

Abdullah Saad Abomoati Company for Bookstores



أبو مواتي  
AboMoati

# Annual Report 2021

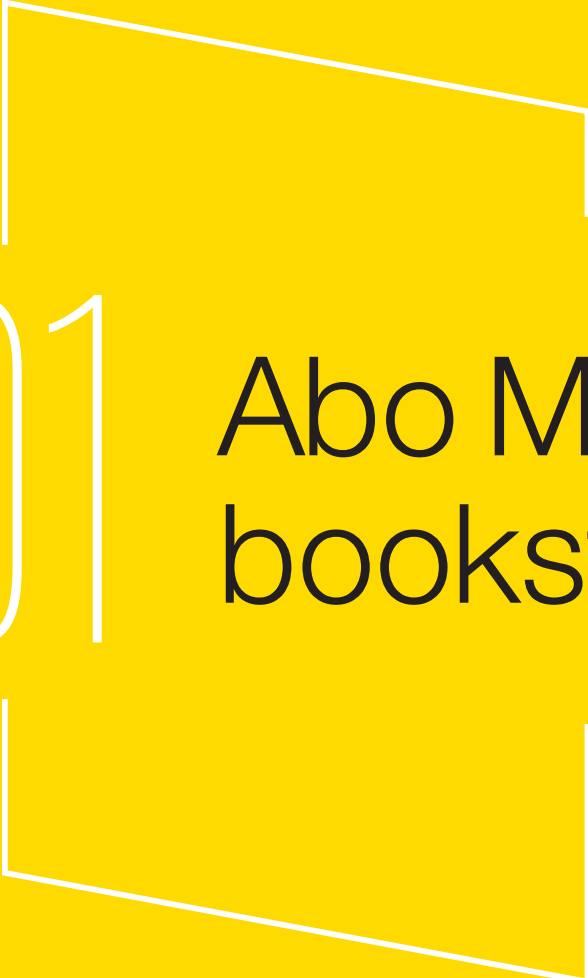




# Board of Directors Report 2021







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Abo Moati for  
bookstores

## **Board of Directors Message**

Dear shareholders of Abdullah Saad Abo Moati Company for bookstore,

On behalf of the members of the company's board of directors, we are pleased to present to you the Annual Report for the fiscal year ended March 31, 2022 prepared in accordance with the requirements of the Corporate Governance Regulations, the Saudi Companies Law, and the company's articles of association.

The report presents information about the company's activities, performance, achievements and future, and the efforts it makes to enhance performance in developing the rights of its shareholders, and the efforts that have been achieved with the employees and with the directives of the members of the Board of Directors to improve the level of its performance, status and capabilities, and achieve the aspirations of its shareholders and all its customers.

The company's management affirms that it seeks to improve the company's performance to reach the goal in accordance with the company's plans and strategy, which seeks sustainable growth and to achieve good and satisfactory results, God willing

**Chairman of the Board of Directors**  
**Dr. Saad Abdullah Abo Moati**

**Section one: the company's activity and information about its subsidiaries:**

**First: The main activity of Abdullah Saad Abu Moati Company for Bookstores is:**

1. Wholesale and retail sector of stationery, office supplies and Accessories.
2. Investment properties sector.

The impact of these main activities on the company's business volume and its contribution to the results are as follows:

Amount in Millions of Riyals

Company Main Activity	Revenue of the Activity	Percentage
Stationery, office supplies and Accessories.	202.4	70.94%

Investment Properties Activity	Revenue of the Activity	Percentage
Investment Properties Sector Net Revenue	2.96	1.04%

**Second: The activities of the subsidiary of Abdullah Saad Abo Moati Company for bookstore are:**

1. Wholesale of inks, printers, and stationery products - Schneider Canon - Samsung - HP

The impact of these main activities of the subsidiary on the company's business volume and its contribution to the results is as follows:

Amount in Millions of Riyals

Subsidiary Activity	Revenue of the Activity	Percentage
Inks and printers	79.9	28.02%

### Third: Subsidiaries

Name	Its capital	The percentage of the company's ownership	The main activity	The country in which it operates	Founding country
Al-Maujeh Trading Company	40,000,000	100%	Import, export and wholesale trade in school and office supplies, educational aids, and inks	Saudi Arabia	Saudi Arabia

### Fourth: About the subsidiaries:

#### First: Al-Maujeh Trading Company Limited Liability:

It was established as a sole proprietorship on (11/04/1996) in Riyadh city, and on 22/12/2013 it was turned into a limited liability company with a capital of (40,000,000) Riyals, and on: 29/07/2019, Mohammed Rashid Al-Duweish Company (subsidiary company) ceded its share (1%) stake in Al-Maujeh Company to Abdullah Saad Abu Moati for Bookstores Company, and Al-Maujeh Company became 100% owned by Abdullah Saad Abu Moati for bookstore.



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# Financial Performance



## Section Two: Financial Performance

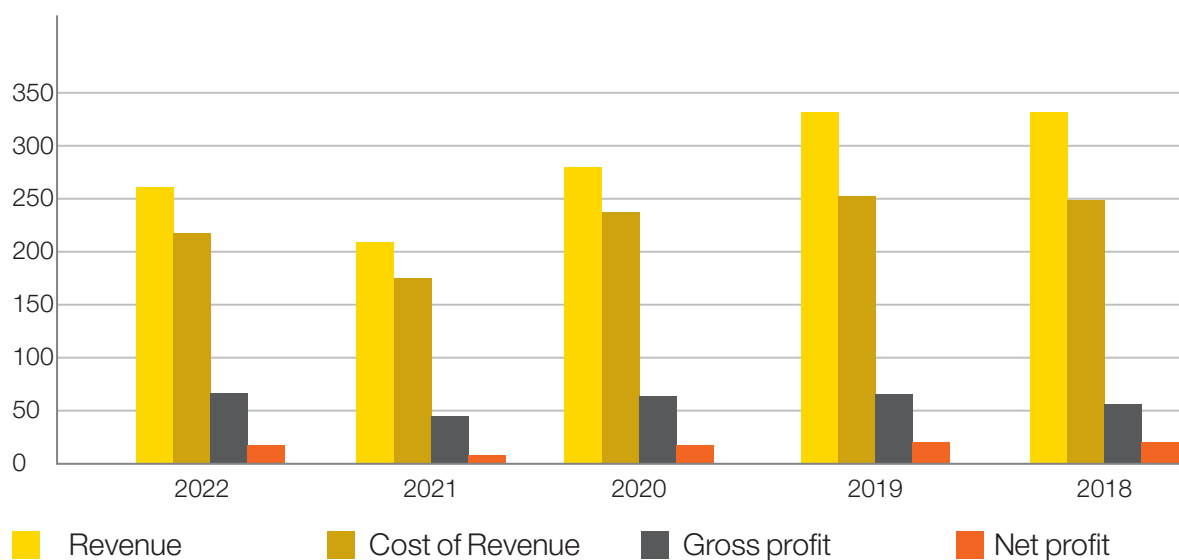
### First: Business results for the last five fiscal years:

Comparison of business results for the last five years for the fiscal year ending on March 31

Amount in Millions of Riyals

Specifications	2022	2021	2020	2019	2018
<b>Revenue</b>	282	230	297	317	303
<b>Cost of Revenue</b>	217	183	237	255	248
<b>Gross Profit</b>	65	47	60	62	55
<b>Net Profit</b>	15	5	15	18	18

Business results for the last five years in the form of a graph



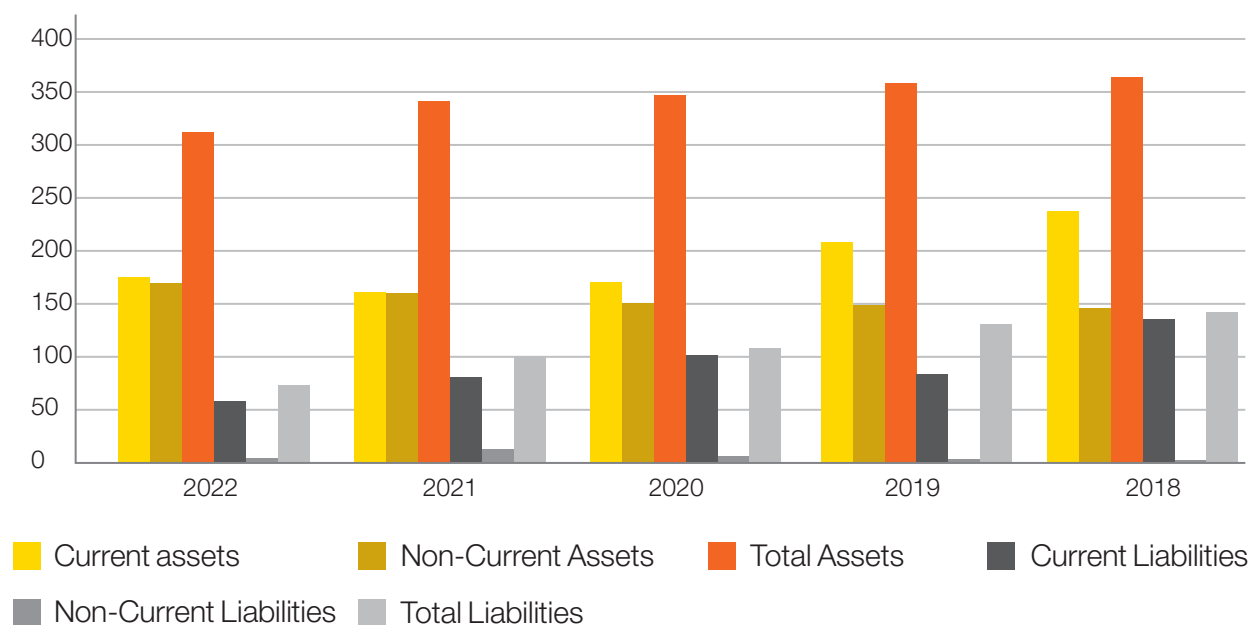
## Comparing assets and liabilities for the last five years:

Amount in Millions of Riyals

Specifications	2022	2021	2020	2019	2018
<b>Current Assets</b>	157	171	187	212	216
<b>Non-Current Assets</b>	153	161	159	148	146
<b>Total Assets</b>	310	332	346	360	362
<b>Current Liabilities</b>	61	85	98	125	138
<b>Non-Current Liabilities</b>	12	14	12	4	4
<b>Total Liabilities</b>	73	99	110	129	142

## Assets and liabilities for the last five years in graphic form:

Amount in Millions of Riyals



## Second: Geographical analysis of the company:

The following geographical analysis shows the company's revenues by geographical regions in the Kingdom for the fiscal year ending 31/03/2022.

### Geographical analysis of the company

Amount in Millions of Riyals

Central region	Eastern region	Western region	Southern region
119	26	37	23

### Geographical analysis of the total revenue of the subsidiary

Amount in Millions of Riyals

Central region	Eastern region	Western region	Southern region
58	4	18	-

## Third: A clarification of the operational results compared to the results of the previous year for the fiscal year ending on March 31:

Amount in Millions of Riyals

Specifications	2022	2021	Variations +/-	Variation %
<b>Sales</b>	282	230	52	23%
<b>Cost of Sales</b>	217	183	34	19%
<b>Gross Profit</b>	65	47	18	38%
<b>Other Operating Revenue</b>	3	2	1	50%
<b>Operational Expenses</b>	42	41	1	2%
<b>Operating Profit (loss)</b>	25	8	17	213%

During the current year, the precautionary measures taken by the government due to the Corona pandemic during the previous year were mitigated and the return of attendance education, which led to higher sales and higher operating profit, in addition to paying customs differences the amount of SR. 2,519,197 for previous years during the last year

#### Fourth: Clarification of any difference from international accounting standards:

The company's financial statements for the fiscal year ending on 31/03/2022 have been prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia.

#### Fifth: Information related to the company loans:

##### a) Loans and Murabahas - short-term Murabahas

Amount in Millions of Riyals

Specifications	Saudi Investment Bank	Saudi National Bank	Riyad Bank	Al Jazeera Bank	Arab Bank	Bank Albilad
Short term facility limit	60	65	30	50	20	35
Agreement expiration date	30/09/22	31/10/22	22/04/23	22/10/22	31/05/22	30/09/22
Facilities type	Short term	Short term	Short term	Short term	Short term	Short term
Loan term	180 Days	180 Days	180 Days	180 Days	180 Days	180 Days
Purpose of the loan:	Working Capital Financing					
Collaterals	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Promissory Note

\*The subsidiary does not have bank loans.

Specifications	Banks All (Saudi Riyal)
Total Loans as of 01/04/2021	62,248,426
Settled during the year 2021/2022	114,635,783
Used during the year 2021/2022	81,555,659
Loans balance as of 31/03/2022	29,168,302

## b) Long-term loans and Murabaha

The company had medium and long-term loans and Murabahas with some local banks (compliant with Islamic Sharia), the details of which are as follows.

Amount in Millions of Riyals

Specifications	Riyad Bank
<b>Total Loan</b>	3.88
<b>Paid during the year 2021/2022</b>	0.170
<b>Total Installments paid</b>	3.88
<b>Loan balance at 31/03/2022</b>	-
<b>Current portion of the loan</b>	-
<b>Loan Date</b>	18/04/2019
<b>Loan Term</b>	months 24
<b>Method of payment</b>	Monthly deduction from the account
<b>Installment</b>	0.170
<b>First installment date</b>	19/05/2019
<b>Last installment date</b>	19/04/2021
<b>Purpose of the loan</b>	Working capital financing
<b>Collaterals</b>	Promissory Note

The following is a table of loans accrued:

Amount in Millions of Riyals

<b>Duration periods</b>	<b>31/03/2022</b>
<b>Less than one year</b>	29.17
<b>From 1 year to 3 years</b>	-
<b>More than three years to 5 years</b>	-
<b>Total</b>	<b>29.17</b>

#### **Sixth: Regular Payments to Government Entities:**

<b>Specifications</b>	<b>Paid during the year (Saudi Riyal)</b>
<b>Zakat Paid</b>	3,464,241
<b>Accrued Zakat for the year ended 31/03/2022</b>	2,958,562
<b>GOSI</b>	1,436,812
<b>Labor Office and Passports Department</b>	1,495,065

#### **Seventh: Penalties, precautionary measures or precautionary restrictions imposed on the company:**

During the fiscal year ending in 31/03/2022, neither the authority nor any supervisory or regulatory imposed any penalty or action on the company.



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# Capital and Investors

## Section Three: Capital and Investors

### First: The dividend policy and dividends for the fiscal year 2021:

Shares give their holders the right to obtain the profits declared by the company, and according to the company's articles of association, any decision to distribute cash dividends must be issued by the Ordinary General Assembly based on the recommendation of the Board of Directors, which takes into account, when issuing this recommendation, the various prevailing factors at that time, including the company's profits, the financial situation, the restrictions that the profit distribution process is subject to according to financing and debt agreements, the results of the company's activities, the company's current and future cash needs, expansion plans and the company's investment requirements.

Article 47 of the bylaw of the company's articles of association stipulates that net annual profits shall be distributed after deducting all expenses and other costs as follows:

1. (10%) of the net profits shall be set aside to form the statutory reserve for the company, and the Ordinary General Assembly may decide to stop this deduction when the said reserve reaches 30% of the paid-up capital.
2. The Ordinary General Assembly may, on the proposal of the board of directors, set aside a specific percentage of the net profits to form a consensual reserve to be allocated for specific purposes.
3. The Ordinary General Assembly may decide to form other reserves, to the extent that the same is in the interests of the Company or will ensure the distribution of fixed profits so far as possible to the shareholders. The said Assembly may likewise deduct from the net profit amounts to establish social organizations for the Company's workers or to assist any such organizations already in existence.
4. From the remainder after that, a percentage of not less than (5%) of the paid-up capital of the company shall be distributed to the shareholders.
5. Subject to the provisions laid down in Article 20 of these Bylaws, and Article 76 of the Companies Law, a percentage of (10%) of the remaining balance, if any, shall be allocated as remuneration to Members of the Board of Directors, provided that the entitlement to such remuneration shall be proportionate to the number of sessions attended by a Member.
6. The Company, after allocated remuneration to Members of the Board of Directors and what is approved by the general assembly complying with the regulations laid down by the competent authorities, the remaining will then be distributed to the shareholders as an additional share of the profits or carried over to the coming years as approved by the assembly.
7. The company may distribute interim dividends to its shareholders on a quarterly or semi-annual basis in accordance with the controls and requirements issued by the competent authorities.



The company distributed cash dividends in the fiscal year 2021 according to the following schedule:

<b>Percentage of Profits Distributed During the year</b>	
<b>distribution date</b>	05/10/2021
<b>Percentage</b>	5%
<b>Total</b>	<b>10,000,000</b>

### **Second: Shareholders' waiver of Rights to Profits:**

There are no arrangements or agreements whereby any of the shareholders waived their rights to profits during the fiscal year ending on 31/03/2022.



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Risks and  
Future  
Outlook

## **Section Four: Risks and Future Outlook:**

### **First: The risks facing the company and the policy of managing and controlling these risks:**

#### **- Liquidity risks:**

Liquidity risk is the difficulties that the company will encounter in raising funds to meet commitments associated with financial instruments. The company manages risks by ensuring that bank facilities are available and includes the terms of collecting the value of sales within a period of 30 to 60 days from the date of sale, that the value of purchases is paid within a period of 30 to 60 days from the date of purchase.

#### **- Credit risk:**

It is the inability of other party to fulfil its financial obligations, causing the other party to incur a financial loss. To avoid credit risk the company seeks to manage credit risk related to banks by only dealing with banks that enjoy good reputation and related to customers by setting a credit limit for each customer and by monitoring unpaid debit accounts and ensuring that they are closely followed. Management has not identified any significant impacts arising from concentration of credit risk at the consolidated statement of financial position date.

#### **- Risks related to operating systems and information technology:**

The company relies on information technology systems to manage its business in general, and the importance of relying on it is that it helps in managing the company's sales and documenting the purchasing processes and their details. Therefore, the company's failure to maintain and develop information technology systems or any malfunctions in its functions will negatively affect the company's business and its financial results. The company continues to develop and support its technical programs.

#### **- currency risk:**

Currency exchange rate risk affects the company as it has commercial relations with parties outside the Kingdom (China and Italy) requiring it to deal with them in their currency when carrying out buying and selling operations, given the nature of the change in the currency exchange rate. It is worth noting that most of the company's transactions are in Saudi riyals and the company does not have any policy against fluctuating exchange rates at the present time.

#### **- Legal risk:**

Risks related to the legislative and legal changes in the Kingdom, whether related to taxes, labour laws, increasing obligations, or limiting expansion processes and others. The company continually follows up to manage such risks and the applicable procedures and conduct the precautions contributing in improving the awareness level to minimize them.

## **Second: Future Plans and Forecasts:**

The company's plans and strategies have been prepared based on the directions of the Board of Directors that have been developed on the basis of a set of high-level standards that achieve the objectives of the organizational structure of the company. The company aspires to maintain the annual rate of revenue growth in its core investments. The long-term strategic objectives of the company can be summarized as follows:

Work to finance the company's expansions, enhance the company's name in the market, and increase marketing and sale.

- Diversification of investments to reduce risk.  
Expansion in the field of retail and commercial agencies.
- Expansion and opening of new markets and covering all the main regions of the Kingdom by opening new branches or finding distributors and agents.
- Developing the administrative structure and organization and raising the level of performance and productivity.
- Updating the ERP system, which helps in linking the various departments, subsidiaries and branches, to tighten control, increase efficiency and effectiveness, and provide information for the decision-making process.  
decrease costs and eliminating unnecessary costs that do not add value to the company.
- Maintaining the expertise and working to build a qualified administrative team with high experience.
- Improving and developing internal control systems to tighten control over the company's operations.
- Work to establish and develop an electronic platform for the company in order to enhance its position in the world of e-commerce which in turn helps increase the level of sustainability in its business and its future growth.



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Governance

## Section Five: Governance:

### First: Board of Director and Executive Management Formation:

The board of director is composed of nine members in accordance with the provisions of article (17) of the corporate governance regulations issued by the Capital Market Authority, and the following is a list of the names and information of the members of the Board of Directors.

Name	Current Position	Previous Position and Experiences	Qualifications
<b>Dr. Saad Abdullah Abomoati</b>	Chairman of the Board of Directors of Abdullah Saad Abo Moati Company for Bookstores	Former Managing Director of Abdullah Saad Abo Moati Company for Bookstores. - 22 years' experience in business administration in the stationery sector. - Former General Director of the Abdullah Saad Abo Moati Establishment for Bookstores.	PhD in Administrative psychology- Tanta University-. MSc Managerial Psychology- King Saud University -.Bachelor's degree in Psychology- King Saud University -.
<b>Abdullah Saad Al-Rashoud</b>	CEO of BlomInvest Saudi Arabia.	Tabarak Investment Company - Founder and CEO-. - KSB Capital Group - Founder and CEO -. - Capital Market Authority - Saudi Industrial Development Fund (SIDF).	- Master of Business Administration MBA, Finance - University of Nottingham - Bachelor of Science in Mechanical Engineering
<b>Dr. Omar Mohammed Al Rayes</b>	Director General of Business Development and Institutional Communication - Prince Sultan Defense Studies and Research Center.	- A faculty member at King Saud University. - Former Director of Dar Al Uloom University. Adviser at the Ministry of Education. - Director General of Strategy and Research - CMA -.	- PhD Marketing - University of Manchester -. - Master of Business Administration and Marketing - University of Ottawa -. - Bachelor of Business Administration.

Name	Current Position	Previous Position and Experiences	Qualifications
<b>Mushary Abdulrahman Al-Nashmi</b>	CEO of Tarqem company	Director of the consultation for the business sector – Elm company- Corporate performance manager – elm company-. Legal and personal advisor manager – Alqusi company-.	MBA – AACSB 2010 Bachelor’s degree in law from King Saud university
<b>Saeed Omer Saeed Basaeed</b>	-	- Former founder and general manager of Al-Mujah establishment. - 40 years of experience in the inks and printers sector. - Partner and Founder at Al Dabbous establishment for Office Equipment and Stationery. - He worked for Saudi Airlines and the General Establishment for Trade and Navigation.	- High School
<b>Mohammed Omair Al-otaib</b>	- CEO of Zameen digital marketing company - Member of Saudi Reinsurance Company - Member of Saudi Chemical Holding Company - Member of Riyadh Bank	Riyad Bank+Saudi Airlines + Saudi hollandi bank+Saudi American Bank+ The Saudi national shipping company	Bachelor degree in English language - from Imam Mohammad bin saud university Advanced management program. Business administration .Harvard university. MBA-Western Michigan university.
<b>Ahmed Naga Al Dhiabi</b>	Chief of Human Resources Officer (SACO)	- Relationships and Human Resources Supervisor at Al-Sadhan Group -Training and Education manager at (Al Mojaz) - Human Resources Manager at (Al Mojaz)	Diploma in accounting from Riyadh Technical College offers. Bachelor degree in business administration from King Saud University

Name	Current Position	Previous Position and Experiences	Qualifications
<p><b>Youssef Mohammed Al-Qafari</b></p>	<p>A member of several joint stock companies</p>	<p>CEO – Maharah Company-.            Managing Director – Abdullah Saad Abomoati Company for bookstore-            Former CEO of Abdullah Al-Othaim Markets Company.            Chairman of the Board of Directors of Mueen company.            - Former CEO of Al-Othaim Holding Company.            Former CEO of L'azurde Company for Jewelery.            Former Director General of Administrative Development at the General Authority for Tourism and Antiquities.            Former Director of HR at Samba Financial Group.</p>	<p>- High School</p>
<p><b>Mohammed Abdullah Saad Abo Moati</b></p>	<p>CEO of Abdullah Saad Abo Moati company for bookstore.</p>	<p>- Former Marketing General Manager at Abdullah Saad Abo Moati Company for bookstore.            - 14-year experience in operations, supply chain, and business development.</p>	<p>Diploma in Computer Networks from the College of Communications.</p>

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Company

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Company

Riyadh Bar



The names and data of the members of the executive management are as follows:

	Name	Current Position	Previous Position and Experiences	Qualifications
1	<b>Mohammed Abdullah Abomoati</b>	It was mentioned in the first item of the fifth section of this report.		
2	<b>Abdul Aziz Mohammed Al-Duwaish</b>	General manager of the stationery sector at Abdullah Saad Abo moati company	20year experience-in operiece management	High school
3	<b>Kamel Aburajab</b>	Financial Manager	Financial Controller – Abdullah Al Othaim Markets Co.	Bachelor’s degree in finance and Accounting

Second: The Board of Directors Members Classification:

	Member's Name	Membership Classification (Executive – Non-Executive – Independent)
1	<b>Dr. Saad Abdullah Abomoati</b>	<b>Non-Executive</b>
2	<b>Abdullah Saod Al-Rashoud</b>	<b>Non-Executive</b>
3	<b>Youssef Mohammed Al-Qafari</b>	<b>Non-Executive</b>
4	<b>Saeed Omer Basaeed</b>	<b>Non-Executive</b>
5	<b>Mohammed bin omair Al-Otaibi</b>	<b>Independent</b>
6	<b>Dr. Omar Mohammed Al Rayes</b>	<b>Independent</b>
7	<b>Mushary Abdul Rahman Al-Nashmi</b>	<b>Independent</b>
8	<b>Ahmed bin naga Al-Dhiabi</b>	<b>Independent</b>
9	<b>Mohammed Abdullah Abomoati</b>	<b>Executive</b>

**Third: The following table lists the companies in which the company's board member is a member of its current and former boards, or one of its directors:**

Member Name	Companies in which the board member is a member of its current boards or one of its directors			Companies in which the board member was a member of its former boards or one of its directors		
	Company Name	Legal Entity	within / outside Kingdom	Company Name	Legal Entity	within / Outside Kingdom
<b>Dr. Saad Abdullah Abomoati</b>	Abdullah Saad Abomoatl for bookstores	listed Joint Stock Company	Within Kingdom			
<b>Mushary Abdulrahman Al-Nashmi</b>	Abdullah Saad Abomoatl Company for bookstores					
<b>Abdullah Saad Al-Rashoud</b>	Abdullah Saad Abomoatl Company for bookstores			Buruj Cooperative Insurance Co	listed Joint Stock	Within Kingdom
<b>Dr. Omar Mohammed Al Rayes</b>	Abdullah Saad Abomoatl Company for bookstore			Naba Education Company	Limited liability	
<b>Saeed Omer Saeed Basaeed</b>	Abdullah Saad Abomoatl Company for bookstores				Listed Joint Stock Company	

Member Name	Companies in which the board member is a member of its current boards or one of its directors			Companies in which the board member was a member of its former boards or one of its directors		
	Company Name	Legal Entity	Within / Outside Kingdom	Company Name	Legal Entity	Within / Outside Kingdom
<b>Youssef Mohammed Al- Qafari</b>	Abdullah Saad Abomoatl for bookstores	listed Joint Stock Company	Within Kingdom	Maharh Company	listed Joint Stock Company	Within Kingdom
				Abdullah Al Othaim Markets Company.		
				Riyadh Food Industries Company.	Unlisted company	
				Maeen Human Resources Company.		
				Central Food Services Company		
<b>Mohammed Abdullah Abomoati</b>	Abdullah Saad Abomoatl for bookstores					

Member Name	Companies in which the board member is a member of its current boards or one of its directors			Companies in which the board member was a member of its former boards or one of its directors		
	Company Name	Legal Entity	Within / Outside Kingdom	Company Name	Legal Entity	Within / Outside Kingdom
<b>Mohammed Omair Al-Otaibi</b>	Abdullah Saad Abomoatl for bookstores	listed Joint Stock Company	Within Kingdom			
	Saudi Reinsurance Company					
	Saudi Chemical Holding Company					
	Riyadh Bank					
	Al Mojil Trading and Contracting Company	Unlisted company				
<b>Ahmed Naga Al-Dhiabi</b>	Abdullah Saad Abomoatl for bookstores	listed Joint Stock Company				

#### Fourth: attendance record - board meetings – during2021:

The Board of Directors held three meetings during the year 2021 as follows:

	Name	First Meeting 05-08-2021	Second Meeting 18-12-2021	Third Meeting 23-03-2022	Total Attendance
1	Dr. Saad Abdullah Abomoati	✓	✓	✓	3
2	Mushary Abdulrahman Al-Nashmi	✓	✓	✓	3
3	Abdullah Saod Al-Rashoud	✓	✓	✓	3
4	Dr. Omar Mohammed Al Rayes	✓	✓	✓	3
5	Saeed Omer Saeed Basaeed	✓	✓	✓	3
6	Mohammed Abdullah Abomoati	✓	✓	✓	3
7	Youssef Mohammed Al-Qafari	✓	✓	✓	3
8	Ahmed Suleiman Al-Jasser *	✓	–	–	1
9	Abdelaziz Mohammed Aldoivs *	✓	–	–	1
10	Mohammed Omair Al-Otaibi *	–	✓	✓	2
11	Ahmed Naga Al-Dhiby *	–	✓	✓	2

Not Attended ✗      Attended ✓

\* Mr. Ahmed bin Suleiman Jasser's council membership expired on December 15, 2021, when the council's tenure ended.

\* Mr. Abdulaziz bin Muhammad Duweesh's council membership expired on December 15, 2021, when the council's tenure ended.

\* The membership of Mr. Muhammad Omair Otaibi in the council began on December 16, 2021.

\* The membership of Mr. Ahmed bin Naga Al Dhiyabi on the council begins on December 16, 2021.

#### **Fifth: Record of the attendance of the general assembly meetings of the shareholders:**

The general assembly of shareholders met twice during the year 2021, and the following is its date and the attendance record of the members of the Board of Directors:

	الإسم	Ordinary General Assembly 16/09/2021	Ordinary General Assembly 14/12/2021
1	Dr. Saad Abdullah Abomoati	✓	✓
2	Abdullah Saod Al-Rashoud	✓	✓
3	Dr. Omar Mohammed Al Rayes	✓	✓
4	Mushary Abdulrahman Al-Nashmi	✓	✓
5	Saeed Omer Saeed Basaeed	✓	✓
6	Mohammed Abdullah Abomoati	✓	✓
7	Youssef Mohammed Al-Qafari	✓	✓
8	Ahmed Suleiman Al-Jasser	✓	X
9	Abdelaziz Mohammed Aldoiwsh	✓	✓

Not Attended X      Attended ✓

#### **Sixth: The means adopted by the Board of Directors in evaluating its performance and the performance of its committees and their members, and the external entity that performed the evaluation and its relationship to the Company, if any:**

The Board of Directors has not applied any methods from an external body to conduct the performance assessment during the fiscal year 31/03/ 2022 as this does not apply to the company at the present time.

## Seventh: Interests and Rights of the Board Members and Senior Executives in the Company's Shares:

1. The percentage of ownership by members of the Board of Directors, including their relatives in the Company during the fiscal year 2021:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
Dr. Saad Abdullah Abomoati	Chairman of the Board	1,081,588		1,035,191		(46,397)	-4.29 %
Mohammed Omair Al-Otaibi	Vice Chairman of the Board	40		40		0	%
Abdullah Saod Al-Rashoud	Board Member	0		0		0	%
Mushary Abdulrahman Al-Nashmi	Board Member	0		0		0	%
Dr. Omar Mohammed Al Rayes	Board Member	0		0		0	%
Saeed Omer Saeed Basaeed	Board Member	1,066,710		1,066,710		0	%
Youssef Mohammed Al-Qafari	Board Member	0		0		0	%
Mohammed Abdullah Abomoati	Board Member	282,000		282,000		0	%
Ahmed Naga Al Dhiabi	Board Member	100		100		0	%

1. The percentage of ownership of Senior Executives and their relatives the Company during the fiscal year 2021:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
Mohammed Abdullah Abomoati	CEO	282,000		282,000		0	%

## **Eighth; Board Committees:**

### **1. Rewards and Nominations Committee:**

The assignments and specialties of the Remunerations and Nomination Committees include recommending everything related the nomination to the Board of Directors, Review the required needs, qualifications and skills in accordance with the approved policies, taking into account not to nominate any person previously convicted of a crime against honor and honesty, Review the structure of the board and specifying the points of weakness and strength in the Board of Directors, propose solutions to address them in line with the company's interests., ensuring annually the independence of independent members and the absence of any conflicts of interest and preparing a clear policy for the remunerations of the Board members and the Executive Management

### **Member Committee:**

The following is a list of the names and information of the members Committee:

	<b>Name</b>	<b>Current Positions</b>	<b>Previous Positions</b>	<b>Qualifications</b>	<b>Experience</b>
<b>1</b>	<b>Dr. Omar Mohammed Al Rayes</b>	It was mentioned in the first item of the fifth section of this report.			
<b>2</b>	<b>Dr. Saad Abdullah Abo Moati</b>	It was mentioned in the first item of the fifth section of this report.			
<b>3</b>	<b>Saeed Omer Saeed Basaeed</b>	It was mentioned in the first item of the fifth section of this report.			
<b>4</b>	<b>Ahmed Naga Al Dhiabi</b>	It was mentioned in the first item of the fifth section of this report.			

### **Meeting Committee:**

	<b>Member Name</b>	<b>Position</b>	<b>Date of Meeting 05/08/2021</b>	<b>Date of Meeting 04/11/2021</b>
<b>1</b>	<b>Dr. Omar Mohammed Al Rayes</b>	Committee Chairman	✓	✓
<b>2</b>	<b>Dr. Saad Abdullah Abo Moati</b>	Member	✓	✓
<b>3</b>	<b>Saeed Omer Saeed Basaeed</b>	Member	✓	✓
<b>4</b>	<b>Ahmed Naga Al Dhiabi</b>	Member	—	—

Not Attended ✗      Attended ✓

\*Mr. Ahmed naga Al-Dhiyeb membership in the Remuneration and Nominations Committee began on 18/12/2021.



## 2. Audit Committee

### Functions of audit committee.

The Audit Committee was formed by a resolution of the General Assembly on 14 Sep 2021. The Audit Committee's tasks in accordance with the approved regulations are to assess the internal control system, ensuring the Company's compliance with the relevant laws, regulations, policies and instructions, providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and ensuring their independence, studying the external auditor's reports and its comments on the financial statements, and following up the procedures taken in connection therewith.

### Member Committee.

The following is a list of the names and information of the members Committee:

	Name	Current Positions	Previous Positions	Qualifications	Experience
1	<b>Mohammed Omair Al-Otaibi</b>	It was mentioned in the first item of the fifth section of this report.			
2	<b>Abdullah bin Saud Al-Rashoud</b>	It was mentioned in the first item of the fifth section of this report.			
3	<b>Ahmed Ibrahim Alajlan</b>	Juof cement co. internal audit manager. Ksb audit committee member. Abo moati co. Audit committee member.	AL-rashed certified pub. Accountants last position audit supervisor Albassam certified public accountants & consultants RSM middle east -audit manager Al-ruwis certified public accountants-audit manager Development works co. internal audit manager.	Bachelor of commerce (accounting) zagazig university may 1979. Member, socpa	

### Meeting Committee:

	Member Name	Position	1 <sup>st</sup> Meeting 27-06-2021	2 <sup>nd</sup> Meeting 08-08-2021	3 <sup>rd</sup> Meeting 02-11-2021	4 <sup>th</sup> Meeting 02-02-2022	عدد حضور الاجتماع
1	<b>Mohammed Omair Al-Otaibi *</b>	<b>Committee Chairman</b>	—	—	—	✓	1
2	<b>Abdullah bin Saud Al-Rashoud *</b>	<b>Member</b>	✓	✓	✓	✓	4
3	<b>Faris bin Fahid Al Sharif *</b>	<b>Member</b>	✓	✓	✓	—	3
4	<b>Ahmed Ibrahim Alajlan</b>	<b>Member</b>	✓	✓	✓	✓	4

Not Attended ✗      Attended ✓

\* Mr. / Muhammad bin Omair Al-Otaibi took over as chair of the Audit Committee on December 16, 2021.

\* Mr. / Abdullah bin Saud Al Rashoud's term as chair of the Audit Committee ended on December 15, 2021.

\* Mr. Faris bin Fahid Al-Sharif's membership in the Audit Committee expired on 15/12/2021.

## **Ninth: Disclosure of Rewards:**

### **1. Remuneration of Board Members and Committee Members:**

#### **Remuneration and compensation of members of the board of directors**

The Company has prepared “The reward policy of the members of the Company’s board, its subordinate committees and executive management pursuant to the provisions of paragraph (1) of Article (61) of the Corporate Governance Regulations issued by the Capital Market Authority Board and approved by the general assembly of the Company on 2018/09/04. The rewards granted to directors and senior executives is consistent with the approved policy.

#### **First: General criteria for rewards:**

1. Their consistency with the company’s strategic plans and objectives.
2. Urging members of the board, its committees and executive management to ensure the company’s success and long-term development and linking the variable segment of rewards with long term performance.
3. Rewards should be determined based on the level of the job, the tasks, skills, responsibilities assigned to the employer; qualifications and experiences and the level of performance.
4. Their consistency with the size nature and degree of risk in the company.
5. Taking into account the practices of other companies in determining rewards, while avoiding any unnecessary rise of rewards and compensation arising out of that.
6. Taking into account the practices of other companies in determining rewards, while avoiding any unnecessary rise of rewards and compensation arising out of that.
7. They aim at attracting, maintaining and motivating professional competencies, yet they shall not pass acceptable limits.

#### **Second: Remunerations for members of the Board of Directors:**

1. Remunerations for members of the Board of Directors shall consist of a fixed sum, attendance allowances, benefits in kind and it is permissible to combine two or more of these benefits in a way that not exceeding the provisions of the Corporate Law, its regulations. and the Board of Directors determines the remuneration of its members annually based on the recommendation of the Remuneration and Nominations Committee Subject to the provisions contained in this regard in the company’s statute of association and any other regulations issued by the competent authorities. The company’s statute.
2. Allowances and other benefits, such as travel expenses, will be added according to the company’s policy.
3. The annual report of the Board of Directors submitted to the General Assembly must include details of the policies related to remuneration and the mechanisms for determining them, the remuneration and expenses allowances that the members of the Board of Directors obtained during the fiscal year and other benefits, and the financial and in-kind amounts and benefits paid to any of them in return for any work or positions Executive, technical, administrative, or consultations (if any). It must also detail the number of board meetings and the number of sessions attended by each member of the Board of Directors since the last General Assembly meeting.
4. Remunerations for independent members of the Board of Directors must not be a percentage of the company’s profits or be directly or indirectly based on the company’s profitability.
5. Members of the Board of Directors may not vote on the Board of Directors members’s remuneration at the General Assembly meeting.

### **Third: Remunerations for committee members:**

1. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors shall determine and approve remunerations, attendance fees and other entitlements for the membership of its committees, with the exception of the Audit Committee. And includes the regulation of the work of each of the committees on the rewards of its members
2. Remunerations for committee membership shall be in the form of a lump sum in addition to meeting attendance fees.
3. Remunerations for membership of the Audit Committee shall be approved by the shareholders' General Assembly based on the recommendation of the Board of Directors.
4. The number of memberships held by a member of the Board of Directors shall be taken into account upon the composition of committees, such that the total remuneration amount disbursed to a member for their membership on the Board of Directors and its committees shall not exceed the maximum provided in the Companies Law.

### **Fourth: Remunerations for the Executive Management:**

The company gives senior executives financial advantages based on the salary scale and policy adopted in this regard.

Executive management rewards include:

- A basic salary that is paid at the end of each calendar month on a monthly basis
- Medical insurance for him and his family.
- Transportation allowance.
- Housing allowance.

The company also confirms that there is no material deviation from this policy. The following is a details of the

remunerations paid to members of the Board of Directors during the fiscal year 2021 (as members of the Board)

	Fixed rewards						Variable rewards						severance pay	Grand total	expenses allowance
	Certain amount	Attendance allowance for board sessions	Total of Attendance allowance for committees' sessions	In-kind benefits	Technical, administrative and consulting rewards	reward of the chairman of the board the managing director or the secretary if they are members	Grand total	percentage of profit	Periodic bonuses	Short - term incentive plans	long - term incentive plan	Granted shares			
<b>First: independent members</b>															
<b>Dr. Omar Mohammed Al Rayes</b>	100,000														100,000
<b>Mushary Abdulrahman Al-Nashmi</b>	100,000														100,000
	<b>200,000</b>														<b>200,000</b>
<b>Second: non-executive members</b>															
<b>Dr. Saad Abdullah Abomoati</b>	100,000														100,000
<b>Saeed Omer Saeed Basaeed</b>	100,000														100,000
<b>Youssef Mohammed Al- Qafari</b>	100,000														100,000
<b>Abdullah Saod Al-Rashoud</b>	100,000	30,000													130,000
<b>Ahmed Suleiman Al-Jasser</b>	100,000														100,000
	<b>500,000</b>	<b>30,000</b>													<b>530,000</b>
<b>Third: executive members</b>															
<b>Mohammed Abdullah Abomoati</b>	100,000			720,000											820,000
<b>Abdelaziz Mohammed Aldoiwsh</b>	100,000			480,000											580,000
	<b>200,000</b>			<b>1,200,000</b>											<b>1,400,000</b>

## senior Executive Rewards

Following is a breakdown of rewards paid to five senior executives who received the highest rewards, including the CEO and the chief financial officer during the fiscal year 2021:

(Riyals)

	Fixed rewards			Variable rewards					End of Service benefits	Total executive remuneration for the board if any	Grand total	
	Salaries	Allowances	In-kind benefits	Total	Periodic rewards	Profits	Short-term incentive plans	Long-term incentive plans				Granted shares (value)
<b>Mohammed Abdullah Abomoati (CEO)</b>	432,000	288,000		720,000							100,000	820,000
<b>Abdelaziz Mohammed Aldoiwsh (Stationary sector manager)</b>	144,000	336,000		480,000							100,000	580,000
<b>Kamel Abu Rajab (Financial Manager)</b>	360,000	120,000		480,000	50,000						-	530,000
<b>Total</b>	<b>936,000</b>	<b>744,000</b>		<b>1,680,000</b>	<b>50,000</b>						<b>200,000</b>	<b>1,930,000</b>

### Rewards of members of committees:

Following is a breakdown of rewards paid to members of committees during the fiscal year 2021:  
(Saudi Riyals )

Name	Fixed rewards	Session attendance allowance	Total
Abdullah bin Saud Al-Rashoud	15,000	15,000	30,000
Ahmed Ibrahim Alajlan	15,000	15,000	30,000
Faris bin Fahid Al Sharif	15,000	15,000	30,000
<b>Total</b>	<b>45,000</b>	<b>45,000</b>	<b>90,000</b>

Dr. Omar Mohammed Al Rayes	0	0	0
Dr. Saad Abdullah Abomoati	0	0	0
Saeed Omer Saeed Basaeed	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **Tenth: Number of the company requests for the register of shareholders:**

Statement of the number of the company applications for the shareholders register during 2021:

<b>Number of record requests</b>	<b>Date of application</b>	<b>Reasons for application</b>
<b>1</b>	<b>04/04/2021</b>	<b>Corporate Formalities</b>
<b>2</b>	<b>06/05/2021</b>	<b>Corporate Formalities</b>
<b>3</b>	<b>02/06/2021</b>	<b>Corporate Formalities</b>
<b>4</b>	<b>01/07/2021</b>	<b>Corporate Formalities</b>
<b>5</b>	<b>03/08/2021</b>	<b>Corporate Formalities</b>
<b>6</b>	<b>02/09/2021</b>	<b>Corporate Formalities</b>
<b>7</b>	<b>16/09/2021</b>	<b>General Assembly</b>
<b>8</b>	<b>20/09/2021</b>	<b>Profit's file</b>
<b>9</b>	<b>14/10/2021</b>	<b>Corporate Formalities</b>
<b>10</b>	<b>24/11/2021</b>	<b>Corporate Formalities</b>
<b>11</b>	<b>14/12/2021</b>	<b>Corporate Formalities</b>

## **Eleventh: Company auditors and internal auditors:**

### **1. Recommendation of the Board Regarding the Company's External Auditor:**

No recommendation has been issued by the Board of Directors to replace him since its approval in the Ordinary General Assembly.

### **2 . The Results of the Annual Review of the Effectiveness of the Company's Internal Control Procedures, in Addition to the Audit Committee's Opinion on the Adequacy of the Company's Internal Control System:**

The Audit Committee reviews periodic reports on the evaluation of internal control procedures in terms of organization and application, and many periodic and special review processes have been implemented that would ensure the accuracy and effectiveness of performance and quality, in addition to contributing to the review of the initial financial statements and their approval based on the delegated powers granted to it by the Board of Directors, and coordinates the activities of the external supervisory authorities. The audit committee reviewed the reports, and it did not discover any significant or fundamental weakness in the Company's internal control systems and It was also found that the internal control system is running in a safe and sound manner.

### **3.Recommendations of the Audit Committee Which Regarding of the Company's External Auditor:**

There was no any recommendation by the Audit Committee that were in conflict with the decisions of the Board of Directors regarding the appointment of the Company's External Auditor, his dismissal, determination of his fees, evaluation of his performance, or the appointment of the internal auditor.

## **Twelveth: Board Decisions:**

Based on the auditor's report, current market results and data, and future indicators, the Board acknowledges the following;

## **Thirteenth: Company's External Auditor's Report:**

The ordinary General Assembly, held on 16/09/2021, approved the appointment of Allied Accountants RSM as the External Auditor for the Company's accounts for the fiscal year 2021 AD, and the first quarter ending on 30/06/2022, and the report of the Company's External Auditor did not include any reservations on the annual financial statements.



## Fourteenth: The Implemented and the Non-implemented Provisions of the Corporate

### Governance Regulations:

The Company complies with and applies all the provisions mentioned in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions Listed below:

Article/ Paragraph No	Text of the Article/Paragraph	Reasons for Non-Compliance
<b>(39)</b>	Training, support and evaluation directors of the board and executive management and set up the necessary programs.	Guidance article
<b>(41)</b>	The board of directors shall, upon the proposal of the Nominations Committee, establish the necessary mechanisms to evaluate the performance of the board, its members, committees and executive management annually.	Guidance article, and the Remuneration and Nomination Committee using some methods to evaluate them.
<b>(70, 71, 72)</b>	Formation of the Risk Management Committee	Guidance article. The company believes that it does not need an independent risk management committee and that its work is entrusted to other committees and department
<b>(85)</b>	The company sets programs to develop and motivate the partnership and performance of workers in the company	Guidance article.
<b>(88 ,87)</b>	( Social Responsibility and Social Initiatives).	Guidance article.
<b>(89)</b>	Disclosure policies and procedures	The company is currently working on it
<b>(95)</b>	Formation of a Corporate Governance Committee	The Board of Directors works continuously to monitor the company's implementation of all governance regulations.

**Fifteenth: Some items that do not apply to company and include the following:**

1. The company does not have convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by company on 03/31/2021.
2. No rights of transfer or subscription under convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the company on 31/03/2021.
3. The company has no redemption, purchase or cancellation of any redeemable debt instruments.
4. During the fiscal year ending on 31/03/2022, there are no treasury shares held by the company.
5. There are no other investments or reserves created for the benefit of the company employees.
6. No subsidiary of Abomoati company has issued shares or debt instruments.
7. There is no interest in the class of shares that are eligible to vote for any person during the fiscal year ending on 31/03/2022.
8. During the fiscal year ending on 31/03/2022, there are no transactions between the company and any related person.
9. During the fiscal year, there are no contracts in which the company was a party and in which the members of the Board of Directors or senior executives or any person related to any of them had an interest.
10. There is no arrangement or agreement whereby a board member or a senior executive waives any remuneration.
11. There are no social contributions to the company during the year 2021.
12. No recommendation was issued by the Audit Committee regarding the need to appoint an internal auditor due to the presence of an internal auditor in the company.



06

Shareholders'  
right

## **Section Six: Shareholders' right:**

### **First: Actions Taken by the Board of Directors to Inform its Members - Especially Non-Executives - of shareholders' Suggestions and Comments about the Company and its Performance:**

The Chairman of the Board of Directors and the CEO of the Company inform the members of the Board of Directors of the opinions, proposals or observations regarding the Company and its performance and discuss the same (if any) with them. The Chairman of the Board also briefs and communicates the views of the shareholders to the Board of Directors during the Board meetings without the presence of any executive member as needed.

## **Closing Statement**

The Board of Directors expresses its thanks and appreciation to its dear customers for their confidence, and to all the shareholders who were the motivation in the company's success and continuity. It also appreciates all the company's employees, including management and employees, for their efforts to achieve good results and achievements during the year. The Board looks forward to improving the company's performance during the coming year and the coming years. To achieve our aspirations