

# 20 21

Annual Report



الأندلس العقارية  
Alandalus Property

Steady Rising



Table of Contents:

1.0

Introduction

Chairman Statement	08
CEO Statement	10

2.0

Executive Summary

Executive Summary	14
Strategic Objectives	14
Achievements 2021	15
Existing Projects	16
Future Projects	18
Certifications and Accreditations	20

3.0

About the Company

Establishment of the Company	26
Company’s key objectives	28
Business and investments	29
Vision, Mission and Values	29
Board of Directors	32
Organizational Structure	34

4.0

Company’s business and investments

Business Sectors	39
Investment in Subsidiaries, Affiliates and Associate Companies	40
Future Projects	52

5.0

Corporate Communication

Human Capital	64
Saudization and Recruitment	65
Social Responsibility	66
Transactions with Related Parties	69

6.0

Financial results and business data

Income Statement	74
Revenue Analysis	77
Balance Sheet	80
Accounting Standards	84
Islamic Securitization (Tawarruq) Facilities	84
Legal Payments	85
Employee Allowances	85

7.0

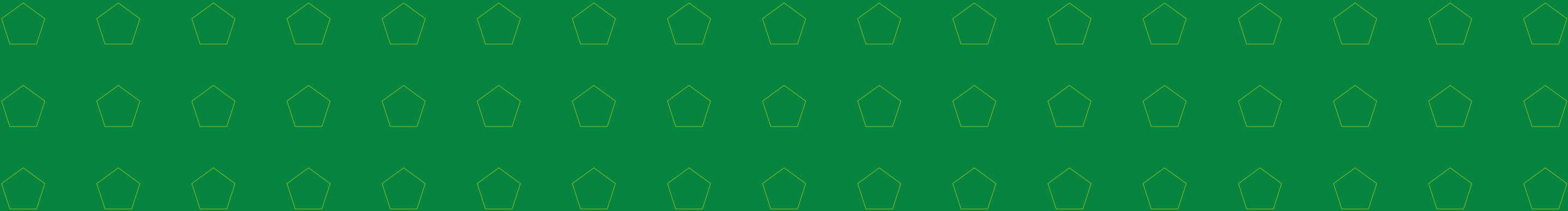
Company’s Board of Directors,

Committees and Executive Management	88
Remunerations of Board Members	102
Major Shareholders and Changes in Equity Ownership	105

8.0

Governance & Risks

Governance	110
Risks	114
Conclusion	122



# Introduction

- Chairman Statement
- CEO Statement

1.0

Dear Shareholders

We are pleased to present to you the annual report of Alandalus Property Company' business for the fiscal year 2021 AD, where the local and global markets began to recover from the negative effects of Covid-19 pandemic. Our company, thanks to God, was able to limit its effects, fulfil our commitment to our shareholders, partners, employees and society in general, and add more achievements to our record of success, thanks to the Company's financial strength and long-term strategic planning in addition to its pioneering presence in the real estate sector in the Kingdom

The Company announced the dividend distribution policy for the years 2021, 2022, 2023 aiming to maintaining the minimum dividend per share to 60% of the net profit annually. The Company, based on the recommendation of the Board of Directors, distributed cash dividends amounted to more than 23.333 million Saudi Riyals to the shareholders for the first half of 2021.

The Company has invested its capabilities and financial strength to enhance its position and strength in the local real estate market, which is witnessing a great competition due to the presence of many major players thereof, by increasing the Company's capital through granting shares, bringing the number of shares granted in the Company to 93,333,333 shares, with a capital of more than 933 million SR, representing an increase of 33.33%, based on the Board of Directors recommendation in order to strengthen and increase the capital base and future activities of the Company.

Furthermore, the Company has expanded its investments in major projects which enhance its strength and pioneering presence and increase the Company's assets by purchasing a land plot in Makkah AlMukarramah with a total value of 174,188,738 SR, which would raise the Company's revenues after developing this land in the coming period. Moreover, the Company announced signing a development contract with AlAhli REIT (1) Fund to expand and increase the number of parking spaces in Alandalus Mall (one of the Fund's assets) in Jeddah, which will add a rental area of about 15,000 sqm to the mall. Such projects reflect our constant keenness to enhance the Company's sustainable development process, which will continuously boost its financial strength in order to achieve the best interest for all investors, partners and affiliates of the Company.

Finally, I would like to express my sincere thanks and gratitude to all respected shareholders for your confidence and continuous support, which bring out our best to meet your expectations and aspirations efficiently and competently. Our thanks extend to all the members of the Board of Directors, the Executive Management and all our employees at all levels, for their great efforts and work dedication, and their great commitment, which had a major impact on the Company's performance development as well as the growth of the projects' portfolio and achievements.

**Mr. Abdulsalam bin Abdulrahman Alaqeel**

Chairman of Board of Directors

# Chairman Statement





Respected shareholders and partners,

It is with great pleasure to present to you the annual report of Alandalus Property Company for the fiscal year 2021, which witnessed a gradual return to life to business markets. The Company was able to achieve outstanding operating revenues, thanks God, by following a wise and competent management with thoughtful work policies based on the Company's Board of Directors instructions, the executive management efforts and specialized work teams' dedication, in light of the major changes in global and local markets.

During the year 2021, Alandalus Property Company increased its capital by increasing the number of shares granted, and expanded its strategic projects base, by signing a deal to purchase a land plot in Makkah Almukarramah, to be developed at a later stage. In addition to announcing Alandalus Mall expansion project in Jeddah aiming to increase the number of parking spaces as well as the rental space in the mall, which will have a positive impact on the mall's revenues, following the growth of the Company's profits in the near future.

The Company also distributed annual dividends for the year 2020 to all investors, and announced a dividend policy for 2021, 2022, 2023. Dividends were distributed to investors for the first half of 2021, which reflects The Company's capabilities and financial strength and its full commitment to preserving shareholders' rights and maximizing their financial earnings rates in a sustainable manner. Furthermore, The Company continued to implement a strategy of sustainable development based on its financial strength and capabilities of its distinguished human capital, to achieve the highest levels of interest, solidify the investors' confidence and contribute to attracting more of investors.

On the other hand, The Company has considered developing the work environment, and provided all its work teams with many courses and training programs to broaden their knowledge and develop their skills, aiming to enable them carrying out their tasks properly in order to achieve The Company's strategic goals.

In conclusion, I would like to thank the Chairman and all members of the Board of Directors of Alandalus Property Company for their great support and constant confidence, all our valued shareholders and partners, and all our executive work teams for their dedication and great efforts in managing, implementing and accomplishing the Company's business with creativity and sincerity, and for their constant commitment to The Company's mission and vision, in pursuit of achieving goals and expectations of our shareholders and valued customers.

**Mr. Hathal bin Saad Alutaibi**  
Chief Executive Officer

# CEO Statement



## Executive Summary

- Executive Summary
- Strategic Objectives
- Achievements 2021
- Existing Projects
- Future Projects
- Certifications and Accreditations



2.0

## Executive Summary

The annual report for the year 2021 presents the operational and financial performance of Alandalus Property Company, in light of the exceptional circumstances imposed by Coronavirus pandemic (Covid-19) and its impact which affected all aspects of life in the Kingdom, especially the work environments in which Alandalus Property is engaged with its commercial complexes and its associate companies. The partial and total lock down caused, in accordance with the government's directives, to limit the spread of this pandemic in order to preserve the health and safety of citizens and residents. Thus, the Company's management has adopted a flexible work policy to deal with such impact, based on its strength, leadership and high efficiency in applying professional operating practices to mitigate these effects.

## Strategic Objectives

Continuously improving the Company's operational performance, and development, management, and leasing of malls, in pursuit of the highest levels of occupancy and the optimal mix of tenants thereof.



Acquiring, in whole or in part, other similar highly performing projects, or which the Company's management believes will enable the Company to achieve outstanding performance.



Developing new malls and hospitality projects in addition to multi-use projects.

Establishing strategic partnerships with other investors to undertake projects in the areas in which the Company is engaged.

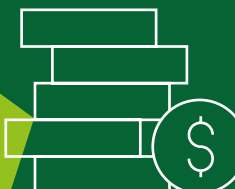


## Company's Achievements in 2019

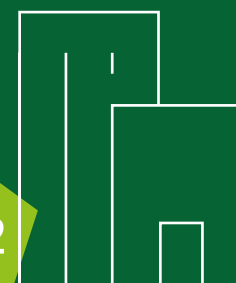
**933,333,330**  
the Company's capital

Increasing the Company's capital from (700,000,000) SAR to (933,333,330) SAR, divided into (93,333,333) ordinary shares.

01



02



03



**30**  
Property was ranked among the top

Alandalus Property was ranked among the top 30 listed companies implementing the principles of corporate governance.

**25%**

Owned by Alandalus property by

Purchasing a land plot in Makkah by Massat Property Company which is owned by Alandalus property by 25%.



## Existing Projects



### Retail Real Estate Sector

#### Alandalus Mall

Wholly owned by AIAhli REIT Fund (1), of which Alandalus Property Company owns 68.73%.



Jeddah



68.73%

#### Hayat Mall

Wholly owned by Alhayat Property Company, of which Alandalus Property Company own 25%.



Riyadh



25%

#### Dareen Mall

Wholly owned by Alaswaq Almutatawira Company, of which Alandalus Property Company owns 50%.



Dammam



50%



### Strip Malls

#### Sahafa Center



Sahafa District, Riyadh

#### Tilal Center



Almalqa District, Riyadh

#### Yarmouk Center



Yarmouk district, Riyadh

#### Almarwa Center



Marwa district, Jeddah



### Office Sector

#### Salama Office Tower

Wholly owned by AIAhli REIT Fund (1), of which the Company owns 68.73%.



Jeddah



68.73%

#### Qbic Plaza Office

Wholly owned by AIAhli REIT Fund (1), of which the Company owns 68.73%.



Riyadh



68.73%



### Hospitality Sector

#### Alandalus Mall Hotel

Wholly owned by AIAhli REIT Fund (1), of which the Company owns 68.73%.



Jeddah

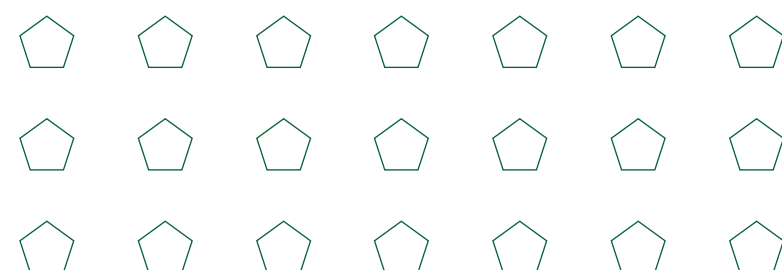


68.73%

## Future Projects

The Company applies a smart strategy in financing future projects using multiple project financing methods, after studying each investment opportunity separately and setting its financing structure by focusing on achieving the highest benefit for the Company's shareholders.

- Hospital project in partnership with Dr. Sulaiman AlHabib Medical Services Holding Group in King Abdulaziz Square, King Abdullah intersection with Prince Majed Road in Jeddah, on an area of 21,215.35 square meters, to be operational in 2023G.
- Alasala district project (The Village) to establish a commercial center on a total area of 124,880 sqm in Alasala district, near Aljawhara Stadium, in Jeddah, to be operational in 2022G.
- Umm Jerfan district project (Massat Property Company) to establish a commercial center on a total area of 127,434.10 sqm, in Umm Jerfan district in Makkah.
- A development contract with AlAhli REIT Fund (1) for an expansion project and an increasing the number of parking spaces in Alandalus Mall (one of the fund's assets), of which the Company owns 68.73%.



Hospital project  
**21,415.35 sq.m**

The Village project  
**124,880 sq.m**

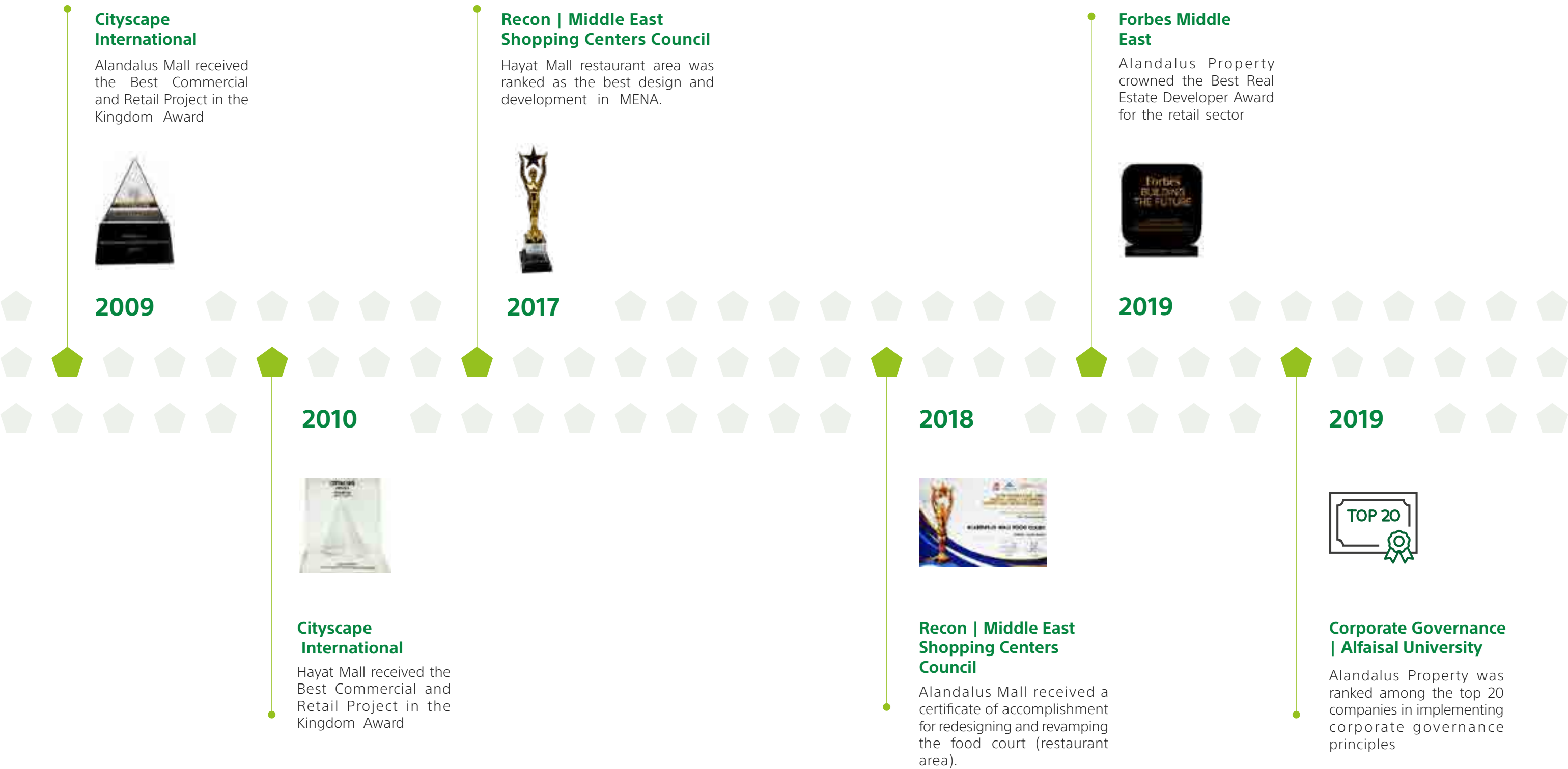
Certificates and Accreditations  
**127,434.10 sq.m**

Expansion project and  
increase the number of car  
parks in Alandalus Mall

Rental area of about  
**15,000 sq.m**



Certificates and Accreditations



# Certificates and Accreditations

## Recon Middle East Shopping Centers Council

Hayat Mall received Performance Improvement Excellence Award for Digital Transformation Initiative.



2019

## Stevie | Middle East and North Africa

Andalus Mall crowned with the Innovation Award for Entertainment Events in of Live Shows and Events category presented by Stevie Awards in MENA



2020

## Recon | Middle East Shopping Centers Council

Alandalus Mall received the Excellence Award for Operations



2021

2020



## Corporate Governance | Alfaisal University

Alandalus Property was ranked among the top 30 listed companies implementing the principles of corporate governance

2021



## Forbes Middle East | Forbes

Alandalus Property was ranked among the most powerful real estate companies for the year 2021 out of 50 real estate companies according to Forbes MENA

2021



## Guinness | Guinness Book of Records

Andalus Mall sets the highest record for greeting cards in Guinness

## About the Company

- Establishment of the Company
- Key Objectives of the Company
- Business and Investments
- Vision, Mission and Values
- Board of Directors
- Organizational Structure

3.0





## Establishment of the Company

Alandalus Property Company ("The Company") is a Saudi joint stock company by virtue of Commercial Register No. 1010224110 dated 17/09/1427H (corresponding to 10/10/2006G) and Ministerial Resolution No. 2509 dated 03/09/1427H (corresponding to 26/09/2006G).

The Company was established as a Saudi closed joint stock company with a capital of two hundred and thirty-eight million and nine hundred thousand (238,900,000) Saudi Riyals, divided into twenty three million and eight hundred and ninety thousand (23,890,000) ordinary shares, with a nominal value of ten (10) Saudi Riyals per share, fully paid.

At the Extraordinary General Assembly of 10/15/1428H (corresponding to 27/10/2007G), the shareholders decided to increase the Company's capital from two hundred and thirty eight million and nine hundred thousand (238,900,000) Saudi Riyals to three hundred and forty three million (343,000,000) Saudi Riyals, divided into thirty-four million and three hundred thousand (34,300,000) ordinary shares. The capital increase, being one hundred and four million and one hundred thousand (104,100,000) Saudi Riyals, was covered by issuing new shares that were paid in cash by the shareholders.

At the Extraordinary General Assembly of 19/05/1436H (corresponding to 10/03/2015), the shareholders decided to increase the Company's capital from three hundred and forty-three million (343,000,000) Saudi Riyals to seven hundred million (700,000,000) Saudi Riyals, divided into seventy million (70,000,000) ordinary shares. The capital increase, being three hundred and fifty seven million (357,000,000) Saudi Riyals, was covered from the retained earnings. In December 2015, after the approval of the Capital Market Authority, the Company offered 30% of its shares for public subscription. The number of offered shares was twenty one million (21,000,000) ordinary shares, with a fully paid nominal value of ten (10) Saudi Riyals per share.

At the Extraordinary General Assembly of 01/17/1442 H (corresponding to 25/08/2021), the shareholders decided to increase the Company's capital from seven hundred million (700,000,000) Saudi Riyals to nine hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty (933,333,330) Saudi Riyals, divided into ninety-three million three hundred and thirty-three thousand three hundred and thirty-three (93,333,333) ordinary shares. The capital increase, being two hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty (233,333,330) Saudi Riyals, was covered from the statutory reserve account and retained earnings by granting one share for every three shares held by the Company's shareholders.

The current capital of the Company is nine hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty (933,333,330) Saudi Riyals, divided into ninety-three million three hundred and thirty-three thousand three hundred and thirty-three (93,333,333) ordinary shares.

## Key Objectives of the Company

The Company's current business is mainly concentrated in real estate development and investment. The key objectives of the Company as per its articles of association are as follows:

- Establishing, owning and managing malls, commercial and residential centers and complexes.
- General contracting for residential and commercial buildings, educational, recreational and health facilities, roads, dams, water and sanitation projects, and electrical and mechanical works.
- Maintenance and operation of real estate facilities and commercial buildings.
- Owning, developing and investing lands and real estate properties for the Company within the limits of its objectives.
- Establishing, owning, investing, maintaining and operating medical, hotel, tourist and recreational centers and complexes.
- Importing materials, devices, furniture, tools and equipment for use in its projects.
- Investing the Company's funds in stocks and other securities subject to the legal and regulatory controls. The Company exercises its activities after obtaining the necessary licenses from the competent authorities, if any.

## Business and Investments

### 01 Retail Properties

Alandalus Property depends on investing in real estate businesses related to the retail sector, such as shopping centers and strip malls.

#### Malls

- The Company is a co-owner of three (3) commercial centers with different ownership percentages:
- Alandalus Mall, Jeddah, wholly owned by AlAhli REIT Fund (1), of which the Company owns 68.73%.
- Hayat Mall", Riyadh, of which the Company owns 25%.
- Dareen Mall", Dammam, of which the Company owns 50%.

#### Strip Malls

In addition to the aforementioned commercial centers, the Company has developed four strip malls with ownership percentage varying between 70% and 100% of these projects which are located on leased lands (Yar-mouk Center, Tilal Center, Alsaafa Center, Almarwa Center).

### 02 Hospitality

Alandalus Mall Hotel in Jeddah, wholly owned by AlAhli REIT Fund (1), of which the Company owns 68.73%. Alandalus Property Company has constructed and developed a hotel tower adjacent to Alandalus Mall, with a total area of 28,225 sqm. The hotel was opened and became operational in the second quarter of 2017. Alandalus Mall Hotel consists of 164 suites in addition to leisure facilities, meeting rooms, international restaurants and a health club.

### 03 Offices

Salama Office Tower, wholly owned by AlAhli REIT Fund (1), of which the Company owns 68.73%  
Qbic Plaza Office Complex, wholly owned by AlAhli REIT Fund (1), of which the Company owns 68.73%

## Vision, Mission and Values



### Vision

To become the most important and prominent real estate developer specialized in constructing project, destinations and landmark developments by leading the transformation process, including destinations focused on shopping and practicing business, in addition to destinations that enhance interaction and communication between people in the Kingdom of Saudi Arabia.



### Mission

Develop and operate a set of unique and distinctive destinations that will enhance the interaction of guests, clients and members of society through experiences that will solidify their loyalty, increase the rate of visits and achieve sustainable value, which will ultimately lead achieving unparalleled growth.



### Values

The Company adopts corporate values through which it seeks to achieve its goals, namely:

- |                         |                            |                            |
|-------------------------|----------------------------|----------------------------|
| <b>01</b><br>Ambition   | <b>02</b><br>Passion       | <b>03</b><br>Determination |
| <b>04</b><br>Confidence | <b>05</b><br>Participation |                            |



# Members of the Board of Directors



**Mr. Abdulsalam bin Abdulrahman Alaqeel**  
Chairman of Board of Directors  
Member of the Executive Committee  
Member of the Nomination and Remuneration Committee



**Eng. Saleh bin Mohammad Alaabib**  
Deputy Chairman of the Board  
Chairman of the Executive Committee  
Member of the Nomination and Remuneration Committee



**Mr. Ahmed bin Abdulrahman Almoosa**  
Member of the Board of Directors  
Member of the Executive Committee



**Mr. Mohammed bin Abdulmuhsin Alzakary**  
Member of the Board of Directors  
Member of the Executive Committee



**Dr. Abdulrahman bin Mohammed Albarrak**  
Chairman of the Audit Committee  
Member of the Board of Directors



**Dr. Sulaiman bin Ali Alhudaif**  
Chairman of the Nomination and Remuneration Committee  
Member of the Board of Directors



**Mr. Nasser bin Sharaf Alsharif\***  
Member of the Board of Directors  
\* Membership ended at the end of the Board session on 09/03/2021



**Mr. Hathal bin Saad Alutaibi**  
Member of the Board of Directors  
Chief Executive Officer

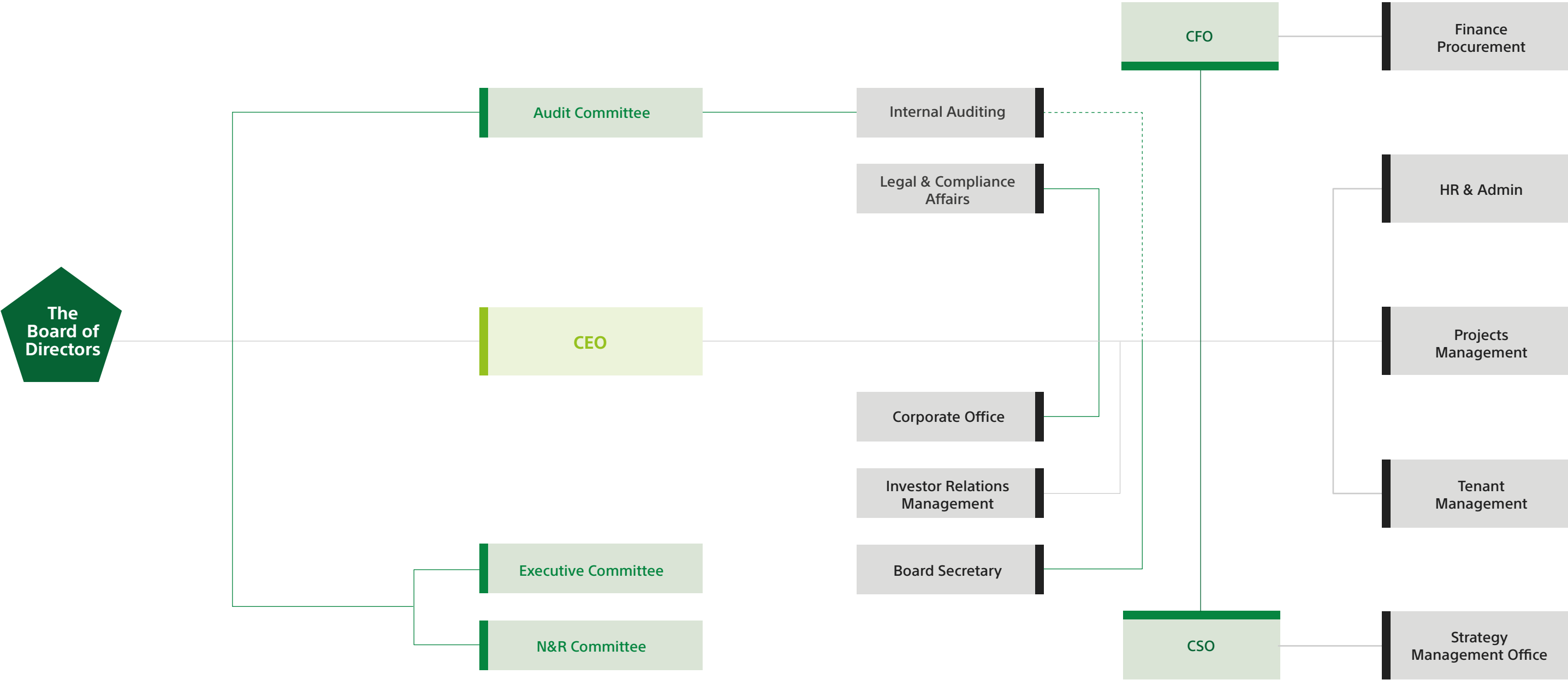


**Mr. Emad bin Hamoud Alotaibi**  
(Representative of the General Organization for Social Insurance)\*  
Member of the Board of Directors  
\* Membership started with the beginning of the Board session on 10/03/2021



**Mr. Abdullah bin Abdulaziz Almishaal\***  
Member of the Board of Directors  
\* Membership started at the beginning of the Board session on 10/03/2021

# Organizational Structure





## The Company's activities and investments

- Business Sectors
- Investment in Subsidiaries, Affiliates and Associate Companies
- Future Projects



4.0

# Business Sectors

The Company's main business is currently focused on real estate development and investment on:



## First: Retail real estate sector

- 1. Malls
- 2. Strip malls



## Second: Hospitality

- 1. Alandalus Mall Hotel



## Third: Offices

- 1. Salama Office Tower
- 2. Qbic Plaza office Complex

## First: Retail Real Estate Sector

### 1.1 Alandalus Mall

Alandalus Mall was opened in 2007G, located in Jeddah on King Abdullah Road, opposite to King Abdulaziz Square, new city center, with a total area of 148,481 sq.m (built up areas and parking).

Alandalus Mall consists of 445 stores rented by 434 tenants, with a total rental area of 94,405 sqm, split into two floors. The mall is wholly owned by AlAhli REIT Fund I, of which the Company owns 68.73%.

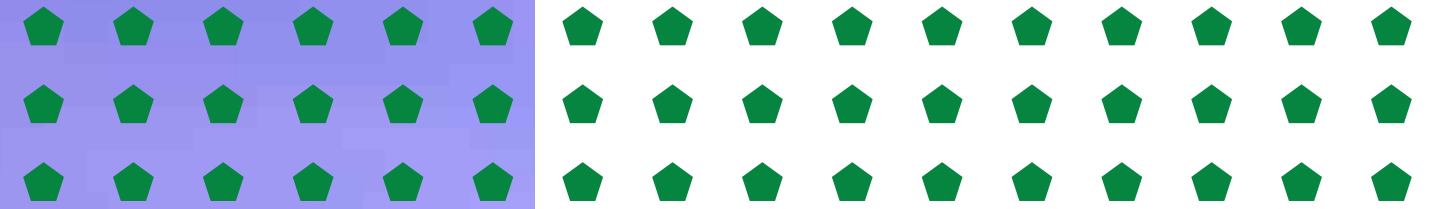
The concept of leasing at Alandalus Mall is distinguished by diversification as tenant mix include a number of high profile international brands, such as H&M, Mothercare, Guess, Foot Locker, Paris Gallery, Center Point, American Eagle, Austin Red, Kiabi, and many other famous brands, in addition to a luxurious restaurant area that includes the best restaurants in Jeddah, such as La Casa Pasta Restaurant, AlBaik and McDONALDS, and an entertainment area for different age categories with diverse activities such as Red Sea and GOAL.

Furthermore, the Empire Cinemas, consisting of 15 different screens, a VIP section, and a children's section were also opened.

A prominent achievement of Alandalus Mall was hitting high occupancy rates of 95%. According to recent data, the Mall recorded a footfall of more than 7.2 million in 2021.

Alandalus Mall is distinguished by its strategic location directly overlooking King Abdulaziz Square, along 800 meters away, in addition to its surrounding population density. The project is located on the intersection of two vibrant streets, which are considered the most important streets in Jeddah, King Abdullah street and Prince Majid street.










With its high quality services, Alandalus Mall has become the first center in the region, which made many companies flock to it to obtain rental space, This increased the Mall's leasing activity, in terms of area and price, in addition to the high profile mix of brands of tenants in the center.



### Alandalus Mall events 2021

- Your Responsibility Earns you Event.
- The Eid is Better with the Strongest Challenge Event, "Genites".
- The Seven Wonders of the World Event.
- The 91st Saudi National Day Event.
- Formula Event in partnership with the Saudi Automobile and Motorcycle Federation.
- Our culture is our Identity Event in partnership with the Culture Authority.
- Souk Aldar Event in cooperation with the Social Development Bank.

### Project Components

 Jeddah city	 <b>148,481 sqm</b> total area
 <b>445</b> stores	 <b>434</b> tenants
 <b>7.2</b> million visitors	 <b>94,405 sqm</b> leased area
 <b>5,575 sqm</b> cinema space	 <b>68.73%</b> owned by the Company
 Fully owned by AlAhli REIT Fund (1)	

## 2.1 Hayat Mall

Hayat Mall is located in Riyadh on King Abdulaziz Road, with a total area of 226,108 sqm (built up area and parking). It includes 551 stores occupied by over 540 tenants, with a leasable area of 89,712 sqm. It is strategically located on King Abdul Road with a range of high profile tenants such as, Jarir Bookstore, Swarovski, Victoria's Secret, Marks and Spencer, Virgin, Paul Cafe and many other leading brands, in addition to the elegant restaurants area, for which the Mall received the Excellence and Development Award from RECON MENA 2017 and hosts several distinguished names such as Applebee's, Copper Chandni, Ushal and Steak & shake Restaurants.

Hayat Mall Center is owned by Hayat Property Company, of which the Company owns 25%.

Hayat Mall maintained high operational levels with high occupancy rates of 98%, while the number of visitors exceeded 7 million in 2021.



## Hayat Mall Events 2021

- Back to School Event
- Arabic Calligraphy Event
- 3D graphics on the Floor Event
- Coupons campaign "It's worth more" in participation of the mall exhibitions
- The Yards of Birds and Flowers Event
- Effective Screens and Interactive Lights Event

## Project Components



Riyadh city



**551**  
stores



**7**  
million visitors



Owned by Hayat Property Company



**226,108 sqm**  
total area



**546**  
tenants



**89.712 sqm**  
leased area



**25%**  
owned by the Company





### 3-1 Dareen Mall

Dareen Mall was opened in 2009. It is strategically located on Dammam Corniche, with a total area of 99,960 sqm, of which 61,326 sqm are built up.

The parking space is 38,634 sqm, and the land area is 59,050.79 sqm. It is equally owned by the Alaswaq Almutatawirah Company and Alandalus Property.

Dareen Mall includes 183 stores occupied by over 160 tenants, with a rental area of 47,294 sqm which is divided into two floors as follows:









- Supermarket, entertainment centers, anchor tenants, small stores, entertainment area and restaurants overlooking the sea.
- Renowned brands: Hyper Panda, Mango, Mothercare, Cinema, Saco, Sparkies, and too many others.

Dareen Mall witnessed a great demand for rent and hit an occupancy rate of 94%, with more than 2.5 million visitors in 2021G.

### Dareen Mall Events 2021

- Hijazi Village Event
- The Elite Forum for Fine Arts Event

### Project Components

 Dammam city	 <b>99,960 sqm</b> total area
 <b>183</b> stores	 <b>160</b> tenants
 <b>2.5</b> million visitors	 <b>47,294 sqm</b> leased area
 Owned by Alaswaq Almutatawirah Company	 <b>50%</b> owned by the Company



First:  
Retail Properties

Strip shopping centers

2.1 Sahafa Center

Sahafa Center is located on a land leased by the Company at the intersection of King Abdulaziz Road with Prince Nasser bin Saud Street, Sahafa District, north of Riyadh, with a total area of 12,395 sqm (built up area and parking).

Development of Sahafa Center was completed in the 4th quarter of 2014G and became operational in 1st quarter 2015G. The strategic location of Sahafa Center in Riyadh, which is surrounded by highly populated area with a large number of service firms, was taken into account in its design to keep pace with the urban development within the area. Sahafa Center includes 27 commercial units occupied by over 16 tenants. Rental units in the center vary between commercial stores and administrative offices. Farm Superstores occupy one of the most prominent stores in the center, in addition to many other brands such as: Starbucks, Bread & Nawashif, Abdulssamad Al Qurashi, Shawermee. The Sahafa Center achieved an occupancy rate of 97% in 2021.



Project Components

- Riyadh city
- 27 stores
- 12,395 sqm total area
- 16 tenants
- 97% owned by the Company
- 7,007 sqm leased area



2.2 Tilal Center

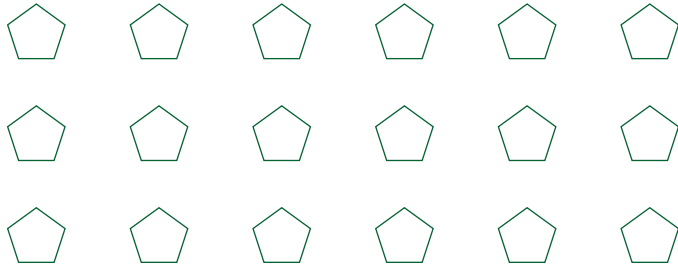
Alandalus Property set its foot in Almalqa district, Riyadh, to establish the Tilal Center on a land leased by the Company. Development works were completed in quarter 4, 2014, and the center became operational in quarter 3, 2015G.

Tilal Center is located on Anas Bin Malik Road, north of Riyadh, with a total area of 9,021 sqm (built up area and parking). It includes 21 commercial units occupied by 15 tenants, divided into three types: large "Danube" markets, major tenants, and other stores, such as: Starbucks and Whites Pharmacies, Elite Oud and Bread Talk.

Tilal Center achieved high occupancy rates of 100% in 2021G.

Project Components

- Riyadh city
- 21 stores
- 9,021 sqm total area
- 15 tenants
- 100% owned by the Company
- 5,072 sqm leased area





2.3 Yarmouk Center





Alandalus Property Company seeks to keep pace with urban development, and add creative touches to the real estate industry. Therefore, the Company established Yarmouk Center, which was designed in a way that aims to add specialized service into the eastern districts of Riyadh and its vicinity.

Yarmouk Center is located in the Yarmouk district on the Dammam road, northeast of Riyadh, on a land leased by the Company, with a total area of 10,822 sqm (built up and parking). Development was completed in quarter 4, 2014, and became operational in quarter 2, 2015.

Yarmouk Center includes 27 commercial units occupied by over 17 tenants, who include three types: large stores ("Panda"), major tenants, and other small stores. There are many other brands besides Panda, such as Baskin Robbins, Saadeddin Sweets, Al Tazaj Restaurant, Ka'ak w Jubn and more.

Yarmouk Center achieved an occupancy rate of 90% in 2021.

Project Components

-  Riyadh city
-  **10,822 sqm** total area
-  **27** stores
-  **17** tenants
-  **90%** owned by the Company
-  **5,475 sqm** leased area










4.2 Almarwa Center

Almarwa Center is located in Marwa district on Prince Majed Road north of Jeddah, with a total area of 17,030 sqm (built up, parking, and offices). Development work was completed in quarter 4, 2018, and the center started operating in quarter 1, 2019. Almarwa Center includes 71 commercial units, divided into 42 stores and 27 offices. The center includes the Farm Superstores and many brands, such as Lomar, McDonald's, Chuck Cheese, Fares Breakfast Starbucks and others.

The Center is owned by Manafea Alandalus for Real Estate Development and Investment, which is 70% owned by Alandalus Real Estate, and 30% by Mohammed Abdulaziz Al Rajhi and Sons Investment, which owns the land on which the center is located and is rented by Manafea Alandalus Company.

Almarwa Center achieved 97% occupancy rate for the stores in 2021.

Project Components

-  Riyadh city
-  **17,030 sqm** sqm total area
-  **42** stores
-  **27** offices
-  **97%** operation rate
-  **9,752 sqm** leased space
-  **71** commercial units





## Second: Hospitality

### Alandalus Mall Hotel, Jeddah

To complement its business in developing activities and projects and in pursuit of continuous development and steady rising through diversification of its business sectors, Alandalus Company has developed and constructed a hotel tower adjacent to Alandalus Mall (Alandalus Mall - Jeddah), with a total area of 28,255 sqm (Built up and parking). The hotel is wholly owned by AlAhli REIT (1) Fund, of which the Company owns 68.73%.

The hotel tower was opened and became operational in quarter 2, 2017G.

The hotel consists of 164 suites, in addition to recreational facilities, meeting rooms, international restaurants, and health club.



Jeddah  
city



164  
suites



28,255 sqm  
total area



Third:  
Offices

Salama Office Tower

The Salama Tower is uniquely located in the Salama area on Madinah Road, close to the intersection of Hira Street. The tower is about 25 minutes from the city center and less than 10 minutes from the new King Abdulaziz International Airport in Jeddah. It consists of 13 floors above ground level in addition to one basement floor and one mezzanine floor.

It also includes 84 offices, 4 halls and 4 warehouses. Salama Tower hosts a number of prominent brands, including Samsung Gulf Electronics, Alrajhi Cooperative Insurance Company, Alrajhi Takaful Insurance Company, Taajeer Group, Tim Hortons, National Aviation Company, and Salama Company (Arab Islamic Insurance Company).

The tower is owned by AIAhli REIT Fund (1) of which the Company owns 68.73%.



Jeddah city



**SR 255 million**  
Purchase value



**5 years**  
Lease period



**58,919.3 sqm**  
Built up area



**31,420 sqm**  
leased area



**7,682 sqm**  
Land area



Qbic Plaza Office Complex  
- Riyadh

The building is located in a privileged location in Alghadeer district in the city of Riyadh on King Abdulaziz Road near the intersection of the Northern Ring Road, about 2 km from King Abdullah Financial Center and 20 km from King Khalid International Airport. The building comprises of a well-developed and modern multi-use office complex that accommodates three interconnected buildings, and is fully leased to the Ministry of Housing.

It is wholly owned by AIAhli REIT (1), of which the Company owns 68.73%.



Riyadh city



**SR 250 million**  
Purchase value



**3 years extendable for another 3 years**  
Lease period



**42,145.31 sqm**  
Built up area



**21,253 sqm**  
leased area



**17,444 sqm**  
Land area



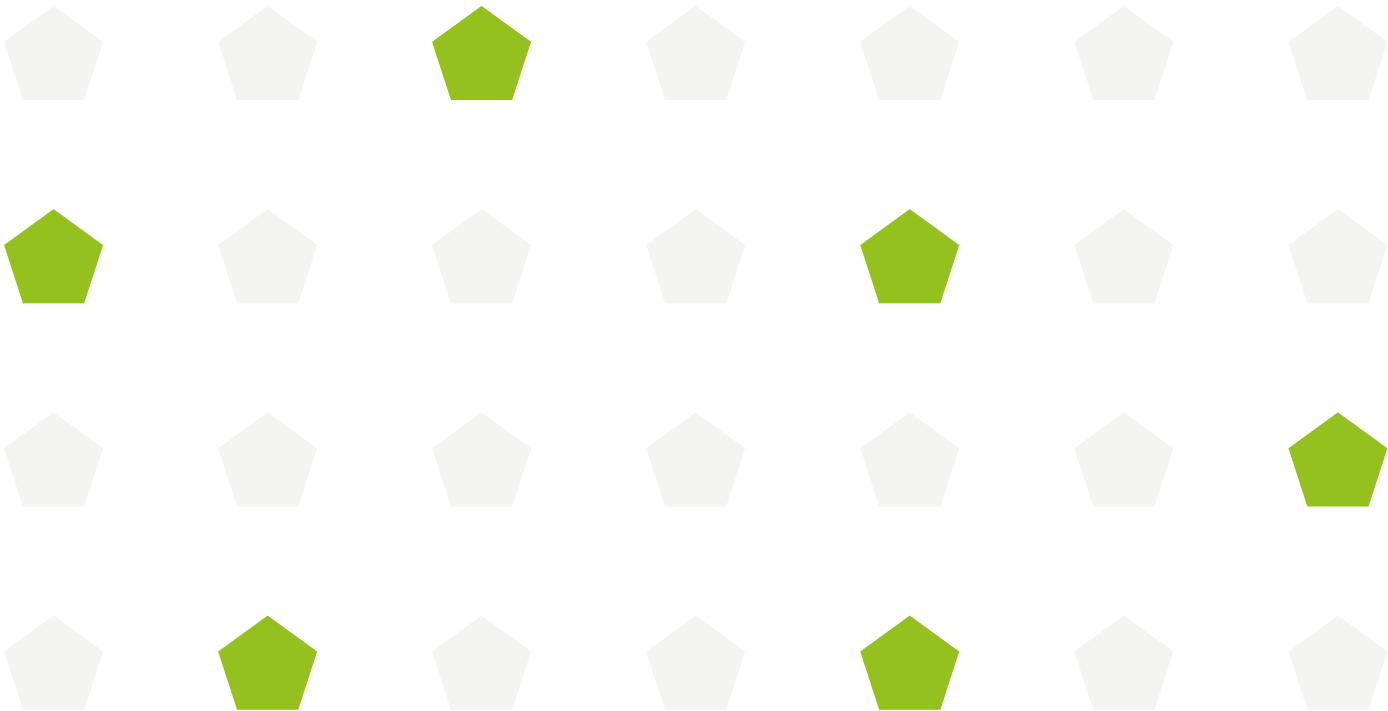


## Investment in Subsidiaries, Affiliates and Associate Companies

### Subsidiaries and Affiliates

The Company’s percentage ownership in Manafea Alandalus Company and Alahli REIT Fund (1) and its main activity as of December 31, 2021:

Name of affiliate	Main Business	Fund size and capital	Country of Origin and business	Company Ownership %
Manafea Alandalus Company	Managing and leasing owned or leased properties (residential) Managing and leasing owned or leased properties (non-residential) Real estate management activities for a commission Real estate development and investment activities for the Company's interest	500,000	Saudi Arabia	70%
AlAhli REIT Fund (1)	Investing mainly in developed in-come generating real estate assets	1,350,000,000	Saudi Arabia	68.73%



### Associate Companies

Alandalus Property Company’s investments include owning stakes in a number of associate companies, in which the Company owns 25% - 50% of their capital, as of December 31, 2021:

Name of associate company	Main Business	Capital	Country of Origin and business	Company Ownership %
Alaswaq Almutatawirah Company	Purchasing, selling and zoning lands and properties, off-plan selling activities, Managing and leasing owned or leased properties(non-residential) Real estate management activities for a commission, Genral constructions of non-residential buildings (such as schools, hospitals, hotels ..etc), Operating fixed cinemas.	25,000,000	Saudi Arabia	50%
Western Jeddah Hospital Company	Establishing and managing hospitals, medical centers and governmental and private clinics	179,424,000	Saudi Arabia	50%
Hayat Property Company	General constructions of residential buildings General constructions of non-residential buildings, such as (schools, hospitals, hotels ...etc.) Restorations of residential and non-residential buildings Managing and leasing owned or leased properties (residential) Managing and leasing owned or leased properties (non-residential)	5,000,000	Saudi Arabia	25%
Sorouh Almarkaz Company	Selling, purchasing and zoning lands and properties, Off-plan selling activities, Managing and leasing owned or leased properties (residential) Managing and leasing owned or leased properties (non-residential)	500,000	Saudi Arabia	25%
Aljawhara Alkubra Real Estate Development and Investment Company	Managing and leasing owned or leased properties (residential) Managing and leasing owned or leased properties (non-residential)	271,838,224	Saudi Arabia	25%
Massat Property Company	Managing and leasing owned or leased properties (residential) Managing and leasing owned or leased properties (non-residential)	174,100,000	Saudi Arabia	25%



## Future Projects

### First: Establishing a Hospital in Partnership with Dr. Sulaiman Al Habib Medical Services Holding Group

The project is located on King Abdulaziz Square, at the intersection of King Abdullah Road with Prince Majid Road in Jeddah, adjacent to Alandalus Mall and Alandalus Mall Hotel. The project aims to build an integrated hospital to provide health care under Dr. Sulaiman Al Habib Hospital's name. The project is currently under construction, according to the latest report received from the developer partner, it is expected that construction works of the project will be completed in quarter 3, 2023G, accordingly, to be operational in quarter 4 of the same year. The expected total cost of implementing this project amounted to SR 1.6 billion SAR according to the latest report received from the developer partner (Dr. Sulaiman Al Habib Medical Group). On the other hand, completion rate of the project up to the date of this report has reached 29%. This project will be funded mainly by bank loans in addition to the partners' own resources.

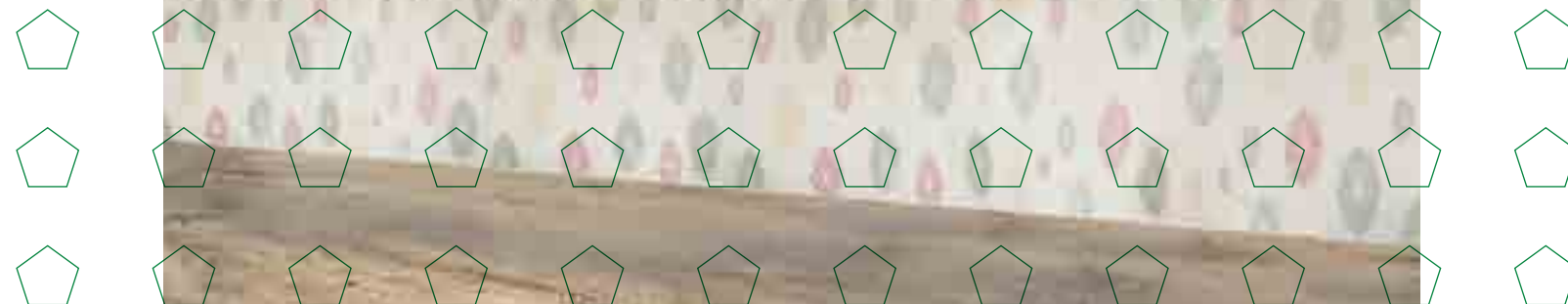
It should also be noted that the hospital consists of 330 beds and 245 clinics. This project is wholly owned by West Jeddah Hospital Company, of which Alandalus Property owns 50%.



Jeddah  
city



Purchase value  
**SR 1.6 billion**



### Second: The Village Project

The project is located in Alasala district in Jeddah near Aljawhara Stadium (King Abdullah Sports City), the total area of which is 124,880 sqm, to establish a commercial center thereon in partnership with other owners of the land. The project was recently named (The Village). The project company (Aljawhara Alkubra Real Estate Development and Investment Co.) was established between the owners of the land. The title deed of the project's land was transferred to the Aljawhara Alkubra Real Estate Development and Investment Co.. Knowing that the ownership percentage of the partners according to the Company's amended articles of association as follows:

- Al Andalus Property Company 25%
- Jarir Commercial Development Company 42%

- The developer partner/ Mohammed Abdulaziz Al Habib & Partners Real Estate Investment Company 33% (related parties).

The construction works of the project will be completed in quarter 3, 2023G. Accordingly, the project will be operational in quarter 4 of the same year.

According to the latest report received from the developer partner, the completion rate has reached 70% of the total project, and it is expected to be completed during the second quarter of 2022, accordingly, to be operational during the third quarter of the same year.



Jeddah  
city



**124,880 sqm**  
total area

### Third: Sawari District Land Project, Jeddah

The Company owns 25% of the land located in Sawari district, Jeddah, Madina Road, with a total area of 130,477 sqm, which was dedicated to establish a commercial center (Jeddah Panorama Mall) through Sorouh Centers Company, which was established by the partners of the land to own the project.

Alandalus Company decided, in agreement with the rest of the partners on 04/11/2018G, to abandon this joint venture after re-studying the feasibility of the project. Given the interest of the partners, Sorouh Centers' Board of Directors was mandated to determine the best investment use of the land in based on the location and features of the land.

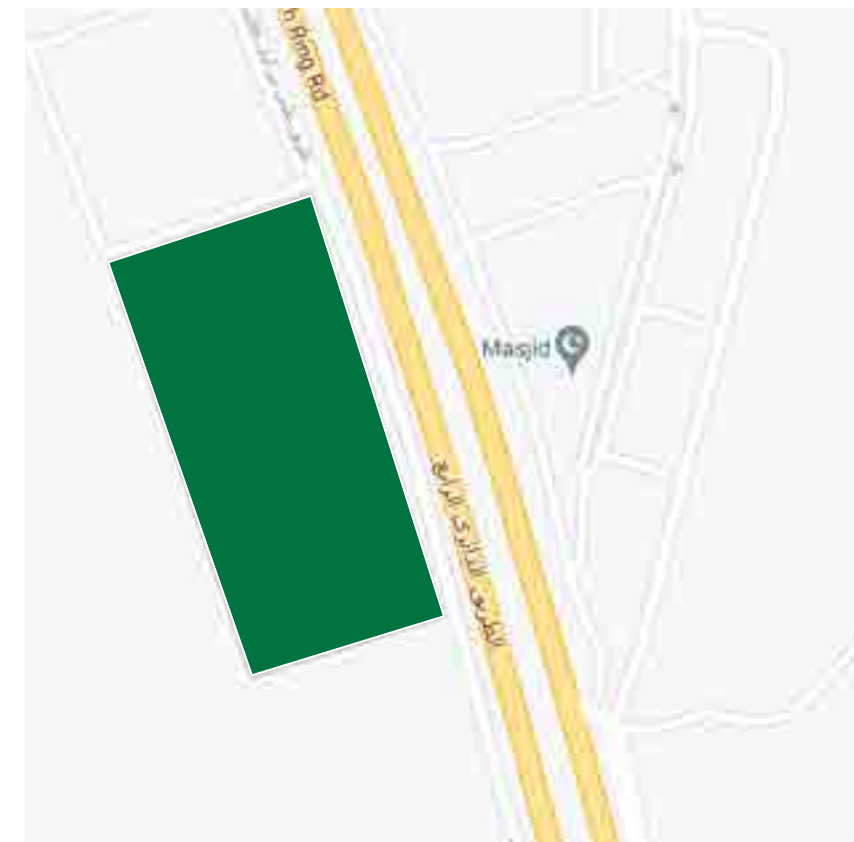
However, the title of the land has not yet been transferred to Sorouh Centers Company, as the partners (related parties) still hold direct ownership of their respective shares in the said land.



Jeddah  
city



**130,477 sqm**  
total area



### Fourth: Umm Jarfan District Project in Makkah Almukarramah

The company owns 25% of the land located in Umm Jarfan district (Alnaqa Aljadeed) southwest of Makkah Al Mukarramah, on the Fourth Ring Road (Rafa Square), with a total area of 127,434.10 sqm, which was dedicated to establish a commercial center through Massat Property Company, which was established by the partners of the land to own the project. The land will be used in a joint real estate project with the partners, which will raise the Company's revenues after developing the land in the coming years. Any developments in this regard will be disclosed when availability.

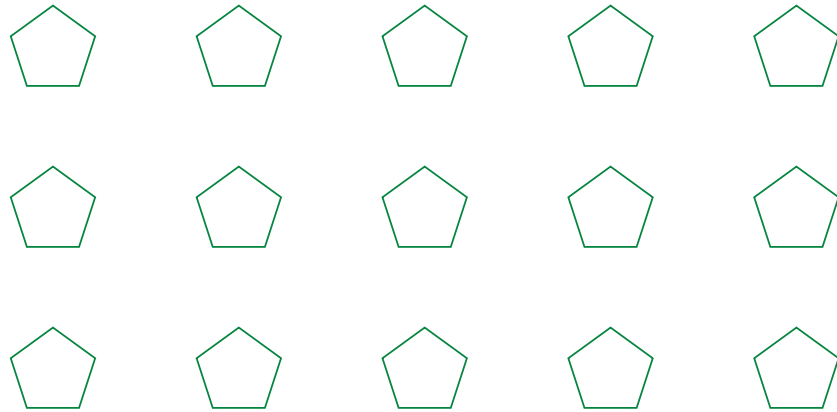


Mecca  
city



**127,434.10 sqm**  
total area





### Fifth: Expanding and Increasing the Number of Park Spaces in Alandalus Mall Project

Alandalus Mall Center (one of AlAhli REIT Fund 1 assets), of which the Company owns 68.73%. The fund will expand and increase the parking spaces in Alandalus Mall Center, where the Company will undertake the tasks of expanding and building parking spaces in Alandalus Mall Center in Jeddah by assigning such works to qualified contractors. The Company is entitled to receive a commission of 10% of the development cost under this contact. Such project will add to the Mall – according to the project’s work plan – a leasing area of about 15,000 sqm. However, the estimated cost of the project is 131 million SR, and the fees payable to the Company are equivalent to 10% of the said development cost, not exceeding 11.5 million SR. The expected period for completion of the construction works is 130 weeks from the date of signing the contract on December 15, 2021.

 Jeddah city

 15,000 sqm total area

## Corporate Communication

- Human Capital
- Saudization and Recruitment
- Social Responsibility
- Transactions with Relate Parties



5.0



# Human Capital

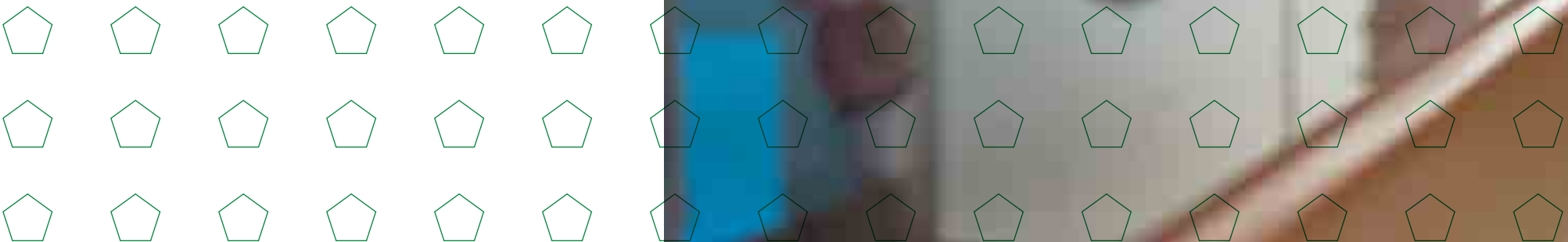
Alandalus Company believed in the importance of the staff and their central role in its development, and took into account the importance of human resources and the need to support them, as the human staff is the most important element of the production process in the organization. With this in mind, it was keen to attract distinguished talents and provide them with an appropriate atmosphere in an effort to boost performance level, enhance the production effort to the highest levels of efficiency, quality and effectiveness. The Company put training and development at the top of its priorities. Hence, employees are trained according to a plan that takes into account the needs of both the Company and the employee, and the appropriateness of the training provider.

The Company's programs and courses cover all staff levels and are administered and coordinated by the Human Resources Department, in terms of the duration and conditions of the programs and courses based on the needs of employees and their different fields, as follows:

- In-house training, which is carried out by professionals from the Company and outside.
- International Training (outside the Kingdom): This is provided by specialized centers and institutes, after selecting courses and programs that meet the needs of employees and help them carry out their work professionally.

As part of the Company's commitment to its employees, being the primary development tool and the cornerstone for performance improvement and enhancement at various levels, the Company held its annual party for this year in the presence of all employees.

Moreover, the Company paid great attention to the health of its employees and contracted with major insurance companies in the Kingdom to provide superior healthcare to employees and their families.

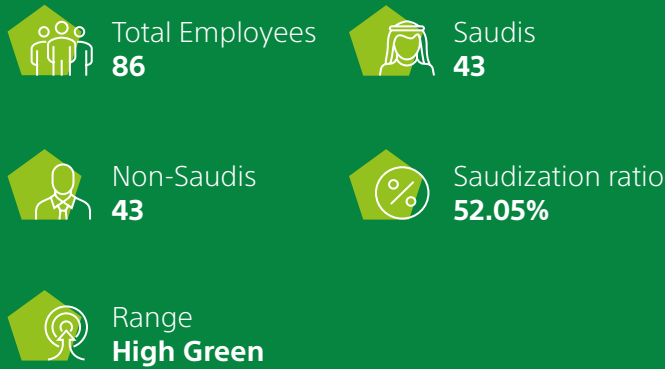


# Saudization and Employment

Alandalus Company managed to reach the platinum (excellent) level of Saudization as Saudis hold the highest managerial positions in the Company. The jobs localization strategy remains at the forefront of the Company's interests in order to form a national human base that will undertake the responsibility for continued enhancement in line up to date with market developments.

Localization of jobs in the Company is not only an option to meet the requirements of the Ministry of Labor, but is deemed as national duty that has positive implications on the Saudi economy, by investing in qualified national staffs in line with the requirements of the labor market.

The following is a statement of the number of employees in the Company and the Saudization ratio as of December 31, 2021:





## Social Responsibility

Alandalus Property Company is committed to its social responsibility strategy by supporting social programs. Hence, the Company's commercial centers, in cooperation with government agencies, awareness and charitable societies, sponsor many programs aimed at community service. It is a responsibility and commitment that the Company is pleased to undertake and fulfill in confirmation of its mission towards the society.



In 2021, Alandalus Property Company, through its commercial centers, hosted many social and humanitarian activities, in demonstration of its role in the society, the most prominent of which were:

- Coronavirus prevention campaign in cooperation with the Ministry of Health.
- World Alzheimer's Day, in cooperation with King Saud University.
- Breast cancer awareness campaign, in cooperation with the Ministry of Health.
- World Diabetes Day, in cooperation with King Fahd Medical City.
- World Prematurity Day, in cooperation with the Saudi Neonatology Society (SNS).
- World Children's Day, in cooperation with Smo Alfker Center for Family Guidance.
- World Youth Day, in cooperation with the Social Development Bank.
- Awareness campaign to rationalize water consumption, in cooperation with the National Water Company.
- World Civil Defense Day Campaign, in cooperation with the Ministry of Interior.
- Vaccination campaign in cooperation with King Abdulaziz Hospital.
- Anti-smoking program, in cooperation with the Public Health Department in Jeddah.



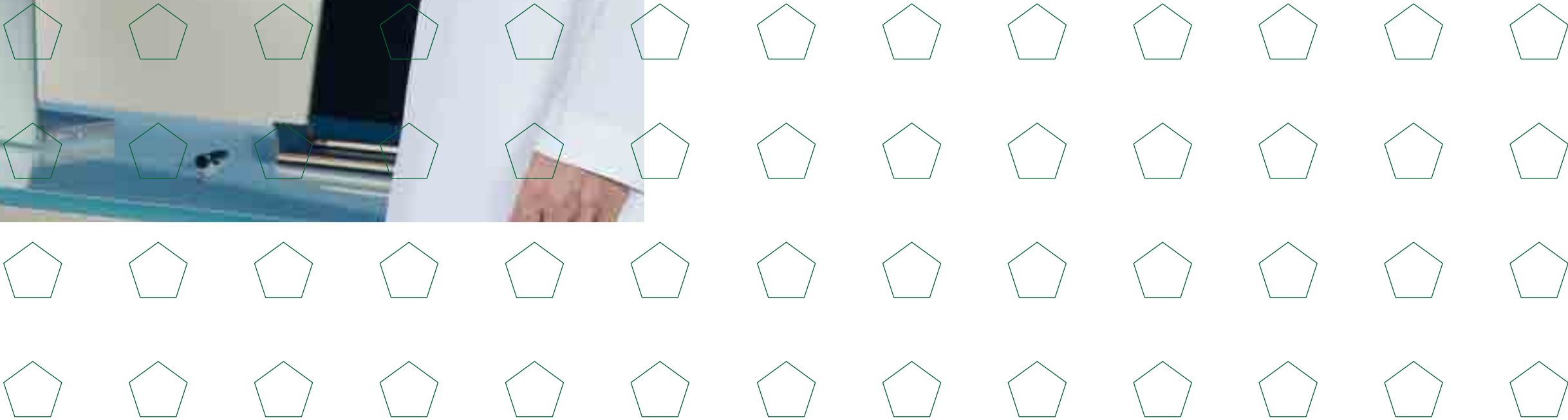




Transactions with Related Parties:

A - Description of any Transaction between the Company and any Related Party

Related Party	Relationship with the Company	Type of transaction	Duration	Value
Buroj International Co.	A major shareholder in the Company of 27.64% shares There is an indirect interest for both the Chairman of the Board of Directors, Mr. Abdulsalam Alaqeel, and Deputy Chairman of the Board Eng. Saleh Alhabib, as they are indirect owners and members of the Board of Directors of Borouge International Company.	Purchasing the land located in Umm Jarfan district (Alnaqa Aljadid), southwest of Makkah AlMukarramah, on the Fourth Ring Road (Rafa Square), with a total area of (127,434.10) sqm. The deal took place on 06/30/ 2021 AD through Massat Property Company, of which Alandalus Property Co. owns 25% and Buroj International Co. Owns 75%	-	174,188,738 SR



## B- Information Related to Business or Contracts to which the Company is a Party, and in which a Member of the Company's Board of Directors, Senior Executives, or any Person Related to any of them, has or had an Interest.

#	Nature of work or contract	Related Party	Subject-matter of contract/ work	Duration of contract/ work	Annual amount in SR (during FY 2021)
1.	A development contract for expansion and construction of parking spaces at Alandalus Mall in Jeddah.	AlAhli REIT Fund (1) (Affiliated facility) (There is no interest for members of the Board of Directors who are members of the Board of Directors of the Fund (Mr. Ahmed Almoosa and Mr. Hathal Alutaibii) as an affiliated facility)	Under the development contract, the Company undertakes the tasks of expanding and constructing parking spaces in Alandalus Mall in Jeddah by assigning such works to qualified contractors. In return, the Company is entitled to receive a commission of 10% fee of the development cost	The expected period for completion of the development works is 130 weeks from the date of signing the contract, which took place on 14/12/2021.	The estimated cost for the project is 131 million SR.  The fees payable to the Company is 10% of the development cost, capped at 11.5 million SR
2.	Managing, Operating and Leasing Services Contract, for Hayat Mall Center in Riyadh, signed between the Company and Alhayat Property Co.	Hayat Property Company a associate company of which the company owns 25% There is an indirect interest for both the deputy Chairman of the Board of Directors, Eng. Saleh Alhabib, and a member of the Board of Directors, Mr. Hathal Alutaibi, as they are members of the Board of Directors of Alhayat Property Co.	Under this contract, Alandalus Property Co. manages, operates and leases Hayat Property Company's commercial center in Riyadh "Alhayat Mall" for a Fee specified in the contract	Contract Period is one year, starting from 1-1-2021, and automatically renewed for a same period	specified percentages of the center's total income and the payments collected from the tenants The total receivables owed to Alandalus Property during the year 2021 for managing, operating and leasing services amounted to 6,168,020 SR
3.	Business between Alandalus Company and Hayat Property Company (associate company)	Hayat Property Company a associate company of which the Company owns 25% There is an indirect interest for both the deputy Chairman of the Board of Directors, Eng. Saleh AlHabib, and a member of the Board of Directors, Mr. Hathal Alutaibi, as they are members of the	Alandalus Company charges Hayat Property Company its respective share of the direct general and administrative expenses.	Five years starting on 2-8- 2020G	The total amounts charged to AlHayat Property Company for the fiscal year 2021 amounted to 6,734,247 SR
4.	Lease contract for a real estate unit at Alandalus Mall entered into with Imtiaz Al Arabia Co.	Imtiaz Al Arabia Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam Alaqeel, acts as the Chairman of the Board of Directors of Imtiaz Al Arabia Co.	A contract underwhich Imtiaz Arabia Company Limited rents G041 unit with an area of 105 sqm at Alandalus Mall	Three years, from 01/02/2022 to 31/01/2025, renewable only by written agreement.	Rental Value 273,000 SR

#	Nature of work or contract	Related Party	Subject-matter of contract/ work	Duration of contract/ work	Annual amount in SR (during FY 2021)
5.	Lease contract for a real estate unit at Alandalus Mall entered into with Imtiaz Al Arabia Co.	Imtiaz Al Arabia Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam Alaqeel, acts as the Chairman of the Board of Directors of Imtiaz Al Arabia Co.	A contract under which Imtiaz Arabia Company Limited rents the units G095- G096 with an area of 218 sqm at Alandalus Mall	Two years, from 15/04/2021 to 14/04/2023, renewable only by written agreement.	Rental Value 436,000.00 SR
6.	Lease contract for a real estate unit at Alandalus Mall entered into with Imtiaz Al Arabia Co.	Imtiaz Al Arabia Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam Alaqeel, acts as the Chairman of the Board of Directors of Imtiaz Al Arabia Co.	A contract under which Imtiaz Arabia Company Limited rents the unit G008- with an area of 321 sqm at Alandalus Mall	Three years, from 15/01/2019 to 14/01/2022, renewable only by written agreement.	Rental Value 481,500.00 SR
7.	Lease contract for a real estate unit at Alandalus Mall entered into with Imtiaz Al Arabia Co.	Imtiaz Al Arabia Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam Alaqeel, acts as the Chairman of the Board of Directors of Imtiaz Al Arabia Co.	A contract under which Imtiaz Arabia Company Limited rents G102 unit with an area of 135 sqm at Alandalus Mall	Three years, from 15/03/2021 to 14/03/2024, renewable only by written agreement.	Contract Value 297,000.00 SR
8.	Lease contract for a real estate unit at Alandalus Mall Center entered into with Global Health and Beauty Co. in which Eng. Saleh bin Muhammad Al Habib (Deputy Chairman) is a member of the Board of Directors.	Global Health and Beauty Co. There is an indirect interest for the Vice Chairman of the Board of Directors, Mr. Saleh Alhabib, as he holds the position of a member of the Board of Directors of Global Health and Beauty Co.	Beauty Pharmacy Company rents Gx01 units with a total area of 206 square meters to be used as a pharmacy under the brand name "Whites" at Tilal Center in Riyadh	One year from 01/05/2021 to 31/04/2022, renewable only by written agreement	Contract Value 515,000.00 SR
9.	Lease contract for a real estate unit in Tilal Center, which is owned by the Company, entered into with International Pharmacies Company, in which Eng Saleh bin Muhammad Al Habib (Vice Chairman) is a board member	International Pharmacies Co. There is an indirect interest for the Vice Chairman of the Board of Directors, Mr. Saleh Alhabib, as he holds the position of a member of the Board of Directors of International Pharmacies Co.	Beauty Pharmacy Company rents G14- G15 units with a total area of 350 square meters to be used as a pharmacy under the brand name "Whites" at Tilal Center in Riyadh	One year from 01/04/2021 to 31/03/2022, renewable only by written agreement	Contract Value 385,000.00 SR



## Financial Results and Business Data

- Income Statement
- Revenue Analysis
- Balance Sheet
- Accounting Standards
- Islamic Securitization (Tawarruq) Facilities
- Legal Payments
- Employee Allowances



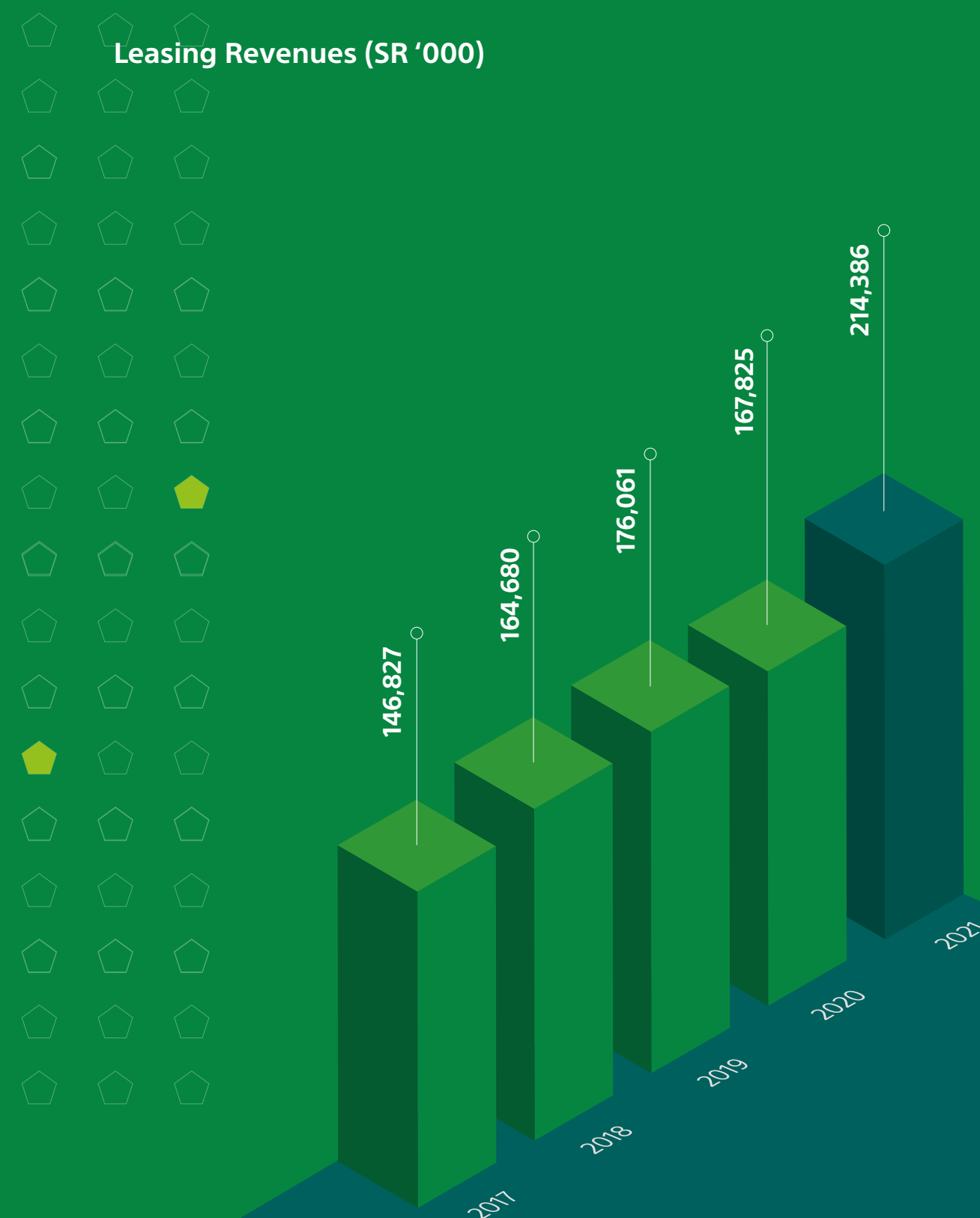
6.0

## Income Statement

The following table sets out the Company's actual income statements for the years: 2017, 2018, 2019, 2020, 2021

(SR '000)	Consolidated (2017)	Consolidated (2018)	Consolidated (2019)	Consolidated (2020)	Consolidated (2021)
Revenues	146,827	164,680	176,061	167,825	214,386
Cost of revenues	(66,677)	(70,995)	(73,659)	(72,170)	(69,360)
<b>Gross profit</b>	<b>80,150</b>	<b>93,685</b>	<b>102,402</b>	<b>95,655</b>	<b>145,026</b>
General and administrative expenses	(12,735)	(31,786)	(33,044)	(39,444)	(41,241)
Marketing expenses	(931)	(1,785)	(2,423)	(2,118)	(1,805)
Share of profit of equity accounted investees	38,848	33,260	37,020	26,148	27,247
Impairment of Receivable from operating leases contracts	(1,621)	(5,068)	(5,607)	(1,000)	(7,240)
Impairment loss of property, equipment and investment properties	-	(6,014)	-	(31,829)	-
Reversal of impairment/loss for impairment of property, equipment and investment properties	-	-	-	-	1,949
Other income	856	4,258	5,846	919	1,204
<b>Operating profit</b>	<b>104,567</b>	<b>86,550</b>	<b>104,194</b>	<b>48,331</b>	<b>125,140</b>
Interest expense on lease liabilities	-	-	(11,735)	(12,548)	(12,264)
Gains on investment properties transferred to associates	22,945	-	-	-	-
Finance cost	(7,019)	(4,004)	(4,470)	(12,673)	(14,057)
<b>Profit before zakat</b>	<b>120,493</b>	<b>82,546</b>	<b>87,989</b>	<b>23,110</b>	<b>98,819</b>
Zakat	(2,103)	(13,584)	(4,435)	(6,120)	(7,169)
<b>Profit for the year</b>	<b>118,390</b>	<b>68,962</b>	<b>83,554</b>	<b>16,990</b>	<b>91,650</b>
<b>Attributable to:</b>					
Shareholder Of the company	118,390	47,972	64,821	14,341	67,976
Non-controlling interests	-	20,990	18,733	2,649	23,674
<b>Other comprehensive income</b>					
Remeasurement of employees benefit-defined benefit	(215)	24	(254)	(244)	236
<b>Total comprehensive income</b>	<b>118,175</b>	<b>68,986</b>	<b>83,300</b>	<b>16,746</b>	<b>91,886</b>
<b>Return on:</b>					
Shareholder of the company	118,175	47,996	64,567	14,097	68,212
Non-controlling interests	-	20,990	18,733	2,649	23,674
	118,175	68,986	83,300	16,746	
<b>Earnings per share</b>					
Basic and diluted earning per share	1.69	0.69	0.93	0.15	0.73

### Leasing Revenues (SR '000)



The table shows the changes in operating results between 2020 and 2021:

(SR '000)	2020 Consolidated	2021 Consolidated	Change	% change
Revenues	167,825	214,386	(46,561)	28%
Cost of revenues	(72,170)	(69,360)	(2,810)	-4%
<b>Gross profit</b>	<b>95,655</b>	<b>145,026</b>	<b>(49,371)</b>	<b>52%</b>
General and administrative expenses	(39,444)	(41,241)	1,798	5%
Marketing expenses	(2,118)	(1,805)	(313)	-15%
Share of profit of equity accounted investees	26,148	27,247	(1,099)	4%
Impairment of receivable from operating leases contracts	(1,000)	(7,240)	6,240	624%
Impairment loss of property, equipment and investment properties	(31,829)	0	(31,829)	-100%
Reversal of impairment/loss for impairment of property, equipment and investment properties	0	1,949	(1,949)	-100%
Other income	919	1,204	(285)	31%
<b>Operating profit</b>	<b>48,331</b>	<b>125,140</b>	<b>(76,809)</b>	<b>159%</b>
Interest expense on lease liabilities	(12,548)	(12,264)	(284)	-2%
Finance cost	(12,673)	(14,057)	1,385	11%
<b>Profit before zakat</b>	<b>23,110</b>	<b>98,819</b>	<b>(75,708)</b>	<b>328%</b>
Zakat	(6,120)	(7,169)	1,048	17%
<b>Profit for the year</b>	<b>16,990</b>	<b>91,650</b>	<b>(74,660)</b>	<b>439%</b>
<b>Attributable to:</b>				
Shareholders of the company	14,341	67,976	(53,635)	374%
Non-controlling interests	2,649	23,674	(21,025)	794%
<b>Other comprehensive income</b>				
Re-measurement of employees benefit-defined benefit	(244)	236	(480)	-196%
Comprehensive income	16,746	91,886	(75,140)	-449%
<b>Return on:</b>				
Shareholder of the company	14,097	68,212	(54,115)	384%
Non-controlling interests	2,649	23,674	(21,025)	794%

## Revenue Analysis

By Company's activities:

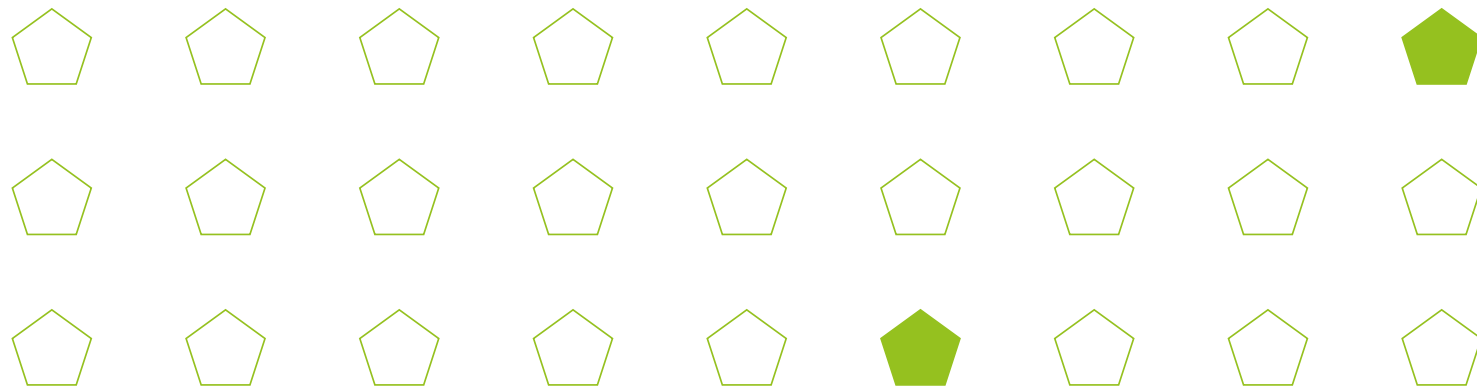
(SR '000)		City	2017	2018	2019	2020	2021
Revenues	Andalus Mall	Jeddah	121,373	124,232	125,376	101,712	126,525
	Sahafa Center	Riyadh	6,077	5,620	5,326	4,901	4,769
	Yarmouk Center	Riyadh	5,577	5,320	4,869	4,500	4,551
	Tilal Center	Riyadh	5,542	4,126	4,675	4,468	4,820
	Head Office Building	Riyadh	1,032	1,006	1,027	513	433
	Alandalus Mall Hotel, Jeddah	Jeddah	7,226	24,376	16,890	8,547	11,459
	Marwa Center	Jeddah			8,468	7,650	10,276
	Salama Tower	Jeddah			9,430	19,250	23,100
	Qbic Plaza	Riyadh				11,783	22,285
	Operating Commercial Centers	Riyadh				3,781	4,734
Leasing Commercial Centers	Riyadh				720	1,434	
Total revenues			146,827	164,680	176,061	167,825	214,386

(SR '000)		City	2017	2018	2019	2020	2021
Revenues	Andalus Mall	Jeddah	82.7%	75.5%	71.2%	60.6%	59.1%
	Sahafa Center	Riyadh	4.1%	3.4%	3.0%	3%	2.2%
	Yarmouk Center	Riyadh	3.8%	3.2%	2.8%	2.7%	2.1%
	Tilal Center	Riyadh	3.8%	2.5%	2.7%	2.7%	2.2%
	Head Office Building	Riyadh	0.7%	0.6%	0.6%	0.3%	0.2%
	Alandalus Mall Hotel, Jeddah	Jeddah	4.9%	14.8%	9.6%	5%	5.3%
	Marwa Center	Jeddah			4.8%	4.5%	4.8%
	Salama Tower	Jeddah			5.4%	11.5%	10.8%
	Qbic Plaza	Riyadh				7%	10.4%
	Operating Commercial Centers	Riyadh				2.2%	2.2%
Leasing Commercial Centers	Riyadh				0.5%	0.7%	
Total Revenues			100%	100%	100%	100%	100%

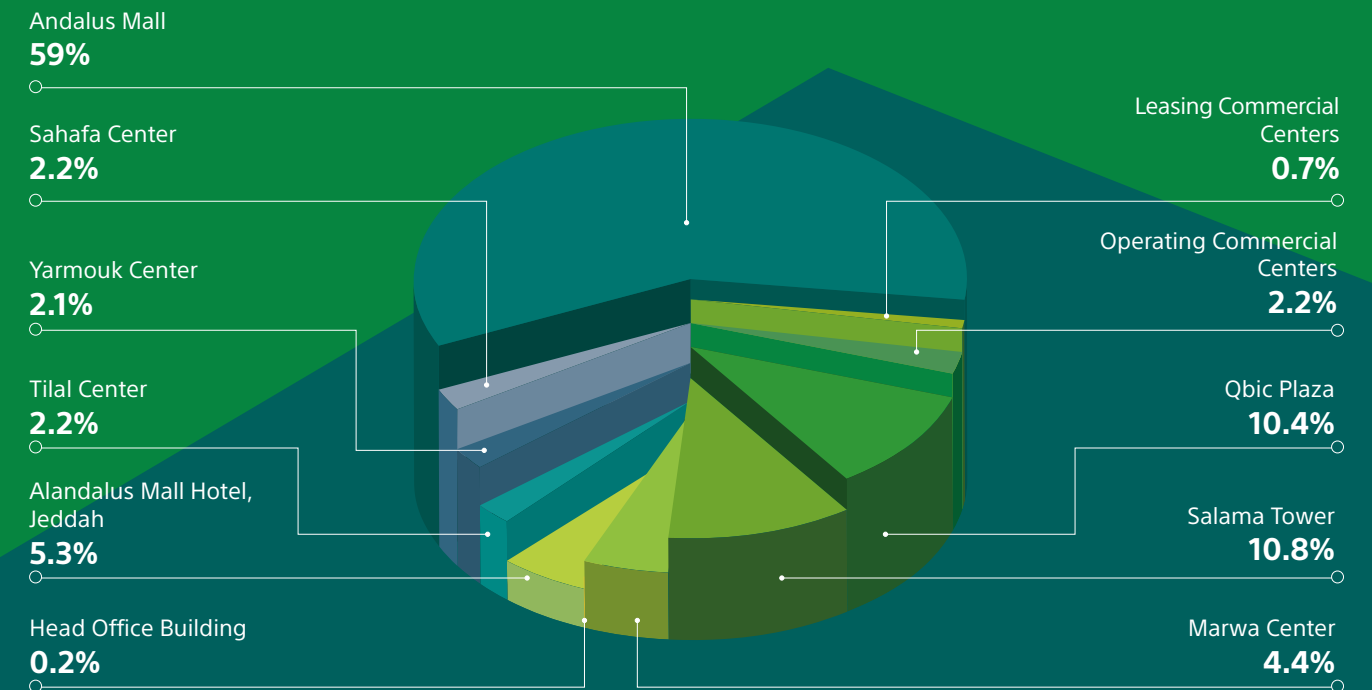
The Group's revenues increased from SR 167.82 million in 2020 to SR 214.3 million in 2021, a growth of 28%, mainly driven by an increase in retail sector revenue by 23% due to the formation of discounts provision for malls commercial centers tenants in 2020, and the office sector, which increased by 46% due to the acquisition of the office building in Riyadh in the middle of 2020. Furthermore, revenues from the hospitality sector increased by 34% due to the improvement in the occupancy rate at Alandalus Mall Hotel.

Therefore, the gross profit increased by nearly 52% to 145 million SR, compared to 95.65 million SR in the fiscal year 2020, mainly driven by the growth in the Company's total revenues supported by all its operating sectors (retail, hospitality, and offices).

The company's operating profit also increased by approximately 159% to 125.14 million SR, compared to 48.33 million SR in the fiscal year 2020. This is due, in addition to the previous reasons, to recording impairment loss for some items of investment properties, real estate and equipment, amounting to 31.83 million SR in 2020, as well as the growth of profits of associate companies.



## Revenue Analysis of the Company, 2020



## Geographical Analysis of the Company's Revenue

Jeddah  
79.9%

Riyadh  
20.1%





## Balance Sheet

The table shows the company's financial position statements for the years: 2017, 2018, 2019, 2020 and 2021:

(SR '000)	Consolidated 2017	Consolidated 2018	Consolidated 2019	Consolidated 2020	Consolidated 2021
<b>Assets</b>					
<b>Non-current assets</b>					
Properties and equipment	202,352	195,759	188,383	155,822	149,939
Investment properties (*)	548,310	505,867	756,941	990,386	976,765
Right to use Assets			95,260	89,109	82,957
Equity-accounted investees	457,273	493,988	464,835	481,483	521,004
<b>Total non-current asset</b>	<b>1,207,935</b>	<b>1,195,614</b>	<b>1,505,419</b>	<b>1,716,800</b>	<b>1,730,665</b>
<b>Current assets:</b>					
Receivables from operating leases	14,321	26,098	38,640	50,999	59,542
Prepaid and other receivables	6,122	3,978	26,698	15,192	8,085
Due from related parties	1,097	17,124	37,946	14,847	1,345
Financial instruments at fair value through profit or loss	-	58,112	42,264	0	40,031
Cash and cash equivalent	444,213	145,112	148,233	182,483	200,761
<b>Total current assets</b>	<b>465,753</b>	<b>250,424</b>	<b>293,781</b>	<b>263,521</b>	<b>309,764</b>
<b>Total assets</b>	<b>1,673,688</b>	<b>1,446,038</b>	<b>1,799,200</b>	<b>1,980,321</b>	<b>2,040,429</b>
<b>Shareholders Equity and liabilities</b>					
Share capital	700,000	700,000	700,000	700,000	933,333
Statutory Reserve	84,126	88,925	95,382	96,841	90,306
Retained earnings	444,214	347,411	313,698	256,336	39,416
Equity attributable to the Company's Shareholders	1,228,340	1,136,336	1,109,080	1,053,177	1,063,055
Non-controlling interests	192,278	211,455	199,658	182,939	177,588
<b>Total Equity</b>	<b>1,420,618</b>	<b>1,347,791</b>	<b>1,308,738</b>	<b>1,236,116</b>	<b>1,240,643</b>

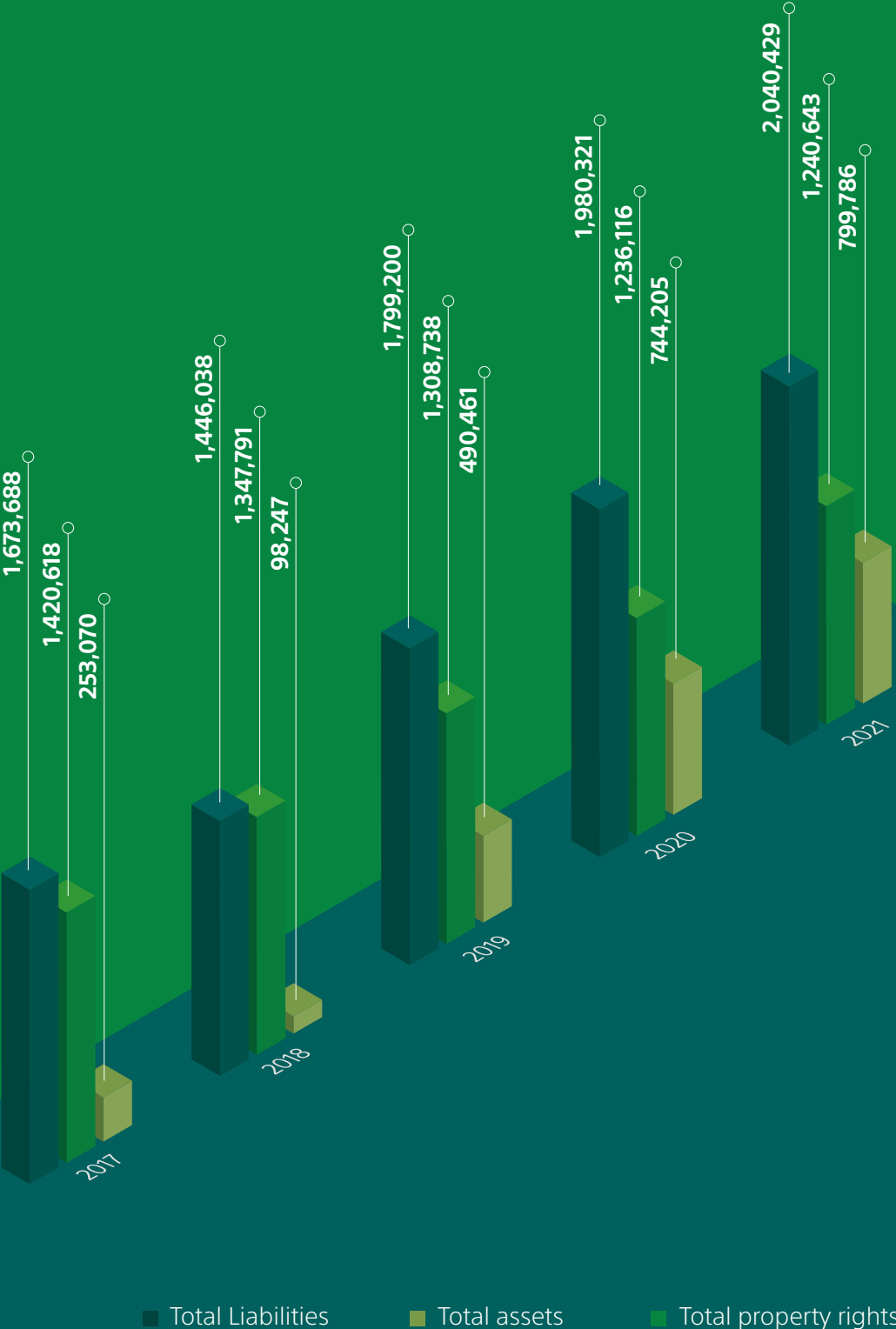
(SR '000)	Consolidated 2017	Consolidated 2018	Consolidated 2019	Consolidated 2020	Consolidated 2021
<b>Non-current liabilities</b>					
Employees benefits-defined benefit obligation	4,497	5,075	5,773	8,491	9,460
Islamic Finance facilities	53,049	-	253,050	514,995	558,728
Lease liability on right of use of Assets			123,723	117,730	114,294
Accrued operating leases	9,169	9,724	-	-	
<b>Total non-current liabilities</b>	<b>66,715</b>	<b>14,799</b>	<b>382,546</b>	<b>641,216</b>	<b>682,482</b>
<b>Current liabilities</b>					
Advance from lenses and deferred revenue	27,677	34,663	38,308	36,047	45,931
Lease liability on right of use of Assets - current portion	-	-	15,700	15,700	15,700
Islamic Finance Facilities	122,331	1,823	-	-	0
Due to related parties	1,273	330	15,972	16,396	14,487
Zakat Provision	4,658	13,306	11,631	6,508	8,390
Accruals and other credit Balance	30,416	33,326	26,305	28,338	32,796
<b>Total current liabilities</b>	<b>186,355</b>	<b>83,448</b>	<b>107,916</b>	<b>102,989</b>	<b>117,304</b>
<b>Total liabilities</b>	<b>253,070</b>	<b>98,247</b>	<b>490,462</b>	<b>744,205</b>	<b>799,786</b>
<b>Total Equity and liabilities</b>	<b>1,673,688</b>	<b>1,446,038</b>	<b>1,799,200</b>	<b>1,980,321</b>	<b>2,040,429</b>

The fair value of the Group’s investment properties as of December 31, 2021 amounted to 1.7 billion Riyals, and the Group’s share in the fair value of associate real estate amounted to 869.3 million Riyals, bringing the total fair value of the Company’s real estate investments to 2.64 billion Riyals.

The properties were evaluated by external evaluators accredited by the Saudi Council of Certified Residents (Valuation).



Total Assets, Equity and Liabilities



## Accounting Standards

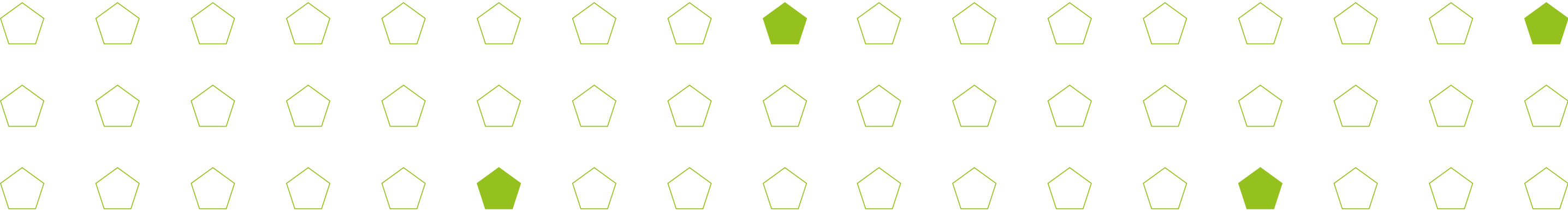
The Company’s financial statements for the year ending December 31, 2021G were prepared in accordance with the International Financial reporting standards (IFRS) applicable in the Kingdom of Saudi Arabia and other standards and regulations issued by the Saudi Organization for Certified Public Accountants (SOCPA).

## Islamic Tawarruq facilities

In year 2021, one of the subsidiary companies withdrew an amount of SR 42.6 million to finance the expansion and construction works of parking spaces for Alandalus Mall

The following table set out the details of all paid and outstanding facilities during the fiscal year 2020G:

#	Loan provider	Principal loan amount	Term	Amounts paid in settlement of the loan in FY ended 31/12/2020	Outstanding portion of the loan	Total indebtedness of Company and its subsidiaries
1	Alahli Commercial Bank**	558,727,653	15 years	13,001,946.00	685,019,475.75	685,019,475.75
* Alahli REIT Fund (1) only						



## Regulatory Payments

Regulatory payments due during the year ended on December 31, 2021:

Description	Paid amount	Due but unpaid until the end of the year
Zakat	5,286,638	7,169,087
Taxes	2,211,249	309,356
GOSI	1,505,443	144,291
Visas and passport expenses	127,551	0
Labor Office fees	393,600	0

## Employee Related Provisions

End of service benefits provisions - as of December 31, 2021:

(SR '000)	2021
Balance at the beginning of the year	8,491
Provision for the year	881
Payments made during the year	(148)
Actuarial losses due to re-measurement	236
Balance as of December 31	9,460



## Company's Board of Directors

- Committees and Executive Management
- Remunerations of Board members
- Major shareholders and Changes in Equity Ownership



7.0

# Company Board of Directors, Committees, and Executive Management:

## Board Members:

### 1. Members’ names, current and previous positions, qualifications and experience

#	Name	Current Positions	Previous Positions	Qualifications	Experience
1.	Mr. Abdulsalam bin Abdulrahman Alaqeel	Chairman of the Board, Alandalus Property Co.	Vice Chairman, Alandalus Property Co.	B.Sc. Industrial Management, King Fahd University of Petroleum and Minerals, 1990	Member of the Board of Directors of many companies, charities and societies, Member of the Board of Directors, Audit and Risks Committee, General Manager of many real estate and commercial companies, Managing Director of Jarir Commercial Investment Co.
2.	Eng. Saleh bin Muhammad AlHabib	Vice-Chairman of the Board, and Chairman of the Executive Committee, Alandalus Property Co.	Managing Director, Mohamed Alhabib Real Estate Investment Co.	B.Sc, Architecture, King Saud University, 2000	Member of the Board of Directors of Dr. Sulaiman Al Habib Medical Group, Managing Director of Mohammed Al Habib and Sons Holding Co. Managing Director of Hamat Property Co., Managing Director of Global Health Care Co., Managing Director of Muhammad Al Habib Real Estate Investment Co., Member of the Board of Directors of Hayat Property Co.
3.	Mr. Ahmed bin Abdul Rahman Almousa	Board Member, Alandalus Property Co.	Board Member, Aljazirah Markets Co,	B.A, Business Administration, London College of Economics, 1999	Board Member, Abdul Rahman Abdullah Almousa & Sons Co., Board Member, Abdulrahman Almoosa Holding Co., Board Member, Real Estate and Tourism Development Co. and board member, Aljazirah Markets Co.
4.	Mr. Muhammad bin Abdulmohsen Alzakari	Board Member, Alandalus Property Co.	Executive Director, Alzakri Industry and Trading Co.	MA, Public Administration Laverne University 2011	Practical experience in financial management, operational management, business development management, and executive management
5.	Dr. Sulaiman Bin Ali Alhudhaif	Board Member and Chairman of the Nomination and Remuneration Committee, Alandalus Property Co.	General Manager, Human Capital Sector, Inmaa Bank	PhD, Business Administration, Northeastern University 2006	General Manager, Human Capital Sector, Inmaa Bank, CEO, Elite World for Management & Organization Consulting, and executive General Manager of Human Resources and Development, Alrajhi Bank.

#	Name	Current Positions	Previous Positions	Qualifications	Experience
6.	Dr. Abdulrahman bin Muhammad Albarak	Board member, and Chairman of Audit Committee, Alandalus Property Co.	Vice Chairman of the Capital Market Authority	PhD, Finance, Newcastle University, United Kingdom. MA, Finance, University of Colorado, USA. BA, Accounting, King Faisal University, Saudi Arabia	Chairman of Tharaa Consulting Co. Acted as Vice Chairman of the Capital Market Authority. Worked as Head of Finance Department and Associate Professor, and Dean, King Faisal University, Saudi Arabia,
7.	Mr. Nasser bin Sharaf Alsharif* *Board Membership ended on 09/03/2021	Board member, Alandalus Property Co.	CEO, Awj Investment Co.	B.Sc. Economics and Finance 2004	Vice President. Private Wealth and Corporate Assets Management in Dubai, Head of Private Wealth and Corporate Assets Management in Riyadh, CEO of Awj Investment
8.	Mr. Hathal bin Saad Alutaibi	Board member, Alandalus Property Co.	Acting CEO, Alandalus Property Co., and Business Development Manager	MDA, King Saud University 2016	Board member, Hayat Property Co. Marketing Officer, National Industries Co. and Training Department, Aljazira Bank, and Product Manager, Almarai Co.
9.	Mr. Imad bin Hammoud AlOtaibi* * Membership of the Board of Directors started on 10/03/2021	Member of the Board of Directors of Alandalus Property Co.	Director of Risk Management (Public Pension Agency)	Master of Risk Management from Glasgow Caledonian University (UK) 2015	General Manager of Governance, Risk and Compliance at GOSI, Retirement Affairs Member of many internal committees in the Organization, such as human capital, policies and procedures Managed several projects, such as developing board and committee regulations, risk management methodology, and many more.
10.	Mr. Abdullah bin Abdulaziz Almishal* * Membership of the Board of Directors started on 10/03/2021	Member of the Board of Directors of Alandalus Property Co.	Member of the Board of Directors of the Saudi Industrial Export Co.	Bachelor’s degree in Sharia from Imam Muhammad bin Saud Islamic University 1415 AH	Experience in restructuring troubled companies and completing acquisitions, merging and marketing solutions.

## 2. Names of Companies Inside and Outside the Kingdom at which the Company's Board Member Currently Serves or Previously Served as a Director or Officer

#	Member Name	Companies at which the director currently serves as board member or executive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability / ....)	Companies at which the director served as a board member or executive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability/ ....)
1.	Mr. Abdulsalam bin Abdulrahman Alaqeel	Riyadh Najd Schools Co.	Inside KSA	Unlisted joint stock	General Investment Authority	Inside KSA	Government entity
		Kinan Int'l Real Estate Dev. Co.	Inside KSA	Unlisted joint stock	Jarir Marketing Co.	Inside KSA	Listed joint stock
		Horma National Co.	Inside KSA	LLC.	Borouj Acquisition Limited Co.	Inside KSA	LLC
		Itaam Society	Inside KSA	Charitable	Int'l Real Estate Investment Co.	Inside KSA	Unlisted joint stock
		Asala Holding Co.	Inside KSA	Unlisted joint stock	Ideal Suburb Co. for Real Estate Dev. & Investment	Inside KSA	LLC
		Hamat Holding Co.	Inside KSA	Unlisted joint stock	Caddy Al Janoub Co. (Single person)	Inside KSA	LLC
		Sorouh Centers Co.	Inside KSA	LLC.			
		Jarir Commercial Investments Co.	Inside KSA	Unlisted joint stock			
		Jarir Business Development Co.	Inside KSA	LLC.			
		Imtiaz Al Arabia Co.	Inside KSA	Unlisted joint stock			
		Borouj International Co	Inside KSA	LLC.			
		Future Markets Co.	Inside KSA	LLC			
		Alaswaq Almutatawira Co.	Inside KSA	LLC			
		Afras Arabia Co.	Inside KSA	LLC			
		Etihad Jarir Co.	Inside KSA	LLC			
		Imtiaz International Ltd. Co.	Inside KSA	LLC			
		Future Home Co.	Inside KSA	LLC			
		Khomasia Taba Co.	Inside KSA	LLC			
		Khomasia Tiba Co.	Inside KSA	LLC			
		Robin Arabia Co.	Inside KSA	LLC			
		Eastern Health Medical Co.	Inside KSA	LLC			
		Central Medical Co.	Inside KSA	LLC			

#	Member Name	Companies at which the director currently serves as board member or executive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability / ....)	Companies at which the director served as a board member or executive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability/ ....)
2.	Eng. Saleh bin Muhammad Alhabib	Global Health Care Co.	Inside KSA	LLC	Alahli REIT Fund (1)	Inside KSA	Traded real estate fund
		Dr. Sulaiman Al Habib Medical Group	Inside KSA	Listed joint stock			
		Mohammed Abdulaziz Alhabib & Sons Holding Co.	Inside KSA	Unlisted joint stock			
		Massat Property Co.	Inside KSA	LLC			
		Int'l Real Estate Investment Co.	Inside KSA	LLC			
		Hayat Real Estate Co.	Inside KSA	Unlisted joint stock			
		Mohammed AlHabib Real Estate Co.	Inside KSA	Unlisted joint stock			
		Alaswaq Almutatawira Co.	Inside KSA	LLC			
		AlJawhara AlKubra Co.	Inside KSA	LLC			
		Sorouh Centers Co.	Inside KSA	LLC			
		West Jeddah Hospital Co.	Inside KSA	LLC			
		Hamat Holding Co.	Inside KSA	Unlisted joint stock			
		Manafea Alandalus Co.	Inside KSA	LLC			
		Borouj International Co.	Inside KSA	LLC			
		Saleh Al Habib Real Estate Development Co.	Inside KSA	LLC			
		Saleh Al Habib Real Estate Investment Co.	Inside KSA	LLC			
		Qawaem Real estate dev. Co.	Inside KSA	LLC			
		Ghiras Alakhlaq Schools Com.	Inside KSA	LLC			
		North Abhor Co.	Inside KSA	LLC			
		High Stars Co.	Inside KSA	LLC			
3.	Mr. Ahmad bin Abdulrahman Almoosa	Aljazirah Markets Co.	Inside KSA	Unlisted joint stock			
		Real Estate and Tourism Dev. Co	Inside KSA	Unlisted joint stock			
		Abdulrahman Abdullah Almoosa & Sons Co.	Inside KSA	Unlisted joint stock			
		Abdulrahman Almoosa Holding Co.	Inside KSA	Unlisted joint stock			
		Alahli REIT Fund (1)	Inside KSA	Traded real estate fund			



#	Member Name	Companies at which the director currently serves as board member or executive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability / ....)	Companies at which the director served as a board member or executive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability/ ....)
4.	Mr. Mohammed bin Abdulmohsen Alzakari	Alzakari Holding Co.	Inside KSA	LLC			
		Azm Investments Holding Co.	Inside KSA	LLC			
		Miyar Capital Co.	Inside KSA	Unlisted joint stock			
		Daman Projects Real Estate Co.	Inside KSA	LLC			
5.	Dr. Abdulrahman bin Muhammad Albarrak	Tharaa Investment Co.	Inside KSA	LLC	Lejam Sport Co.	Inside KSA	Listed JS.
		Simah Saudi Credit Bureau Co.	Inside KSA	Unlisted joint stock	Medgulf Insurance	Inside KSA	Listed JS.
		BinDawood Holding Co.	Inside KSA	Listed JS.			
6.	Mr. Nasser bin Sharaf Alsharif* *Membership of the Board of Directors ended on 09/03/2021	Anan Holding Co.	Inside KSA	Unlisted joint stock	Masafi Co.	Inside KSA	Listed Co.
		Anan Housing Com	Inside KSA	LLC	Saudi Fish Co.	Inside KSA	Listed JS.
		Arena Co.	Inside KSA	LLC			
		Awj Holding Co.	Inside KSA	LLC			
7.	Mr. Hathal bin Saad Alutaibi	Alaswaq Almutatawira Co	Inside KSA	LLC	Hamat Property Co.	Inside KSA	LLC
		Sorouh Centers Co.	Inside KSA	LLC			
		Manafea Alandalus	Inside KSA	LLC			
		Hayat Property Co.	Inside KSA	Unlisted joint stock			
		West Jeddah Hospital Co.	Inside KSA	LLC			
		Massat Property Co.	Inside KSA	LLC			
		Alahli REIT Fund (1)	Inside KSA	Traded real estate fund			
8.	Mr. Abdullah bin Abdulaziz Almishal** *Membership of the Board of Directors Started on 10/03/2021	Aljawhara AlKubra Co.	Inside KSA	LLC			
		Saudi Industrial Export Co.	Inside KSA	Listed joint stock			
		Saudi Security Services Co. (AMNCO)	Inside KSA	Unlisted joint stock			

### 3. Board of Directors and Type of Membership

- Executive Board Member
- Non-executive board member
- Independent Board Member

Member Name	Membership Classification (Executive/ non-executive/ independent)
Mr. Abdulsalam bin Abdulrahman Alaqeel	Non-executive
Eng. Saleh bin Muhammad Alaabib	Non-executive
Mr. Ahmed bin Abdulrahman Alaousa	Non-executive
Mr. Mohammed bin Abdulmohsen Alzakari	Non-executive
Dr. Sulaiman bin Ali Alhudhaif	Independent
Dr. Abdulrahman bin Muhammad Albarrak	Independent
Mr. Hathal bin Saad Alutaibi	Executive
Mr. Nasser bin Sharaf Alsharif* *Membership of the Board of Directors ended on 09/03/2021	Independent
Mr. Imad bin Hammoud Alutaibi* * Representative of the GOSI * Membership of the Board of Directors Started on 10/03/2021	Non-executive
Mr. Abdullah bin Abdulaziz Almishal* * Membership of the Board of Directors Started on 10/03/2021	Independent

### 4. Number, Dates and Attendance Record of the Board Meetings Held in 2021G:

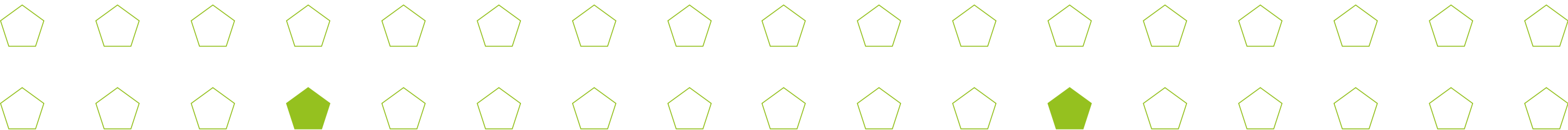
#	Member name	Number of meetings (5 meetings)				
		1st Meeting 03-03-2021	2nd Meeting 07-03-2021	3rd Meeting 14-03-2021	4th Meeting 29-04-2021	5th Meeting 13-12-2021
1	Mr. Abdulsalam bin Abdulrahman Alaqeel	✓	✓	✓	✓	✓
2	Eng. Saleh bin Muhammad Alhabib	✓	✓	✓	✓	✓
3	Mr. Ahmed bin Abdulrahman Almoosa	✓	✓	✓	✓	✓
4	Mr. Muhammad bin Abdulmohsen Alzakari	✓	✓	✓	✓	✓
5	Dr. Sulaiman bin Ali Alhudhaif	✓	✓	✓	✓	✓
6	Dr. Abdulrahman bin Muhammad Albarrak	✓	✓	✓	✓	✓
7	Mr. Nasser bin Sharaf Alsharif* * Membership of the Board of Directors ended on 09-03-2021	✓	✓			
8	Mr. Hathal bin Saad Alutaibi	✓	✓	✓	✓	✓
9	Mr. Imad bin Hammoud Alutaibi* * Representative of the GOSI * Membership of the Board of Directors Started on 10-03-2021			✓	✓	✓
10	Mr. Abdullah bin Abdulaziz Almishal* * Membership of the Board of Directors Started on 10-03-2021			✓	✓	✓

The General Assembly last meeting was on 26/8/2021

Executive Committee

1. Terms of reference and functions of the Executive Committee:

One of the key functions and responsibilities of the Executive Committee is to discuss any of the matters reserved for the Board of Directors without exception, make recommendations in respect thereof and submit such recommendations to the Board. The Committee also takes decisions on the matters assigned to it by the Board. It also makes and presents recommendations to the Board on all matters related to the investment policies, strategies, business plans and annual budget presented by the Company’s executive management, as well as the organizational and employment structure/ reorganization/ restructuring of the Company and its business policies, except for such policies that fall under the terms of reference of other Board committees, including financial and accounting, compensation and remuneration policies and the internal audit guide. Furthermore, the Executive Committee considers joint ventures, mergers and acquisitions pursuant to the Company’s plans, and selling the Company’s lands and properties, cash and stock dividends (cash and shares), writing off accounts receivable, oversees the operational developments and the Company’s overall performance, and approves workflow rules and regulations, except those that require Board’s approval. The Committee also receives progress reports on key project and expansion plans, and reports on corporate risk profile as well as the effectiveness and efficiency of performance of the Risk Management Unit, and addresses the matters and obstacles related to the Company’s business. The Executive Committee, in accordance with the approved terms of reference, approves investments in new projects in line with the investment plan, amendments of budget items, capital purchases and operational expenses that exceed the Company’s approved budget; and reviews the valuation of Company’s assets.



2. Members’ names, current and previous positions, qualifications and experience:

#	Name	Current Position	Previous Positions	Qualifications	Experience
1.	Eng. Saleh bin Muhammad ALhabib	Deputy Chairman of the Board and Chairman of the Executive Committee, Alandalus Property Co.	Managing Director of Mohammad Alhabib Real Estate Investment Co.	Bachelor degree, Architecture, King Saud University, 2000	Member of the Board of Directors of Dr. Sulaiman Alhabib Medical Group. Managing Director of Mohammed Al Habib and Sons Holding. Managing Director of Hamat Property Co. Managing Director of Global Healthcare Co, Managing Director of Muhammad Alhabib Real Estate Investment Co, Member of the Board of Directors of Hayat Property Co.
2.	Mr. Abdulsalam bin Abdulrahman ALaqeel	Chairman of the Board of Directors of Alandalus Property Co.	Deputy Chairman of the Board of Directors of Alandalus Property Co.	Bachelor degree, Management Science in Industry, King Fahd University of Petroleum and Minerals, 1990	Member of the boards of directors of many companies and charities, member of the board of directors and audit and risk committee. Director general of a number of real estate and trade companies. Managing Director of Jarir Commercial Investment.
3.	Mr. Ahmad bin Abdulrahman ALmoosa	Member of the Board of Directors of Alandalus Property Co.	Member of the Board of Directors of Jazeera Markets Co.	Bachelor degree, Business Administration, London School of Economic Science, 1999	Member of the Board of Directors of Abdulrahman bin Abdullah Almousa and Sons Co, member of the Board of Directors of Abdulrahman Almoosa Holding Co. Member of the Board of Directors of Real Estate and Tourism Development Co, member of the Board of Directors of Aljazera Markets Co.
4.	Mr. Muhammad bin Abdulmuhsen Alzakri	Member of the Board of Directors of Alandalus Property Co.	Executive director, Alzakri Industry and Trading Co.	Master degree, Public Administration University of Lafrin, 2011	Practical experience in financial management, operational management, business development and executive management.

3. Number, dates and attendance record of the Executive Committee meetings held in 2021G:

#		Member name	Membership Type	Number of meetings: (5) meetings				
				1st meeting 26-01-2021	2nd meeting 15-04-2021	3rd meeting 29-04-2021	4th meeting 03-10-2021	5th meeting 12-12-2021
1	Eng. Saleh bin Muhammad Alhabib	Chairman of the Committee		✓	✓	✓	✓	✓
2	Mr. Abdulsalam bin Abdulrahman Alaqeel	Member		✓	✓	✓	✓	✓
3	Mr. Ahmed bin Abdulrahman Almoosa	Member		✓	✓	✓	✓	✓
4	Mr. Mohammed bin Abdulmohsen Alzakari	Member		✓	✓	✓	✓	✓

## Nomination and Remuneration Committee

### 1. Terms of Reference and Responsibilities

The Nomination and Remuneration Committee is responsible for:

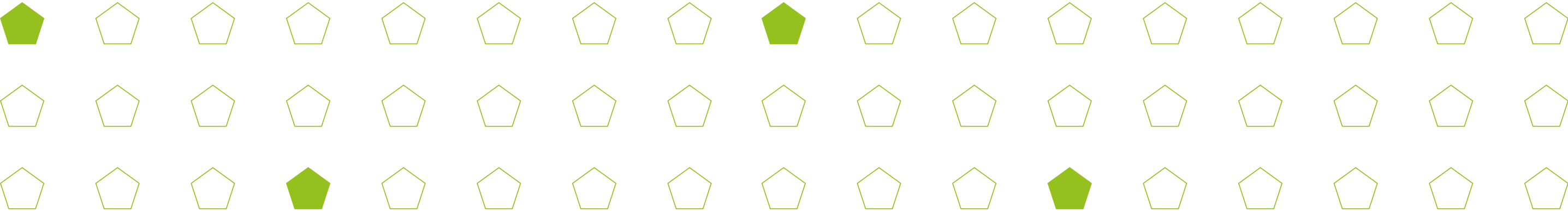
- Proposing clear policies and criteria of membership of the Board of Directors and the Executive Committee
- Recommending nominations and re-nominations to the Board of Directors in accordance with the approved policies and standards taking into account that nomination shall not include any person who was previously convicted of any crime of dishonesty.
- Preparing descriptions of the capacities and qualifications required to join the Board or hold an executive management position;
- Determining the time to be allocated by the member for the activities of the Board of Directors;
- Conducting an annual review of the skills and experiences required for Board membership and executive management positions;
- Reviewing the structure of the Board and the Executive Management and recommending possible changes;
- On an annual basis, ensuring independence of the independent members and the absence of any conflict of interest in case a board member also acts as a member of the board of directors of another company.
- Developing job descriptions for the executive and non-executive members, independent members and senior executives;
- Developing procedures to fill in any vacant position in the Board or the executive management;
- Determining the strengths and weaknesses of the Board and recommending solutions that are compatible with the Company's interests.

### 2. Members' Names, Current and Previous Positions, Qualifications and Experiences:

#	Name	Current Position	Previous Positions	Qualifications	Experience
1.	Dr. Sulaiman Ali Alhudaif	Member of the Board of Directors and Chairman of Nomination and Remuneration Committee	Director General of Human Capital Sector, Alinma Bank	PhD. Business Administration, Northwest Eastern University, 2006	Vice chairmen and chairman of the strategy and Business Excellence, Alinma Bank, CEO of Alam Alnukhba Management and Organization Consulting Co. Executive Director of Human Resources and Development, Alrajhi Bank.
2.	Mr. Abdulsalam bin Abdulrahman Alaqeel	Chairman of the Board of Alandalus Property Co.	Vice Chairman of the Board of Directors of Alandalus Property Co.	Bachelor degree, Management Science in Industry, King Fahd University of Petroleum and Minerals, 1990	Member of the boards of directors of many companies and charities, member of the board of directors and audit and risks committee. Director general of a number of real estate and trade companies. Managing Director of Jarir Commercial Investment
3.	Eng. Saleh bin Mohammad Alhabib	Vice Chairman of Board and Chairman of the Executive Committee,	Managing Director of Mohammad Alhabib Real Estate Investment Co.	Bachelor degree, Architecture, King Saud University, 2000	Member of the Board of Directors of Dr. Sulaiman Alhabib Medical Group, Managing Director of Mohammed Al Habib and Sons Holding Co, Managing Director of Hamat Property Co. Managing Director of Global Healthcare Co, Managing Director of Muhammad Alhabib Real Estate Investment Co, and Member of the Board of Directors of Hayat Property

### 3. Number, dates, and attendance of the Nomination and Remuneration Committee meetings held in year 2019G.

#	Member's Name	Membership Type	Number of Meetings: (2)	
			1st Meeting 03-10-2021	2nd Meeting 12-12-2021
1	Dr. Sulaiman bin Ali Al Hudaif	Chairman of the Committee	✓	✓
2	Mr. Abdulsalam bin Abdulrahman Alaqeel	Member	✓	✓
3	Eng. Saleh bin Muhammad Alhabib	Member	✓	✓





## Audit Committee

### 1. Description of the terms of reference and responsibilities of the Audit Committee

The Audit Committee is responsible for monitoring the Company's activities and ensuring the integrity and fairness of the financial reports, statements and internal control systems. Regarding financial reports, the Committee is responsible for examining the Company's initial and annual financial statements before they are presented to the Board of Directors, share their view on the same, and recommend the procedures what guarantee integrity, fairness and transparency thereof. If requested by the Board, the Committee shall present its technical view on whether the Board's report and the Company's financial statements are fair, balanced, intelligible, and include all the information needed for the shareholders and investors to evaluate the Company's financial position, performance, business model and strategies. The Committee shall also examine any crucial or abnormal issues in the financial reports, thoroughly consider any issues raised by the Company's financial manager, or his deputy, the compliance officer or auditor, verify the accounting estimates on material issues reflected in the financial reports, examine the Company's accounting policies and provide the Board with their views and recommendations on the same.

As for its internal audit function, the Audit Committee shall examine and review the Company's internal and financial control systems, examine and evaluate the internal audit reports and follow up the implementation of any corrective measures relating to any remarks stated therein, supervise and oversee the internal auditor's performance and activities and the Company's internal audit department, if any, in order to ensure the availability of all necessary resources and their effectiveness in performing the assigned tasks and duties. If the Company has no internal auditor, the Committee will provide the Board with a recommendation stating the extent to which such an auditor is needed. It will also develop a mechanism and policy to enable the employees to report any illegal or unethical practices in the Company. Moreover, it presents its recommendation to the Board to appoint a manager for the internal audit unit or department or an internal auditor and proposes their compensation.

Regarding the external auditor, the Committee will recommend the Board of Directors to nominate or remove auditors, determine their fees and evaluate their performance after verifying their independency and reviewing the scope of their work and their engagement terms. Moreover, the Committee will ensure the auditor's independence, objectivity and fairness as well as the extent of effectiveness of the audit taking into consideration all relevant rules and standards. Furthermore, the Committee shall review the plan and the activities of the Company's auditor and make sure that all technical and administrative auditing reports are within the scope of their auditing tasks, present its view on the same, and respond to the auditor's queries. It will also examine the auditor's report and any observations on the financial statements and follow up on any actions taken in this regard.

The Committee shall also ensure the commitment to review the results of the reports made by the regulatory bodies and make sure that the Company has taken all necessary actions, and is in compliance with all applicable rules, regulations, policies and instructions. Moreover, the Committee shall review all proposed contracts and transactions with any related party and provide its views to the Board, and report to the Board all issues believed to require a further action along with its suggested course of action.

In respect of the Audit Committee's performance of its responsibilities, the Committee will provide its views, if any, on the financial statements and the adequacy of the Company's internal control system and other tasks carried out within its terms of reference. The Committee shall also discuss and examine its performance at least once a year in order to assess its effectiveness, and agree on the measures needed to improve its efficiency. Finally, a report on the Committee's performance must be presented to the Board.

### 2. Members' names, current and previous positions, qualifications and experience:

#	Name	Current Position	Previous Positions	Qualifications	Experience
1.	Dr. Abdulrahman bin Muhammad Albarak	Member of The Board of Directors and Chairman of the Audit Committee – Al Andalus Property	Vice chairman of CMA Council	PhD in Finance, Newcastle University, UK Master Degree, Finance, Colorado University, USA Bachelor degree, Accounting, King Faisal University, SKA	Chairman of Thara'a Consulting Company. Deputy Chairman of Capital Market Authority of Saudi Arabia. Chairman, Associate Professor and Dean of Finance at King Faisal University, KSA
2.	Mr. Alaa bin Abdullah Alfeda	Member of the Audit Committee, Al Andalus Property	Member of the Audit Committee, Eastern Cement Co.	Master degree, funding, Newcastle University, 2009	Member of the audit committee at King Saud University Endowments. Executive consultant of financial planning and budget, Ministry of Finance. Member of audit committee in Eastern Cement Co.
3.	Mr. Saleh bin Abdullah Alyahya	Member of the Audit Committee	Senior manager, Earnst & Young, USA	Bachelor degree, accounting, King Saud University, 2002	Partner, Alluhaid & Alyahya Chartered Accountants. Partner Ernst & Young, KSA. Senior Manager, USA

### 3. Number, dates and attendance Audit Committee meetings held in the year 2021:

#	Member's Name	Membership Type	Number of Meetings (6)					
			1st Meeting 25-02-2021	2nd Meeting 05-05-2021	3rd Meeting 12-08-2021	4th Meeting 13-10-2021	5th ing 04-11-2021	6th Meeting 27-12-2021
1.	Dr. Abdulrahman bin Muhammad Albarak	Chairman of the Committee	✓	✓	✓	✓	✓	✓
2.	Mr. Alaa bin Abdullah fadda	Member	✓	✓	✓	✓	✓	✓
3.	Mr. Saleh bin Abdullah Alyahya	Member	✓	✓	✓	✓	✓	✓

## Chief Executive Officer

#	Name	Current Positions	Previous Position	Qualifications	Experiences
.1	Mr. Hathal bin Saad Alutaibi	CEO of Alandalus Property Co.	CEO of business development of Alandalus Property Co.	Master degree, Business Administration, King Saud University, 2016	Marketing Officer of National Industries Co. from 2003-2004. Head of Training Dept. in Aljazira Bank 2004 -2005. ALMarai Co. Product Manager, 2005-2008, Head of Business Development, 2008-2017, CEO 2017 to present.



## Reporting Shareholders' Suggestions and Remarks to the Board of Directors

In 2021G, the Board of Directors briefed the members, non-executives in particular, on all the inquiries and suggestions received from the shareholders that need considered and discussed and take into consideration those that conform to the Company's policies and the applicable rules and regulations.



## Rewards

### Remuneration Policy:

The Company's remuneration policy was approved by the Company's General Assembly. The policy takes into account, in determining and paying remunerations to each member of the Board, committee, or the Executive Management of the Company, all relevant provisions of the Companies Law and its implementing regulations related to listed joint-stock companies, and the Corporate Governance Regulations issued by the Capital Market Authority, in addition to the following criteria:

1. The policy must be in conformity with the Company's strategy, objectives and risk profile.
2. The remuneration must be based on a recommendation from the Nominations and Remuneration Committee.
3. The remuneration must be fairly sufficient to attract, motivate and retain competent board members with proper experience.
4. Remuneration must be provided to motivate the Board members and the Executive Management to ensure long-term success and advancement of the Company, taking into account linking the variable portion of the remuneration with long-term performance.
5. The remuneration must be fair and commensurate with the members' role and responsibilities, with due consideration to the targets set by the Board to be achieved during the fiscal year.
6. For new appointments, remuneration must be determined in coordination with the Nominations and Remuneration Committee.
7. Market remuneration practices must be taken into account, while avoiding any unjustifiable increase in remuneration and compensation.
8. Any plan to grant shares in the Company to the board members, Executive Management and employees, either by issuing new shares or purchasing shares by the Company, must be coordinated with the Nominations and Remuneration Committee subject to relevant applicable regulations.
9. The remuneration will be stopped or recovered if not approved by the General Assembly.

### Remunerations and compensations of the Board of Directors and its committees will be determined based on the following:

Members of the board and committees are entitled to the following remunerations:

1. The chairman is entitled to receive an annual bonus of SR 200,000.
2. Each board member is entitled to receive an annual bonus of SR 200,000.
3. The chairman of any committee is entitled to receive an annual bonus of SR 100,000.
4. Each committee member is entitled to receive an annual bonus of SR 50,000.
5. Members of the Board and the committees is entitled to an attendance allowance as follows:
6. Each member of the board, including the chairman, is entitled to receive an attendance allowance of SR 3,000 for each meeting attended.
7. Each member of any committee, including the chairman of such committee, is entitled to receive an attendance allowance of SR 3,000 for each meeting attended.
8. Members of the Executive Committee, including the Chairman of the Committee, are entitled to receive an attendance allowance of SR 5,000 for each meeting attended.
9. Remuneration shall be paid at the beginning of each calendar year, while the attendance allowance shall be paid every six months of the calendar year.
10. Entitlement to the annual bonus is qualified by attending -at least- two-thirds of the meetings held during the year.
11. The amount of the annual bonus will be estimated based on the date of joining and leaving the respective committee or the board, taking into consideration the minimum attendance of two-thirds of the meetings held within that period.
12. Any member of both the board and any committee is entitled to receive remuneration for board membership and the chairmanship or membership of a board committee or the Audit Committee.

The fixed annual remuneration is exclusive of travel and other related expenses. These will be reimbursed as follows:

- Travel expenses and airline tickets (business class).
- Hotel accommodation business related costs.

Expenses will be reimbursed based on actual bills.



## Executive Management remunerations

The Nomination and Remuneration Committee regularly reviews the benefits of the Executive Management and incentive programs and plans. Upon receiving the executive management recommendations, the Committee shall review such recommendations and submit its final recommendation to the Board of Directors for approval, taking into account the annual budget, the Company's capabilities and the liquidity available. The Executive Management remuneration includes:

1. Basic salary (paid monthly at the end of each calendar month).
2. Housing allowance, transportation allowance, and any other allowances approved by the Board of Directors.
3. Medical insurance for the employee and his/ her family.
4. Annual bonus if approved by the Board of Directors (based on performance, appraisal and measurement matrix).
5. End of service benefits.

### Disclosure of directors remuneration for their membership in the Company's Board of Directors during 2021, from January 01, 2021 until December 31, 2021

#		Fixed Remuneration							Varying Remuneration							End-of-service benefit	Grand total	Expenses allowance
		In-kind Benefits	Total Committee Meeting Attendance Allowance	Board Meeting Attendance Allowance	Certain Amount	Amounts received by directors as employees or officers, or for technical, administrative or advisory services	Remuneration of the chairman of the Board, Managing Director, the secretariat, if a director	Total	Percentage of profits	Regular Bonus	Sort term incentive plans	Long term incentive plans	Bonus shares (value)	Total				
First: Independent Members																		
1.	Dr. Abdul Rahman Albarrak	300,000	15,000	18,000	-	-	-	333,000	-	-	-	-	-	-	-	-	-	
2.	Mr. Sulaiman Alhudhaif	300,000	15,000	6,000	-	-	-	321,000	-	-	-	-	-	-	-	-	-	
3.	Mr. Nasser Alsharif* * Membership of the Board of Directors ended on 9-03-2021	37,260	6,000	-	-	-	-	43,260	-	-	-	-	-	-	-	-	-	
4.	Mr. Abdullah Almishal* * Membership of the Board of Directors Started on 10-03-2021	162,800	9,000	-	-	-	-	171,800	-	-	-	-	-	-	-	-	-	
Second: Non- executive Members																		
1.	Mr. Abdul Salam Alaqeel	300,000	15,000	31,000	-	-	-	346,000	-	-	-	-	-	-	-	-	-	
2.	Eng. Saleh Al Habib	350,000	15,000	31,000	-	-	-	396,000	-	-	-	-	-	-	-	-	-	
3.	Mr. Ahmed Almoosa	250,000	15,000	25,000	-	-	-	290,000	-	-	-	-	-	-	-	-	-	
4.	Mr. Mohamed Alzakri	250,000	15,000	25,000	-	-	-	290,000	-	-	-	-	-	-	-	-	-	
5.	Mr. Imad Alutaibi* * Representative of GOSI * Membership of the Board of Directors Started on 10-03-2021	162,800	9,000		-	-	-	171,800	-	-	-	-	-	-	-	-	-	
Third: Executive Members																		
1.	Mr. Hathal Alutaibi	200,000	15,000	-	-	-	-	215,000	-	-	-	-	-	-	-	-	-	

### Other provisions related to remuneration policy:

The Board members are not permitted to vote on their remuneration at the General Assembly meeting.

1. If the General Assembly decides to terminate the membership of absent board members due to failure to attend three consecutive meetings without valid justification, such member will not be entitled to any bonuses for the period following the last meeting attended, and must return all the bonuses he might have received for that period.
2. The Board shall disclose in its report the details of remuneration policies, mechanism of determination, and the financial and in-kind benefits paid to each Board member for any executive, technical, managerial or advisory roles.ww

## Senior Executives Remuneration

Details of remuneration of the top five senior executives, including the CEO and CFO, during the fiscal year of 2021G

Fixed Remuneration	
Salaries	3,276,564
Allowence	1,146,797
In-kind benefits	
<b>Total</b>	<b>4,423,361</b>
Variable Remuneration	
Regular bonuses	-
Profit	-
Short- term incentive plans	-
Long - term incentive plans	-
Bonus shares	-
End of services Remuneration	4,112,936
Total remuneration of Board executive members	2,811,860
<b>Total</b>	<b>6,924,796</b>

Alandalus Property has committed to disclose the bonuses granted to senior executives in total in accordance with the statutory requirements contained in subparagraph (4/b) of Paragraph (a) of Article (93) of the Corporate Governance Regulations, without disclosing it in detail, as such details may negatively affect the Company's interests by creating an atmosphere of competition and job instability, which will reflect on the Company's performance and hence the shareholders.

## Key Shareholders and Change in Equity Ownership

### Change in Shareholders' Ownership and Interests except for members of the board of directors, senior executives and their relatives

Shareholder's Name	Number of shares at Offering	Number of Shares as of 01/01/2021	Number of Shares as of 31/12/2021	Change in Number of Shares	% Change
Borouj Global Ltd CO.	19,354,020	19,354,020	25,805,360	6,451,340	33.33%
Alzakri Industry and Trading Co.	12,096,262	12,096,262	16,128,349	4,032,087	33.33%
Abdulrahman Abdullah Almoosa & Partners Co.	4,838,506	4,838,506	6,451,341	1,612,835	33.33%

\*The change percentage in the shareholders' ownership is represented in the table above to increase the Company's capital to 933,333,330 SR.

### Change in the ownership and interests of board members, senior executives, and their relatives

Shareholder Name	Number of shares at Offering	Number of Shares as of 01/01/2021	Number of Shares as of 31/12/2021	Change in Number of Shares	% Change
Dr. Sulaiman bin Ali Alhudhaif	-	46,800	62,400	15,600	33.33%

\* The change in the ownership of the member of the board of directors shown in the above table is due to the increase in the company's capital to 933,333,330 SR.

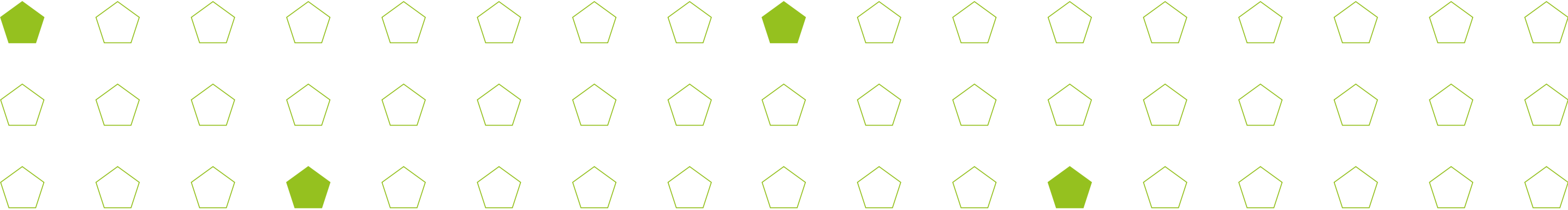
Shareholders' Assemblies

Meetings held in 2021:

Board Members General Meeting Attendance Record				
#	Member name	14th Ordinary General Meeting 08/03/2021	15th Ordinary General Meeting 01/06/2021	5th Extraordinary General Meeting 25/08/2021
1.	Mr. Abdulsalam bin Abdulrahman Alaqeel	✓	✓	✓
2.	Eng. Saleh bin Mohammad Alhabib	✓	✓	✓
3.	Mr. Ahmad bin Abdulrahman Almoosa	✓	✓	✓
4.	Mr. Mohammed bin Abdulmohsen Alzakri	✓	✓	✓
5.	Dr. Sulaiman bin Ali Alhudhaif	✓	✓	✓
6.	Dr. Abdulrahman bin Mohammad Albarrak	✓	✓	✓
7.	Mr. Nasser bin Sharaf Alshareef* * Membership of the Board of Directors ended on 09-03-2021	✓		
8.	Mr. Hathal bin Saad Alutaibi	✓	✓	✓
9.	Mr. Imad bin Hammoud Alutaibi* * Representative of GOSI * Membership of the Board of Directors Started on 10-03-2021		✓	✓
10.	Mr. Abdullah bin Abdulaziz Almeshal* * Membership of the Board of Directors Started on 10-03-2021		✓	✓

Shareholders Registers Requests in 2021:

Request Date	Reasons
13/01/2021	Corporate Action
13/01/2021	Corporate Action
07/02/2021	Corporate Action
02/03/2021	Company's General Assembly
02/03/2021	Corporate Action
24/05/2021	Company's General Assembly
04/08/2021	Corporate Action
23/08/2021	Company's General Assembly





## Governance & Risks

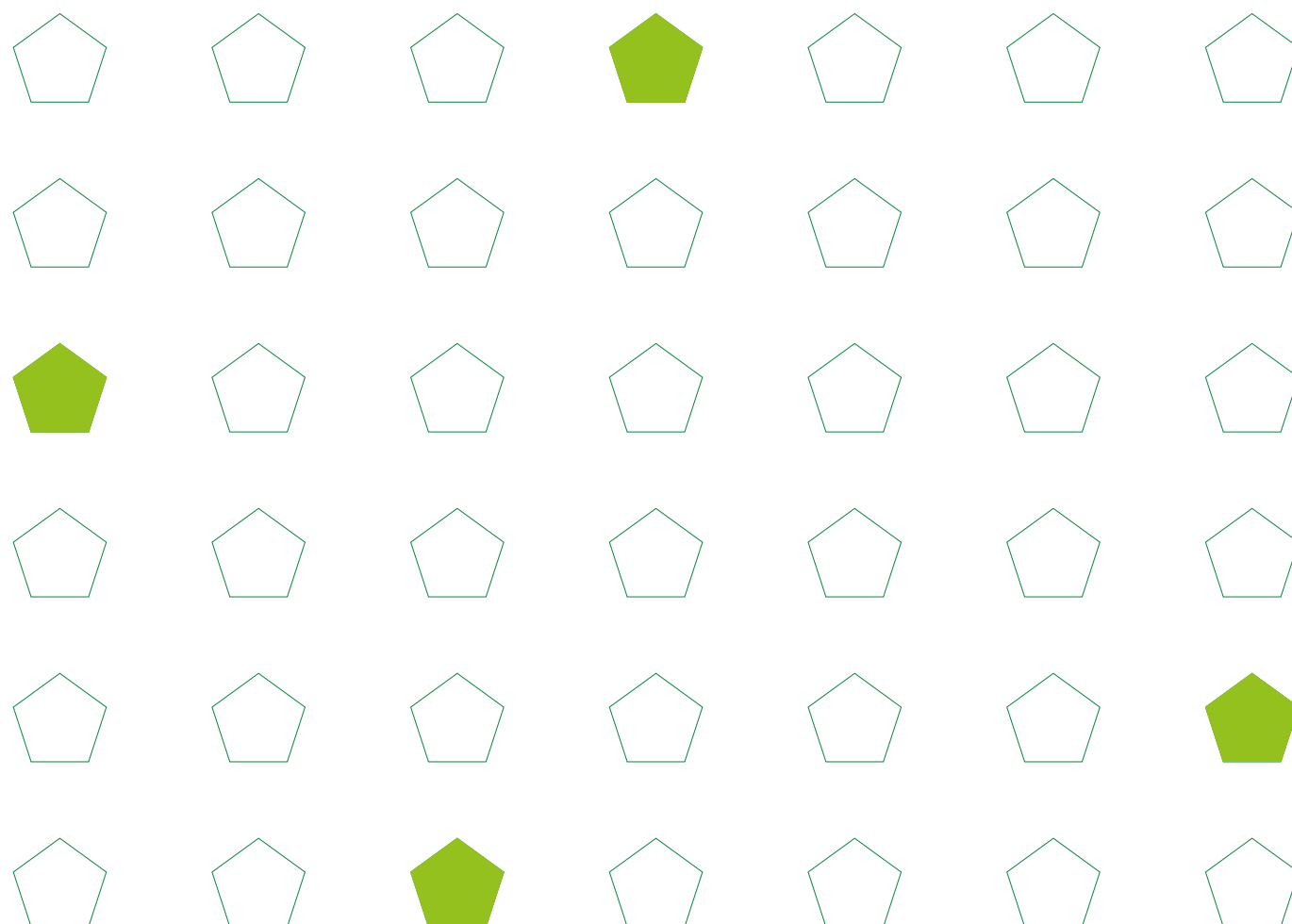
- Governance
- Risks
- Conclusion



8.0

## Corporate Governance

- The Company has always committed to implementing the best corporate governance practices. It was classified among the top 30 companies in terms of applying corporate governance principles according to the results of a study announced during the Corporate Governance Conference which was organized by the Corporate Governance Center of the Alfaisal University on Dec 22 2021. Classification was based on independent and reliable criteria to assess the quality of corporate governance.
- In accordance with the requirements of Paragraph (1) of Article Ninety of the Corporate Governance Regulations issued by the Board of the Capital Market Authority on 13/2/2017G, as amended, the following table sets out the provisions of the said Governance Regulations that were implemented during the fiscal year ending 31/12/2021, and those that were not implemented and justification:



**The Company represents that all the provisions of the Corporate Governance Regulation issued by the Capital Market Authority on 13/2/2017, as amended under CMA Board Resolution dated 20/05/2019, have been implemented except those listed below:**

Article/ Clause No.	Article/Clause statement	Notes on implementation
Clause (B) of Article (32) Board Meetings	B. The Board shall convene at least four meetings a year, with no less than one meeting every three months	As this clause is still indicative, therefore it is not included in the updated version of the Corporate Governance Regulations and the Board of Directors Regulations, both of which state that the Board shall convene no less than twice a year. Nevertheless, the Company has implemented this Clause as the Company's Board convened 5 times in 2021. The Company will incorporate this Clause in its internal Governance Regulation and the Board's Regulation once it becomes obligatory.
Article 38 Secretary	The Board of Directors must set the perquisites that must be satisfied by the Board Secretary, provided that they include any of the following: 1. University degree in law, finance, accounting, administration or equivalent, with relevant work experience of no less than five years. 2. Relevant practical experience of no less than five years.	As this clause is still indicative, therefore it is not included in the updated version of the Corporate Governance Regulations and the Board of Directors Regulations. However, the Company has implemented this Clause; the Board Secretary, in 2021, holds a university degree and has a work experience of more than 5 years. The Company will incorporate this Clause in its internal governance regulation and the Board's Regulation once it becomes obligatory.
Article 39 Training	The Company must pay adequate attention to training and qualifying the members of the Board and Executive Management, and develop all necessary programs, taking the following into account:  1. Preparing programs for the newly appointed members of the Board and Executive Management in order to familiarize them with the status of the Company's business and activities, particularly in terms of: a. The Company's strategy and objectives; b. The financial and operational aspects of the Company's activities; c. The Board members' obligations, duties, responsibilities and rights; d. The committees' responsibilities and terms of reference 2. Developing the necessary mechanisms for Board members and the Executive Management to regularly attend training programs and courses in order to develop their skills and knowledge in the fields related to the Company's activities	This Article is still indicative and will be implemented by the Company once it becomes obligatory.

Article/ Clause No.	Article/Clause statement	Notes on implementation
Article 41 Assessment	<p>A. Based on the Nomination Committee's recommendation, the Board will develop the necessary procedures to assess the performance of the Board, its members and committees and the Executive Management annually using efficient key performance indicators (KPIs) based on the achievement by the Company of its strategic objectives, the effectiveness of risk management and the efficiency of the internal control and other systems, provided that weaknesses and strengths are identified and addressed, and a solution is proposed based on the Company's interest.</p> <p>B. The performance assessment procedure must be in writing and clearly stated and disclosed to the Board members and the persons concerned with the assessment.</p> <p>C. The performance assessment shall cover the skills and experiences of the Board, identify their weaknesses and strengths, and suggest methods to address weaknesses, such as nominating competent professional personnel capable of improving the performance of the Board. The performance assessment will also include mechanisms of assessment of the Board's activities in general.</p> <p>D. The individual assessment of the Board members will take into account the extent of participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and committees' meetings and dedicating adequate time thereto.</p> <p>E. The Board will make the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</p>	This Article is still indicative and will be implemented by the Company once it becomes obligatory.
Clause (B) of article 54 Formation of the Audit Committee	(B) The Chairman of the Audit Committee must be an independent member	This clause is still indicative; therefore, it is not included in the updated version of the Corporate Governance Regulations and the Audit Committee Terms of Reference. Nevertheless, the Company has implemented this article in 2021; the chairman of the Audit Committee is an independent member. The Company will incorporate this article in its internal corporate governance regulation and the Audit Committee's Terms of Reference once it becomes obligatory.
Article 70: Formation of the Risk Management Committee	The Company's Board of Directors form a (Risk Management Committee), whose Chairman and majority of its members are non-executive directors. The committee members must have an appropriate level of knowledge in risk management and finance.	The Company has not implemented this article (formation of Risk Management Committee) as the article is still indicative. The Company will comply with this article once it becomes obligatory. The Company has a risk management policy approved by the Board of Directors.

Article/ Clause No.	Article/Clause statement	Notes on implementation
Article 71 Functions of Risk Management Committee	Matters reserved to the Risk Management Committee	This Article is still indicative. The Company will implement it once it becomes obligatory.
Article 72 Meetings of the Risk Management Committee	The Risk Management Committee meets regularly at least every six months and on need basis.	This Article is still indicative. The Company will implement it once it becomes obligatory.
Article 85 Employee Motivation	<ol style="list-style-type: none"> <li>Forming committees or holding specialized workshops to hear the employees' views on the Company and discuss key subject matters of decisions.</li> <li>Programs granting employees shares in the Company, a share of the profits earned, and retirement programs.</li> <li>Establishing social programs for the Company's employees..</li> </ol>	This Article is still indicative. The Company will implement it once it becomes obligatory.
Article 87 Social Responsibility	The General Assembly will, upon a recommendation of the board of directors, establish a policy to ensure balance between its objectives and those of the society in order to develop the social and economic conditions of the society.	This Article is still indicative. The Company will implement it once it becomes obligatory.
Article 88 Social Role Initiatives	<p>The Board of Directors develops programs and specifies the necessary means to launch the Company's initiatives in the field of social work, including the following:</p> <ol style="list-style-type: none"> <li>Developing measurement indicators that link the Company's performance to its social contribution, and comparing the same with that of other companies in the same industry.</li> <li>Disclosing the Company's social responsibility objectives to the employees and ensuring their awareness thereof.</li> <li>Disclosing social responsibility fulfillment plans in periodic reports on the Company's activities.</li> </ol>	<p>This Article is still indicative. The Company will implement it once it becomes obligatory. Nevertheless, the Company has participated in many social initiatives for community service during the year 2021 AD, through its sponsorship and commercial centres, for many purposeful activities and programs set up by awareness and charitable societies.</p> <p>The Company will include this article in its Corporate Governance Regulations once it becomes obligatory</p>
Clause (3) of Article 89 Disclosure Policies and Procedures	3. The Company's website shall include all the information that needs to be disclosed and any data or information published through other means of disclosure.	<p>This is still an indicative article, which the Company will implement once it becomes obligatory.</p> <p>However, the Company has provided all required mandatory information on its website, such as the general meeting invitation, candidacy announcement and other required information, In addition, the company has published most of policies related to the governance regulations on its web site.</p>
Article 95 Formation of the Corporate Governance Committee	If the Board of Directors forms a Corporate Governance Committee, such committee must be tasked with the terms of reference established under Article (94) of this Regulation. This committee shall follow up on any matters related to the implementation of corporate governance and provide the Board of Directors at least annually with reports and recommendations in respect thereof.	This is still an indicative article, which the Company will implement once it becomes obligatory.



Risks:

Driven by the Company's awareness of the importance of effective management of risks it faces, which contributes to protecting the Company's assets, ensuring its sustainability, achieving its strategic objectives and avoiding any potential losses, the Company considered a proactive approach to identifying, assessing, evaluating, addressing and prioritizing risks. Accordingly, the Company has adopted a clear policy and practical method, based on identifying, analyzing, evaluating and addressing risks of which the company is exposed, determining the acceptable levels of risks related to all its activities, appointing the members responsible for risk management with a statement of assigned tasks and responsibilities and overseeing of which.



In Particular, this Policy is Designed to:

- Promote a culture of risk at the Company-wide through the principles of risk management in its operations, systems and employees;
- Align the key features of risk management with the Company's vision, mission and objectives;
- Align the Company's acceptable levels of the risks with its strategy;
- Enhance the Company's risk management capabilities and effectiveness;
- Optimize capital utilization and cost performance;
- Boost a proactive risk management;
- Facilitate the process of decision making regarding risks. Enhance risk governance, prepare a clear structure of risk management, determine related tasks and responsibilities;
- Protect the Company's assets, ensuring its sustainability and achieving its objectives and expectations;
- Solidify credibility of wide-base of Stakeholders;

The risk management methodology consists of the following stages:

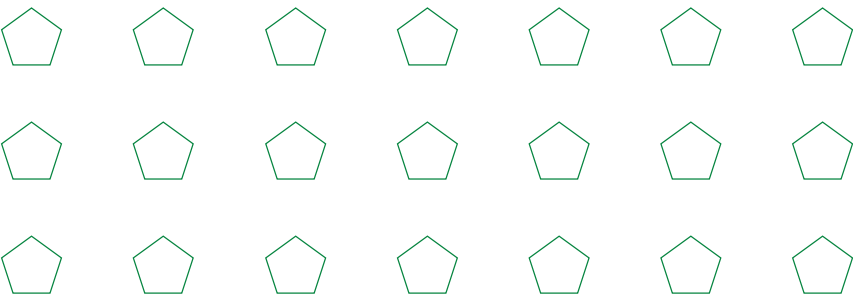
- Classifying, identifying, analysing, assessing, addressing, monitoring and reporting risks in a way which allows the Company to make decisions and respond in a timely manner to risks as they arise

As part of the Company’s obligation to disclose the risks facing the Company in the annual report of the Board of Directors, the risks described below are the key risks. However, they are not inclusive all the risks that the Company may face, as there may be additional risks that are either unknown to or deemed by the Company to be insignificant.

# 01

## Coronavirus Pandemic Related Risks:

The pandemic has posed a great challenge to most economic sectors globally, including the real estate sector. The precautionary measures taken to confront this pandemic have led to a decrease in the rate of revenue. However, if the crisis worsens, God forbid, and the precautionary measures by the official authorities are tightened, the Company’s operations and outcomes will be affected. Hence, in order to limit the pandemic impact, the Company applies a number of measures to control costs and expenses.



# 02

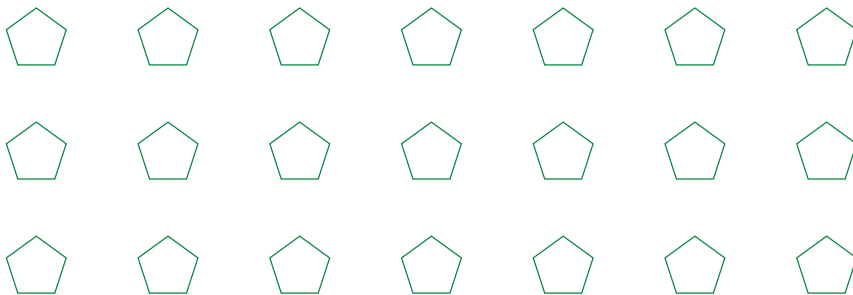
## General Real Estate Risks:

The Company’s performance may decline due to fluctuations in the value of its assets, and the Company’s properties and investee projects may be affected by changes in market conditions, the economy, property prices and governmental regulations. The Company’s assets may be expropriated by the competent authorities, or the government may take any action on such assets for public interest. Furthermore, the implementation and constructions of some government projects may lead to obstructing access to the Company’s centres, and this affects the number of visitors to the centres, which affects the Company’s business and outcomes.

# 05

## Risks Related to Leasing Contracts:

Upon termination of any lease, there is no guarantee that the contract will be renewed or that the tenant will be replaced. The terms of any subsequent lease may be less favourable than the current one. This constitutes a type of potential risk the Company may face as regards leasing, and in order to address these risks, the Company considers to continuous developing of shopper services to meet customer expectations, maintaining an ideal mix of tenants and constantly improving lease terms.



# 06

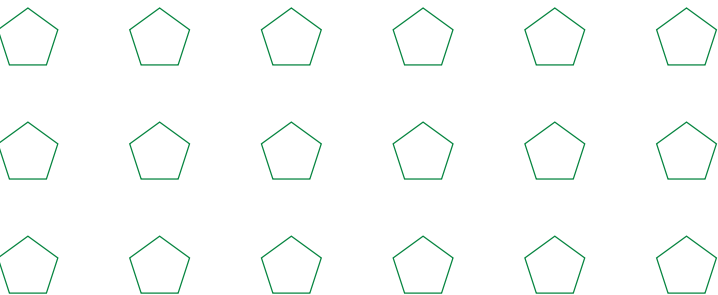
## Competition from new malls:

Malls generally depend on footfall. Hence, the upgrading of existing malls or the entry of new malls into more accessible areas with features and services competitive with those of the Company’s malls will have a significant adverse impact on the number of visitors of the Company’s malls, which in turn will result in lower income for tenants, non-renewal of lease contracts, and consequently lower occupancy or rental rates, or the tenants demand a reduction in rental rates. And to limit the impact of such risks, the Company is constantly developing and upgrading its existing projects with the establishment of new projects which represent unique and distinctive destinations attracting customers and visitors.

# 03

## Development Risks:

The real estate development projects implemented by the Company are subject to potential risks including the possibility of delays in obtaining the necessary government approvals and permits for land zoning and other required approvals and permits. Hence, delay in completing and delivering of works in a timely manner, in addition to the possibility of exceeding the estimated costs specified previously. The Company takes into account such risks when preparing feasibility studies and estimating the cost.



# 04

## Correlation between the Company’s performance and the retail sector:

If the retail sector declines or its overall growth slows down, this will directly impact tenants’ performance and ability to continue leasing the stores in the Company’s malls and to meet their financial obligations, which will in turn adversely and materially affect the Company’s business and operations outcomes.

## 07

**Increase of Operating and Maintenance Costs:**

The Company's recurring expenses include the costs of operation and maintenance of its complexes and malls. These facilities require continuous maintenance to keep them in good operating conditions at optimal levels and retain their attractiveness to tenants and visitors. If expenses increased more than expected, the Company's business, financial position and future prospects will be adversely and materially affected. The Company balances between reducing expenses and maintaining the high-quality services provided in its centres.

## 09

**Liquidity Risk:**

The Company may face difficulties in funding to meet its obligations. Liquidity risk may result from the Company's inability to sell a financial asset quickly and at a value close to its fair value. However, the Company manages liquidity risk by providing the necessary funding in the Company as needed.

## 10

**Risks of High Financing Cost:**

The high interest rates in the financing that the company may have to obtain to finance its existing and future projects, leads to an increase in the cost of financing, and this will have a negative impact on profitability and cash flows, and the company seeks to mitigate this effect by adopting an appropriate financing policy in terms of choosing the appropriate financing terms and that its debts do not exceed the appropriate rate.

## 08

**Litigation and Penalties:**

The Company is exposed to risks of litigation from many counterparties, including tenants, customers, mall visitors, guests, partners, suppliers, employees, regulators, operators, owners of the lands leased by the Company to set up its projects, and real estate brokers. Not to mention the fact that the company sometimes has to file lawsuits against some delaying tenants to collect the rent, and this costs the company litigation expenses.

Rulings in such cases against the Company may cause the Company to incur heavy related litigation costs or large penalties that may be imposed by regulators – all of which will have significant adverse impact on the Company's business, operations outcomes, financial position and future prospects. The company faces such risks through internal legal advisors and qualified external attorneys to protect its rights and interests.

**All Disclosures during the Year 2021G:**

Disclosure Title	Publish Date	Link
Alandalus Property Company calls upon its shareholders to attend the 14th Ordinary General Assembly (first meeting), via modern technology	18-01-2021	<a href="#">Click here</a>
Alandalus Property Company announces its annual consolidated financial results for the fiscal year ending 31-12-2020G	04-03-2021	<a href="#">Click here</a>
Alandalus Property Company announces the Board of Directors recommendation to distribute cash dividends to shareholders for the fiscal year ending December 31, 2020G	04-03-2021	<a href="#">Click here</a>
Alandalus Property Company announces a correction call upon its shareholders to attend the 14 th Ordinary General Assembly (first meeting), via modern technology	07-03-2021	<a href="#">Click here</a>
Alandalus Property Company announces the results of the 14th Ordinary General Assembly meeting (first meeting), via modern technology	09-03-2021	<a href="#">Click here</a>
Alandalus Property Company announces the appointment of the Chairman and Vice-President of the Board of Directors and the formation of the Nominations and Remunerations Committee.	15-03-2021	<a href="#">Click here</a>
Alandalus Property Company announces the dividend distribution policy for the years 2021, 2022 and 2023	02-05-2021	<a href="#">Click here</a>
Alandalus Property Company announces the Board of Directors' recommendation to increase the Company's capital by granting shares	02-05-2021	<a href="#">Click here</a>
Alandalus Property Company calls upon its shareholders to attend the 15th Ordinary General Assembly (first meeting), via modern technology	05-05-2021	<a href="#">Click here</a>
A follow up call by Alandalus Property Company upon its shareholders to attend the 15th Ordinary General Assembly (first meeting), via modern technology	06-05-2021	<a href="#">Click here</a>
Alandalus Property Company announces the summarized consolidated interim financial results for the period ending on 31/03/2021 (three months)	09-05-2021	<a href="#">Click here</a>
Alandalus Property Company announces the results of the 15th Ordinary General Assembly meeting (first meeting), via modern technology	02-06-2021	<a href="#">Click here</a>
Alandalus Property Company announces purchasing a land plot by one of its associate companies in the Holy City of Makkah, with a total value of 174,188,738 SR.	30-06-2021	<a href="#">Click here</a>
Alandalus Property Company calls upon its shareholders to attend the 5th Extraordinary General Assembly with regard to increasing the Company' capital (first meeting), via modern technology	26-07-2021	<a href="#">Click here</a>
Alandalus Property Company announces its interim summarized consolidated financial results for the period ending on 30/06/2021 (six months)	15-08-2021	<a href="#">Click here</a>
Alandalus Property Company announces the results of the 5th Extraordinary General Assembly meeting, which included the approval to increase the Company' capital, (first meeting)	26-08-2021	<a href="#">Click here</a>
Alandalus Property Company announces that the sums from the sale of fractional shares resulting from the increase in the Company's capital have been deposited in the eligible shareholders' accounts	09-09-2021	<a href="#">Click here</a>
Alandalus Property Company announces the Board of Directors' recommendation to distribute cash dividends to shareholders for the first half of the year 2021	10-10-2021	<a href="#">Click here</a>
Alandalus Property Company announces interim financial results for the period ending on 30/09/2021 (nine months)	07-11-2021	<a href="#">Click here</a>
Alandalus Property Company announces the signing of a development contract with AlAhli REIT Fund (1) regarding the expansion and construction works of parking spaces for Alandalus Mall Center in Jeddah.	15-12-2021	<a href="#">Click here</a>

## Results of the Annual Review of the Effectiveness of Internal Control Procedures:

During the fiscal year ended 31 December 2021, the operations of Alandalus Property underwent to periodic reviews by the Internal Audit Department, under the supervision of the Audit Committee of the Board of Directors, to verify the effectiveness of the internal control system and procedures through internal audits that are designed to review the administrative and financial policies and procedures, and output of financial reporting.

## According to the Results Obtained from the Implementation of the Audit Plan, the Committee Concluded the Following:

There is no fundamental deficiencies in the internal control systems, and they are effective to prevent and detect errors, and there was no major breach of the internal control systems during the year, bearing in mind that the necessary measures were taken to follow up on the observations included in the internal audit reports in order to verify that the necessary corrective measures were taken. The company makes a continuous effort periodically and regularly to develop systems and policies, in order to improve the company's business, and develop methods of administrative control, to ensure the efficiency and effectiveness of the control activities, and the management of risks in the company. This is in accordance with the direction of the Board of Directors, and under the supervision of the Audit Committee.



## Profit Distribution Policy:

### A- Profits Will be Distributed According to the Company's Articles of Association as Follows:

1. (10%) of net profits will be set aside to set up the Company's statutory reserve. The Ordinary General Assembly (OGA) may decide to discontinue such deduction when the said reserve equals 30% of the Company's paid-up capital.
2. The Ordinary General Assembly (OGA), based on a proposal of the Board of Directors, may set aside (10%) of net profit to set up an additional general reserve.
3. The OGA may decide to establish other reserves to the extent would serve the Company's interest or ensure distribution of fixed dividends to shareholders. It may also deduct amounts from net profits to establish social entities for the Company's employees or to support existing ones.
4. From the balance, an amount representing 5% of paid-up capital will be distributed to shareholders.
5. Subject to the provisions stipulated in Article (20) of Alandalus Articles of Association and Article (76) of the Companies Law, after the foregoing, up to (5%) of the balance will be allocated to the Board of Directors, provided that in all cases, such distribution shall not exceed the maximum limits allowed by the Companies Law and its regulations, and shall be in accordance with the rules, decisions and official instructions issued by relevant authorities in this regard. However, the entitlement to such remuneration must be based on the number of meetings attended by the member.
6. The Board of Directors may, after fulfilling the requirements set by the relevant authorities, distribute semi-annual and quarterly dividends as it deems fit.

### B. Details of Company's Dividend Distribution Policy:

1. The shareholder shall be entitled to his share of the profits in accordance with the General Assembly resolution on the distribution of dividends to shareholders or the resolution of the Board of Directors to distribute interim dividends. The resolution shall specify the due date and distribution date. The shareholders registered in the Shareholders Register at the end of the due date shall be entitled to receive dividends.
2. The Board of Directors shall implement the General Assembly resolution regarding the distribution of profits to the shareholders registered within 15 days of the dividend due date specified in the General Assembly or Board resolution to distribute interim dividends.
3. The Board may decide to distribute interim dividends to shareholders semi-annually or quarterly, subject to fulfilling the following requirements:
  - The General Assembly will authorize the Board to distribute interim dividends under a resolution to be taken annually.
  - The Company's profitability must be healthy and stable.
  - The Company must have reasonable liquidity and can reasonably predict its level of profit.
  - The Company must have distributable profits, according to the latest audited financial statements, that are sufficient to pay the proposed dividends, after deducting the amount distributed and capitalized from such profits following the date of these financial statements.
  - The Company intends to distribute 60% of the annual net profits for the years 2021,2022,2023 to be distributed semi-annually
4. Dividend distribution generally depends on several factors, including:
  - o The Company's profitability (i.e., realizing sufficient profits to allow statutory distribution) and its financial condition.
  - o Cash flow, new capital investments and future expected external financing, taking into account the importance of maintaining a strong liquidity policy to address any unforeseen changes.
  - o Any restrictions on distribution under the financing loans intended to be entered into by the Company.
  - o Any other legal or regulatory considerations.



Dividend Distributed during the Fiscal Year, and the Dividend Proposed to be Distributed at the end of the Fiscal Year.

	% Dividends distributed during the fiscal year 2021		% Proposed dividends to be distributed at the end of the fiscal year 2021	Total profit
	Annual dividends for the fiscal year 2020	Interim dividends for the first half of the fiscal year 2021	Interim dividends for the second half of the fiscal year 2021	
	04/03/2021	10/10/2021	13/03/2022	
Percentage	5%	2.5%	2.5%	10%
Total	35,000,000	23,333,333.25	23,333,333.25	81,666,666.5 SR

Acknowledgements

The Board of Directors of Alandalus Property Company Represents that:

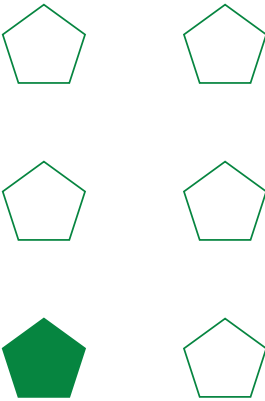
- Neither the Company nor any of its affiliates has previously issued any debt instruments or approved the issuance of such instruments;
- The accounting records were prepared in appropriate manner;
- The Company’s internal control system was prepared properly and implemented effectively; and
- There is no significant doubt regarding the Company’s ability to continue its business.

Ambitions and Aspirations

Despite the enormous challenges and the growing significant changes in the Saudi market, we are well positioned to achieve more remarkable successes, thanks to our unique capabilities to grow and expand our business over the coming years, by implementing the Company’s new ambitious strategy and redoubling efforts to achieve the requirements of this stage.

Conclusion

We would like to extend our sincere thanks to the members of the Board of Directors of Alandalus Property Company and all its employees, investors and partners for their relentless efforts and continued support. We together look forward to proceed on hand in hand towards another milestone in the Company’s success story, hoping for more major achievements, strong performance and sustainable growth.



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