announced on the Tadawul website that its accumulated losses had decreased to (34.91%) of the capital.
 - As of March 31, 2023, the group had accumulated losses amounting to (32.7) million Saudi riyals, and current liabilities exceeded current assets by (806.3) million Saudi riyals as of that date.
 - In compliance with the company's commitment to the aforementioned procedures and instructions, the company has taken the necessary measures to reduce the accumulated losses, as the group has a work plan for the next three years, where it reduced the capital from (320,000,000) riyals to (99,000,000) riyals in order to absorb the accumulated losses, in addition to that the group has taken approval The Board of Directors agreed to increase the capital by issuing rights shares in the amount of (346,500,000) riyals, which will lead to an increase in the company's capital from (99,000,000) riyals to (445,500,000) riyals. This increase was approved by the Capital Market Authority on 07/05/ 1444H (corresponding to 01/12/2022G), and on 21/10/1444H (corresponding to 11/05/2023G), the (extraordinary) General Assembly did not approve the Board of Directors' recommendation to increase the capital from (99,000,000) riyals to (445,500,000) riyals through Offering priority rights shares worth three hundred and forty-six million five hundred thousand (346,500,000) riyals.
 - On 12/01/1445H (corresponding to 30/07/2023G), the company announced the preliminary financial results for the period ending on 30/06/2023G, where the accumulated losses amounted to forty-two million seven hundred and eighty thousand (42,780,000) riyals, which constitutes (43.21)% of Capital, and accordingly, Article Four of «**Procedures and instructions for companies whose shares are listed on the market whose accumulated losses amount to (20%) or more of their capital**» applies to the company, which concerns the company's accumulated losses reaching 35% or more and less than 50% of its capital. The Authority has placed an orange mark next to the company's name on the market's website to symbolize that the accumulated losses have reached this limit. The announcement of the financial results included the company's application of the procedures and instructions in this regard, and thus it is exempted from publishing an independent announcement about the amount of accumulated losses and the measures it will take in this regard in accordance with the text of Article Four of the aforementioned procedures and instructions. On 28/02/1445H (corresponding to 13/09/2023G), the company's Board of Directors recommended to the Extraordinary General Assembly to increase the company's capital by issuing priority rights shares from ninety-nine million (99,000,000) riyals to four hundred and forty-five million five hundred thousand (445,500,000) riyals. Riyals, by offering and listing priority rights shares of (34,650,000) riyals, conditional on the approval of the financial market, Tadawul, and the general assembly of shareholders (extraordinary).
 - The Authority requires companies listed in the financial market that have previously offered rights shares to disclose to the public when there is a difference of (5%) or more between the actual use of the proceeds of the rights issue shares versus what was disclosed in the relevant prospectus as soon as it becomes known. According to the company's prospectus issued on 07/05/1444H(Corresponding to 01/12/2022G) It was found that there was no deviation or change in the use of the proceeds of the Rights Issue for the year 2020 from what was mentioned in the Rights Issue Prospectus issued on 01/10/2020G.
 - As for the Corporate Governance Regulations, the table below includes a summary of the most important provisions of the Corporate Governance Regulations issued by the CMA and the Company's compliance with them:

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
9/B	The Board shall establish a clear policy for the distribution of dividends to achieve the interests of the shareholders and the Company as per the Company's bylaw.	Board of Directors	Compliant - Approved by the resolution of the Board of Directors on 09/08/1442H (corresponding to 01/04/2021G), and was approved by the General Assembly on 14/09/1442H (corresponding to 26/04/2021G)
8/A	Make a copy of the mentioned information available in the Company's head office and its website.	Board of Directors	Non-compliant
51/e	The Company's General Assembly shall, upon a recommendation of the Board, issue a regulation for the audit committee which shall include the rules and procedures for the activities and duties of the committee, the rules for selecting its members, the means of their nomination, the term of their membership, their remunerations, and the mechanism of appointing temporary members in case a seat in the committee becomes vacant.	Board of Directors / General Assembly of Shareholders	Compliant - The regulation was approved by the General Assembly held on 14/09/1442H (corresponding to 28/04/2020G)
12/5	Review the financial statements for the year 2022	General Assembly of Shareholders	Compliant- The financial statements for the fiscal year 2022G were approved by the General Assembly held on 21/10/1444H (corresponding to 11/05/2023G)
12/6	Review the annual report of the Board of Directors for the year 2022	General Assembly of Shareholders	Compliant- The report of the Board of Directors for the fiscal year 2022G was approved by the Ordinary General Assembly held on 21/10/1444H (corresponding to 11/05/2023G)
78 & 12/8	Appointing the company's auditors, determining their remuneration, reappointing and changing them, and approving their reports.	General Assembly of Shareholders	Compliant - the Auditor's report for the fiscal year 2022G was approved, and the auditor was voted on to appoint an auditor (Al Kharashi & Co., Certified Public Accountants, the auditor of the company from among the candidates based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the (second and third) quarters and the annual for the fiscal year 2023G, and for the first quarter of the fiscal year 2024G, and its fees were determined by the General Assembly held on 21/10/1444H (corresponding to 11/05/2023G)
13/d	Publishing the announcement for the date, place and agenda of the general assembly meeting at least twenty-one days before the date on the company's website.	Board of Directors	Compliant
14/c	The shareholders shall be allowed through the Company's website and the Exchange's website, when the invitation for the convention of the General Assembly is published, to obtain the information related to the items of the General Assembly's agenda, particularly the reports of the Board and the external auditor, the financial statements and the audit committee's Report	Board of Directors	Compliant - there is a link on the company's website that allows shareholders to view the company's information
21/1	Establishing plans, policies, strategies and main objectives for the company	Board of Directors	Compliant
21/2	setting rules and procedures for internal control and generally overseeing them, including: a. developing a written policy to remedy actual and potential conflicts of interest scenarios for each of the Board members, the Executive Management, and the shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties; b. ensuring the integrity of the financial and accounting rules, including rules relating to the preparation of financial reports; c. ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may encounter and creating an environment which is aware of the culture of risk management at the Company level and disclosing such risks transparently to the Stakeholders and parties related to the Company ; and d. reviewing the effectiveness of the Company's internal control procedures on an annual basis.	Board of Directors	Compliant - The conflict of interest regulation was approved by the Board of Directors on 19/08/1442H (corresponding to 01/04/2021G)
21/3	setting forth specific and explicit policies, standards and procedures for membership in the Board, without prejudice to the mandatory provisions of these Regulations, and implementing them following approval by the General Assembly	General Assembly of Shareholders	Compliant - The Regulations were approved by the Board of Directors on 19/08/1442H (corresponding to 01/04/2021G)

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
21/4	developing a written policy that regulates the relationship with Stakeholders pursuant to the provisions of the Governance Regulations; It shall cover, in particular, the following: mechanisms for compensating stakeholders in the event of a violation of their rights recognized by regulations and protected by contracts; a mechanisms for settling complaints or disputes that may arise between the company and stakeholders; and appropriate mechanisms to establish good relations with customers and suppliers, and to maintain the confidentiality of information related to them	Board of Directors	Compliant - The Regulations were approved by the Board of Directors on 19/08/1442H (corresponding to 01/04/2021G)
21/5	setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to shareholders and Stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures;	Board of Directors	Compliant - The Regulations were approved by the Board of Directors on 19/08/1442H (corresponding to 01/04/2021G)
21/13, 47, 57, 57/a & 61	forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the names of the members and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members	Board of Directors	Compliant - There are three for main committees (Audit Committee - Nomination and Remuneration Committee and- Executive Committee - Investment Committee) that were formed by the Board of Directors on 19/06/1445H (corresponding to 01/01/2024G) and the Investment Committee, which was formed by the Board on 13/05/1442H (corresponding to 28/12/2020G)
22/1	prove and develop internal policies in respect of the Company's business, including specifying the duties, competencies and responsibilities assigned to the various organizational levels;	Board of Directors	NA
21/2	Approving a written and detailed policy that identifies the powers delegated to the Executive Management, a matrix stating these powers, means of implementation and the period of delegation\ The Board may request the Executive Management to submit periodic reports in respect of its exercise of such delegated powers	Board of Directors	NA
24	Appointment of the CEO	Board of Directors	Compliant - The CEO was appointed by the Board of Directors on 26/07/1443H (corresponding to 27/02/2022G)
25/5	Recommending the organizational and functional structures of the company and submitting them to the Board of Directors for approval.	Board of Directors	Compliant - The organizational structure of the company was reviewed - The organizational structure was approved by the Board of Directors on 07/05/1444H (01/12/2022G)
26/10	Suggesting a policy and types of remuneration to be granted to employees, such as fixed remuneration, performance-related remuneration, and remuneration in the form of shares.	Board of Directors	There is a program for granting shares to the company's employees
41	The Board shall develop an explicit and written policy to deal with actual and potential conflicts of interest situations which may affect the performance of Board members, the Executive Management or any other employees of the Company when dealing with the Company or other Stakeholders. This policy shall include the following in particular:	Board of Directors	Compliant - the regulation was approved by the Board of Directors on 19/08/1442H (corresponding to 01/04/2021G)
51 & 54	Forming the Audit Committee	Board of Directors	Compliant - The Audit Committee was formed by the Board of Directors held on 19/06/1445H (corresponding to 01/01/2024G)
52/b/4 and 71	Appointing the director of the internal audit unit or department or the internal auditor and proposing his remuneration.	Board of Directors	Compliant
57/b and 61/b	The Company's General Assembly, as per the Board recommendation, issues a regulation for the remuneration committee including its procedure, duties and rules for selecting its members, how to nominate them, the term of their membership, their remuneration, and the mechanism for temporarily appointing its members in the event that one of the committee's seats becomes vacant.	General Assembly of shareholders	Compliant - the regulation was approved by the general assembly held on 14/09/1442H (corresponding to 26/04/2021G)
58/1	The Remuneration and Nominations Committee shall prepare a clear policy for the remuneration of the members of the Board of Directors and its committees and the Executive Management, and present such policy to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclosing and ensuring the implementation of such policy;	General Assembly of Shareholders	Compliant- referred to in Board Regulations
62/3	Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and occupying executive management positions.	Remuneration and Nomination Committee	Compliant - the regulation was approved by the General Assembly on 14/09/1442H (corresponding to 26/04/2021G)

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
65	Publishing the announcement of candidacy for membership of the Board of Directors on the company's website.	Board of Directors	Compliant
81	Policies or procedures that stakeholders follow in submitting their complaints or reporting violating practices	Board of Directors	Compliant
83	A policy for professional conduct and ethical values	Board of Directors	Complaint- there is a policy approved by the board on 19/08/1442H (corresponding to 01/04/2021G)
86	written policies, procedures and supervisory rules related to disclosure pursuant to the disclosure requirements provided for in the Companies Law and the Capital Market Law	Board of Directors	Compliant
88/b	Publishing the report of the Audit Committee on the website of the company	Board of Directors	Non-compliant
91	Corporate governance rules that do not conflict with the mandatory provisions of the governance regulation issued by the Authority	Board of Directors	Compliant - There is a governance regulation approved by the Board of Directors on 19/08/1442H (corresponding to 01/04/2021G)

Noting that violating any of the rules and procedures, or failing to implement them, exposes the Company to accountability by the Capital Market Authority, which may take any or all of the following, namely:

1. Giving a warning to the Company.
2. Obligating the Company to take the necessary steps to avoid the occurrence of the violation, or to take the necessary corrective steps to address the consequences of the violation.
3. Imposing a fine of no more than five million (5,000,000) Saudi riyals for each violation committed by the Company.

During the previous years, the Company was subjected to some penalties and fines, as follows:

1. On 11/12/2018G, the Authority issued a decision imposing a fine of twenty thousand (20,000) Saudi riyals for violating paragraph (a) of Article (61) of the Rules for Offering Securities and Continuing Obligations and subparagraph (5) of Paragraph (A). From the general instructions of the instructions for companies' advertisements, for having disclosed incorrect information in their announcement published on the website of the stock market company «**Tadawul**» on 05/08/2018G regarding its initial financial results for the period ending on 30/06/2018G.
2. On 20/11/1440H (corresponding to 23/07/2019G), the Authority issued a decision imposing a fine of ten thousand (10,000) Saudi riyals for violating paragraph (b) of Article (46) of the Capital Market Law and the Authority's Circular No. (Sad/18/5977/5/7) and dated 10/01/1440H (corresponding to 20/09/2018G), due to the failure to provide the Authority with information related to the financial year ending on 31/12/2018G within the specified period.

Ongoing obligations as required by the Ministry of Municipal and Rural Affairs and Housing («Ministry of Municipalities»)

1. Parent Company «Saudi Arabian Amiantit Company»

- A municipal license should be obtained for administrative offices, branches and points of sale so that the Company can operate them, bearing in mind that the municipality or the secretariat requires the following documents: A copy of the commercial register - a copy of (the articles of association) - a copy of the lease contract - A copy of the building permit for the building, facility, shop, warehouse or store in which it was rented - A copy of the real estate office license and a photocopy of the building from a distance, including the plate (with a copy of the plate invoice and the registration of the Company's trademark ownership to be used on the facade) in addition to a license of the Civil Defense.
- As for the Company's branches, subsidiaries and branches located in sites leased from the Saudi Authority for Industrial Cities and Technology Zones (Modon), in order to carry out its industrial activities, they are not bound by the requirements of the Ministry of Municipal and Rural Affairs and Housing and are subject to the requirements of the Saudi Authority for Industrial Cities and Technology Zones. Accordingly, sites located outside Modon are bound by the requirements of the Ministry of Municipal and Rural Affairs and Housing.
- The head office of the Company has a municipal license number (21073) issued by the Ministry of Municipal and Rural Affairs - Municipality of East Dammam, dated 19/07/1439H (corresponding to 05/04/2018G) and it expired on 22/06/1440H (corresponding to 27/02/2019G). Also, the safety certificate that the Company obtained for its head office with the number (40-000199059-2), dated 21/11/1440H (corresponding to 24/07/2019G), expired on 21/11/1441H (corresponding to 12/07/2020G).
- The branch of the Company, the branch of the Saudi Arabian Amiantit Company, has a safety certificate numbered (43-000839743-1) issued by the Ministry of Interior, the General Directorate of Civil Defense, dated 23/05/1443H (corresponding to 27/12/2021G) and expires on 23/05/1444H (corresponding to 17/12/2022G) and a municipal license with (440410880420) and expires on 14/04/1446H (corresponding to 17/10/2024G).
- None of the remaining branches of the Company have municipal licenses or safety certificates. If the Company is unable to renew the municipal

license for its head office and obtain municipal licenses for its branches, the Company will be in violation of the municipal regulations, which will expose it to the penalties stipulated in the regulation of fines and penalties for municipal violations issued on 05/02/1442H (corresponding to 22/09/2020G), its executive rules issued by Ministerial Resolution No. (4300204526) dated 12/03/1443H (corresponding to 18/10/2021G). This may extend to closing the site (the branch), which may negatively affect the Company's operations, results of operations and financial condition. Note that the Company's branch office in Riyadh is located in an (endowment) real estate and therefore is not obligated to issue an electronic rental contract.

- Also, in the event that the Company does not comply with renewing the safety certificate that it has obtained for its head office and issuing safety certificates for its branches, the company is thus considered in violation, which will expose it to the penalties and fines stipulated in Article (30) of the Civil Defense Law, which states that the violator of any provision of this Law, its regulations, or the decisions issued pursuant thereto, shall be imprisoned for a period not exceeding six months, or a fine not exceeding 30 thousand riyals, or both. The penalty may also amount to an order to close the site rented from the company, which will negatively and materially affect the company's business, financial condition, results of operations and future prospects.
- On 16/05/1438H (corresponding to 13/02/2017G), Cabinet Resolution No. (292) was issued on 16/05/1438H (corresponding to 13/02/2017G), which states that a lease contract that is not registered in the electronic network is not considered a valid and productive contract. Because of its administrative and judicial effects, and since the electronic network for rent services was launched in cooperation between the Ministries of Justice and Housing (currently the Ministry of Municipal and Rural Affairs and Housing) on 17/05/1439H (corresponding to 03/02/2018G), and a circular was issued by the Ministry of Justice approving the application of this to all Contracts concluded after 05/05/1440H (corresponding to 01/01/2019G), all companies are obligated to register all lease contracts on the Ejar platform. Bearing in mind that the electronic lease contract is an executive document and the two parties can request its implementation directly, even if by force, through the implementation courts, without the need to file a lawsuit in the event that any of the parties breaches its essential obligations arising from the contract. As on the date of publishing this prospectus, the company is not obligated to register contracts on the Ejar platform, but it will register all contracts after the completion of the land planning work and the issuance of municipal licenses.

2. Saudi Subsidiaries

The subsidiaries are not compliant with the requirements of the Ministry of Municipal and Rural Affairs and Housing in terms of obtaining municipal licenses and safety certificates or renewing Expired, with the exception of the following subsidiaries whose certificates have expired and have not been renewed as of the date of publication of this prospectus:

1. The branch of the Amiantit Fiberglass Manufacturing Factory Company, which obtained a safety certificate under the number (42-000589810-1) dated 16/07/1443H (corresponding to 17/02/2022G), which expired on 16/07/1444H (corresponding to 17/02/2023G).
2. Amiantit Rubber Industry Company Limited, which obtained a safety certificate under the number (42-000592644-1) dated 02/12/1443H (corresponding to 19/09/2021G), which expired on 12/02/1444H (corresponding to 08/09/2022G).
3. The factory of Bond Strand Company Limited, which issued a safety certificate with the number (42-000590057-1) dated 15/10/1442H (corresponding to 27/05/2021G), which expired on 15/10/1443H (corresponding to 16/05/2022G).
4. With regard to the «**Factory of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited**», the subsidiary company «**Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited**» and the subsidiary company «**Saudi Amicon Company Limited**», Amiantit Fiberglass Manufacturing Company Limited, «**Bond Strand Company Factory Limited**», they are located on sites leased from the Saudi Authority for Industrial Estates and Technology Zones (MODON), and therefore the requirements for obtaining municipal licenses and safety certificates do not apply to them.

Ongoing Obligations according to the requirements of the Ministry of Industry and Mineral Resources

The company and some of its branches, subsidiaries and affiliates have industrial licenses issued by the Ministry of Industry and Mineral Resources, as shown in the following table:

Table of Industrial Licenses

License holder	Number of license	Issue date	Expiry date	Note
Amiantit Factory for the Production of Epoxy Pipes, Branch of "Saudi Arabian Amiantit Company" (2050042140)	431110119099	10/11/1443H (Corresponding to 09/06/2022G)	04/01/1449H (Corresponding to 08/07/2027G)	
Amiantit Fiberglass Manufacturing Company Factory", (2050104272)	4411110121894	29/03/1444H (Corresponding to 25/10/2022G)	25/05/1449H (Corresponding to 25/10/2027G)	
Amiantit Fiberglass Manufacturing Company Factory", (4030135751)	441102125538	29/08/1444H (Corresponding to 21/03/2023G)	11/09/1445H (Corresponding to 21/03/2024G)	
Amiantit Rubber Manufacturing Company Limited Factory" (2050004586)	441102119991	05/01/1444H (Corresponding to 03/08/2022G)	06/01/1447H (Corresponding to 01/07/2025G)	

License holder	Number of license	Issue date	Expiry date	Note
Factory of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Ltd (2050101313)	441102120238	18/01/1444H (Corresponding to 16/08/2022G)	19/01/1447H (Corresponding to 14/07/2025G)	
Subsidiary "Bondstrand Company Limited Factory (2050011976)	443110124082	22/06/1445H (Corresponding to 10/12/2023G)	09/06/1446H (Corresponding to 10/12/2024G)	
Subsidiary "Saudi Amicon Company Limited" (2050039735)	451110132498	26/05/1444H (Corresponding to 10/12/2023G)	09/06/1446H (Corresponding to 10/12/2024G)	
Saudi Arabian Amiantit Company for the manufacture of plastic products (2050041516)	431110119096	10/11/1443H (Corresponding to 09/06/2022G)	04/01/1449H (Corresponding to 09/06/2027G)	

Source: The Company

With regard to ongoing obligations according to the requirements of the Ministry of Industry and Mineral Resources, the Ministry requires the licensed entities to adhere to the following conditions in order to maintain the license:

1. Commitment to the law of the Unified Industrial Organization Law (Regulation) of the Gulf Cooperation Council countries and its implementing regulations.
2. Do not make any expansion or modification to the products before obtaining the Ministry's approval.
3. Commitment to updating factory data every six months through the Ministry's website.
4. Commitment to conforming products to approved specifications and standards or specifications adopted by the Saudi Standards and Metrology Organization.
5. Adherence to the articles of the General Environmental Law and its implementing regulations to preserve the environment from pollution.
6. Adherence to regulations, instructions, safety, industrial security and public health regulations.
7. The industrial project's accounts must be regular in accordance with accounting principles and applicable legal rules, and the Ministry must be provided with a balance sheet certified by a chartered accountant for each fiscal year.
8. Do not abuse the benefits granted to the project.
9. Providing the Ministry with the complete and correct data it requests about the project.
10. Allowing Ministry employees to enter the industrial project, review records, documents, and accounts, monitor the production process, and other project activities.
11. It is not permissible to establish, expand, or develop an industrial project, or change its products, or merge it with another industrial project, or divide it into more than one project, or change its location. It is also not permissible to dispose of the project in whole or in part, mortgage it, rent it, or assign it in any form except after the approval of the Ministry.

The company and its subsidiaries are committed to the requirements of the Ministry of Industry and Mineral Resources.

Continuing Obligations according to the requirements of the Saudi Authority for Industrial Cities and Technology Zones («MODON»)

- The «**Factory of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited**» has operating licenses issued by the Saudi Authority for Industrial Cities and Technology Zones, as shown in the following table.

Table of operating licenses

Permit holder	Permit No.	Issue date	Expiry date	Contract No.
"Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory" branch of the subsidiary "Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd." (2050017573)	5941444610030150	10/06/1444H (Corresponding to 03/01/2023G)	14/12/1444H (Corresponding to 02/07/2023G)	Contract Number: (812194)
Saudi Amicon Company Limited (2050039735)	OLC-23-03-09000710	17/08/1444H (Corresponding to 09/03/2023G)	28/08/1445H (Corresponding to 09/03/20224)	Contract Number: (809417)

Source: The Company

«Modon» requires the licensing entities to adhere to the following conditions in order to maintain the licenses granted:

1. The license grants permission to operate the facility and that the person licensed to operate this facility is the real operator of it according to its legal entity, licenses and records, and the owner of the facility does not have the right to assign the operation and the license or any part of it to others.
2. The licensee is obligated to abide by the conditions and obligations and all rules, regulations, conditions and instructions issued by «Modon.» The applicable rules and regulations in force in the Kingdom of Saudi Arabia will be referred to in what is not regulated by «Modon.»
3. The licensee is obligated to renew this license within a period not exceeding (15) days after its expiration.
4. Contracting with an entity approved by the Civil Defense to carry out periodic maintenance work for fire-fighting and safety systems.
5. Ensure the effectiveness of the firefighting and safety system and its connection to a main control panel.
6. The fire-fighting system conforms to the factory's approved plans.
7. Ensure that emergency exits are sufficient and conform to specifications.
8. Implementing safety requirements during the storage and transportation of hazardous chemicals and gases.

Except for what was mentioned above and in subsection (2-1-41) («Risks related to not issuing or not renewing government licenses, permits and certificates») of Section (2) («Risk Factors») of this prospectus, the company is committed to issuing operating certificates for the factories of its subsidiaries and industrial branches and is committed to the requirements Saudi Authority for Industrial Cities and Technology Zones.

Ongoing obligations according to the requirements of the National Center for Environmental Compliance*

The licensed activities of the company, its branches or subsidiaries may have a negative impact on the environment, so the company and its subsidiaries must adhere to the following requirements and standards:

1. Adherence to standards, standards and requirements issued by the National Center for Environmental Compliance Oversight.
2. Allow the center's technicians and specialists to enter the facility at any time.
3. In the event of any modification or change to the activity, the facility's tasks, the quality of the raw materials or production, or when making any expansion or addition to the project without informing the Center in advance of this, this permit will be considered invalid.
4. The center must be notified in advance if you wish to use or recover any industrial waste within manufacturing processes, and the center's specialists must be informed of the technology and method used in this regard.
5. Full compliance with what was stated in the studies and technical reports submitted when requesting a permit regarding the operation and maintenance of pollutant suppression systems and the methods used to dispose of non-recoverable waste by a service provider licensed by the competent authorities...
6. Commitment to include documented contracts and invoices detailing the types and quantities of hazardous and non-hazardous solid and liquid waste, if any, resulting from the facility for the period of time prior to renewal by a service provider licensed by the competent authorities and including them in the facility's environmental audit study.
7. Commitment to implementing the environmental monitoring and environmental management plan for the facility and the recommendations contained in the study and its annexes.
8. Commitment to allocate warehouses and warehouses to store raw materials and produced materials that are compatible with the nature of the materials, their specifications, and their degree of danger, according to the safe handling of materials sheet.
9. This environmental permit does not mean approval to begin construction or operation of the activity without obtaining the approval of the relevant authorities.
10. Commitment to implementing all the mentioned requirements, and in the event of violation of them, the facility will be subject to punishment according to the environmental law.
11. Preparing periodic reports to be included in the facility's environmental records and submitting them to the environmental inspection employee upon the inspection visit periodically every year.
12. The financial compensation for this permit will be collected starting from the date of its approval by the Center's Board of Directors.

Some of the company’s branches and some subsidiaries have environmental permits for operation, issued by the National Center for Oversight of Environmental Compliance, according to the following table:

Table of environmental permits for operation

Permit holder	Permit Number	Location	Type of activity	Issue Date	Expiry Date
Branch- Amiantit factory for producing epoxy pipes (20050042140)	22485	First Industrial -Dammam	Production of pipes and fittings for passing liquids from epoxy	29/10/1443H (corresponding to 30/05/2022G)	18/09/1446H (corresponding to 18/03/2025G)
Branch- Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory (2050041516)	1442015751	First Industrial -Dammam	Manufacture of polyethylene plastic sheets	08/01/1445H (corresponding to 26/07/2023G)	08/08/1447H (corresponding to 27/01/2026G)
Subsidiary "Amiantit Rubber Manufacturing Factory Ltd."	10724	First Industrial -Dammam	Production and manufacture of sealing rubber belts and cooling insulators of various sizes and shapes	26/04/1443H (corresponding to 01/12/2021G)	20/04/1446H (corresponding to 23/10/2024G)
Amiantit Fiberglass Manufacturing Company Ltd. Factory (2050104272)	3868	First Industrial -Dammam	Production of fiberglass pipes, elbows and tanks	08/03/1444H (corresponding to 04/10/2022G)	24/01/1447H (corresponding to 19/07/2025G)83
Branch- Amiantit Fiberglass Manufacturing Company Ltd. Factory (4030135751)	4141	Al-Quozin District - Jeddah	Production and manufacture of pipes, tanks and fittings of fiberglass	14/03/1444H (corresponding to 10/10/2022G)	08/03/1447H (corresponding to 31/08/2025G)
Branch- Factory of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Ltd (2050101313)	2360	Second Industrial -Dammam	Production of retractable iron pipes and roads	12/03/1444H (corresponding to 08/10/2022G)	05/02/1447H (corresponding to 30/07/2025G)
Subsidiary "Bond Strand Factory Ltd." (2050011976)	25275	First Industrial -Dammam	Production of fluid conveyor pipes and fittings	15/10/1442H (corresponding to 27/05/2021G)	26/06/1445H (corresponding to 08/01/2024G)
Subsidiary "Saudi Amicon Company Ltd." (2050039735)	17985	Second Industrial -Dammam	Production and manufacture of valves for industrial and water purposes	06/09/1443H (corresponding to 07/04/2022G)	18/07/1446H (corresponding to 18/01/2025G)

Source: the Company

* After reviewing the submission of His Excellency the Minister of Environment, Water and Agriculture, and after reviewing the recommendation prepared in the Council of Economic and Development Affairs No. (10 31/40/D) dated 16/06/1440H (corresponding to 21/02/2019G), the Council of Ministers decided in its session held on 19/07/1440H (corresponding to 26/03/2019G), the following:

- 1- Establishing the National Center for Meteorology, the National Center for Vegetation Cover Development and Combating Desertification, the National Center for Monitoring Environmental Compliance, and the National Center for Wildlife Development, in accordance with their regulations, and the plan to establish national centers affiliated to the environment sector.
- 2- Abolishing the General Authority of Meteorology and Environmental Protection and the Saudi Wildlife Authority, provided that they continue to practice their work until the above-mentioned centers exercise their competencies, in accordance with the relevant provisions contained in their establishment plan.

The company and its subsidiaries are committed to the requirements of the National Center for Environmental Compliance. Expired permits are being renewed.

9-6 Partners Agreement.

As at the date of publication of this prospectus, there are no side agreements between the shareholders and therefore the articles of the Memorandum of Association/Articles of Association of the Company govern the relationship between them.

9-7 Participation Agreements and Memorandums of Understanding

As of the date of publication of this prospectus, there are no partnership agreements with any parties other than the company's Memorandum of Association/Articles of Association, nor are there any memorandums of understanding regarding possible future participation with third parties other than those contained in the Memorandum of Association except as set out in the table below:

Memo Name	First Party	Second Party	Subject of the Memo	Date of the Memo	Memo Value	Duration of the Memo	Notes
Memorandum of Understanding to support local content	National Water Company	Saudi Arabian Ductile Iron Pipes Manufacturing Co.	The Memorandum aims to develop local content in the water sector through joint cooperation between the two parties	2021G	-	The duration of the memorandum is one calendar year that is automatically renewed for similar periods	-
Memorandum of Understanding to support local content		Amicon Saudi Co. Ltd.				-	The parties are committed to maintaining the confidentiality of all information and data

Source: the Company

9-8 Related Party Agreements and Dealings

As at the date of publication of this prospectus, the Company does not have any dealings and contracts with related parties such as members of the Board of Directors, shareholders, senior executives and their relatives.

During the year 2020G, the fiscal year 2021G, the fiscal year 2022G, and the six-month period ending on 30/06/2023G. While the company has carried out some transactions with the subsidiaries of the group, which are sales and purchases according to the following:

Transactions with subsidiaries for the year ended on 31 December 2020G							
Party	Nature of transactions	Balance First Term Debit (Credit)	Additives	(Payment) or (decay)	Converting a loan into an investment	Currency Differences Translation	End of Term Debit (Credit)
Qatar Amiantit Pipes Company Limited	Financial & Commercial	1,804	4,121	(5,703)	-	-	222
Sarplast Qatar Company Limited	Financial & Commercial	914	-	(914)	-	-	0
Amitek Morocco	Funding	719	-	(719)	-	-	0
Amensus Company	Commercial	0	2,244	(2,244)	-	-	0
Amitech and IPS Romania	Funding	3,621	-	(3,490)	-	(131)	0
Sub and secondary gap	Commercial	257	-	(128)	-	-	128
Amiblu Spain	Financial & Commercial	0	-	-	-	-	0
Amiblu Germany	Financial & Commercial	39	167	-	-	(9)	197
Amiblu IS Technology Company	Commercial	1,325	-	-	-	-	1,325
East Gas Company	Commercial	0	1,300	(1,300)	-	-	0
International Company for Distribution of Meat Limited (Tawzea)	Commercial	0	4,000	(4,000)	-	-	0
Amiantit Fiberglass Egypt	Financial & Commercial	5,653	-	(5,653)	-	-	0
Amitech Algeria	Financial & Commercial	2,070	-	-	-	-	2,070
Amitek Libya	Financial & Commercial	7,775	-	-	-	-	7,775
Total	24,175	11,832	(24,151)		(140)	11,717	

Transactions with subsidiaries for the year ended on 31 December 2020G							
Party	Nature of transactions	Balance First Term Debit (Credit)	Additives	(Payment) or (decay)	Converting a loan into an investment	Currency Differences Translation	End of Term Debit (Credit)
Transactions with subsidiaries for the year ended on 31 December 2021G							
Party	Nature of transactions	Balance First Term Debit (Credit) (SAR'000)	Additives	(Payment) or (decay)	Converting a loan into an investment	Currency Differences Translation	End of Term Debit (Credit) (SAR'000)
Qatar Amiantit Company Limited	Financial & Commercial	222	11	-	-	-	497
Sobor and Subor Gap							128
Amiblu Germany	Financial & Commercial	197	-	-	-	(7)	185
Amiblu IS Technology Company	Commercial	1,325	233	-	-	-	11,114
International Water Distribution Company Limited (Tawzea)	Commercial	-	60	-	-	-	62
Amitech Algeria	Financial & Commercial	2,070	-	-	-	-	-
Total	11,717.00	304.00	-	-	(7.00)	11,986	

Source: the Company

The following table shows the significant transactions made with related parties in accordance with the financial statements for the year 2022G:

Company	Nature of the relationship	Nature of transactions	Required of related parties for 2022G
Qatar Amiantit Pipes Company Limited	Associate	-	60,000
Ameblo	Joint Ventures	-	32,000
Ameblo Holding		-	81,000
Suboor		-	128,000
Distribution		-	-
Amitech Algeria		-	-
Total		-	301,000

Source: the Company

- Amounts due from related parties as at 31 December 2022 net of impairment loss of SAR (3,400,000) During 2021G, the amounts due from Ambelo were represented by transferred receivables as a result of the investment exclusion of the equity accountant.
- According to the Board of Directors' report for the year 2022G, the table below shows the Group's transactions with its non-consolidated associates in terms of sales and purchases:

Associate company	Nature of Transaction	Balance as of December 31, 2021 (SAR'000)	Repayments (SAR'000)	Currency Translation transactions	Balance as of December 31, 2021 (SAR'000)
Amiantit Qatar Pipes and Accessories Co., Ltd. «Aqab»	Know-how fees and dividends	497	(437)	-	60
Suboor	Trade receivables	128	-	-	128
Ameblo Holdings	Other receivables	185	(155)	-	30
Ameblo Holdings	Selling investments	11,114	(9,974)	(1,057)	83
Distribution	Other receivables	62	(62)	-	-
Total		11,986	(10,628)	(1,057)	301

Source: The Company

- The group acknowledges that it does not have any dealings with related parties that could cause a conflict of interest between the issuer or any of its subsidiaries v or associates on the one hand, and members of the board of directors or senior executives on the other hand.
- The nature of these transactions is not transactions with related parties, but rather existing transactions between the group documented in the Board of Directors' report and the financial statements for the year 2022.

9-9 Lease Contracts

Leased and rented properties

As of the date of publication of this Prospectus, the company and its subsidiaries have concluded (19) lease contracts in their capacity as tenants or Lessors (representing administrative offices or lands). Most of these contracts are traditional leases (that is, they stipulate a rental amount paid by the tenant to the company) and are subject to renewal. They are considered void if the tenant is late in paying the rent, and the tenant has no right to sublet the property without obtaining the written consent of the landlord. It is also not permissible to change the method of using the leased property or the activity without the consent of the lessor. Below is a list of lease contracts and their most important details:

Leased properties

The Following is a list of current and renewed lease contracts signed by the Company in its capacity as lessor:

- The group acknowledges that it does not have any transactions with related parties that could cause a conflict of interest between the Issuer or any of its subsidiaries or associates on the one hand, and members of the board of directors or senior executives on the other hand.
- The nature of these transactions is not transactions with related parties, but rather existing transactions among the group entities documented in the Board of Directors' report and the financial statements for the year 2022.

Rented properties

The Following is a list of current and renewed lease contracts signed by the Company in its capacity as lessor:

#	Contract date	Lessor	Lessee	Type of leased premises	Rental Value (SR)	Contract term	Notes
1.	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Amiantit Fiberglass Manufacturing Co., Ltd.	Area: 701.04 m2	56,083.2	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	Contract not authenticated electronically
2.	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Branch of Amiantit Fiberglass Manufacturing Co., Ltd.	Area: 811.84 m2	64,947.2	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	Contract not authenticated electronically
3.	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Amiantit Rubber Industry Factory	Area: 5742.64 m2	459,411.2	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	Contract not authenticated electronically
4.	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Bondstrand Co., Ltd. Factory	Area: 4,599.12 m2	367,929.6	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	Contract not authenticated electronically
5.	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Amiantit factory for manufacturing fiberglass	Area: 8907.82 m2	712,625.6	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	Contract not authenticated electronically
6.	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Infrastructure Engineering Contracting Company Ltd.	Area: 750.22 m2	60,017.6	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	Contract not authenticated electronically
7.	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Amiantit factory for production of epoxy pipes	Area: 11,123.92 m2	889,913.6	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	Contract not authenticated electronically
8.	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Saudi Arabian Amiantit Company Amiantit Factory Plastic Products Industry	Area: 2,283.33 m2	182,666.4	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	Contract not authenticated electronically

Source: The Company

- As of the date of publication of this Prospectus, these contracts cannot be documented as there is a problem with the deed for the currently leased properties due to the lack of planning of the land. Therefore, these contracts will be documented as soon as the land is planned and a regular deed for the leased properties is obtained.

Rented properties:

The company and its subsidiaries have concluded a number of lease contracts as lessees, according to the following details:

#	Contract date	Lessor	Lessee	Location	Type of leased premises	Rental Value (SR)	Contract term	Notes
1.	06/02/1418H (Corresponding to 12/06/1997G)	Dammam City Municipality	Saudi Arabian Amiantit Company	-	Expansion of the company's offices	30,000	Twenty years	The contractual relationship continues and there is no change Contract not authenticated electronically
2.	30/09/1443H (Corresponding to 01/05/2022G)	Afaq Al Omran Development Co. Ltd.	Saudi Arabian Amiantit Company	Riyadh	office (5) area: 380 m2	The annual rent value is 280,000 riyals - the total contract value is (966,000) riyals	3 years (1095) as of 01/05/2022G	Electronically certified contract
3.	18/02/1442H (Corresponding to 22/09/2020G)	Industrial Cities Authority (MODON)	Saudi Arabian Ductile Iron Pipes Factory - SADIP		Industrial land	722,124 per year	Ends on date 17/02/1453H (Corresponding to 07/06/2023G)	
4.	08/06/1441H (Corresponding to 01/01/2023G)	** Abdullah Al-Jadhai Transportation Est	Amiantit Fiberglass Industry Co., Ltd.		Land area of 22,272 m2	210,000	Ends on date 18/06/1445H (Corresponding to 31/12/2023G)	Contract not authenticated electronically
5.	19/06/1444H (Corresponding to 12/01/2023G)	** Abdullah Al-Jadhai Transportation Est	Amiantit Fiberglass Industry Co., Ltd.		Warehouse area of 5,000 m2	350,000	Ends on date 19/07/1445H (Corresponding to 31/01/2024G)	Contract not authenticated electronically
6.	08/11/1443H (Corresponding to 07/06/2022G)	Saudi Authority for Industrial Cities and Technology Zones (MODON)	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	Second Dammam	Residence - with an area of (12,474) sq. meters	498,960 riyals	Ends on date 08/11/1445H (Corresponding to 16/05/2024G)	Contract number (814175) Notarized contract
7.	22/07/1349H (Corresponding to 08/04/2018G)	Saudi Authority for Industrial Cities and Technology Zones (MODON)	Amicon Saudi Co. Ltd.	Second Dammam	industrial land with an area of (12,453 square meters)	49,812 riyals	21/07/1452H (Corresponding to 17/11/2030G)	Contract number (809417)
8.	18/02/1442H (Corresponding to 05/10/2020G)	Saudi Authority for Industrial Cities and Technology Zones (MODON)	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory	Second Dammam	Industrial land with an area of (180,531) square meters	722,124 riyals annually	ends on date 17/02/1453H (Corresponding to 08/06/2031G)	Contract number (812194)
9.	22/12/1429H (Corresponding to 20/12/2008G)	Dhahran Valley Technology Company	Saudi Arabian Amiantit Company	Plot No. (11)	Area: 6,970 m2	365,925 riyals	06/06/1445H (Corresponding to 19/12/2023G)	The contract was initially concluded with King Fahd University of Petroleum and Minerals, which assigned the property to the lessor
10.	22/12/1429H (Corresponding to 20/12/2008G)	King Fahd University of Petroleum and Minerals	Saudi Arabian Amiantit Company	King Abdullah Bin Abdulaziz Industrial Research Complex	Piece of land with an area of (7,250) square meters	362,500 riyals		The lease has been transferred to Dhahran Valley Technology Company Contract not authenticated electronically
11.	01/11/1440H (Corresponding to 04/07/2019G)	Ayman bin Aqeel bin Abdul Aziz Al Aqeel	Saudi Arabian Amiantit Company	Othman Bin Affan Road, Al-Waha District, Riyadh	A built property (office) 21 and 22 Its area (167.6) square meters	Total 105,125 riyals	30/10/1443H (Corresponding to 31/05/2022G)	Contract not authenticated electronically

Source: The Company

- As of the publication of this Prospectus, the leased lands are currently under regulation, and as soon as the necessary licenses are issued, notarized lease contracts will be issued.
- As for lease contracts concluded for real estate located in industrial cities, these contracts are documented through the Modon platform (E-Modon) instead of the (Ejar) platform.
- As for the lease contracts concluded with the Abdullah Al-Jadhaie Transport Corporation, the land is located on land on the Dammam-Riyadh Road and is under development.

9-10 Other Agreements and Transactions

Service contracts concluded by the Company and its subsidiaries

As of the date of publication of this prospectus, the Company has concluded a number of advisory and financial services agreements in the context of carrying out its business as follows:

Type of contract	First party	Second party	Contract subject	Contract date	Contract value
Fee Agreement	Abdullah bin Mohammed Al-Dosary Law Firm and Legal Consultations	Saudi Arabian Amiantit Company	The first party performs the tasks of defending his client in lawsuits filed before the judicial authorities	01/08/1442H (Corresponding to 14/03/2021G)	Value of the fees (1,100,000) Saudi riyals
Fee Agreement	Abdullah bin Mohammed Al-Dosary Law Firm and Legal Consultations	Saudi Arabian Amiantit Company	The first party files a lawsuit claiming attorney fees in favor of the second party, with a number of (24) cases	01/08/1442H (Corresponding to 14/03/2021G)	(50%) of the amount awarded
Legal Services Agreement for Collection	Meem Faa Alef Law Firm and Legal Consultations	Saudi Arabian Amiantit Company	The first party undertakes all legal, judicial and executive procedures to claim the provisions of the judicial sums acquired for the final	20/10/1442H (Corresponding to 01/06/2021G)	-
Letter of Appointment of Auditor	Al Kharashi & Co. Chartered Accountants	Saudi Arabian Amiantit Group	The first party audits the financial statements for the year ending 31/12/2022G and the first quarter of the year 2023G	28/11/1443H (Corresponding to 27/06/2022G)	-

Source: the Company

Material Contracts

The Company, its branches and subsidiaries have concluded contracts related to the Company's activity according to the following:

Type of contract	First party	Second party	Contract subject	Contract date	Contract term	Contract value	Notes
Waste transportation and disposal contract	Saudi Arabian Pipe Industry Company	Abrarak Industrial Services Corporation	The second party cleans the general and industrial waste belonging to the first party	09/05/1443H (Corresponding to 13/12/2021G)	Two Gregorian years	-	-
Elevator maintenance contract	Saudi Arabian Amiantit Company	Schindler Olayan Elevators Co. Ltd.	The second party carries out periodic maintenance work for factory equipment	-	The contract ends after renewal on 25/02/1446H (Corresponding to 31/08/2024G)	SR 14,8000 annually	Renewed
Maintenance contract	Saudi Electronic Trading and Contracting Co. Ltd	Saudi Arabian Amiantit Company	The first party provides maintenance services to the second party	08/06/1441H (Corresponding to 02/02/2020G)	Two years	-	-
Pest control agreement	Saudi Arabian Amiantit Company	The branch of the Arab Sakan Company for Agriculture and Pest Control		07/10/1440H (Corresponding to 10/07/2019G)	The contract has been renewed and expires on 12/12/1443H (Corresponding to 11/07/2022G)	-	Contract under renewal
Contract for the provision of private civil security services	Saudi Arabian Amiantit Company	Murjan Al Sharq Group for Civil Security Guards	The second party provides security services to the first party	10/01/1443H (Corresponding to 18/08/2021G)	Three years	As per the schedule in the contract	-
Equipment rental contract	Saudi Arabian Amiantit Company	Mohammed Mubarak Al-Qahtani Foundation	The second party leases the equipment stipulated in the contract to the first party	27/05/1435H (Corresponding to 31/03/2014G)	The contract has been renewed and ends on 08/09/1444H (Corresponding to 30/03/2023G)	-	Contract under renewal

Type of contract	First party	Second party	Contract subject	Contract date	Contract term	Contract value	Notes
Catering services contract	Saudi Arabian Amiantit Company	Nesma Trading Company Ltd.	The second party provides catering services to the first party	03/09/1443H (Corresponding to 15/04/2021G)	Contract ends on 28/09/1444H (Corresponding to 28/04/2023G)	As per the schedule in the contract	renewed
Male nurses contract	Saudi Arabian Amiantit Company	Ram Dammam Medical Company	The second party shall provide nurses for the first party	16/06/1443H (Corresponding to 20/01/2022G)	26/06/1444H (Corresponding to 19/01/2023G)	-	Contract under renewal
pest control agreement	Saudi Arabian Amiantit Company	Ajyal Al Rafaa General Contracting Est	The second party provides pest control services to the first party	29/02/1439H (Corresponding to 16/11/2017G)	Ends on 01/05/1444H (Corresponding to 15/11/2023G)	-	-
Security service contract	Murjan Al Sharq Group for Civil Security Guards	Amiantit Fiberglass Manufacturing Company (AFIL)	The first party shall secure the necessary manpower from honest, trained and qualified men to the second party	02/09/1443H (Corresponding to 04/04/2022G)	Ends on 12/09/1444H (corresponding to 03/04/2023G)	SR (12,600)	Contract under renewal
Waste transportation and disposal contract	Saudi Arabian Amiantit Company	Ataa Al Sharqiah Contracting Est	The second party cleans the waste and hazardous industrial waste for the benefit of the first party	26/05/1441H (Corresponding to 21/01/2020G)	Ends on 27/06/1444H (corresponding to 20/01/2023G)	-	Contract under renewal
service contract	Saudi Arabian Amiantit Company	Atmar General Contracting Company	-	19/04/1443H (Corresponding to 24/11/2021G)	22/01/1444H (Corresponding to 20/08/2022G)	-	-
Safety and fire system maintenance contract and issuance of a certificate of competency	Saudi Arabian Amiantit Company	Arab Circles Safety Group	The second party examines and tests the existing systems of the first party	10/07/1441H (Corresponding to 05/03/2020G)	Ends on 08/08/1444H (Corresponding to 28/02/2023G)	As per the schedule in the contract	
Subscription contract for the electronic filling system (Wai)	Aldrees Petroleum Services Company	Saudi Arabian Amiantit Company	The first party carries out electronic filling to supply the cars of the second party with fuel	02/08/1442H (Corresponding to 15/02/2021G)	Unspecified	As per the schedule in the contract	Contract is still in effect
Waste transportation and disposal contract	Amicon Saudi Co. Ltd.	Abrarak Industrial Services Corporation	The second party cleans the waste and industrial waste for the benefit of the first party	21/11/1441H (Corresponding to 20/06/2022G)	Ends on 01/12/1444H (Corresponding to 19/06/2023G)	-	-
Transportation contract	Saudi Arabian Amiantit Company	Abdullah Al-Jadhai Foundation	The second party transfers the products of the first party to customer sites	18/10/1441H (Corresponding to 10/06/2020G)	Renewed to 09/07/1444H (Corresponding to 31/01/2023G)	According to Appendix No. (1)	-
transportation contract	Saudi Arabian Amiantit Company	Hassan Ahmed Al Hashem Transportation Est	The second party transfers the products of the first party to customer sites	01/08/1444H (corresponding to 01/02/2023G)	Ends on 28/04/1446H (corresponding to 31/10/2024G)	According to Appendix No. (1)	-
transportation contract	Saudi Arabian Amiantit Company	Batal Al-Qahtani & Partner Co. Ltd.	The second party transfers the products of the first party to customer sites	(01/02/2023G)	Contract renewed and ends on 19/07/1445H (corresponding to 31/01/2024G)	According to Appendix No. (1)	-
transportation contract	Saudi Arabian Amiantit Company	person trading company	The second party transfers the products of the first party to customer sites	10/07/1444H (corresponding to 01/02/2023G)	19/07/1445H (Corresponding to 31/01/2024G)	According to Appendix shown in the contract	

Source: The Company

Sales Contracts

The Company has concluded contracts related to the Company's products as follows:

Contract type	First party (seller)	Second party (buyer)	Contract subject	Contract date	Contract value	Notes
Sale contract	LA FONTE COMMERCE sa	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	sell iron pipes	04/10/1441H (Corresponding to 27/04/2020G)	According to the appendix attached to the contract	-
Sale contract	LA FONTE COMMERCE sa	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	sell iron pipes	01/08/1444H (corresponding to 01/02/2023G)	Ends on 28/04/1446H (corresponding to 31/10/2024G)	-
Sale contract	LA FONTE COMMERCE sa	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	sell iron pipes	23/06/1442H (Corresponding to 27/01/2021G)	According to the appendix attached to the contract	-
Sale contract	LA FONTE COMMERCE sa	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	sell iron pipes	10/07/1444H (corresponding to 01/02/2023G)	According to the appendix attached to the contract	-

Source: The Company

Contracts for Sale of Shares

The Company entered into contracts to sell shares it owns in other companies

The Company entered into contracts to sell shares it owns in other companies

Contract type	First party	Second party	Contract subject	Contract date	Contract term	Contract value	Notes
Contract for the sale of shares in Ametek Company in Morocco	Saudi Arabian Amiantit Company (Seller)	Ametek Company in Morocco (The buyer)	The first party sells its shares in the Ametek company in Morocco, which represents (50%) of the shares	19/03/1442H (Corresponding to 05/11/2020G)	-	2,700,000 Euro	-
Contract of sale of shares in a company FINTECH INTERNATIONAL LTD	Saudi Arabian Amiantit Company (seller)	FINTECH INTERNATIONAL LTD	The first party sells its shares in the company FINTECH INTERNATIONAL LTD	25/03/1443H (Corresponding to 31/10/2021G)	-	400,000 USD	-
Settlement Agreement	Saudi Arabian Amiantit Company	Alinma Bank	Settlement with Alinma Bank to settle all outstanding financial obligations amounting to 572.7 million Saudi riyals in exchange for the assignment of a subsidiary (Global Infrastructure Management and Operations Company Limited)	18/06/1445H (corresponding to 31/03/2023G)	-	-	-

Source: The Company

Settlement Agreement

The Company concluded a settlement agreement with Alinma Bank as follows:

Agreement Date	First Party (the Bank)	Second Party (the Client)	Total obligations and amounts due from the customer to the bank	Agreement Expiry Date	Renewal
18/06/1445H (corresponding to 31/03/2023G)	Alinma Bank	Saudi Arabian Amiantit Company	SAR 572,661,260.09	(90) days Expires on 21/09/1445H (corresponding to 31/03/2024G)	The agreement cannot be renewed after 21/09/1445H (corresponding to 31/03/2024G) Except with the written consent of both parties

Source: The Company

Terms and conditions of the settlement agreement

- The bank previously granted financing to the customer in a total amount of (525,300,000) riyals, according to the following financing agreements:
 13. Credit Facilities Agreement dated 12/03/1443H (corresponding to 18/10/2021G).
 14. An agreement to establish participation in the ownership of goods dated 12/03/1443H (corresponding to 18/10/2021G).
 15. A deferred sale agreement in the amount of (257,223,745) riyals dated 12/03/1443H (corresponding to 18/10/2021G).
 16. A deferred sale agreement in the amount of (157,600,000) riyals dated 12/03/1443H (corresponding to 18/10/2021G).
 17. A deferred sale agreement in the amount of (106,500,221) riyals dated 12/03/1443H (corresponding to 18/10/2021G).
- The Company (client) did not abide by the provisions of the above-mentioned agreements and did not commit to paying the amounts owed to the bank.
- The Company acknowledged that the total obligations and amounts owed by it towards the bank until the date of this agreement are (572,661,260.09) riyals and include the principal debt and profits calculated under the facilities agreement previously concluded between the Company and the bank.
- The two parties agreed to settle the amount due from the company in exchange for the following:
 1. Assigning the ownership of all of the Company's shares in its subsidiary, "Global Infrastructure Management and Operations Company Limited," to Alinma Opportunities Investment Company, which is a limited liability company.
 2. Considering that the value of the entire shares of the Global Infrastructure Management and Operation Company Limited (217,500,000) riyals.
 3. In the event that all procedures for transferring shares in the Global Infrastructure Management and Operation Company Limited are completed and its ownership is transferred to Alinma Opportunities Investment Company, and the articles of incorporation are documented and amended accordingly, this will be considered as payment of all financial obligations due from the Company to the bank (referred to in the above-mentioned agreements). The bank is committed to returning all guarantees and documents provided by the Company, including promissory notes, within seven (7) working days from the date of repayment.
- If the Company does not adhere to this agreement and the agreement period expires and is not renewed or the renewal period expires, the bank shall have the right to ask the customer to pay all the amounts due from it under the credit facilities agreement previously concluded between the two parties. The Company has authorized the bank to deduct any amount due from its current or investment accounts. The bank also shall have the right to collect from any other financial sources under its control for the company, such as guarantees, collection documents, and payment orders of various kinds. The bank shall have the absolute right to collect its rights directly from all financial and commercial securities in the name of the Company with the bank without the need to notify or take any legal action.
- In the event that the Company fails to comply with the terms and conditions of this agreement, the bank is not obligated to implement what is stated therein, and the bank has the right to request compensation in the event that the Company violates any of the terms of this agreement, unless the reasons are not attributable to the customer.

As of the date of publishing this Prospectus, the procedures for transferring the shares have not been finalized before the Ministry of Commerce and the Notary Public, as well as the issuance of the amended articles of incorporation for the company, which includes the name of the new owner of the shares. Note that the Board of Directors did not obtain approval of the General Assembly of Shareholders for this deal, since the value of the assets subject to settlement (assignment) does not exceed fifty percent (50)% (as confirmed by the Company's management) of the value of its total assets in accordance with what is stated in Article Seventy-Five (75) of the Companies Law. The agreement was signed by the CEO of the Company with the authorization of the Board of Directors.

9-11 Loans and facilities

Except for what is mentioned below, there are no loans or bank facilities nor financial leasing type agreements with any Saudi and non-Saudi banks in effect as of the date of publishing this Prospectus. The Company did not provide a cash loan of any kind to members of its Board of Directors, did not provide any guarantees for any loans to members of the Board of Directors or its employees with third parties, and did not open any bank credits.

The company also did not grant loans to any of the employees, except for the advance payments on salary, which are calculated from the housing and/or transportation allowance according to the employment contract.

The Company obtained loans and bank facilities from local banks and lenders pursuant to framework agreements signed with the lenders. According to the financial statements for the year 2022G, the Company signed agreements to reschedule all Islamic banking facility agreements with commercial banks, without any additional financial obligations, which will have a positive impact on enhancing the Company's performance during the coming periods. The following is a summary of these facilities and loans:

The loans and credit facilities obtained by the «Company» until June 30, 2023G are according to the following table:

Current portion of long-term loans (thousands of Saudi riyals)

Borrower	Bank Name	Nature of Loans	Due Date	Balance on June 30, 2023	New Borrowing	Repayments	Currency Conversion Adjustments	Balance on December 31, 2022
Saudi Arabian Amiantit	Alinma Bank Loan*	Loan	2023G	286,479	-	-	-	286,479
Ametek Istana	Mr. Abikayev**	Loan from a partner	-	9,637	560	-	(350)	9,457
Total				296,116	530	-	(350)	295,936

Source: The Company

* On 18/06/1445H (corresponding to 31/12/2023G), a settlement agreement was signed between Saudi Arabian Amiantit Company and Alinma Bank to settle all outstanding financial obligations amounting to (572,661,260.09) Saudi Arabian riyals towards this bank in exchange for Saudi Arabian Amiantit Company's assignment of all its shares in the International Infrastructure Management and Operation Company Ltd., which is 100% owned by it, in favor of Alinma Opportunities Investment Company, a limited liability company. (For more details, please refer to Section (9-11) Settlement Agreement in the Loans and Facilities section.)

** Mr. Abikayev is a natural person who is a partner in Ametek Istana Company and granted the loan to the Company as a good loan without any interest to finance the Company's operations, knowing that a loan is financial assistance without charging any interest and is not bound by a specific repayment date.

Short-term loans (thousands of Saudi riyals)

Borrower	Bank Name	Nature of Loans	Balance on June 30, 2023	New Borrowing	Repayments	Currency Conversion Adjustments	Balance on December 31, 2022
Saudi Arabian Amiantit	Saudi National Bank	Short term	310,000	16,147	(19,811)	-	313,000
Saudi Arabian Amiantit	Albilad Bank	Short term	268,000	-	-	-	268,000
Saudi Arabian Amiantit	Saudi Investment Bank	Short term	13,646	37,075	(16,183)	-	23,219
Saudi Arabian Amiantit	Alawwal SABB Bank	Short term	1,616				
Saudi Arabian Amiantit	Rajhi Bank	Short term	2,590				
Amiantit Fiberglass Manufacturing	Riyadh Bank	Short term	14,340				
PWT Germany	National Private Corporation of Turkmenistan Suatli Doganlar Economic Association of Turkmenistan (Ashgabat Industrial Bank)	Short term	**221	-	(48)	(16)	217

Borrower	Bank Name	Nature of Loans	Balance on June 30, 2023	New Borrowing	Repayments	Currency Conversion Adjustments	Balance on December 31, 2022
Total			1,145,284	56,436	(42,020)	(74)	844,674

Source: The Company

* Balance in thousands

** The loan is financial assistance without charging any interest and is not bound by a specific repayment date, so there is no expiration date for the agreement.

Details of the facilities for documentary credits granted according to the table below

Company	Bank	Value of documentary credits	Credit number	Document number	Issue date	Due date
Saudi Arabian Amiantit	Saudi British Bank	1,616,349	BACEPM4255779COR	IBAEPM425579COR	30/03/2023G	20/07/2023G
Amiantit Fiberglass Manufacturing	Riyadh Bank	6,200,099	RLC6603459	DXP6700259-002	30/05/2023G	20/08/2023G
Amiantit Fiberglass Manufacturing	Riyadh Bank	6,870,966	RLC06603549	DXP6700259	05/01/2023G	10/07/2023G
Saudi Arabian Amiantit		2,589,585	RLC6700700	02/AHZH/10097	28/05/2023G	08/06/2023G
Saudi Arabian Amiantit	Saudi Investment Bank	7,375,220	ILCSA014519	01/AHZH/10072	15/06/2023G	10/09/2023G
Amiantit Fiberglass Manufacturing	Riyadh Bank	1,268,596	RLC6603549	10/azhz/10072	15/06/2023G	10/09/2023G
Saudi Arabian Amiantit	Saudi Investment Bank	5,215,992	ELCSA003972	INVO- 18-077039	08/06/2023G	07/05/2023G
Saudi Arabian Amiantit	Saudi Investment Bank	1,053,301	ELCSA003972	INVO- 19-077039	15/06/2023G	07/06/2023G
Total		32,190,108				

Source: The Company

The following are the highlights of these loans and agreements:

1. Credit Facilities Agreement with Alinma Bank - (Saudi Arabian Amiantit Company)

- General conditions of the facilities agreement with Alinma Bank:

The most important guarantees:

- A fine and performance guarantee from the Amiantit Fiberglass Manufacturing Company Limited, one person, the Saudi Arabian Ductile Iron Pipe Manufacturing Company Limited, one person, and the Bond Strand Factory Company Limited, in the amount of (252,300,000) Saudi riyals.
- Mutual guarantee between Saudi Amiantit Company for the facilities used by the subsidiaries.
- Assignment of project receivables and purchase orders previously approved by the bank in favor of Alinma Bank and confirmation of the assignment by the contracting parties.
- Not to dispose of the Company’s land in Jeddah without obtaining the bank’s prior approval.

Most prominent pledges:

- The client undertakes to inform the main banks and obtain prior approval before reaching a final agreement to sell part or all of the equity shares in any existing or future investments in a manner that does not conflict with the procedures in force by the Capital Market Authority.
- Use granted facilities for the purpose for which they were granted.
- Notify the bank of any possible change in its legal form or ownership percentages before making the change.
- Cases of breach:

- Failure to pay any due amounts stipulated in the financing agreement and its annexes that are compatible with the provisions of Islamic Sharia, and which are thirty days past due.
- Failure to adhere to the pledges and conditions stipulated 60 days after their occurrence.
- Any fundamental change in the activity or operations or difference between the actual financial performance compared to the business plan presented or in the ownership or management of the customer and its subsidiaries, which affects the customer's ability to meet his obligations to the bank.

2. Credit Facilities Agreement with Bank Al Bilad - (Saudi Arabian Amiantit Company)

General conditions of the facilities agreement with Bank Al Bilad:

General terms of the agreement:

- No amendment or addition to the terms of this agreement will be accepted unless both parties agree on this in writing and after obtaining the approval of the Bank's Sharia Board.
- The bank shall have the right, for the reasons it deems appropriate and in its absolute discretion, to extend the validity of this agreement to a later date. The customer is obligated to sign all the required documents and provide the guarantees that he may request. He is also entitled to reduce the facilities or cancel the agreement, provided that he notifies the customer of any decision he takes in writing.
- Any change in the legal form of the customer, partners, activity, eligibility, capacity, or otherwise will in no way affect the continued validity of this contract and the bank's entitlement to all of its obligations.
- Breach: All obligations become due and payable immediately without the need for any legal action in the event of: (but not limited to)
 - The client's procrastination in paying any of his obligations or pledges.
 - Breach of the insurances and guarantees provided to the bank by undertaking any action that may affect their value.
 - Violating any rights or obligations towards others in a way that the bank may consider, in its absolute discretion, to have a negative impact on the client's financial situation.
 - Dissolution, liquidation, sale, cessation of the existing legal entity of the client's activity, change of its legal entity, withdrawal of a partner, or death of a partner.
- Company (client) obligations:
 - Providing the bank with all information related to the financial position of its activity, as well as any change in the financial position, such as an occurrence that has a negative impact on its ability to fulfill payments.
 - The customer undertakes throughout the validity period not to use the facilities granted to it except for the purpose for which they were granted and in a manner that does not conflict with the provisions of Islamic Sharia.
 - Paying any obligations or debts owed to the bank on due dates without notice or warning.
 - Notifying the bank of any possible change in the legal form before making this change. If the bank accepts to continue with the customer in the new legal form, it shall submit all necessary documents within (15) days of making this required change and sign all additional contracts and documents with the bank to continue the relationship.
- Documents and guarantees required and reviewed:
 - The customer undertakes to provide additional services when the value of the guarantees provided falls below the limit required by the bank.

A performance guarantee on behalf of the Saudi Ductile Iron Pipe Manufacturing Company, Amiantit Fiberglass Pipe Manufacturing Company Limited, and Bond Strand Factory Limited.

3. Credit Facilities Agreement with the Saudi National Bank - (Saudi Arabian Amiantit Company)

General conditions of the facilities agreement with the Saudi National Bank:

- The most important guarantees:
 - Confirmed assignments to the first party the entitlements for projects implemented by the second party.
 - A payment guarantee from the Saudi Arabian Ductile Iron Pipe Manufacturing Company covering 110% of the total facilities.

- A payment guarantee from Bond Strand Factory Company Limited covering 110% of the total facilities.
- A payment guarantee from Amiantit Fiberglass Manufacturing Company Limited covering 110% of the total facilities.
- Most prominent pledges:
 - The client undertakes to submit an independent operational report confirming the technical adequacy and productivity of all machines and equipment.
 - Providing the bank with financial statements for a client at or during the end of each financial year.
 - Providing the bank with all information related to the financial position.

Changing the company's legal entity is considered one of the breaches stipulated in the agreement.

9-12 Company's Properties

As of the date of publication of this prospectus, the company owns real estate documented by the following instruments:

S/N	Owner	Issuer	Land/Plan-No.	Location	Date	-Date No.**
1	Amiantit Fiberglass Manufacturing Co., Ltd. (AFIL) indirect	600 sqm	Plot No. 2 Layout 2097	Industrial District/ Riyadh	12/07/1435H (Corresponding to 11/05/2014G)	510122029409
2	Amiantit Fiberglass Manufacturing Co., Ltd. (AFIL) indirect	5000 sqm	/62 G	Jubail / west farms	10/08/1427H (Corresponding to 03/09/2006G)	360601001782
3	Arab Building Materials and Equipment Trading Company industrial (indirect) AL ARABIA FOR TRADE	500,000 square meters	42	Al-Melissa south of Jeddah	11/01/1401H (Corresponding to 19/11/1980G)	67*
4	Saudi Arabian Amiantit Company Dammam (SAAC) direct	137990 m2	Piece No. 1	First Industrial in Dammam	05/08/1437H (Corresponding to 12/05/2016G)	330108017988
5	Saudi Arabian Amiantit Company Dammam (SAAC) direct	213,728.54 square meters	Piece No. 2	First Industrial in Dammam	05/08/1437H (Corresponding to 12/05/2016G)	330108017987

Source: The Company

* There is no electronic instrument

** There are no mortgaged origins.

9-13 Assets and Property

Fixed assets

The Company has a number of properties and lands owned by it, and it should be noted that the Company does not have any real estate, land, or factory in areas or cities that contain development projects close to it that might lead to its expropriation. For more details about the lands and their deed numbers, please see paragraph (9-12) above. The following table shows the factories owned by the Company as of the date of this Prospectus:

#	Factory name	Location
1	Amiantit Fiberglass Manufacturing Company Ltd. Factory	Dammam
2	Amiantit Fiberglass Manufacturing Company Ltd. Factory	Jeddah
3	Amiantit Rubber Manufacturing Factory Ltd.	Dammam
4	Saudi Arabian Amiantit Company for Plastic Products Manufacturing Factory,	Dammam
5	Amiantit factory for producing epoxy pipes	Dammam
6	Bond Strand Factory Ltd	Dammam

#	Factory name	Location
7	Factory of the Saudi Arabian Ductile Iron Pipe Manufacturing Company Ltd	Dammam
8	Factory of the Saudi Amicon Company Ltd.	Dammam
9	Poly Tube Manufacturing Company Ltd.	Jeddah
10	Ameblo Poland (Number 2)	Poland
11	Ameblo Germany (number 2)	Germany
12	Ameblo Spain	Spain
13	Ameblo Morocco	Morocco
14	Ameblo Romania	Romania
15	Amiantit Qatar Pipes and Accessories Company	Qatar
16	Ametek Astana Company Limited Kazakhstan	Kazakhstan
17	Fiber Ty Pipes & Accessories Factory Limited	Qatar
18	Suboor Pur Industrial Company, Fikart AS	Turkey
19	Subor Industrial Gap Company, Fikart AS	Turkey
20	Ametek Company Algeria	Algeria

There are no rights attached to these properties, whether mortgage or endowment.

According to the financial statements issued for the financial period ending on 31/12/2021G, the book value of the lands, buildings, and improvements amounted to (460,636,000) Saudi riyals, and for the financial period ending on 31/12/2022G, the book value of the lands, buildings, and improvements amounted to (450,130,000) Saudi riyals. The book value of the lands, buildings and improvements at the end of the semi-annual financial period ending in June 2023 amounted to (446,820,000) Saudi riyals.

Movable Assets

According to the financial statements issued for the financial period ending on 31/12/2021G, the book value of factories, machinery, equipment, furniture, fixtures, and office equipment amounted to (89,692,000) Saudi riyals. The book value of factories, machinery, equipment, furniture, fixtures and office equipment for the period ending on December 31, 2022G amounted to (106,053,000) Saudi riyals. The book value for the semi-annual period in June 2023 amounted to (95,478,000) riyals.

The Company has a list of machines and equipment owned by the Company whose value exceeds (100,000) Saudi riyals per piece.

9-14 Trademarks

The Company has a logo that it uses in its dealings, and it has been registered as a trademark with the Saudi Authority for Intellectual Property under category (37), which is one of the trademark categories that specializes in services (construction of buildings, roads, bridges, dams, painting and plumbing works, maintenance repair, installation and assembly services, and construction tools and materials rental services). This will enable the company to place its name and logo on the exterior of the building, offices or shops occupied by the company, since it has registered the trademark and granted it the necessary legal protection in accordance with the Trademark Law.

The subsidiaries have trademarks that have been registered with the Ministry of Commerce (Trademark Administration) and the Saudi Authority for Intellectual Property in the name of the company and its subsidiaries. This will enable the company and its subsidiaries to place its name and logo on the exterior of the building or offices it occupies, since it has registered the trademark and granted it the necessary legal protection. According to the Trademarks Law.

The following table shows details of the Company's trademark and its subsidiaries:

Brand Name Shape	Certificate Number	Owning Company	Date of Registration	Category	Protection Starting Date	Protection Ending Date
	143308990	Saudi Arabian Amiantit Company	19/07/1434H (Corresponding to 29/05/2013G)	37*	29/07/1443H (Corresponding to 02/03/2022G)	28/07/1453H (Corresponding to 13/11/2031G)
	1437015504	Amiantit Rubber Industry Co., Ltd.	13/10/1437H (Corresponding to 18/07/2016G)	17**	07/07/1437H (Corresponding to 14/04/2016G)	06/07/1447H (Corresponding to 26/12/ 2025G)
	1437014818	Saudi Arabian Ductile Iron Pipe Manufacturing Co. Ltd.	29/06/1437H (Corresponding to 07/04/2016G)	6***	29/06/1437H (Corresponding to 07/04/2016G)	20/10/1447H (Corresponding to 08/04/2026G)
	1437015995	Saudi Arabian Concrete Products Company (SACOP)	28/10/1437H (Corresponding to 02/08/2016G)	19****	13/07/1437H (Corresponding to 20/04/2016G)	12/07/1447H (Corresponding to 01/01/2026G)
	1438021148	Amicon Saudi Co. Ltd.	13/09/1438H (Corresponding to 08/06/2017G)	6	13/09/1438H (Corresponding to 08/06/2017G)	19/09/1448H (Corresponding to 19/02/ 2027G)
	1437001827	Infrastructure Engineering Contracting Company	26/01/1437H (Corresponding to 11/08/2015G)	42*****	23/01/1437H (Corresponding to 05/11/2015G)	25/01/1447H (Corresponding to 20/07/2025G)
	1442001269	Bondstrand Co., Ltd. Factory	06/05/1442H (Corresponding to 21/09/2020G)	17	07/01/1442H (Corresponding to 26/08/2020G)	06/01/1452H (Corresponding to 09/05/20230G)
	143309190	Amiantit Fiberglass Manufacturing Company Ltd.	19/07/1434H (Corresponding to 29/05/2013G)	17	07/08/1443H (Corresponding to 10/03/2022G)	06/08/1453H (Corresponding to 22/11/2031G)
	143308988	Saudi Arabia Amiantit Company's Factory for Manufacturing Plastic Products (AmPlas)	19/07/1434H (Corresponding to 29/05/2013G)	17	29/07/1443H (Corresponding to 02/03/2022G)	28/07/1453H (Corresponding to 14/11/2031G)
	143308993	Amiantit Epoxy Pipes Factory	19/07/1434H (Corresponding to 29/05/2013G)	17	29/07/1443H (Corresponding to 03/03/2022G)	28/07/1453H (Corresponding to 14/11/2031G)
	143309181	PWT Saudi Company	19/07/1434H (Corresponding to 29/05/2013G)	37	07/08/1443H (Corresponding to 10/03/2022G)	06/08/1453H (Corresponding to 21/11/2031G)
	1437001826	Thamer bin Sulaiman bin Ali Al-Mothen	26/01/1437H (Corresponding to 08/11/2015G)	37	23/01/1437H (Corresponding to 05/11/2015G)	25/01/1447H (Corresponding to 20/07/2025G)
	1437015744	Saudi Arabian Ameron Co. Ltd.	20/10/1437H (Corresponding to 25/07/2016G)	19	11/07/1437H (Corresponding to 18/04/2016G)	10/07/1447H (Corresponding to 30/12/2025G)

Source: The Company

* Category (37): Specializes in building construction services, roads, bridges, dams, painting and plumbing works, repair and maintenance, installation and assembly services, and construction tools and materials rental services.

** Category (17): Specializes in rubber, guatapercha, gum, asbestos, mica, and products made from these materials and not included in other categories, extruded plastic materials

for use in manufacturing, packaging, filling, and insulation materials, flexible non-metallic tubes and tubes.

*** Category (6): specializes in non-precious metals and all their mixtures, metal building materials, metal mobile buildings, metal materials for railway lines, non-electrical ropes and wires from non-precious metals, blacksmithing articles, small metal hardware, metal pipes and tubes, Safes for storing money, documents and valuables, products made of non-precious metals not included in other categories, metal raw materials, ordinary nails, and anything related to the manufacture of locks.

**** Category (19): Specializes in (building construction services, roads, bridges, dams, painting and plumbing works, repair and maintenance, installation and assembly services, and construction tools and materials rental services).

***** Category (42): Specializes in scientific and technical services and related research and design services, industrial analysis and research services, design and development services for computer hardware and software, legal services.

The company is committed to registering its Internet website (domain) (www.amiantit.com.sa), as it registered the domain with the Communications and Information Technology Commission - the Saudi Network Information Center, according to a certificate issued by (Sahara Net Company) on 15/12/1999G. Which expires 30/12/2023G, and therefore the company has secured its protection and prevented its violation and use by others, who may resort to adding only one phrase (.sa).

9-15 Insurance

The company, its branches and subsidiaries have a number of insurance policies to ward off some risks and preserve its assets and property, including the following:

Employees' Health Insurance

The company has a health insurance contract for its employees and their families with Bupa Arabia for Cooperative Insurance, which is a company licensed to operate in the Kingdom under insurance agreement No. (29601600). The coverage extends from 01/01/2023G until 31/12/2026G. This policy covers health care through the network of service providers appointed by the company, provided that the case is covered by insurance coverage. The coverage includes all employees who are actually on the job and are eligible for insurance as of the effective date of the policy. As for employees who join the company later, they are considered eligible for insurance from the date they join work. The Cooperative Health Insurance Council and the committee formed by a decision of the Chairman of the Council to look into violations of the provisions of the Cooperative Health Insurance System shall be competent to settle all disputes and disputes arising or related to this document in accordance with Clause (14) of the aforementioned law and shall cover (2,137) employees.

Company's properties health insurance

The company has an all-risk insurance policy signed with the Saudi Arabian Cooperative Insurance Company (SAICO) under the number (P/102/22/1003/2023/101/11), which includes the parent company and its subsidiaries. This policy is effective from 01/03/2023G until 29/02/2024AD, which includes material damages to all properties owned by the group. The insurance value amounted to (2,656,701.62) Saudi riyals.

Compulsory motor insurance:

- A. An insurance policy for vehicles owned by the parent Company with Alinma Tokio Marine Company, a company licensed to operate in the Kingdom, was reviewed under a vehicle insurance policy No. P/10312/31/13110/2023/00050) and is valid from 01/03/2023G until 29/02/2024G. The coverage extends to compensating the insured company for loss or damage to the insured vehicle and the spare parts installed in it. The insurance value amounted to (10,000,000) riyals, and it includes (64) vehicles and (5) vehicles belonging to subsidiary companies (two vehicles for Bondstrand Ltd., two vehicles for Ameron Saudi Arabia Ltd., and one vehicle for the Arab Company Sucoob)
- B. A motor insurance policy owned by the subsidiary company Amiantit Fiberglass Manufacturing Co., Ltd. with Alinma Tokio Marine Company, a company licensed to operate in the Kingdom, was reviewed under a motor insurance policy No. (P/10312/31/13110/2023/00052), which is valid from 01/03/2023 until 29/02/2024G. The coverage extends to compensating the insured company for loss or damage to the insured vehicles and their spare parts. The insurance value amounted to (10,000,000) riyals, and it covers 17 vehicles.
- C. A motor insurance policy owned by the subsidiary company Saudi Arabian Ductile Iron Pipes Manufacturing Company with Alinma Tokio Marine Company, a company licensed to operate in the Kingdom, was viewed under a vehicle insurance policy No. (P/10312/31/13110/2023/000051). It is valid from 01/03/2023G until the date of 29/02/2024G. The coverage extends to compensating the insured company for loss or damage to the insured vehicles and spare parts installed in them. The value of the insurance amounted to (10,000,000) riyals, and it covers (7) vehicles.
- D. A motor insurance policy owned by the subsidiary company, Engineering Infrastructure Contracting Co., Ltd. with Alinma Tokio Marine Company, a company licensed to operate in the Kingdom under the motor insurance policy No. (P/10312/31/13110/2023/00053), which is Valid from 01/03/2023 until 29/02/2024G. The coverage extends to compensating the insured company for loss or damage to the insured vehicles and their spare parts. The insurance value amounted to (10,000,000) riyals, and it covers (12) vehicles.

- It should be noted that the company (Saudi Arabian Amiantit Company) owns (59) vehicles, according to a report issued by the Ministry of Interior - (Tamm platform) dated 11/05/2023G, which shows the insured vehicles and includes details about the type and model of the vehicle, plate number, name and ID number. the user. According to the report, it was found that (58) of the vehicles were not insured and only one (1) vehicle was insured.
- **It should be** noted that the company (Saudi Arabian Amiantit Fiberglass Manufacturing Company) owns (17) vehicles, according to a report issued by the Ministry of Interior - (Tamm platform) dated 11/05/2023G, which shows the insured vehicles and includes details about the vehicle type, model, plate number, and name. and the user ID number. According to the report, all vehicles are insured.
- It should be noted that the company (Infrastructure Engineering Contracting Company) owns (12) vehicles, according to a report issued by the Ministry of Interior - (Tamm platform) dated 11/05/2023 G, which shows the insured vehicles and includes details about the type and model of the vehicle, plate number, name and number and User ID. According to the report, all vehicles are insured.
- It should be noted that the company (Saudi Arabian Company for the Manufacture of New Ductile Pipes) owns (9) vehicles, according to a report issued by the Ministry of Interior - (Tamm platform) dated 11/05/2023G, which shows the insured vehicles and includes details about the vehicle type, model, and plate number, and user’s name and ID number. According to the report, (7) insured vehicles and (2) uninsured vehicles were found.

9-16 Disputes and Lawsuits

As of the date of publication of this Prospectus, the Company and its subsidiaries are not a party to any lawsuit, complaint, claim, arbitration, administrative proceeding or investigation existing or likely to be instituted that would, collectively or individually, have a material impact on the Company’s business or condition. The Company’s management has not been aware of the existence of any currently pending or potential substantive legal disputes or facts that could create, collectively or individually, an imminent risk related to a substantive dispute, up to the date of publication of this Prospectus, with the exception of the following:

Lawsuits filed by the company (Saudi Arabian Amiantit Company) and its subsidiaries in its capacity as a plaintiff:

	Client N.	Defendant	Claim subject	Claim date	Balance	Status	Judgements	Court	Next Session	Content of the ruling
1	32951	Petroleum, Chemical and Mining Company	Financial Claim	15/11/1441H (corresponding to 06/07/2020G)	52,733,610	Implementation 46	Commercial paper + judgment + letter from the Royal Commission	Dammam Execution Court	NA	scheduled
2	40000	FBS International General Trading and Contracting Company.	Financial Claim	18/08/1437H (corresponding to 25/25/2016G)	36,548,102	Enforcement outside the Kingdom/ Kuwait	final verdict	Kuwait	NA	scheduled
3	20095	Ali Al Aswad Group Holding Company for Trading and Contracting Ltd.	Financial Claim	10/04/1435H (corresponding to 11/03/2014)	29,480,822	Implementation 46	final verdict	Makkah Commercial Court	NA	scheduled
4	22933	Al Suwaih Company	Financial Claim	16/05/1438H (corresponding to 13/02/2017G)	28,827,018	Implementation 46	final verdict	Riyadh Commercial Court	NA	scheduled
5	21682	Al-Thara Taiba Trading and Contracting Co. Ltd.	Financial Claim	3/8/03/08/1436H (corresponding to 21/05/2015G)	27,278,918	Implementation 46	final verdict	Madinah Commercial Court	NA	scheduled
6	20019	Bin Sammar Contracting Company	Financial Claim	05/06/1440H (corresponding to 10/02/2019G)	22,487,495	Financial organization	final verdict	Jeddah Commercial Court	NA	scheduled
7	20056	Yahya Omar Abdel Moati and Partner Company for Maintenance, Operation and Contracting Ltd	Financial Claim	17/07/1437H (corresponding to 24/04/2016G)	26,481,351	Implementation 46	final verdict	Makkah Commercial Court	NA	scheduled
8	22093	Hussein Abdul Latif Mohammed Ali Mahmoud, owner of the Hassan Abdul Latif Foundation	Financial Claim	11/09/1437H (corresponding to 16/06/2016G)	25,000,000	Implementation 46	final verdict	Makkah Commercial Court	NA	scheduled
9	22341	Nama Al Omran Contracting Est	Financial Claim	08/08/1437H (corresponding to 05/15/2016G)	10,720,052	Implementation 46	final verdict	Abha Commercial Court	NA	scheduled

	Client N.	Defendant	Claim subject	Claim date	Balance	Status	Judgements	Court	Next Session	Content of the ruling
10	50010	Azmeel Contracting Company	Financial Claim	28/12/1440H (corresponding to 29/08/2019G)	10,139,217	Financial regulation	final verdict	Dammam Execution Court	NA	scheduled
11	20023	Huta Marine Works Co., Ltd.	Financial Claim	05/11/1439H (corresponding to 18/07/2018G)	7,428,166.40	Financial regulation	final verdict	Jeddah commercial court	NA	scheduled
12	20015	Arabian Gulf Contracting and Maintenance Company	Financial Claim	17/01/1435H (corresponding to 20/11/2013G)	7,168,944	Implementation 46	Final ruling	Riyadh commercial court	NA	scheduled
13	21896	Al Madaen Contracting Co. Ltd.	Financial Claim	08/05/1435H (corresponding to 09/03/2014G)	4,919,014	Implementation 46	Final ruling	Makkah Commercial Court	NA	scheduled
14	20520	Al Awalat Company for Industry and Construction Ltd.	Financial Claim	15/04/1441H (corresponding to 15/04/2019G)	3,785,989	Implementation 46	Final ruling	Riyadh Commercial Court	NA	scheduled
15	20092	Karmali Contracting Company Ltd.	Financial Claim	16/03/1437H (corresponding to 27/12/2015G)	3,701,871	Implementation 46	Final ruling - commercial paper	Jeddah commercial court	NA	scheduled
16	30034	Al Sharqiah Trading and Contracting Company	Financial Claim	24/06/1439H (corresponding to 12/03/2018G)	3,284,086	Financial regulation	Final ruling	Dammam Execution Court	NA	scheduled
17	11176	Abdulaziz Mohammed Nasser Al-Kanaan, owner of the Abdulaziz Mohammed Al-Kanaan Foundation	Financial Claim	18/08/1437H (corresponding to 25/05/2016G)	3,242,291	Implementation 46	Final ruling	Riyadh Commercial Court	NA	scheduled
18	22700	accreditation foundation	Financial Claim	20/07/1441H (corresponding to 15/03/2020G)	3,019,442	Implementation 46	Commercial paper (Promissory note)	Madinah execution court	NA	scheduled
19	10984	Rawabet Technology Contracting Company	Financial Claim	12/03/1439H (corresponding to 30/11/2017G)	2,927,690	Implementation 46	Commercial paper (Promissory note)	Riyadh Execution Court	NA	scheduled
20	22137	Takween Hadeeth Est.	Financial Claim	23/12/1438H (corresponding to 14/09/2017G)	2,877,342	Implementation 46	Commercial paper (Promissory note)	Jeddah Execution Court	NA	scheduled
21	21649	Al Harbi Trading and Contracting Company	Financial Claim	19/11/1440H (corresponding to 22/07/2019G)	2,714,439	Financial regulation	Final ruling	Riyadh commercial court	NA	scheduled
22	23502	High-end expertise company	Financial Claim	12/04/1441H (corresponding to 09/12/2019G)	2,589,587	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	scheduled
23	23195	Qutoof Kingdom Trading and Contracting Company	Financial Claim	28/01/1440H (corresponding to 29/10/2016G)	2,211,499	Implementation 46	Executive reconciliation instrument	Riyadh Execution Court	NA	
24	22648	Roa'a Executing Company	Financial Claim	08/10/1441H (corresponding to 31/05/2020G)	2,206,461	Implementation 46	Final ruling	Jeddah commercial court	NA	
25	11997	Mohammed Al Ali Al Swailem Trading Company	Financial Claim	01/06/1441H (corresponding to 26/01/2020G)	2,012,143	Implementation 46	Commercial paper (Promissory note)	Riyadh Execution Court	NA	
26	23317	Kinda Generations General Contracting Est Owned by Abdullah Mubarak Al-Sayari	Financial Claim	23/05/1440H (corresponding to 29/01/2019G)	1,984,627	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	
27	23261	Othman Abdel Aziz Othman Saqr, owner of Mufida Pipes Establishment	Financial Claim	03/02/1441H (corresponding to 02/10/2019G)	1,919,084	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	
28	23442	Road Support Corporation	Financial Claim	13/12/1441H (corresponding to 02/08/2020G)	1,906,016	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	

	Client N.	Defendant	Claim subject	Claim date	Balance	Status	Judgements	Court	Next Session	Content of the ruling
29	20094	International Contracting Complex Company	Financial Claim	06/09/1439H (corresponding to 21/05/2018G)	1,844,877	Implementation 46	Final ruling	Riyadh commercial court	NA	
30	23076	Awtad Al-Janoub General Contracting Establishment, owned by Hashan Rashed Hamad Hashan Al-Munajem	Financial Claim	14/04/1439H (corresponding to 01/01/2018G)	1,805,022	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	
31	11610	Al Thanadi Contracting Est	Financial Claim	1440/05/28H	1,747,475	Implementation 46	Final ruling	Riyadh commercial court	NA	
32	10668	Gulf Birds Est	Financial Claim	25/02/1439H (corresponding to 02/01/2019G)	1,700,632	Implementation 46	Final ruling	Riyadh commercial court	NA	
33	32130	Al-Khafji Construction, Construction and Industrial Services Company Limited	Financial Claim	14/02/1424H (corresponding to 14/01/2013G)	1,608,404	Implementation 46	Final ruling	Dammam Administrative Court	NA	
34	23035	Asr Alkawn Est., owned by Bandar bin Awad bin Eid Al-Harbi	Financial Claim	15/07/1439H (corresponding to 01/01/2018G)	1,591,980	Implementation 46	Final ruling	Makkah Commercial Court	NA	
35	22694	Saudi Thermo Company	Financial Claim		1,577,760	Enforcement outside the Kingdom/ UAE	Final ruling	Emirates	NA	
36	23315	Muthamra Towers Est	Financial Claim	11/07/1440H (corresponding to 18/03/2019G)	1,272,894	Implementation 46	Commercial paper (Promissory note)	Madinah Execution Court	NA	
38	23310	Advanced Industrial Company	Financial Claim	11/05/1440H (corresponding to 17/01/2019G)	1,250,000	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	
39	32253	Haider Saleh Al Haider Company	Financial Claim	19/11/1442H (corresponding to 29/06/2021G)	1,200,576	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	
40	22847	Al-Madar Al-Rafia General Contracting Est	Financial Claim	05/05/1442H (corresponding to 20/12/2020G)	1,200,000	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	
41	21275	Civil and Mechanical Electrical Projects Company	Financial Claim	10/02/1439H (corresponding to 30/10/2017G)	886,735	Implementation 46	Commercial paper (Promissory note)	Jeddah Execution Court	NA	
42	30006	Abdullah Abdul Mohsen Al-Khudari and Sons Company for Trading and Contracting	Financial Claim	01/06/1441H (corresponding to 26/01/2020G)	837,484	Implementation 46	Final ruling	Dammam Execution Court	NA	
43	21142	Saudi Oger Company Limited	Financial Claim	09/11/1438H (corresponding to 01/08/2017G)	808,040	Implementation 46	Final ruling	Jeddah commercial court	NA	
44	31066	Abdulaziz Fahd Al-Huraish Contracting Est	Financial Claim	30/03/1437H (corresponding to 10/01/2016G)	755,614	Implementation 46	Final ruling	Dammam Execution Court	NA	
45	22564	Facilities Development Company	Financial Claim	08/10/1441H (corresponding to 31/05/2020G)	801,115	Implementation 46	Final ruling	Jeddah commercial court	NA	
46	22961	The National Company for Water Treatment and Pollution (AMCO Saudi Arabia)	Financial Claim	09/02/1440H (corresponding to 09/03/2020G)	795,230	Implementation 46	Final ruling	Jeddah commercial court	NA	
47	11741	Masar Al-Qimma Contracting Est., owned by Saud Barman Saud Al-Dosari	Financial Claim	18/0016/1441H (corresponding to 17/09/20219)	742,740	Implementation 46	Commercial paper (Promissory note)	Riyadh Execution Court	NA	

	Client N.	Defendant	Claim subject	Claim date	Balance	Status	Judgements	Court	Next Session	Content of the ruling
48	12487	Obaid Ali Al Salami Contracting Establishment branch	Financial Claim	21/04/1439H (corresponding to 08/01/2018G)	720,060	Financial regulation	Final ruling	Riyadh commercial court	NA	
49	11967	Abdullah Mohammed Suleiman Al-Mughair, owner of the Abdullah bin Mohammed Al-Mughair Est.	Financial Claim	17/08/1437H (corresponding to 24/05/2017G)	668,757	Implementation 46	Final ruling	Riyadh commercial court	NA	
50	21767	Al-Fal Company for Industrial and Mechanical Equipment (Al-Madudi - Hawala Haq)	Financial Claim	23/06/1441H (corresponding to 17/02/2020G)	668,409	Implementation 46	Final ruling	Jeddah Execution Court	NA	
51	10480	Al Namal Business Company	Financial Claim	29/11/1437H (corresponding to 01/09/2016G)	650,035	Implementation 46	Final ruling	Riyadh commercial court	NA	
52	10021	Saudi Oger Company	Financial Claim	09/11/1438H (corresponding to 01/08/2017G)	594,000	Implementation 46	Final ruling	Riyadh commercial court	NA	
53	33344	Basem Issa Al-Hamoud Foundation	Financial Claim	08/11/1434H (corresponding to 22/08/2015G)	592,580	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	
55	22764	Al-Hatan Al-Awal Trading Establishment	Financial Claim	05/07/1440H (corresponding to 12/02/2019G)	566,926	Implementation 46	Final ruling	Commercial Court in Abha	NA	
56	12618	United Star Contracting Company	Financial Claim	20/04/1438H (corresponding to 18/01/2017G)	539,801	Implementation 46	Final ruling	Riyadh Commercial court	NA	
57	22308	Mohammed Saeed Al-Azabi Est.	Financial Claim	22/02/1441H (corresponding to 21/10/2019G)	521,638	Under implementation	Final ruling	Riyadh commercial court	NA	
58	22642	Hussein bin Ali Al Salem, owner of Kawader Al Watan General Contracting Group	Financial Claim	29/05/1440H (corresponding to 04/02/2019G)	474,774	Implementation 46	Final ruling	Dammam Execution Court	NA	
59	23060	World Forum for Trade and Contracting	Financial Claim	09/11/1438H (corresponding to 01/08/2017G)	400,000	Implementation 46	Final ruling	Jeddah commercial court	NA	
60	20075	Construction and Architecture Contracting Company (CONAR)	Financial Claim	21/08/1442H (corresponding to 02/04/2021G)	396,006	Implementation 46	Final ruling	Abha commercial court	NA	
61	11764	Energy Projects and Operations Contracting Company (DINGO)	Financial Claim	23/07/1442H (corresponding to 07/03/2021G)	362,646	Implementation 46	Final ruling	Riyadh commercial court	NA	
62	23175	Mukhalis Est.	Financial Claim	07/03/1440H (corresponding to 16/10/2018G)	357,041	Implementation 46	Commercial paper (Promissory note)	Jeddah Execution Court	NA	
63	10115	Thalab Mohammed Al-Subaie Contracting Est	Financial Claim	25/04/1431H (corresponding to 10/04/2010G)	258,000	Implementation 46	Final ruling	Riyadh commercial court	NA	
64	30538	Saudi Technip Company	Financial Claim	20/10/1441H (corresponding to 12/06/2020G)	250,381	Implementation 46	Final ruling	Dammam Execution Court	NA	
65	10717	Al-Mashrabiya Contracting Company	Financial Claim	23/11/1439H (corresponding to 05/08/2018G)	244,746	Implementation 46	Final ruling	Riyadh commercial court	NA	

	Client N.	Defendant	Claim subject	Claim date	Balance	Status	Judgements	Court	Next Session	Content of the ruling
66	32348	Pipe extension factory and equipment company	Financial Claim	23/07/1439H (corresponding to 09/04/2018G)	211,825	Implementation 46	Commercial paper	Dammam Execution Court	NA	
67	22277	Al Ramz United Contracting Company	Financial Claim	12/10/1442H (corresponding to 24/05/2021G)	203,387	Implementation 46	Final ruling	Riyadh commercial court	NA	
68	20861	Bin Dubai Trading and Contracting Company Limited	Financial Claim	10/05/1441H (corresponding to 05/01/2020G)	186,365	Implementation 46	Commercial paper (Promissory note)	Jeddah Execution Court	NA	
69	13314	Ghazai Deif Allah Ghazai Al-Harbi	Financial Claim	26/09/1438H (corresponding to 21/06/2017G)	165,000	Implementation 46	Cheque	Enforcement Court in Al-Rass Governorate	NA	
70	12383	Pan Arab Contracting Company	Financial Claim	11/04/1441 AH (corresponding to 08/12/2019G)	150,000	Implementation 46	Commercial paper (Promissory note)	Enforcement Execution Court in the city of Unayzah	NA	
71	10276	Comoros Contracting Corporation, owned by Falah Hashash Al-Otaibi	Financial Claim	28/04/1439H (corresponding to 15/01/2018G)	104,560	Implementation 46	Final ruling	Riyadh commercial court	NA	
72	34288	Ahmed Khaled Al-Saeed Contracting Est	Financial Claim	23/02/1441H (corresponding to 22/10/2019G)	93,970	Implementation 46	Commercial paper (Promissory note)	Dammam Execution Court	NA	
Total					361,402,761,4					

Source: The Company

The Company has set a provision for receivables under legal procedures in the amount of (157,682,369) Saudi riyals. It includes all legal procedures inside and outside the Kingdom of Saudi Arabia.

Lawsuits brought against the company as the defendant.

	Client N.	Defendant	Claim subject	Claim date	Balance	Status	Judgements	Court	Next Session	Content of the ruling
1	Sidr Services Company	Branch of Saudi Arabian Amiantit Company	Financial	13/01/1442H (corresponding to 01/09/2020G)	54,000	Not enforced yet - negotiations with the client	Final ruling	Court of Appeal in Jeddah	NA	Mandatory
2	Agras Al Sharqiya Est. for Operation and Maintenance	Saudi Arabian Amiantit Company	Financial	19/04/1444H (corresponding to 13/11/2022G)	162,992	Pleading	Not issued	Dammam commercial court	NA	Not issued
3	Nasser Buhamed Office for Commercial Services	Saudi Arabian Amiantit Company	Financial	20/03/1445H (corresponding to 05/10/2023G)	188,750	Pleading	Not issued	Dammam commercial court	NA	Not issued
Total					405,742					

Source: The Company

9-17 The material information that has changed since the Authority's approval of the last share issue prospectus

The last prospectus was issued on 07/05/1444H (corresponding to 01/12/2022G), where the company offered thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares at an offering price of ten (10) Saudi riyals per share by issuing shares. Priority rights with a total value of three hundred and forty-six million five hundred thousand (364,500,000) Saudi riyals, representing a percentage of (350%) of the capital. The most important material information that has changed since the Authority approved the last share issuance prospectus is:

1. Articles of Association: The company amended its articles of association in line with the amendments that occurred with the issuance of the Companies Law by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G) based on the decision of the Extraordinary General Assembly held on 21/ 10/1444H (corresponding to 11/05/2023G), which was approved by the Ministry of Commerce (Operations Department) on 14/01/1445H (corresponding to 01/08/2023G).
2. Accumulated losses: Decrease in accumulated losses from (42.12%) announced in the preliminary financial results for the period ending on 30/09/2022G to (34.91%) of the paid-up capital amounting to ninety-nine million (99,000,000) Saudi riyals according to the annual financial results ending on 31/12/2022G.
3. Accumulated losses decreased to (33.03%) of the capital according to the preliminary financial results for the period ending on 31/03/2023.
4. Accumulated losses increased to (43.21%) of the capital according to the preliminary financial results for the period ending on 30/06/2023.
5. Accumulated losses increased to (174.63%) of the capital according to the preliminary financial results for the period ending on 30/09/2023.
6. Senior Management: An amendment was made to the position of Director General of Support Services so that it is filled by Mr. Omar Zain Al-Abidin bin Muhammad Hakim instead of Mr. Ahmed Muhammad Qadam.
7. Zakat status: A decision was issued by the First Appellate Chamber for Income Tax Violations and Disputes on 02/03/1445H (corresponding to 17/09/2023G) accepting the request for reconsideration in form and rejecting it in substance with regard to the zakat assessment for the years 2015G to 2018G.
8. Use of the proceeds from the offering of rights shares for the year 2022G: The extraordinary general assembly held on 21/10/1444H (corresponding to 11/05/2023G) did not approve the offering of thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares through the issuance of rights shares. A priority with a total value of three hundred and forty-six million five hundred thousand (364,500,000) Saudi riyals, representing a percentage of (350%) of the capital, for which the last prospectus was issued.

9-18 Declarations of Board Members Relating to Legal Information

In addition to the other declarations referred to in this Prospectus, the members of the Board of Directors acknowledge That:

- A. The Rights Issue does not violate the relevant laws and regulations in the Kingdom of Saudi Arabia.
- B. The Rights Issue does not prejudice any of the contracts or agreements to which the Company is a party.
- C. All material legal information related to the Company and its subsidiaries has been disclosed in the prospectus.
- D. Unlike what was stated on page (329) in the sub-paragraph (9-16) «Disputes and lawsuits» from this section, the Issuer and its subsidiaries are not subject to any lawsuits or legal procedures that may affect its own or in general fundamentally in the Issuer's work or its affiliated companies or In their financial position.
- E. The Rights Issue does not violate the relevant laws and regulations in the Kingdom of Saudi Arabia.



10

Underwriter

10- Underwriter

10-1 Underwriters

Wasatah Capital Company (Wasatah Capital)

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wasatah capital
وساطة كابيتال



10-2 Summary of the Underwriting Agreement

According to the terms and conditions of the Underwriting Agreement

1. The Company undertakes to the Underwriter that, on the date of the allotment, it will issue and allocate to the Underwriter all the Right Issue Shares pledged to be underwritten in this Offering, which the Eligible Shareholders have not subscribed to, at the Offering Price.
2. The Underwriter undertakes to the Company that on the date of the allotment, it will purchase all the shares it pledged to underwrite in this Offering, which the Eligible Shareholders did not subscribe to, at the Offering Price.
3. The Underwriter shall receive a specific financial consideration in return for his undertaking to underwrite, which will be paid from the Offering Proceeds.
4. The Underwriter's obligation to purchase all remaining shares is subject to the provisions related to termination of the agreement, such as the occurrence of any force majeure as defined in the agreement, or failure to fulfill a number of preconditions in relation to the subscription.
5. The Company will provide a number of guarantees, declarations and pledges to the Underwriter.

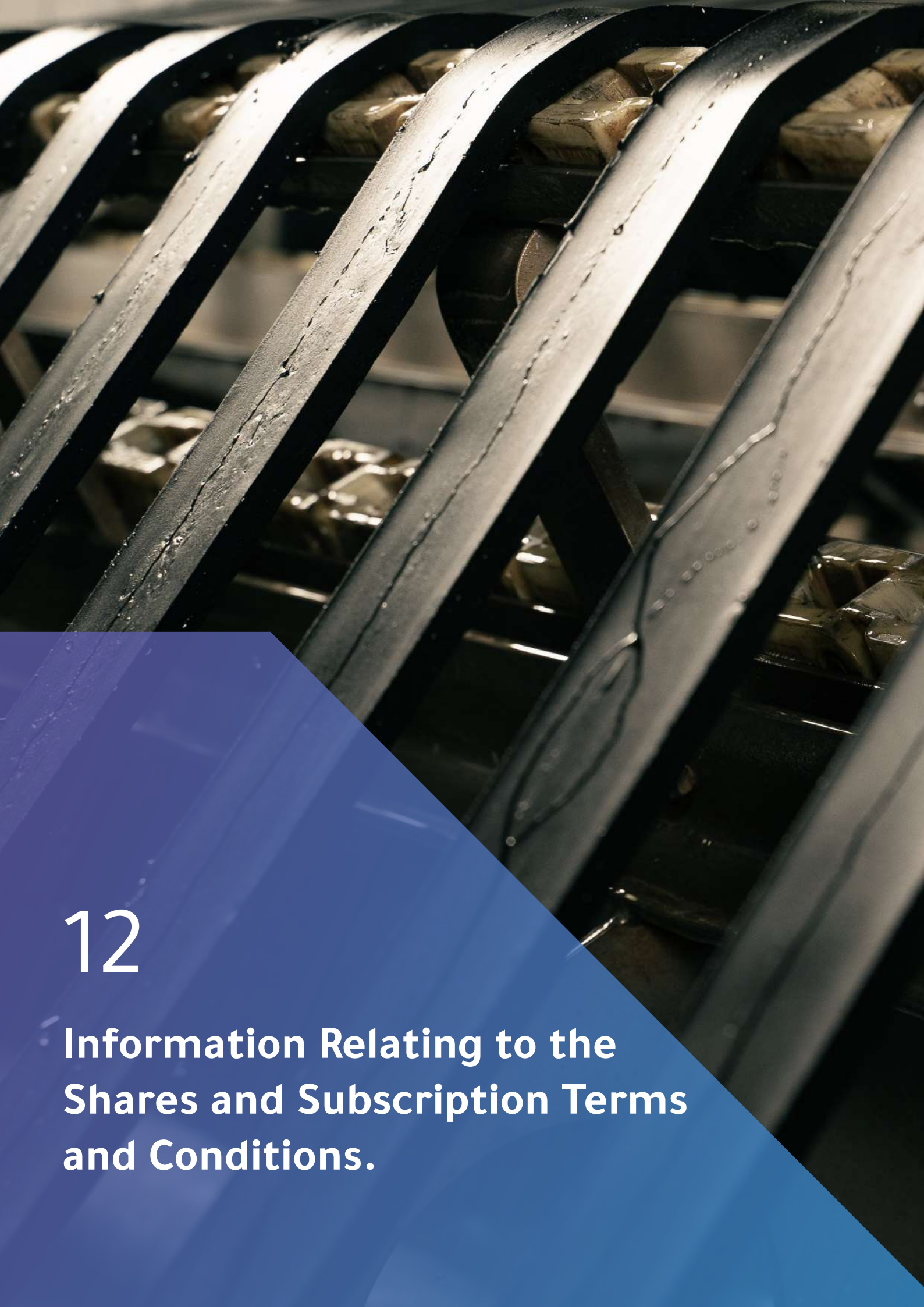


11

Waivers

11- Waivers

The Company has not obtained any waivers from any requirements from the Authority in connection with the Offering.



12

**Information Relating to the
Shares and Subscription Terms
and Conditions.**

12- Information Relating to the Shares and Subscription Terms and Conditions.

The Company has filed an application for the registration and offering of the new shares to the CMA and to the Saudi Tadawul Company (Tadawul) for listing the new shares. All the requirements were fulfilled in accordance with the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules.

All Eligible Shareholders and holders of acquired Rights must read the subscription terms and conditions carefully before electronic subscription, submission of the subscription application through a Broker, or filling out the Rump Offering application form. The submission of the subscription application or signing and delivery of the Rump Offering Subscription Application form constitutes acceptance of the mentioned terms and conditions.

12-1 The Offering

Under this Prospectus, thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares will be offered - through A Rights Issue - at a price representing 350% of the Company's capital before the capital increase, at an offer price of (10) ten Saudi Riyals per share, a nominal value of (10) ten Saudi Riyals, with a total Offering value of three hundred and forty-six million five hundred thousand (346,500,000) Riyals, and one share will be issued for every 3.5 shares owned, in order to increase the Company's capital from ninety-nine million (99,000,000) Saudi Riyals to four hundred and five Forty million five hundred thousand (445,500,000) Saudi Riyals.

12-2 How to Apply for Subscription to the Rights (New Shares)

The Registered Shareholders and those wishing to subscribe to the Rights shall submit the subscription application during the Offering Period through the investment portfolio on trading platforms through which sale and purchase orders are entered, in addition to the possibility of subscribing through any other means provided by the Broker and shares Custodian in the Kingdom during the Offering Period provided that the eligible person has an investment account with one of the brokers who provide these services, and that the data of the eligible person be up to date, and that no changes have occurred in the data or information of the eligible person (by deleting or adding a member of his family) since he subscribed to a recent offering, unless these amendments have been communicated to the brokers and approved by them. If there is a Rump Offering Period, Subscription Application Forms can also be submitted during such a period by Institutional Investors for any Rump Shares only.

By subscribing, the subscriber:

- Agrees to subscribe for the Company's shares in the number of such shares specified in the Subscription Application Form.
- Declares that they have read the Prospectus and understood all of its contents.
- Accepts the Company's Bylaws and the terms mentioned in the Prospectus.
- Declares that it has not subscribed for the same shares under this offering and the Company has the right to reject all of their applications if it is proven that they submitted more than one application.
- Accepts the number of shares allocated thereto and all other subscription instructions and terms mentioned in the Prospectus and the Subscription Application Form.
- Warrants not to cancel or amend the Subscription Application Form after submitting it to the Broker

12-3 Subscription Application

The Registered Shareholders wishing to exercise their full right and subscribe to all entitled Rights shall subscribe through the investment portfolio on trading platforms through which sale and purchase orders are entered, or through any other means provided by the Broker and shares Custodian.

The number of shares entitled to an Eligible Person will be calculated based on the number of Rights held thereby. The subscription monies that the subscriber must pay are calculated by multiplying the number of existing Rights owned prior to closing of the Subscription Period by ten (10) Saudi Riyals.

12-4 Trading Period, Subscription Period and Rump Offering Period

The Eligible Shareholders wishing to subscribe to the Rights shall submit the subscription application during the Subscription Period, which begins on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and ends on Sunday 29/08/1445H (corresponding to 10/03/2024G), during the period from ten (10:00) a.m. until three o'clock (2:00) p.m.

Eligible shareholders and those wishing to subscribe to the Rights Issue shares must submit the Subscription Application during the Subscription Period, which begins on Tuesday 17/08/1445H (corresponding to 27/02/2024G) and ends on Tuesday 24/08/1445H (corresponding to 05/03/2024G), during the period from ten (10:00) a.m. until three o'clock (3:00) p.m.

The Extraordinary General Assembly held on Tuesday 10/08/1445H (Corresponding to 20/02/2024G) approved the Board of Directors' recommendation to increase the Company's capital through a Rights Issue. Under this Prospectus, Thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares will be offered for subscription in the Rights Issue, representing (350%) of the Company's share capital prior to the Offering, at an Offer Price of ten (10) Saudi riyals per share, and nominal value of ten (10) Saudi Riyals per share, with a total Offering value of Three hundred and forty-six million five hundred thousand (346,500,000) Saudi Riyals. The new shares will be issued with at (1) share for each Right to shareholders. Subscription to the rights offered to the shareholders registered in the Company's shareholders register as of the close of the second trading day following the date of the EGM on Tuesday 10/08/1445H (Corresponding to 20/02/2024G), and for eligible persons who have purchased the Rights during the Trading Period, including registered shareholders who have purchased additional Rights in addition to the Rights they already own.

If Eligible Persons have not exercised the Rights by the end of the Offering Period, the Rump shares resulting from non-exercise or sale of those Rights will be offered to Institutional Investors in the Rump Offering Period.

Registered Shareholders will be able to trade the Rights deposited in their portfolios via the Saudi Tadawul Company (Tadawul). These Rights are considered to be the acquired right of all shareholders registered in the Company's shareholders register as of the close of the second trading day following the date of the EGM on capital increase. Each Right grants its holder eligibility to subscribe for one new share at the Offer Price. The Rights will be deposited after the EGM. The Rights will appear in the portfolios of the Registered Shareholders under a new symbol specifying the Rights Issue. Then, Registered Shareholders will be informed of the deposit of the Rights in their portfolios.

The schedule for the sequence and details of the Offering process of the rights shares will be as follows:

1. Eligibility Date: End of trading on the day of the EGM on Tuesday 10/08/1445H (Corresponding to 20/02/2024G).
2. Trading and Subscription Phase: Trading and Subscription period begins three (3) working days after approval of the Extraordinary General Assembly, including the approval of the capital increase, on Tuesday 17/08/1445H (Corresponding to 27/02/2024G) provided that the trading period ends on Tuesday 24/08/1445H (corresponding to 05/03/2024G) and the subscription period continues until the end of Sunday 29/08/1445H (corresponding to 10/03/2024G).
3. The Rump Offering Period: it starts from 10:00 a.m. on Wednesday 03/09/1445H (Corresponding to 13/03/2024G) until the following day at 5:00 p.m. on Thursday 04/09/1445H (Corresponding to 14/03/2024G). During this period, the remaining shares will be offered to a number of Institutional Investors (**«Investment Institutions»**), provided that such Investment Institutions shall submit offers to purchase the Rump shares. The Rump shares shall be allocated to Institutional Investors with the highest offer first, then to the next one, provided that the allocation of those shares to Institutional Investors submitting the same offer will be on pro-rata basis. Fractional shares shall be added to the Rump shares and treated in the same way. The subscription price of the new unsubscribed shares for this period will be offered at the Offer Price, as the minimum price. In case the sale price of such shares is higher than the Offer Price, the difference (if any) shall be distributed as compensation to the Rights holders who did not exercise their rights in the subscription in proportion to their respective rights.
4. Final Allocation of Shares: Shares will be allocated to each investor based on the number of Rights properly and fully exercised by them. As for those entitled to fractional shares, fractional shares will be collected and offered to Institutional Investors during the Rump offering period. The total Offer Price of the Rump shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump Shares and fractional shares, without any charges or deductions, (in excess of Offer Price) shall be distributed to the Eligible Persons no later than Thursday 09/10/1445H (Corresponding to 18/04/2024G).
5. Trading of the New Shares on the Exchange: Trading in the new shares will start on Tadawul upon the completion of all procedures relating to the registration, and allocation of the new shares. Provided that the time period between the end of subscription for the rights and the deposit of shares in the shareholders' portfolios is 9 working days.

The Company applied to the CMA to register and offer the new shares, and the Company has also applied to the Saudi Tadawul Company (Tadawul) to accept its listing.

12-5 Eligible persons not participating in the subscription for new shares

Registered shareholders who do not subscribe fully or partially to the new shares will be subject to loss and a decrease in their percentage of ownership in the Company, in addition to a decrease in the value of the shares they currently own, while registered shareholders who have not exercised their rights to subscribe will retain the same number of shares that they owned before the capital increase.

Eligible persons who are not participating in the subscription for the new shares will not receive any advantages or benefits in exchange for the rights shares owed by them, except for them receiving cash compensation from the proceeds of selling the shares in the Rump Offering, each according to what he is entitled to. It is worth noting here that if the Institutional Investors offer to purchase the remaining shares at the offering price only, or if these institutions do not subscribe to the Rump Offering, and thus the Underwriter purchases the remaining shares at the offering price, eligible persons not participating in the subscription will not receive any compensation for the rights in the new shares that they did not exercise. If the remaining shares are sold to Institutional Investors at a price higher than the offering price, the compensation amount will be determined for eligible persons who did not participate in subscribing to the new shares, in whole or in part, according to the following equation:

The compensation amount for each unsubscribed share = (total Rump Offering proceeds - total Rump Offering price)/number of unsubscribed shares.

12-6 Allocations and Refund

The Company and the Lead Manager will open an Escrow Account in which the proceeds will be deposited.

Rights issue shares shall be allocated to the Eligible Persons based upon the number of Rights that they properly and fully exercised. As for Shareholders entitled to fractional shares, these shall be accrued and added to the Rump Offering and offered to Institutional Investors during the Rump Offering Period. The total offer price of the of Rump shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump shares and fractional shares (in excess of offer price) shall be distributed to the Eligible Persons not later than Thursday 09/10/1445H (Corresponding to 18/04/2024G). In the event that shares remain unsubscribed after that, the underwriters will purchase those new remaining shares and they will be allocated to him at the offering price of ten (SAR 10) per share. The total offering price of the remaining shares will be paid to the Company, and the remaining proceeds from the sale of the remaining shares and fractional shares (in excess of the offering price) will be distributed to the entitled parties each according to what they are entitled to, no later than Thursday 09/10/1445H (corresponding to 18/04/2024G).

Final notice for the number of shares allocated to each Eligible Person without any charges or withholdings by the Lead Manager is expected to take place by depositing the shares into the accounts of subscribers. Eligible Persons shall contact the Broker through which the application is submitted for further information. The results of the allocation will be announced no later than on Tuesday 09/09/1445H (Corresponding to 19/03/2023G).

Oversubscriptions (remaining proceeds from the Offering process exceeding the Offering Price) (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, if any, without any deductions, no later than Thursday 09/10/1445H (Corresponding to 18/04/2024G). The amounts will be deposited in the bank accounts of the eligible persons who did not exercise their right to subscribe for the new shares and those entitled to the fractions.

12-7 Supplementary Prospectus

The Company must submit to the Authority a Supplementary Prospectus, in accordance with the requirements of Article (49) of the Rules on the Offer 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 Prospectus.

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.

12-8 Suspension or cancellation of the

The Capital Market Authority may at any time issue a decision to suspend the Offering if it deems that the Offering may result in a breach of the Capital Market Law, its Implementing Regulations, or the market rules, or if the Offering is cancelled if the Extraordinary General Assembly does not approve any of the details of the Offering.

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 through issuance of new shares. They are acquired rights for all Registered Shareholders who own shares at the end of the day of the EGM 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.

To whom Rights are granted?

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 EGM.

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 will appear 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?

They are notified through an announcement on the Tadawul website and through Tadawulaty Service provided by the Depository Center and SMS's sent through intermediaries/brokers.

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 EGM.

What is the Rights Issue eligibility factor?

It is the ratio that permits the Registered Shareholders to know how many Rights they are entitled to in relation to the Shares that they already owned on the second trading day after the EGM. 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 (3.5) right for each one (1) 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 three thousand and five hundred (3500) 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 value upon commencement of trading?

The Right opening price is the difference between the share closing price on the day preceding the Right listing, and the Offer Price. For example, (Indicative Value of the Right). 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 appears in the Company's Shareholders' Register at the end of the second trading day after the EGM.

Is it possible to subscribe more than once and through more than one broker?

Yes, it is possible, but it must be taken into account that the quantity of subscribed shares does not exceed the number of rights owned at the end of the rights trading period, as any increase in the quantity of subscribed shares over the number of rights owned at the end of the rights trading period will result in cancellation of the subscription application.

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 EGM and vote on increasing 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/her?

An Eligible Person cannot subscribe to more shares than the Rights owned by him/her.

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, for example if a shareholder owns (1000) shares: 800 shares in portfolio (a) and 200 shares in portfolio (b), then the total Rights which will be deposited (3,500) three thousand and five hundred Rights as each share is eligible for (3.5) Right. Therefore, 2800 Rights will be deposited in portfolio (a) and 700 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 Brokers or Depository Center Company (Edaa) and introducing the necessary documents, before the subscription period.

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 a subscriber subscribe for the Rights he/she purchased during the Rights Trading Period?

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

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

No, 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.

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 Company's 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 EGM day shall have the right to attend the EGM 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 Company'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 EGM.

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

Yes, as the investor will be registered in the Company 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 EGM), bearing in mind that Rights will be granted to all shareholders registered in the Company Shareholders Register at the end of trading session on the second trading day following the date of the EGM. However, he/she may not attend or vote in the EGM for the capital increase.

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

The investor's shares will be distributed to the portfolios owned by him/her, 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 periods?

Trading in and Subscription to the Rights shall commence at the same time after (3) three working days from the approval of the extraordinary general assembly, which includes the approval of the capital increase, 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 EGM subscribe for the Rights?

Yes, they can subscribe for the Rights after purchase of Rights during the Trading Period.

Will any other fees be added to rights trading transactions?

The same commissions will be applied to buying and selling transactions as they are for stocks, but without a minimum commission amount, provided that the upper limit does not exceed fifteen and a half basis points (0.155%) of the total transaction value.

If the new shares are subscribed to and the rights are then sold, what happens in this case?

If a registered shareholder subscribes and then sells his rights, and the number of rights, equivalent to the number of rights he subscribed for, is not purchased before the end of the trading period, the subscription application will be rejected completely if all rights are sold or partially for an amount equivalent to the rights sold. The registered shareholder will be notified, and the rejected subscription amount will be returned to him via the receiving entity.

Will any other fees be added to rights trades?

The same commissions will be applied to buying and selling transactions as they are for stocks, but without a minimum commission amount, provided that the upper limit does not exceed fifteen and a half basis points (0.155%) of the total transaction value.

If the new shares are subscribed to and the rights are then sold, what happens in this case?

If a registered shareholder subscribes and then sells his rights, and the number of rights, equivalent to the number of rights he subscribed for, is not purchased before the end of the trading period, the subscription application will be rejected completely if all rights are sold or partially for an amount equivalent to the rights sold. The registered shareholder will be notified, and the rejected subscription amount will be returned to him via the receiving entity.

Additional Assistance

In case of any inquiries, please contact the Company at e-mail: nfo@amiantit.com. For legal reasons, the Company will only be able to provide the information contained in this Prospectus and will not be able to advise on the merits of the rights issue or even provide financial, tax, legal or investment advice.

For more information on the terms and conditions of the subscription, please see Section (12) «**Information relating to the Shares and Subscription Terms and Conditions**» and the rest of the information contained in this Prospectus.

12-9 Decisions and approvals according to which shares will be offered

The Company's Board of Directors recommended in its resolution dated 28/02/1445H (corresponding to 13/09/2023G) to increase the Company's capital by offering rights shares with a value of three hundred and forty-six million five hundred (346,500,000) Saudi riyals in order to Finance the working capital and pay some banking obligations.

On Tuesday 10/08/1445H (corresponding to 20/02/2024G), the Company's Extraordinary General Assembly agreed to increase the Company's capital through the issuance of rights issue shares («**Offering**»). The Offering consists of thirty-four million six hundred and fifty thousand (34,650,000) new ordinary shares at an Offer Price of (10) ten Saudi riyals per share, and a nominal value of (10) ten Saudi riyals in order to increase the Company's capital from ninety-nine million (99,000,000) Saudi riyals to four hundred and forty five million and five hundred thousand (445,500,000) Saudi riyals.

The Saudi Stock Exchange (Tadawul) approved the application for listing the new shares on 11/04/1445H (corresponding to 26/10/2023G). It was also approved to publish this Prospectus and all supporting documents requested by the Authority on the date of its announcement on the Authority's website o 12/07/1445H (corresponding to 24/01/2024G).

12-10 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.

12-11 Statement of any arrangements in place to prevent disposal of certain shares

There are no arrangements in place to prevent disposal of any shares.

12-12 Restrictions on trading in priority rights.

There are no restrictions imposed on the trading of rights.



13

**Change in share price due to
capital Increase**

13- Change in share price due to capital Increase

The closing price of the Company's share on the day of the Extraordinary General Assembly, which includes approval of the capital increase, is (74) Saudi riyals, and it is expected to reach (24.22) Saudi riyals at the opening of the next day. The change represents a decrease of (67.27%)%. In the event 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 meeting that includes the approval of the capital increase, this will lead to a decrease in their ownership percentage in the Company.

Method of calculating the company's share price as a result of the capital increase is as follows:

First: Calculating the market value of the Company at closing on the day of the Extraordinary General Assembly, which includes the approval of the capital increase

Number of shares at the end of the day of the Extraordinary General Assembly including the approval of the capital increase x closing price of the Company's shares on the day of the Extraordinary General Assembly including the approval of the capital increase = market value of the Company at the close of trading on the day of the Extraordinary General Assembly including the approval on raising capital.

Second: Calculating the share price in the opening day of the day following the day of the Extraordinary General Assembly, which includes the approval of the capital increase

(Market value of the Company at the close of trading on the day of the Extraordinary General Assembly that includes approval of the capital increase + the value of the Rights Issue shares) / (the number of the Company's shares at the end of the day of the Extraordinary General Assembly that includes approval of the capital increase + the number of new shares offered for subscription) = the expected share price at the opening day of the day following the day of the Extraordinary General Assembly that includes approval of the capital increase.



14

Covenants relating to the Subscription

14- Covenants relating to the Subscription

14-1 Overview of the Subscription Application and the Covenants

It is possible to subscribe using trading platforms or through any other means provided by the Broker 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 allowed to subscribe to the New Shares.
2. The Registered Shareholder will be entitled to subscribe directly to the number of his / her shares during the Subscription Period. If the Registered Shareholder buys new Rights, the Registered Shareholder will be able to subscribe to them by the end of the settlement period (two working days).
3. New Investors will be entitled to subscribe to the new shares immediately after settling the rights purchase (two working days).
4. Subscription will be available electronically through investment portfolios in the trading platforms and applications, through which the sale and purchase of orders are entered, as well as through other channels and means provided by the Broker. Only approval is given to subscribe to the number of entitled New Shares according to the Rights existing in the investment portfolio.

Each Right entitles its holder to subscribe to one new share at the Offer Price. Subscriber to the new shares declares the following:

- His/her acceptance of all the subscription terms and conditions stated in this Prospectus.
- That he/she has read this Prospectus and all its contents carefully and understood its content.
- His/her acceptance of the Company By-Laws.
- He/she is committed not to cancel or amend the subscription application after its submission

14-2 Allocation Process

Rights issue shares shall be allocated to the Eligible Persons based upon the number of Rights that they properly and fully exercised. As for Shareholders entitled to fractional shares, these shall be accrued and offered to Institutional Investors during the Rump Offering Period. The total offer price of the of Rump shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump shares and fractional shares (in excess of offer price) shall be distributed to the Eligible Persons not later than Thursday 09/10/1445 H (corresponding to 18/04/2024G). In the event that shares remain unsubscribed to, such shares will be purchased by and allocated to the underwriter.

Eligible Persons should contact the Broker through which they were subscribed to obtain any additional information. The results of the allocation will be announced no later than on Tuesday 09/09/1445H (corresponding to 19/03/2024G).

14-3 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, from Sunday to Thursday, at one go from 10 a.m. until 3:00 p.m., 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, where up-to-date market information is provided immediately to 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. Tadawul is responsible for monitoring the market in order to ensure fairness of trading and efficiency of market operations.

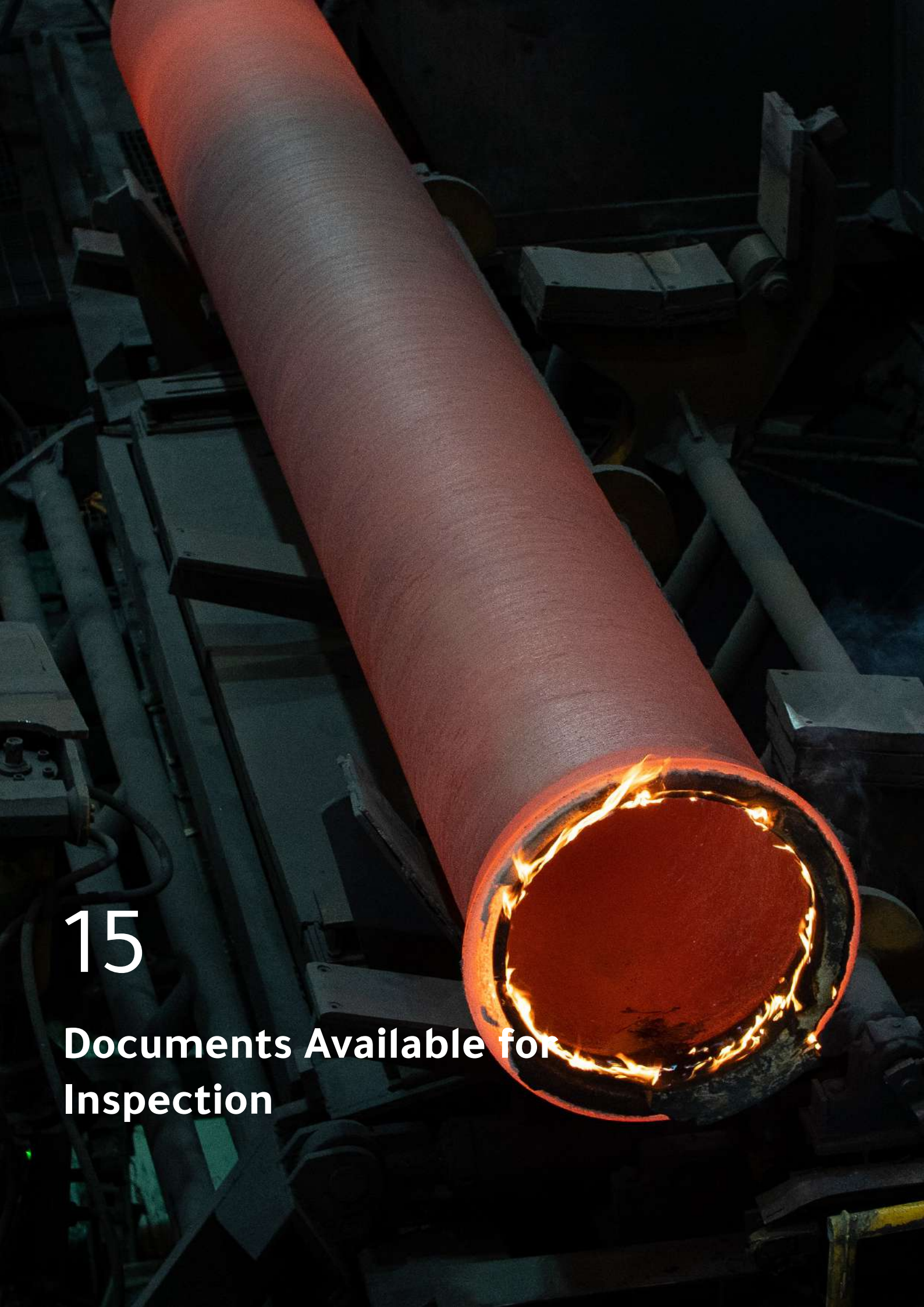
14-4 Trading of the Company shares on the Saudi Stock

An application has been submitted to CMA to register and list the Rights on the Saudi Stock Exchange and a request has been submitted to the Saudi Stock Exchange (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 Saudi Stock Exchange (Tadawul), the new shares can only be traded after the final allocation of shares has been approved 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.



15

**Documents Available for
Inspection**

15- Documents Available for Inspection

The following documents will be available for inspection at the Company's head office located in Dammam, in the Industrial City, PO Box 3361, Dammam 32234, Kingdom of Saudi Arabia,

during official working days from Sunday to Thursday, during official working hours (from 7:00 am until 4:00 pm), starting from the first working day after the date of the invitation after the date of the invitation to convene Extraordinary General Assembly, provided that this period is not less than 14 days before the date of the Extraordinary General Assembly. These documents will remain available for inspection until the end of the offering:

Documents related to incorporation and Articles of Association:

- Commercial Registration.
- Company Bylaws.
- Articles of Association

Approvals related to the Offering:

- Board of Directors 'decision recommending the increase of capital.
- Capital Market Authority's approval on the Offering of Rights.
- Approval of the Saudi Tadawul Company (Tadawul) to list the rights issue shares.
- The decision of the Extraordinary General Assembly to increase the capital issued on Tuesday 10/08/1445H (corresponding to 20/02/2024G). This document will be available for review on the first business day following the date of the Extraordinary General Assembly for the capital increase.

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.
- Written consents by the Auditors to use their name and logo within the Prospectus.



Prospectus of Saudi Arabian Amiantit Company