



**Board of Directors' Report for the Shareholders of Kingdom Holding
Company**

For the Fiscal Year ended on 31/12/2023

Curriculum Vitae of the Members of the Board of Directors:

His Royal Highness Prince Al-Waleed bin Talal bin Abdulaziz

Chairman of the Board (Non-Executive Member)

Prince Al-Waleed bin Talal holds a Bachelor's Degree in Administrative and Economic Sciences from Menlo College in the United States of America in 1979. His Highness also holds a Master's Degree in Social Sciences from Syracuse University in the United States of America in 1985. His entire practical experience was in the Kingdom holding Company.

Engineer Talal Al-Maiman:

Executive Board Member

Mr. Talal Ibrahim Al-Maiman is currently the Chief Executive Officer of the Kingdom Holding Company after leading the Local Development and Investments Division in the Group for many years.

Since joining the company in 1996, Engineer Talal has assumed the responsibility for supervising the investments and operations of the company, as well as identifying future private and public investment opportunities locally, regionally, and internationally.

In addition to being a Member of the Board of Directors of the Kingdom Holding Company and a member of the Investment Committee, he is also a member of the Board of Directors and member of the Executive Committee of the National Industrialization Company, a diverse investment chemicals company listed on the Saudi Stock Exchange with a market capitalization of \$2.5 billion at the end of 2023. He is also a member of the Board of Directors and a member of the Executive Committee of NAS Holding, member of Board of Director on Dallah healthcare company and Deputy Chairman of Banque Saudi Fransi and Chairman of the Board of Directors of Saudi Fransi Capital Company.

Engineer Talal held the position of the Chairman of the Board of Directors of the Kingdom Real Estate Investment Company, which is the local subsidiary of the Kingdom Holding Company, and Chairman of the Board of Directors of the Kingdom Investment and Development Company, which is a closed joint stock company. Al- Maiman is also Chairman of the Board of Directors of the Five Capital Fund, a private equity fund with key sponsors including Kingdom Holding Company, the French Sovereign Wealth Fund and CDC International Capital. He is also a member of the Board of Directors of Five Capital Advisors (DIFC), a structured investment advisory company jointly owned by CDC.

Al- Maiman was previously a member of the Board of Directors of Savola Group, in addition to his membership in the Board of Directors of the Saudi Research and Marketing Group. Before joining the Kingdom Holding Company, Al- Maiman held the position of the Director of Information Systems at the Saudi Arabian Monetary Authority from 1986 to 1996 and the Director of Operations and Maintenance in the Saudi Ministry of Interior from 1979 to 1986.

Mr. Sarmad Zok:

Executive Board Member

Mr. Sarmad Zok is Chief Executive Officer and Executive Manager of Kingdom Hotel Investments Company (KHI), a hotel acquisition and development company focused on emerging markets. Mr. Zok founded Kingdom Hotel Investments in 2001 and launched its initial public offering in 2006. In 2010, all the shares of Kingdom Hotel Investments Company (KHI) were acquired and fully owned by Kingdom Holding Company (KHC). Mr. Zok is a member of the Board of Directors of Kingdom Holding Company, where he is responsible for strategic leadership and development of the global hotel investments of Kingdom Holding Company. These interests include hotel management companies such as Four Seasons Hotels and Resorts and Accor Hotels, in addition to international properties including George V Hotel in Paris and Savoy Hotel in London.

Mr. Zok is also a member of the Board of Directors of Four Seasons Hotels and Resorts, Accor Hotels and Black Trust Investment Private Company Ltd. Mr Zok holds a bachelor's degree in Hotel Management from University of Surrey and Master's Degree in property assessment and law from City Business University in London.

Mr. Adel Abdulaziz Al-Abdulsalam:

Executive Board Member

Mr. Adel Al-Abdulsalam is the Executive Director of Finance and Administration and a member of the Board of Directors of Kingdom Holding Company as well as a member of the investment committee. His professional experience lies in financial management, corporate governance, strategic management, and business development. He is a member of the board and chairman of the Audit committee of the Helicopters Company, a subsidiary wholly owned by the Public Investment Fund of Saudi Arabia. He is a board member and chairman of the audit committee of Ladun Investment company, a closed stock company specializing in real estate development and general investments.

Adel holds a bachelor's degree in accounting and a master's degree in business administration.

Dr. Lama Abdulaziz AL Suliman:

Independent Board Member and Vice Chairman

Dr. Lama Abdulaziz Al-Sulaiman is a member of the company's board of directors, holds a bachelor's degree in biochemistry from King Abdulaziz University in Jeddah in 1989 and a master's and doctorate from King's College in London in 2003. She represented Saudi employers in the International Labor Organization for eight years. She is a non-executive board member of Rolaco Holdings.

Mrs. Reem Mohammed Assad:

Independent board member

Mrs. Reem Mohamed Asaad, a member of the company's board of directors, holds a bachelor's degree in science/chemistry from King Abdulaziz University in 1994 and a master's degree from Northeastern University in Boston in 2001.

Mr. Hisham Sulaiman Al Habib:

Independent board member

Mr. Hisham Al Habib is an Executive Member of the Board of Directors of Dr. Suleiman Al Habib Medical Group and the Deputy Chief Executive Officer of the Medical Group Development. Mr. Hisham is also the General Manager of Dr. Suleiman Al Habib Commercial Investment Company. He is also a member of the Board of Directors of Hamat Holding Company. Hisham has a bachelor's degree in financial sciences in Business Administration from the American University in Sharjah.

Mr. Abdulmajeed Ahmed Alhaqbani

Non-Executive Board Member

Abdulmajeed is Head of Securities Investments of the Public Investment Fund. He was previously a Director of Equity Research, Senior Research Analyst, Head of Procurement, Head of Investment of the Assets Department and General Manager of Asset Management at HSBC Saudi Arabia. Prior to that, Abdulmajeed worked as Senior Credit Analyst at the Saudi Industrial Development Fund.

Curriculum Vitae of the committee Members (out of the board)

Mrs. Nada S. Alateegi

Investment committee member

Executive Director for Domestic investment at Kingdom Holding Oct. 2018 – present, Chief Executive Officer of Kingdom Investment and Development Oct. 2018 – present, General Manager of Kingdom Centre. Nada was ranked in the Top 20 Saudi and Gulf Businesswomen in 2009 and 2010.

Mr. Tamim Bassam Jabr

Investment committee member

Mr. Tamim Jabr holds a BA in communication from Emerson Collage and an MA in multinational commerce from Boston University.

Tamim is a seasoned executive with more than 20 years of investment banking experience. Prior to joining KHC, he spent 16 years at Deutsche Bank in Riyadh and London, most recently as Chief Executive Officer of Deutsche Securities Saudi Arabia where he led the development of Deutsche Banks's investment banking and wealth management business in Saudi Arabia. Tamim has also worked as a Corporate Finance Executive at Capital Trust LTD, a leading private equity boutique in the UK. He sits on the boards of Deezer SA, one of the largest music streaming companies in the world, and Five Capital, a leading private equity manager owned by Kingdom Holding and BPI of France. He has held several board memberships including Deutsche Securities and Deutsche Gulf Finance.

Dr. Khaled Abdullah Al-Suhaim:

Audit Committee member

Dr. Khaled Al-Suhaim is a member of the audit committee. He holds a PhD in Human Resources Management and a high diploma in scientific research methods from the University of Wales (Cardiff Business School) in the United Kingdom. He also holds a bachelor's degree and master's Degree with honors in media discipline from King Saud University. Al-Suhaim held several leadership positions in Saudi Telecom Company, including the General Manager of Recruitment, the General Manager of manpower organization and planning, the General Manager of Human Resources Services, and the General Manager of Human Resources Development. He is currently working as a full-time Human Resources and Organization consultant.

Mr. Mohammed Al-Ayadi:

Audit Committee member

Mr. Mohammed Al Ayadi, an independent member of the Audit Committee. He holds a bachelor's degree in accounting from King Saud University in 2005 and a master's degree from Oklahoma City University, USA; He is a CPA in USA since 2013, SOCOPA since 2014, and Business Valuer licensed by Taqeem. He worked with Ernst & Young, KPMG, the World Bank, and the Saudi Arabian Capital Market Authority. Mohammed has also worked on the development and restructuring of several governmental organizations and family businesses and was part of the team who worked on the conversion from the Saudi Auditing standards to the International Auditing standards with the Saudi Organization for Auditors and Accountants. He is a member of the advisory committee at the Accounting Department at Al imam Mohammed Bin Saud University.

The principal activities of the company:

The purposes of the company are carrying out the following activities:

1. Managing its subsidiaries or participating in the management of other companies, to which it contributes, and providing the necessary support thereto.
2. Investing its funds in stocks and other securities.
3. Possessing, using, and renting industrial property rights including patents, trademarks, industrial brands, franchise rights, and other rights and leasing for its subsidiaries and others.
4. Any other legal and legitimate purpose consistent with the nature of the company.

Subsidiaries & associates:

The Company practices its international activities through the following subsidiaries:

A) Kingdom 5 – KR – 11 Limited (KR – 11)

KR – 11 is a limited liability company incorporated in the Cayman Islands. The principal activity of the company is possessing investments in international quoted securities through its wholly owned subsidiaries.

B) Kingdom 5 – KR – 100 Limited (KR – 100)

KR – 100 is a limited liability company incorporated in the Cayman Islands. The principal activity of the company is the possession and management of investment funds through its equity-accounted investees.

C) Kingdom 5 – KR – 132 Limited (KR – 132)

KR – 132 is a limited liability company incorporated in the Cayman Islands. The principal activity of the company includes holding investments in the following subsidiaries and equity-accounted investees:

Name of Company	Actual Ownership Percentage %	
	2023	2022
Kingdom Hotel Investments (KHI) The company was established in the Cayman Islands as a limited liability company with a capital of USD 843 Million in May 2000, to acquire and develop high quality hotels in various regions around the world.	100.0	100.0
Kingdom 5 KR 35 Group (George V) Founded as a limited liability company with a capital of 5,218,200 Euros. It is established in the Cayman Islands and owns George V Hotel in France. (Direct and indirect ownership through Kingdom Hotel Investments Company)	100.0	100.0
Breezeroad Limited (Savoy) United Kingdom Established as a limited liability company with a capital of USD 187,977,994 owned by Kingdom 5KR – 114 Limited (KR – 114) in the Cayman Islands. It owns the Savoy Hotel in London, which is operated by Fairmont Company.	58.96	58.96

Kingdom Holding Company owns shares in the following international associate companies:

Name of Company	Actual Ownership Percentage %	
	2023	2022
Four Seasons Hotels Holding (FSH Inc.) Canada – owned by Kingdom Company 5 – KR – 132 Limited (KR – 132) and established in the Cayman Islands with capital of USD 2,411,984,000. Four Seasons is a leading global company that owns hotels around the world and operates under the Four Seasons Hotel brand. The company also operates and manages private luxury residential units.	23.75	23.75
Accor – Owned by Kingdom Hotels Company (Europe) Accor is a leading global company owning a group of hotels around the world with a market capitalization of €8.4bn	6.3	6.3

Kingdom Holding Company owns shares in the following local and regional subsidiaries:

Name of Company	Actual Ownership Percentage %	
	2023	2022
Kingdom Real Estate Development – Kingdom of Saudi Arabia Established as a limited liability company with a capital of SAR 1,000,000 in 2012. It owns 89.9% of Kingdom Investment and Development Company, in addition to the lands of East Riyadh in Dammam Highway.	100.0	100.0
Kingdom Investment and Development Company – Kingdom of Saudi Arabia Established as a closed joint stock company with a capital of SAR 2,093,322,010 in 2015. It owns controlling majority shares of the following companies: Trade Centre Company Limited, Real Estate Investment Company Limited and Kingdom Schools Company Limited and Fashion Village Trading Company Limited and part of East Riyadh lands and 4.99% of Dallah Health Group.	89.8	89.8
Kingdom Schools Company Limited – Kingdom of Saudi Arabia The Kingdom Schools Company was established in 1998 as a limited liability company with a capital of SAR 254,000,000. It operates in Riyadh. It owns and manages schools in the Kingdom.	47.0	47.0
Fashion Village Trading Company Limited – Kingdom of Saudi Arabia Established as a limited liability company with a capital of SAR 119,876,867 in 2000. The company manages retail stores in Riyadh.	71.8	71.8
Real Estate Investment Company – Kingdom of Saudi Arabia Established as a limited liability company with a capital of SAR 180,000,000 in 1997. It owns and manages a luxury residential complex in Riyadh City.	69.4	69.4
Trade Centre Company Limited (TCCL) – Saudi Arabia Established as a limited liability company with a capital of 1,000,000,000 riyals in 1998. It is the owner of Kingdom Center in Riyadh, including the Kingdom Tower and the Kingdom Market, in addition to the Four Seasons Hotel Riyadh.	70.6	70.6
Consulting Clinics – Beirut SAL (Clinics) – Lebanon Established and operates in Lebanon to provide medical services as a limited liability company with a capital of USD 20,000,000.	50.4	50.4

Kingdom Holding Company owns shares in the following local and regional associate companies:

Name of Company	Actual Ownership Percentage %	
	2023	2022
Nas Holding Company – Kingdom of Saudi Arabia Established as a closed joint stock company with a capital of SAR 3,827,677,250 it owns and manages airline licenses in the Kingdom of Saudi Arabia	37.1	37.1
Jeddah Economic Company Limited – Kingdom of Saudi Arabia Established as a limited liability company with a capital of SAR 8,521,512,800 in 2008. It owns and manages the Kingdom City Project in Jeddah.	33.3	33.3
Banque Saudi Fransi – Kingdom of Saudi Arabia Public Joint Stock Company	16.2	16.2

Company's Plans and Future Expectations:

Kingdom Holding Company will continue to pursue its strategy of investment and management with the objective of delivering sustainable returns to shareholders and supporting the growth of Saudi Arabia under the Vision 2030 strategic plan.

The Most Prominent Events of 2023:

- 1- Kingdom Holding Co. announced the purchase of Citi Group shares at the value of SAR 1,685,868,750 (USD 449,565,000) from HRH Prince Alwaleed bin Talal bin Abdulaziz al Saud.
- 2- Kingdom Holding Co. announced a binding agreement with Red Sea Global Company to enter into a joint venture to develop a tourist resort, to be operated by Four Seasons hotels and resorts group, on Shura Island on the west coast of the Kingdom of Saudi Arabia.
- 3- Kingdom Holding Co. announced that it increased its investment by 274.3 million Saudi riyals (\$73.1 million) in Hercules Capital Inc. one of the largest investment companies focused on venture lending.
- 4- Kingdom Holding Co. announced an additional investment of 274.2 million Saudi riyals (£58.7 million) in Phoenix Group, one of the largest insurance, savings, and retirement companies in the United Kingdom
- 5- Kingdom Holding Co. announced an additional investment of 228.2 million Saudi riyals (£48.6) in M&G PLC, one of the largest insurance and asset management companies in Europe.

Dividend Policy:

The distribution of profits to shareholders is subject to certain restrictions stipulated in the articles of association of the company. Whereas the company is required to transfer 10 % of net profits after deducting Zakat; this amount is to be allocated to the statutory reserve. The Ordinary General Assembly may cease this allocation, whenever the indicated reserve reaches thirty percent (30 %) of the paid-up capital.

The dividend policy is subject to the financial position of the company, market conditions and economic conditions in general, in addition to other factors such as analysis of investment opportunities, reinvestment needs, monetary and capital needs, business expectations and the impact of these profits proposed to be distributed to the company, in addition to other regulatory considerations.

the Board of Directors' recommendation dated 08/09/1444 A.H corresponding to 30/03/2023 to distribute cash dividends from retained earning amounting to (1,037.6) million riyals to shareholders during the year of 2023, amounting to SAR 0.28 per issued share for the whole year, representing 2.8% of the nominal value of the share, and the distribution will be made on a quarterly basis at the rate of 0.7% of the nominal value of the share, at the rate of 7 halalas per quarter for each issued share, for a total of SAR259.4 million per quarter. Eligibility and payments dates are as follows:

First payment: eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 24/10/1444 A.H corresponding to 14/05/2023 and will be paid ten working days after the second trading day following the eligibility date.

Second payment: eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 15/12/1444 A.H corresponding to 03/07/2023 and will be paid ten working days after the second trading day following the eligibility date.

Third Payment: eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 16/03/1445 A.H corresponding to 01/10/2023 and will be paid ten working days after the second trading day following the eligibility date.

Fourth Payment: eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 18/06/1445 A.H corresponding to 31/12/2023 and will be paid ten working days after the second trading day following the eligibility date.

Summary of the Financial Statements:

Income Statement:

All amounts in Saudi Riyals Thousands

Description	2023	2022	2021	2020	2019
Total Revenues	2,703,372	2,492,121	1,508,354	1,029,479	1,928,930
Total Costs and Expenses	(1,706,106)	(1,339,794)	(1,010,938)	(2,193,829)	(1,404,169)
Losses / Gains from Selling Investments and Other	1,501,242	6,758,446	1,238,775	243,098	732,463
Income from Main Activities	2,498,508	7,910,773	1,736,191	(921,252)	1,257,224
Net Financial Expense	(1,202,433)	(604,333)	(406,114)	(459,578)	(610,602)
Minorities	(25,000)	(15,714)	(13,202)	(58,343)	34,146
Income before Zakat and Tax	1,321,075	7,322,154	1,343,279	(1,322,487)	612,476
Zakat and Tax	(307,832)	(364,286)	(325,852)	(144,313)	(192,308)
Net Income of the Year	1,013,243	6,957,868	1,017,427	(1,466,800)	420,168

For further details, refer to the financial statements and attached notes.

The reason of the decrease in the net profit during the current year compared to the last year is primarily due to one off gain in sale of half of its stake in Four seasons Holdings (partial sale of its stake in equity accounted investee) during year 2022 and no such gain was recognized in current year, increase in financial charges, increase in hotels and other operating costs, increase in general, administrative, and marketing expenses and decrease in dividend income. Despite of increase in other gains, increase in share of results from equity-accounted investees, increase in hotels and other operating revenues, increase in gain on investments at FVTPL, decrease in zakat expense, increase in reversal / impairment of financial assets, decrease in withholding and income tax and increase in finance income.

Statement of the Financial Position:

All amounts in Saudi Riyals Thousands

Description	2023	2022	2021	2020	2019
Current Assets	2,939,935	4,142,237	3,943,533	3,155,740	2,452,137
Current Liabilities	(3,939,791)	(7,359,408)	(7,236,011)	(6,242,610)	(3,133,881)
Working Capital	(999,856)	(3,217,171)	(3,292,478)	(3,086,870)	(681,744)
Current Assets	2,939,935	4,142,237	3,943,533	3,155,740	2,452,137
Investments at fair value through other comprehensive income	19,502,567	19,085,926	16,340,198	13,997,579	11,502,427
Equity-accounted Investees	17,172,435	16,371,058	16,343,166	18,654,797	19,562,668
Long-term receivables	1,250,399	1,162,715	1,081,595	-	-
Real Estate Investments	3,997,522	3,676,690	3,688,531	4,231,963	4,253,279
Properties and Equipment	6,823,581	6,508,529	6,861,903	6,949,410	6,855,011
Intangible Assets	1,839,916	1,813,812	1,945,430	2,025,936	1,931,628
Other Long-Term Assets	571,980	394,509	614,972	649,728	1,813,293
Total Assets	54,098,335	53,155,476	50,819,328	49,665,153	48,370,443
Current Liabilities	3,939,791	7,359,408	7,236,011	6,242,610	3,133,881
Long Term Loans	12,763,240	13,256,073	10,586,093	10,575,557	11,397,219
Other Long-Term Liabilities	770,886	320,873	558,355	480,530	496,114
Total Liabilities	17,473,917	20,936,354	18,380,459	17,298,697	15,027,214
Paid Up Capital	37,058,823	37,058,823	37,058,823	37,058,823	37,058,823
Reserves and retained earnings	5,026,700	8,986,739	2,788,399	2,397,191	1,720,610
Unrealized losses from investments at fair value through other comprehensive income	(6,758,124)	(14,712,982)	(9,036,703)	(9,130,047)	(7,420,869)
Other Reserves	(155,857)	(605,841)	79,638	472,609	118,562
Equity attributable to shareholders	35,171,542	30,726,739	30,890,157	30,798,576	31,477,126
Minority Rights	1,452,876	1,492,383	1,548,712	1,567,880	1,866,103
Total equity	36,624,418	32,219,122	32,438,869	32,366,456	33,343,229
Total liabilities and Equity of shareholders	54,098,335	53,155,476	50,819,328	49,665,153	48,370,443

For further details, refer to the financial statements and attached notes.

Approximate Analysis of the Total Source Revenues according to the Geographical Distribution:

The Company believes that it is not feasible to report its revenues on a geographical basis, since the company classifies its activities based on sectors. However, to adhere to the

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Corporate Governance Requirements issued by the Capital Market Authority, the following has been prepared:

All amounts in Saudi Riyals Thousands

2023	Kingdom of Saudi Arabia	Asia	North America and Europe	Total
Total Assets	47,390,242	469,424	6,238,669	54,098,335
Total Liabilities	13,587,296	58,247	3,828,374	17,473,917
Total Revenues	1,735,354	83,558	884,460	2,703,372
Net Income (Loss)	1,012,490	7,523	(31,770)	988,243

Subsidiaries are often concentrated in the Kingdom of Saudi Arabia. Their revenues come geographically from the Kingdom. There are also two subsidiaries in Europe, which are George V and Savoy. Their revenues come geographically from Europe.

All amounts in Saudi Riyals Thousands

2022	Kingdom of Saudi Arabia	Asia	North America and Europe	Total
Total Assets	46,923,742	442,100	5,789,634	53,155,476
Total Liabilities	17,418,931	54,942	3,462,481	20,936,354
Total Revenues	1,567,749	97,317	827,055	2,492,121
Net Income (Loss)	6,924,747	21,413	(4,006)	6,942,154

Analysis of the Total Source Revenues according to the Main Sectors:

All amounts in Saudi Riyals Thousands

2023	Sectors			Total
	Shares	Hotels	Real Estate, Local Investments and Others	
Total Assets	39,575,122	6,630,532	7,892,681	54,098,335
Net Income	771,742	(24,247)	240,748	988,243

2022	Sectors			Total Shares
	Shares	Hotels	Real Estate, Local Investments and others	
Total Assets	39,165,333	6,154,173	7,835,970	53,155,476
Net Income	6,855,320	17,407	69,427	6,942,154

Loan Details of Kingdom Holding Company and its subsidiaries:

All amounts in Saudi Riyals Thousands

Description	2023	2022	2021	2020	2019
Kingdom Holding Company	8,701,902	12,159,182	9,570,420	8,543,760	5,762,653
Kingdom 5 – KR – 11 Limited	2,672,431	2,591,722	3,326,492	3,375,000	4,125,000
Kingdom 5 – KR – 114 Limited (Savoy)	1,142,259	1,213,398	1,344,117	1,416,042	1,318,019
Kingdom 5 – KR – 35 Group (George V)	1,704,026	1,568,868	1,666,852	1,609,672	1,464,051
Others	751,510	828,328	535,174	655,185	713,590
Total	14,972,128	18,361,498	16,443,055	15,599,659	13,383,313

Loan Details of All the Above Companies:

- **Kingdom Holding Company**

All amounts in Saudi Riyals Thousands

Description	Loan Origin	Paid During the Year	Outstanding Balance	Term of Loan	Due Date
Banque Saudi Fransi	2,678,000	2,678,000	-		
Samba Financial Group	375,000	-	375,000	4 Years	Nov 2024
Saudi National Bank	1,500,000	-	1,500,000	5 Years	Oct 2028
Crédit Agricole	526,301	-	526,301	3 Years	Jan 2024
Samba Financial Group	2,500,000	-	2,500,000	5 Years	Oct 2028
Crédit Agricole Tranch C	710,419	710,419	-		
Syndicated Loan from several International and Regional Banks	3,937,500	1,125,000	2,812,500	3 Years	Sep 2027
Arab National Bank	5,905,942	5,905,942	-		
Citi SES	1,815,611	993,750	821,861	2 Years	Sep 2025
Saudi National Bank-KIDC	242,099	21,342	220,757	10 Years	Sep. 2030
Prepaid Loan Fee	(95,348)	-	(54,517)		
Total	20,095,524	(11,434,453)	8,701,902		

The loans assume borrowing costs according to the prevailing rates between banks in the Kingdom of Saudi Arabia (SIBOR) and the prevailing rates between banks in London (LIBOR), plus a certain profit margin. The company guarantees them through some of its investments. Bank loan agreements include financial undertakings, including those necessary to maintain a certain equity balance, commission coverage ratio, and specific loan ratios to the market value of the collateral provided. These loans are subject to review and amendment according to the needs of the company; thus, some agreements and terms of the loans have been amended according to the last amendment made to these agreements.

- **Kingdom 5 – KR – 11 Limited**

All amounts in Saudi Riyals Thousands

Description	Loan Origin	Paid During the Year	Outstanding Balance	Term of Loan	Due Date
Crédit Agricole – France	1,223,781	-	1,223,781	5 Years	July 2024
Société Générale – France	1,448,650	-	1,448,650	5 Years	Dec 2025
Total	2,672,431	-	2,672,431		

The loans assume a floating rate commission that is calculated on the basis of the main commission rate (according to the prevailing commission rates between banks in London) plus a certain margin in the loan currency. The facilities are guaranteed by some investments available for sale and other investments. The main currency of these loans is the US Dollar. These loans are subject to review and amendment according to the needs of the company, thus some agreements and terms of these loans have been amended according to the last amendment made to these agreements.

- **Kingdom KR – 114 Limited (Savoy)**

All amounts in Saudi Riyals Thousands

Description	Loan Origin	Paid During the Year	Outstanding Balance	Term of Loan	Due Date
Rueben Brothers – refinance Syndicated loan	1,213,397	(71,138)	1,142,259	5 Years	October 2028

- **Kingdom 5 – KR – 35 Group (George V)**

All amounts in Saudi Riyals Thousands

Description	Loan Origin		Paid During the Year		Outstanding Balance		Term of Loan	Due Date
	In Euro	In Riyal	In Euro	In Riyal	In Euro	In Riyal		
Société Générale, Natixis, NBK, and CACIB	824,802	3,310,599	(413,102)	(1,606,574)	411,700	1,704,025	5 Years	Sep 2028

The loans are guaranteed by mortgaging the properties of George V Hotel. The loan agreements include some financial undertakings that require maintaining the asset value coverage rate and maintaining cash collateral insurance. The loans carry a floating rate commission according to the prevailing commission rates between the banks in London for three months. The main currency of these loans is the Euro. These loans are subject to review and amendment according to the needs of the company; thus, some agreements and terms

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of these loans have been amended according to the last amendment made to these agreements.

- **Others:**

All amounts in Saudi Riyals Thousands

Description	Loan Grantor	Loan Origin	Paid During the Year	Outstanding Balance	Term of Loan	Due Date
Trade Centre Company Limited	SNB	828,328	(76,818)	751,510	8 Years	Dec 26

These loans are subject to review and amendment according to the needs of the company; thus, some agreements and terms of the above-mentioned loans have been amended according to the last amendment made to these agreements.

Details of Transactions related to Kingdom Holding Company, its subsidiaries, and shareholders:

- **Liabilities Due from Relevant Entities:**

These transactions arose because of the normal and principal activities of the group. These transactions are carried out in accordance with the terms and conditions for dealing with third parties. The details of these transactions are as follows:

All amounts in Saudi Riyals Thousands

Name of Company	Nature of Transaction	Amount
Al Azizia Commercial Investment Company	Liabilities due from Associate Companies	114,207
Other	Liabilities due from Associate Companies	9,651
Total		123,858

- **Liabilities Due to Relevant Entities:**

These transactions arose as a result of the normal and principal activities of the group. These transactions are carried out in accordance with the terms and conditions for dealing with third parties. The details of these transactions are as follows:

All amounts in Saudi Riyals Thousands

Name of Company	Nature of Transaction	Amount
Kingdom Oasis	Liabilities due to Associate Entities	100,000
Safari Company Limited	Liabilities due to Associate Entities	672
Other	Liabilities due to Associate Entities	443
Total		101,115

Risk Management

The Group's activities expose it to various financial risks. These risks include market risks (including currency risks, fair value risks and cash flows of the commission rate and price risks), credit risks and liquidity risks. The general risk management program of the Group focuses on the unpredictability of the financial market conditions and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by senior management in accordance with the policies approved by the Board of Directors. The most important types of risks are credit risk, currency risk, market risk, fair value risk and commission rate cash flow risks.

The financial instruments presented in the financial position statement include cash and cash equivalents, investments, accounts receivable, some other assets, bank borrowings, term loans, accounts payable and some other liabilities. The registration methods applied for these items are disclosed in the accounting policy for each one of them.

Clearing is carried out between the financial assets and liabilities. The net is to be stated and disclosed in the financial statements, when the Group has a legal right to conduct clearing and the intention to either settle on a net basis or register the assets and liabilities at the same time.

Fair Value and Commission Rate Flow Risks

Fair value and commission rate cash flow risks are the exposures to various risks related to the effect of fluctuations in commission rates in the market on the financial position and cash flows of the Group. The group is exposed to commission rate risk in terms of its assets and liabilities related to the commission including loans, bank borrowings and term deposits that are associated with a floating commission.

The impact on income and expenses is the influence of the assumed changes in commission rates on the net results of the Group for one year based on the financial assets and liabilities associated with floating commission and existing as on December 31, 2023, and 2022.

Stock Rate Risk

The stock rate risk is the risk of the fair value decreasing because of the change in the level of the stock indices and the individual value of each share. The Group's investments available for sale and those acquired for trading purposes are subject to price risks, whereas they consist of investments in equity shares. The Group diversifies its investment portfolio to manage the share price risk arising from its investment in equity shares.

Credit Risk

Credit risk is the inability and failure of one party to fulfill the obligations related to financial instruments, which leads the other party to incur a financial loss. The Group manages its credit risk with respect to its customers by setting a credit limit for each customer and monitoring the outstanding receivables.

The table below represents the maximum credit risk to which the most important items in the financial position statement are exposed:

All amounts in Saudi Riyals Thousands

Description	2023	2022
Balances in Banks and Short-Term Deposits	1,923,789	3,440,947
Receivables	429,486	198,837
Other Current Assets (required from Sister Companies and Others)	123,858	120,976
Long Term Receivable	1,250,399	1,162,715
Total	3,727,532	4,923,475

Liquidity Risk

Liquidity risk is the risk that an enterprise would encounter difficulties in securing the necessary liquidity to fulfill the obligations and liabilities related to financial instruments. Liquidity risk may result from an inability to sell a financial asset rapidly at an amount close to its fair value. Liquidity risk is managed by periodically ensuring that sufficient liquidity is available through credit facilities to fulfill any future obligations. The sale terms and conditions of the Group require that the amounts must be paid within 30 days from the sale date. Commercial accounts payable are usually paid within 60 days from the purchase date.

Currency Risk

Currency risk is the risk arising from financial instrument value fluctuation due to changes in foreign exchange rates. The Group monitors the fluctuations in foreign exchange rates and manages its impact in the consolidated financial statements accordingly.

For further details, refer to the attached notes to the financial statements.

Due Regulatory Payments:

The due regulatory payments in the consolidated financial position statement consist of the following: -

All amounts in Saudi Riyals Thousands

Description	2023	2022
Zakat Provision of the Year – Kingdom Holding Company *	362,674	532,177
Income Tax Provision – Foreign Subsidiaries *	-	14,153
Total	362,674	546,330

* Zakat of the period is the Zakat due from the Company and its local subsidiaries. The subsidiaries of the Group registered outside the Kingdom of Saudi Arabia are subject to the Tax Regulations in the countries in which these companies operate. The foreign profit distributions are subject to withholding tax.

For further details, refer to the financial statements and the attached notes.

Assemblies of Shareholders:

Extraordinary General Assembly

- There was no Extraordinary General Assembly meeting held in 2023.

Ordinary General Assembly

- 1- The Board of Directors Report for the financial year ended December 31, 2022, was reviewed and discussed.
- 2- The Financial Statements for the financial year ended December 31, 2022, were reviewed and discussed.
- 3- The Auditor's Report for the financial year ended December 31, 2022, was discussed.
- 4- Approved to absolve members of Board of Directors from liability for the past year 2022.
- 5- Approved to appoint PricewaterhouseCoopers Public Accountants from among the candidates based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second, third quarters and the annual financial statements for the fiscal year of 2023 and the first quarter of the fiscal year 2024 and to determine the fees to be paid to the auditor.
- 6- Approved on the disbursement of an amount of six hundred thousand Saudi Riyal (SAR 600,000) being the remuneration of the Independent Board of Directors with an amount of two hundred thousand Saudi Riyal (SAR200,000) for each member. for the fiscal year ending on December 31, 2022 AD.
- 7- Approved the Board of Directors' recommendation dated on 08/09/1444 A.H corresponding to 30/03/2023 to distribute cash dividends from retained earnings amounting to (1,037.6) million riyals to shareholders during the year of 2023, amounting to SAR 0.28 per issued share for the whole year, representing 2.8% of the nominal value of the share. The distribution will be made on a quarterly basis at the rate of 0.7% of the nominal value of the share, at the rate of 7 halalas per quarter for each issued share, for a total of SAR259.4 million per quarter. Eligibility and payments dates are as follows:
 - **First payment:** eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 24/10/1444 A.H corresponding to 14/05/2023 and will be paid ten working days after the second trading day following the eligibility date.
 - **Second payment:** eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 15/12/1444 A.H corresponding to 03/07/2023 and will be paid ten working days after the second trading day following the eligibility date.
 - **Third Payment:** eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 16/03/1445 A.H corresponding to 01/10/2023 and will be paid ten working days after the second trading day following the eligibility date.

- **Fourth Payment:** eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 18/06/1445 A.H corresponding to 31/12/2023 and will be paid ten working days after the second trading day following the eligibility date.
- 8- Approved to authorize the Board of Directors to distribute interim cash dividends on a semi-annual or quarterly basis during the fiscal year 2024.

The Company's General Assembly Meetings and the Names of the Attending Members of the Board of Directors: (2)

Name of Member	Date of meeting	
	17/04/2023	17/04/2022
His Royal Highness Prince Al-Waleed bin Talal bin Abdulaziz Al Saud	✓	✓
Engineer Talal Ibrahim Al- Maiman	✓	✓
Mr. Sarmad Nabil Zok	✓	✓
Mrs. Reem Mohammed Assad	✓	✓
Dr. Lama Abdulaziz Suliman	✓	✓
Mr. Hisham Sulaiman Al Habib	✓	✓
Mr. Adel Abdulaziz Al-Abdulsalam	✓	✓
Abdulamjeed Ahmed AlHaqbani	✓	N/A

Meetings of the Board of Directors:

The number of Board of Directors meetings during the year was (17). The number of sessions attended by each member is as follows:

Name of Member	Membership Type	Date of meeting										
		8 Jan	23 Mar	9 Apr	14 May	22 Jun	10 Aug	16 Aug	12 Sep	2 Nov	8 Nov	20 Dec
HRH Prince Al-Waleed bin Talal bin Abdulaziz Al Saud "Chairman"	Non-Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Eng. Talal Ibrahim Al- Maiman	Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sarmad Nabil Zok	Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Adel Abdulaziz Al-Abdulsalam	Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Lama Abdulaziz AlSuliman	Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reem Mohammed Assad	Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Hisham Sulaiman Al Habib	Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abdulmajid AlHaqbani	Non-Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Kingdom Holding Company

Board of Directors' Report

Shares owned by Members of the Board of Directors, Senior Executives, their Wives and minor Children and Stakeholders:

Name of Member	Membership Type	Listed and Closed Joint Stock Companies, which membership is occupied by the Members of the Board	Number of Owned Shares	
			2023	2022
His Royal Highness Prince Al-Waleed bin Talal bin Abdulaziz Al Saud	Chairman of the Board of Directors Non-Executive	None	3,520,588,235	3,520,588,235
Engineer Talal Ibrahim Al-Maiman	Chief Executive Officer	Member of the Board of Directors: <ul style="list-style-type: none"> - National Industrialization Company - National Air Services Company (NAS) - Banque Saudi Fransi - Kingdom Investment and Development Company - Saudi Fransi Capital Company - Dallah Healthcare company 	10,433,014	10,433,014
Mr. Sarmad Nabil Zok	Executive Member of the Board of Directors	<ul style="list-style-type: none"> - Accor Group 	1,000	1,000
Mr. Adel Abdulaziz Al-Abdulsalam	Executive	Member of the Board of Directors: Helicopter Company LADUN investment company	-	-
Dr. Lama Abdulaziz AlSuliman	Independent	None	-	-
Reem Mohammed Assad	Independent	None	-	-
Mr. Hisham Sulaiman Al Habib	Independent	Member of the Board of Directors: <ul style="list-style-type: none"> - Dr. Suleiman Al Habib Medical Group - Dr. Suleiman Al Habib Commercial Investment Company - Hamat Holding Company 	-	-
Mr. Abdulmajeed Ahmed AlHaqbani	Non- Executive	None	-	-

Kingdom Holding Company Board of Directors' Report

Remunerations and allowances were paid to Five Senior Executives, including the Chief Executive Officer and Chief Financial Officer:

Remunerations of Senior Executives					
Fixed Remunerations		Variable Remunerations		End of Service Gratuity	Total
Salaries	Allowances	Bonus	Shares	End of Service Bonus	Total
10,454,012	1,537,500	33,007,500	-	-	44,999,012

Remunerations are determined according to the Remunerations Policy approved by the General Assembly. There has not been any significant and essential deviation from this policy. Three of the Executives are members of the Board of Directors, Engineer Talal Al- Maiman, Mr. Sarmad Zok and Mr. Adel Al-Abdulsalam. The remuneration, which they received for their executive work in the company, is as follows: -

Fixed Remunerations		Variable Remunerations		End of Service Gratuity	Total
Salaries	Allowances	Bonus	Shares		
7,959,332	937,500	21,147,500	-	-	30,044,332

Board of Directors' Committees:

Investment Committee

The Committee undertakes general supervision of the company's investments. The Committee is charged with approving the main investment decisions on behalf of the Board of Directors and reviewing the performance and purchase of investments. The number of Committee's meetings held during the year reached (4) meetings. The Committee consists of the members, whose names are as follows:

Name of Member	Membership Type	2 Jan 23	21 Mar 23	7 Apr 23	7 Jun 23
		✓	✓	✓	✓
His Royal Highness Prince Al-Waleed bin Talal bin Abdulaziz Al Saud "Chairman"	Non-Executive	✓	✓	✓	✓
Engineer Talal Ibrahim Al- Maiman	Executive	✓	✓	✓	✓
Mr. Adel Abdulaziz Al-Abdulsalam	Executive	✓	✓	✓	✓
Mr. Abdulmajid Alhaqbani	Non-Executive	N/A	N/A	✓	✓
Mrs. Nada S. Alateegi	Executive	✓	✓	N/A	N/A
Mr. Tamim Bassam Jabr	Executive	✓	✓	N/A	N/A
Mr. Sarmad Zok	Executive	✓	✓	N/A	N/A

Kingdom Holding Company Board of Directors' Report

Audit Committee

The Committee supervises the assessment of risks, administrative procedures, internal control, operations, financial reports and auditing the financial statements of the company. The Committee also monitors and approves the financial results of the company and determines compliance policies with regulations and policies and examines internal control procedures. The number of Committee meetings held during the year reached (7) meetings. The Committee consists of the members, whose names are as follows:

Name of Member	Membership Type	Date of Meeting						
		19 Mar 23	25 Mar 23	21 May 23	10 Aug 23	18 Sep 23	07 Nov 23	23 Nov 23
Dr. Khaled Abdullah AlSuhaim "Chairman"	Independent	✓	✓	✓	✓	✓	✓	✓
Reem Mohammed Assad	Independent	✓	✓	✓	✓	✓	✓	✓
Mohammed Omar Al Ayadi	Independent	✓	✓	✓	✓	✓	✓	✓

During this year, the committee, through the work and meetings thereof with the auditors, verified the effectiveness of the internal control system in protecting the company's assets, assessing business risks, and measuring performance efficiency as part of the task of auditing the final financial statements of the company. There were no significant weakness results for the internal control system of the company, The committee also indicates that it requested the appointment of an internal audit manager in the company to assist the committee in carrying out its tasks and to prepare the periodic reports and supervise the follow-up of finalizing the notes of the internal audit reports for the previous years, The company's management believes that, by virtue of the nature of the company's activity as a holding company, the internal audit department should be assigned to a special professional office.

Nomination and Remuneration Committee

The Committee is responsible for nominating members of the Board of Directors and assisting the Board in setting, reviewing and approving plans and policies concerning compensation. The number of Committee meetings held during the year reached two meetings. The Committee consists of the members, whose names are as follows:

Name of Member	Membership Type	Date of Meeting	
		Jan 5, 2023	Sep 10, 2023
Mr. Hisham Sulaiman Al Habib "Chairman"	Independent	✓	✓
Reem Mohammed Assad	Independent	✓	✓
Dr. Lama Abdulaziz AL Suliman	Independent	✓	✓

Suggestions and notes.

Members, particularly non-executives, are informed of shareholders' proposals and notes regarding the company and its performance during periodic meetings of the Board. They also view a part thereof directly during the meeting of the General Assemblies of the company.

Company's Requests of the Shareholder Register:

The company has requested the shareholder register under 8 requests as follows:

Date	Purpose
02-Jan-23	Dividend entitlement
16-Apr-23	Other
17-Apr-23	Other
25-Apr-23	Other
14-May-23	AGM
16-May-23	Dividend entitlement
5-July-23	Dividend entitlement
3-Oct-23	Dividend entitlement

Board of Directors' Declarations for the Governance System Requirements:

According to the Regulations issued by the Capital Market Authority, concerning the Registration and Listing System and the Corporate Governance Regulation regarding the necessity of disclosing all regulatory requirements listed in the Regulations in the annual report of the Board of Directors, the Board acknowledges the following:

- The company did not receive any notices from its shareholders regarding any change in their ownership percentage during 2023.
- There is currently no system of stock option plans. There are no transferable debt instruments of shares for any entity whatsoever.
- There is no redemption, purchase, or cancellation by the company or any of its subsidiaries regarding any callable bonds and the value of the remaining securities.
- The company does not have franchise shares or shares that have a special priority in voting, whether for shareholders, members of the Board of Directors or its employees. All the shares of the company are ordinary shares of equal nominal value and equal in voting rights and other rights according to the law.
- There is no contract that the company was a party therein, in which there is or has been a fundamental and essential interest for any member of the company's Board of Directors, the Chief Executive Officer, or the Chief Financial Officer, or for any person related to any of them other than what was mentioned in the disclosure of the relevant parties.
- The Board of Directors declares that the three independent members received bonuses and remunerations amounting to Two Hundred Thousand Riyals for each member in

consideration of their membership in the Board of Directors along with actual travel expense reimbursement for attending the board meetings amounting to Thirty-Two Thousand Riyals for all members, upon which it was voted by approval at the General Assembly Meeting. They did not receive, in addition to the other members of the Board of Directors, any allowances, travel expenses, transportation, or any other allowances regarding 2023 up to the date of this report.

- There have been no investments or reserves made for the interest or benefit of the company's employees except for the end of service gratuity provision.
- The consolidated financial statements of the company have been prepared as of December 31, 2023, in accordance with the international accounting standards approved by the Saudi Organization for Certified Public Accountants and in a manner that fairly presents the financial position of the company. There is also no difference from the application of the Accounting Standards approved by the Saudi Organization for Certified Public Accountants. Note that the report of the Chartered Accountant did not include any reservations to the annual financial statements.
- The account records have been correctly prepared.
- There is no doubt about the ability of the issuer to continue its activity.
- The Audit Committee is fulfilling its entrusted role to verify the integrity and effectiveness of the internal control system through the internal audit reports filed thereto. Therefore, positive confirmation can be given on the systems and effectiveness of the company's internal control.
- No penalty, sanction, or precautionary attachment was imposed on the company by the Capital Market Authority or any other Supervisory, Regulatory or Judicial Authority.
- The company would like also to clarify that the company has complied with all the requirements of the Corporate Governance Regulation issued by the Capital Market Authority.

In conclusion, His Royal Highness, the Chairman and all Members of the Board of Directors extend thanks and gratitude to the Custodian of the Two Holy Mosques, His Highness the faithful Crown Prince, and to the Good Government for the continuous care, concern and support for the welfare and security of the homeland and the citizen. We thank the shareholders of the company for their precious trust and continuous support. The Board of Directors also takes this opportunity to express its sincere thanks and appreciation to all employees in the Company's Departments and Subsidiaries for their sincere efforts during 2023 and wishes more prosperity and progress in the coming years.

Allah is the Arbiter of Success,