



Rights Issue Prospectus

Saudi Arabian Amiantit Company

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

Offering (346,500,000) ordinary shares at an offer price of 10 Saudi riyals per share through the issuance of rights shares with a total value of (346,500,000) Saudi riyals, which represents an increase in the Company's Share Capital by approximately (35%), so that the Company's capital becomes (445,500,000) Saudi riyals

(Trading Period: Starts on 14/04/2022H (corresponding to 03/05/2002G) and ends on 28/04/2022H (corresponding to 17/05/2002G)
(Subscription Period: starts on 28/04/2022H (corresponding to 17/05/2002G) and ends on 14/05/2022H (corresponding to 03/06/2002G))

Saudi Arabian Amiantit Company ("Amiantit" or "the Company") is a Saudi joint stock company, initially established as a limited liability company with Commercial Registration No. (2050002103), dated 17/03/1388H (Corresponding to 14/06/1968G). The Company was converted into a Saudi joint stock company pursuant to Ministerial Resolution No. (886) dated 06/08/1414H (Corresponding to 18/01/1994G), headquartered in Dammam, Kingdom of Saudi Arabia. The capital of the Company is ninety-nine million (99,000,000) Saudi riyals, divided into nine million nine hundred thousand (9,900,000) ordinary shares (the "Shares") at a nominal value of ten (10) riyals per share fully paid up (individually referred to as the "Existing Share" and collectively as "Existing Shares"). As at the date of this Prospectus (the "Prospectus"), the Company has one major shareholder (who owns 5% or more of the Company's shares) who is: His Royal Highness Prince \ Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%). The Company's Board of Directors recommended in its resolution dated 26/06/1443H (Corresponding to 29/01/2022G) to increase the Company's capital through a Rights Issue at a value of three hundred and forty-six million five hundred thousand (346,500,000) Saudi riyals.

On 14/04/2022H (Corresponding to 03/05/2002G) the Company's Extraordinary General Assembly agreed to increase the Company's capital through a rights issue (referred to as the "Offering"). The subscription consists of offering thirty-four million six hundred and fifty thousand (34,650,000) new ordinary shares ("Rights Shares" or "New Shares") at an offer price of (10) ten Saudi riyals per share (the "Offer Price"), and at a nominal value of (10) ten riyals in order to increase the Company's capital from ninety-nine million (99,000,000) Saudi riyals divided into nine million and nine hundred thousand (9,900,000) ordinary shares to four hundred and forty-five million and five hundred thousand (445,500,000) Saudi riyals divided into forty-four million five hundred and fifty thousand (44,550,000) ordinary shares, after obtaining all necessary regulatory approvals and approval of the Extraordinary General Assembly.

The Offering will comprise tradable securities (referred to collectively as the "Rights" and each a "Right") to the Shareholders registered in the Company's Shareholders Register as at the close of trading on the date of the Extraordinary General Assembly approving the Capital Increase (the "Eligibility Date") and those registered in the Company's Shareholders Register at the Depository Center at the end of the second trading day following the day of the Extraordinary General Meeting approving the capital increase on 14/04/2022H (Corresponding to 03/05/2002G), each of which is referred to as ("Registered Shareholder" and collectively as "Registered Shareholders"), provided that such Rights shall be deposited in the Shareholders' accounts who are registered in the Company's Shareholders Register as at the close of trading on the second day after convening the EGM approving the capital increase, taking into account the settlement procedures at (3.5) rights approximately for each (1) share of the Company's shares. Each Right gives its holder the right to subscribe to one new share at the Offer Price.

Registered Shareholders and other investors (referred to as "New Investors") who may trade Rights and subscribe to new shares, will be able to trade and subscribe to the Rights in the Saudi Stock Exchange (referred to as "Tadawul" or "the Exchange"). The trading period and the subscription period starts after (3) three working days from the approval of the Extraordinary General Assembly, which includes the approval of the capital increase on the day 14/04/2022H (Corresponding to 03/05/2002G), provided that the trading period ends on 28/04/2022H (Corresponding to 17/05/2002G) ("Trading Period"), while the subscription period continues until the end of the day 14/05/2022H (Corresponding to 03/06/2002G) ("Subscription Period"). It should be noted that the Trading Period and the Subscription Period will start on the same day, while the Trading Period will continue until the end of the sixth day of the beginning of the period, the Subscription Period will continue until the end of the ninth day of the beginning of the same period. The Registered Shareholders will be able to trade the Rights during the Trading Period, by selling the acquired Rights or part thereof, or buying additional Rights through the Exchange. Also, New Investors will be able during the Trading Period to buy Rights through the Exchange and sell the Rights that are bought during the Trading Period.

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

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

If any Shares remain unsubscribed for during the Subscription Period ("Rump Shares"), they will be offered to a number of Institutional Investors ("Institutional Investors") ("Rump Offering"). Such Institutional Investors shall submit offers to purchase the Rump Shares and receipt of such offers will start at 10:00 AM on 14/05/2022H (Corresponding to 03/06/2002G), until 05:00 PM on 14/05/2022H (Corresponding to 03/06/2002G) ("Rump Offering Period"). The remaining shares will be allocated to the Institutional Investors in the order of the offered price with the highest first until all the Rump Shares have been allocated. Rump Shares shall be proportionally divided among Institutional Investors that tendered offers at the same price. All proceeds resulting from the sale of the Rump Shares shall be distributed to the Company. The rest of the Offering Proceeds shall be distributed without taking any fees or deductions (in excess of the offering price) to its beneficiaries, each according to his entitlement, no later than 14/05/2022H (Corresponding to 03/06/2002G).

If the Institutional Investors have not subscribed to all the remaining shares and share fractions, such shares shall be allocated to the Underwriters who will purchase them at the Offering Price please refer to Section (12) "Subscription Terms and Conditions". The final allocation process will be announced no later than 14/05/2022H (Corresponding to 03/06/2002G), ("Allocation Date"). (Please refer to Section (12) "Subscription Terms and Conditions". After completion of the subscription process, the Company's capital will become four hundred and forty-five million (445,000,000) Saudi riyals, divided into forty-four million and five hundred thousand (44,500,000) ordinary shares. The net proceeds from the Offering will be used to finance working capital and spare parts for maintenance and production (please refer to Section (6) "Using the Offering Proceeds"). The Company has only one class of shares and no shareholder will have any preferential voting Rights. The New Shares will be fully paid

up and rank identically with the existing shares. Every share entitles its holder to one vote and every shareholder ("Shareholder") has the right to attend the General Assembly Meetings ("General Assembly Meeting") of the Company whether ordinary or extraordinary and vote in them. The New Shares will be entitled to receive their portion of any dividends, if any, declared by the Company after their issuance date.

Seven million (7,000,000) shares of the Company's shares were listed on the Exchange at a nominal value of fifty (50) riyals per share on 14/12/1416H (Corresponding to 01/05/1996G) after obtaining approval of the Ministry of Commerce and the Saudi Arabian Monetary Agency. The Company subsequently increased its capital on 28/01/1421H (Corresponding to 03/05/2000G) from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by granting one free share for every 7 shares, so that the number of its shares became eight million (8,000,000) shares in order to support the Company's expansions and its internal and external investments. On 08/02/1422H (Corresponding to 02/05/2001G), the Company increased its capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals through distributing three (3) free shares for every eight (8) shares using the entire profits of the Company in order to support the Company's expansion and its internal and external investments. On 14/04/2022G, the Company increased its capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of 2001G to the capital and distribution of two (2) shares for each eleven (11) shares, thus increasing the number of shares from eleven million (11,000,000) to thirteen million (13,000,000) shares in order to support the Company's expansions and its internal and external investments. On 03/04/1424H (Corresponding to 03/06/2003G), the Company increased its capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, through the transfer of 50 million Saudi riyals from the profits of 2002G to the capital and the distribution of one free share for every thirteen (13) shares, which results in an increase in the number of shares from thirteen million (13,000,000) to fourteen million (14,000,000) shares in order to support the Company's expansions and its internal and external investments. On 30/03/1425H (Corresponding to 19/05/2004G), the Company increased its capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, by transferring 70 million Saudi riyals from the retained earnings to the capital and the distribution of a free share for every ten (10) shares, which resulted in an increase in the Company's shares from fourteen million (14,000,000) to fifteen million and four hundred thousand (15,400,000) shares in order to support the Company's expansions and its internal and external investments. On 12/06/1426H (Corresponding to 18/07/2005G) The Company increased its capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals, by issuing rights issue shares amounting to seven million seven hundred thousand (7,700,000) shares with a total nominal value of three hundred and eighty-five million (385,000,000) Saudi riyals, thus increasing the number of shares from fifteen million and four hundred thousand (15,400,000) shares to twenty-three million and one hundred thousand (23,100,000) shares in order to strengthen its financial position and support its local industrial projects in the field of pipe industry and water management projects to keep pace with the country's needs of water pipes and other uses. On 09/01/1441H (Corresponding to 08/09/2019G), the Company reduced its capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seven thousand (344,517,000) Saudi riyals, thus reducing the number of the Company's shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand three hundred (81,048,300) shares with a capital reduction rate of (70.2%), and at a rate of one share reduction for every (1.425) shares, in order to extinguish the total accumulated losses amounting to (810,483,000) Saudi riyals. On 16/04/1442H (Corresponding to 01/12/2020G), the Company reduced its capital from three hundred and forty-four million five hundred and seven thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals, thus reducing the number of the Company's shares from thirty-four million four hundred and fifty-one thousand seven hundred (4,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million, four hundred and fifty-one thousand and seven hundred (14,451,700) shares at a capital reduction rate of (41.95%), and at a rate of reduction of one share for every (2.384) shares, in order to extinguish the Company's accumulated losses at a ratio 96.61%. On 16/04/1442H (Corresponding to 01/12/2020G), the Company increased its capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing rights issue shares by twelve million (12,000,000) shares in the amount of one hundred twenty million Saudi riyals (120,000,000) Saudi riyals, and thus increasing the number of shares from twenty million (20,000,000) shares to thirty-two million (32,000,000) shares in order to finance the working capital, repay loans and repay suppliers. On 26/07/1443H (Corresponding to 27/02/2022G), the Company reduced its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reduced the number of the Company's shares from thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares by canceling twenty-two million one hundred thousand (22,100,000) shares at a capital reduction rate of (69.06%), and at a rate of reducing one share for every (1.447) shares, in order to restructure the Company's capital to extinguish accumulated losses.

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

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

Financial Advisor

wasatah capital
وساطة كابيتال



Lead Manager

مجموعة النفيعي للاستثمار
AL-NEFAIE INVESTMENT GROUP

Underwriters



wasatah capital
وساطة كابيتال

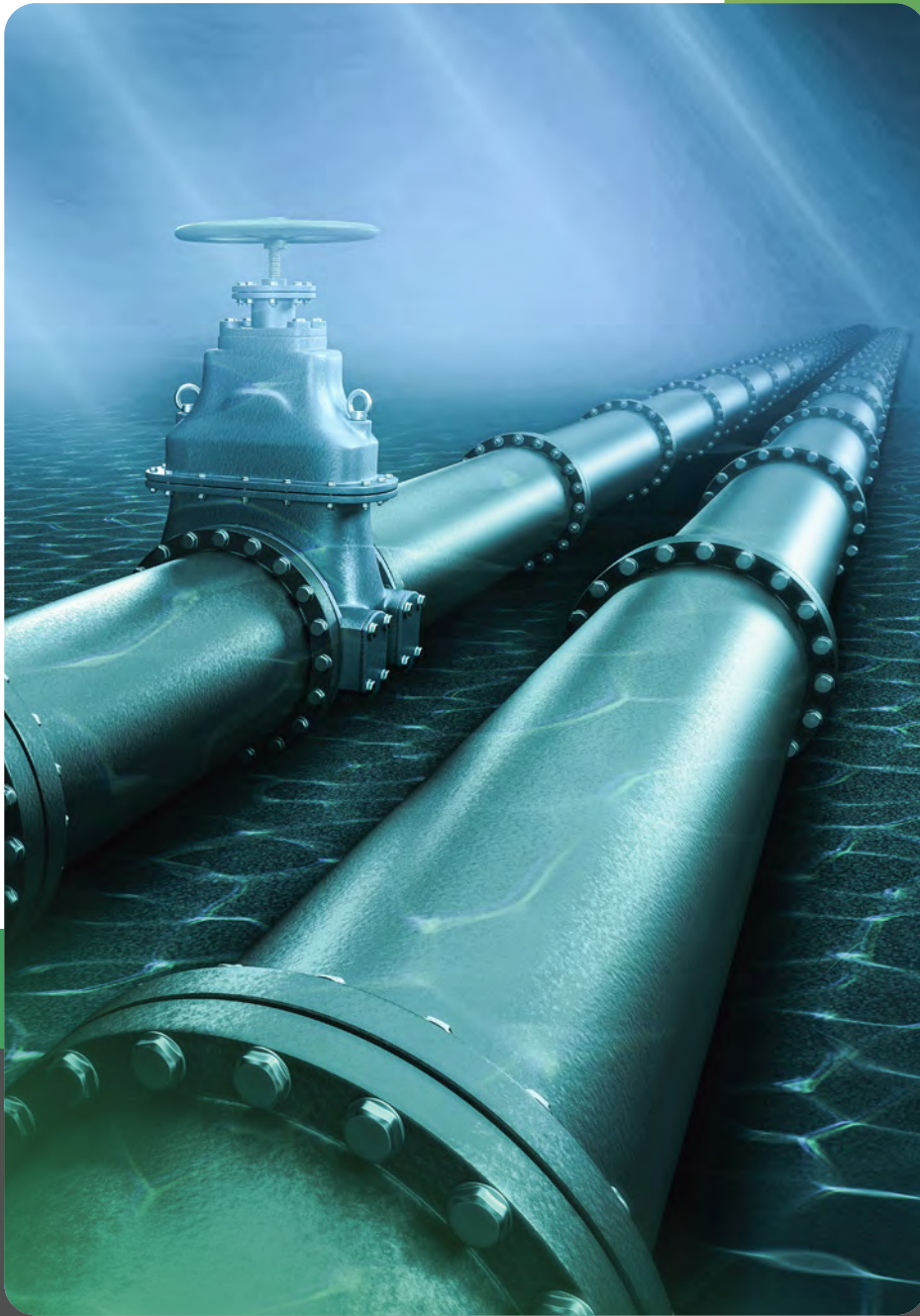


The Rights Issue Offering under this Prospectus is contingent upon the shareholders' approval of the capital increase in accordance with the recommendation of the Board of Directors and the Company obtaining regulatory approvals. An invitation for convening the Extraordinary General Assembly of the Company to approve the Rights Issue of the New Shares has been published on 14/04/2022H (Corresponding to 03/05/2002G). The shareholders should note that if the shareholders' approval is not obtained to offer the Rights Issue, the Rights Issue will cease automatically, and at that time this Prospectus will become void, and shareholders will be notified accordingly.

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

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

This Prospectus is dated 07/05/1444H (Corresponding to 01/12/2022G).



**We aim to be the largest provider
In the world of pipes system**

Saudi Arabian Amiantit Company

Important Notice

This Prospectus (the “**Prospectus**”) provides full details relating to Saudi Arabian Amiantit Company and the Right issue shares offered for subscription. When applying to subscribe to the new shares, investors will be treated on the basis that their applications are based on the information contained in this Prospectus, a copy of which can be obtained from the Company’s headquarters and from the Lead Manager or by visiting the websites of the Company (www.amiantit.com), the Financial Adviser (www.wasatah.com.sa) and the Capital Market Authority (www.cma.org.sa).

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

The Company has appointed Wasatah Capital Company (“**Wasatah Capital**”) as the financial advisor (“**Financial Adviser**”) and Al Nefae Investment Group Company (“**Al Nefae Investment**”) as the lead manager (“**Lead Manager**”). The Company has also appointed Wasatah Capital Company (“**Wasatah Capital**”) and Nomw Capital Company for Financial Consultations (“**Nomw Capital**”) to act as underwriters (“**Underwriters**”) in connection with the offering of Rights Issue shares to increase the Company’s capital pursuant to this Prospectus.

The Prospectus contains information provided according to the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority pursuant to Resolution No. (3-123-2010) dated 09/04/1439H (Corresponding to 27/12/2017G) and amended by Resolution No. (1-94-2022) dated 24/01/1444H (Corresponding to 22/08/2022G). The Directors, whose names appear on page (vii), collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading. Neither CMA nor Saudi Tadawul Group (Saudi Tadawul) do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

While the Company has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as at the date hereof, part of the information contained herein are derived from external sources, and while none of the Company, its managers, its directors, Financial Advisor, or the Company’s advisors, whose names appear on pages (ix & x) of this Prospectus have any reason to believe that any of such information is materially inaccurate; however such information has not been independently verified, and no representation is made with respect to the accuracy or completeness of any of this information.

The information contained in this Prospectus as at the date hereof is subject to change. In particular, the actual financial condition of the Company and the value of the Offer Shares may be adversely affected by future developments such as inflation, interest rates, taxation or other economic and political factors, or other ones over which the Company has no control (please refer to the section (2) “**Risk Factors**” in this Prospectus). Neither the delivery of this Prospectus nor any oral, written or printed interaction in relation to the Offering is intended to be, nor should be construed as or relied upon in any way as a promise or representation as to future earnings, results or events.

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

The Registered Shareholders and other public investors ("**New Investors**"), who may trade in the Rights and subscribe to the New Shares, will be able to trade and subscribe to Right Issue Shares on the Saudi Stock Exchange ("**Tadawul**" or "**Exchange**"). The Trading Period and the Subscription Period both start on (***) **/**/****H (Corresponding to **/**/****G). The Trading Period ends on (***) **/**/****H (Corresponding to **/**/****G) ("**Trading Period**"), while the Subscription Period continues until the end of (***) **/**/****H (Corresponding to **/**/****G) ("**Subscription Period**"). It should be noted that the Trading Period and the Subscription Period will start on the same day, while the Trading Period will continue until the end of the sixth day from the beginning of the period, the Subscription Period will continue until the end of the ninth day from the beginning of the same period.

The Registered Shareholders will be able to trade the Rights during the Trading Period, by selling the acquired Rights or part thereof, or buying additional Rights through the Exchange. Also, new investors during the Trading Period will be able to buy Rights through the Exchange and sell the Rights that are bought during the trading period or subscribe to them during the Subscription Period.

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

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

If any Shares remain unsubscribed for during the Subscription Period ("**Rump Shares**"), they will be offered to a number of Institutional Investors ("**Institutional Investors**") ("**Rump Offering**"). Such Institutional Investors shall submit offers to purchase the Rump Shares and receipt of such offers will start at 10:00 AM on (***) **/**/****H (Corresponding to **/**/****G), until 05:00 PM on (***) **/**/****H (Corresponding to **/**/****G), ("**Rump Offering Period**"). The remaining shares will be allocated to the Institutional Investors in the order of the offered price with the highest first (providing that the price shall not fall below the Offering Price). Rump Shares shall be proportionally divided among Institutional Investors that tendered offers at the same price. Share fractions shall be treated similarly and added to the Rump Shares. All proceeds resulting from the sale of the Rump Shares shall be distributed to the Company provided that the difference between the proceeds of the Rump Offering process and the Rump Offering Price (if any) shall be distributed to the Eligible Persons according to their entitlements, no later than (***) **/**/****H (Corresponding to **/**/****G). The investor who did not subscribe or sell his rights, and the owners of fractional shares, may not receive any consideration if the sale takes place during the Rump Offering Period at the Offering Price.

If the institutional Investors have not subscribed to all the remaining shares and share fractions, such shares shall be allocated to the Underwriters who will purchase them at the Offering Price (please refer to Section (12) “**Subscription Terms and Conditions**”). The final allocation process will be announced no later than **/**/****H (Corresponding to **/**/****G), (“**Allocation Date**”). (Please refer to Section (12) “**Subscription Terms and Conditions**”).

Financial Information

The audited consolidated financial statements of the Company for the financial years ending on 31 December 2019G, 31 December 2020G, and 31 December 2021G, and the accompanying notes have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Auditors and Accountants (SOCPA). The Company’s financial statements for the financial years ended 31 December 2019G, were reviewed and audited by Baker Tilly MKM and Partners - Certified Public Accountants. The Company’s financial statements for the period ended 31 December 2020G, and 31 December 2021G, have been reviewed and audited by the Sulaiman Abdullah Al-Kharashi Company (Al-Kharashi & Co. Certified Public Accountants and Auditors) The Company issues its financial statements in Saudi riyals.

It should be noted that some of the financial and statistical information contained in this Prospectus have been rounded to the nearest whole number. If the numbers mentioned in tables are summed, a slight deviation may appear in the numbers mentioned in the tables compared to those mentioned in this Prospectus.

Forecasts and Forward-looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of specific and announced assumptions mentioned in the relevant parts thereof. The Company's operating conditions may differ from the assumptions used, and therefore no affirmation, representation, or warranty is made with respect to the accuracy or completeness of any of these forecasts. The Company confirms that the statements contained in this Prospectus were made based on the necessary professional care.

Certain statements in this Prospectus constitute forward-looking statements. Such statements can generally be identified by their use of forward-looking words such as "**intends**", "**plans**", "**estimates**", "**believes**", "**expects**", "**anticipates**", "**may**", "**will**", "**should**", "**expected**", "**would be**" or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance, or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied. Some of the risks and factors that could have such an effect are described in more detail in other sections thereof (for further details, see Section (2) "**Risk Factors**" of this Prospectus).

Should any of these risks or uncertainties materialize or any underlying assumptions prove to be incorrect or inaccurate, the Company's actual results may vary materially from those beliefs, estimates or plans described in this Prospectus.

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

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

Except in the circumstances, the Company does not intend to update or otherwise revise any industry or market information, forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise relating to the Company, industry or risk factors. As a result of the foregoing and other risks, assumptions and uncertainties, expectations of future events and conditions set out in this Prospectus may not occur as expected by the Company or may not occur at all. Accordingly, potential investors should examine all future statements in the light of these interpretations and not rely primarily on these forward-looking statements, without undue reliance on forward-looking statements.

Company's Directory

Board Members and Secretary

Name	Position	Representing	Nationality	Age	Capacity	Owned Shares				Membership Date
						Direct	Indirect*	Total	(%)	
Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud	Chairman	-	Saudi	62	Non - Executive	66,920	-	66,920	0.6759596%	01/01/2021G
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Deputy Chairman	-	Saudi	30	Non - Executive	7,096	-	7,096	0.0716768%	01/01/2021G
Dr. Sulaiman Abdulaziz Al-Tuwaijri**	Member	-	Saudi	56	Non - Executive	0	-	-	0.00%	19/10/2021G
Dr. Mohammed Saud Al-Badr	Member	-	Saudi	69	Independent	0	-	-	0.00%	01/01/2021G
Eng. Mohammed Abdulrahman Al-Luhaidan	Member	-	Saudi	50	Independent	4	-	4	0.0000404%	01/01/2021G
Waleed Mohammed Abu Kishek	Secretary	-	Jordanian	59	-	0	0	0	0	01/01/2021G

Source: Company Management

- The Company's Ordinary General Assembly, in its meeting held on 17/11/2020G, approved the election of the members of the Board of Directors Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud, Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud, Dr. Khalil Abdel Fattah Kurdi, Dr. Mohammed Saud Al-Badr and Eng. Mohammed Abdulrahman Al-Luhaidan, starting on 01/01/2021G for a period of three years ending on 31/12/2023G.

* Board members have no indirect ownership in the Company

Dr. Khalil Abdel Fattah Kurdi resigned from the Board of Directors on 18/10/2021G, and the Board of Directors approved his resignation on 12/03/1443H (Corresponding to 18/10/2021G).

** The Extraordinary General Assembly of the Company, in its meeting held on 27/02/2022G, approved the Board of Directors' decision to appoint Dr. Sulaiman Abdulaziz Al-Tuwaijri as a non-executive member of the Board of Directors starting from the date of his appointment on 19/10/2021G to complete the Board's term until the end of the current term on 31/12/2023G, succeeding the previous member, Dr. Khalil Abdel Fattah Kurdi (Non-Executive Member).

Company Address

Saudi Arabian Amiantit Company

PO Box 3361 Dammam 32234
 First Industrial City - Dammam
 Tel: +966 (13) 8471500
 Fax: 920004070
 Website: www.amiantit.com
 E-mail: info@amiantit.com



Company Representative

Company Authorized Representative (1)

Mr. Firas Ghassab Al-Harbi
 Chief Executive Officer
 Saudi Arabian Amiantit Company
 PO Box 3361 Dammam 32234
 First Industrial City - Dammam
 Tel: +966 13 8471500 Ext. 1112
 Fax: 920004070
 Website: www.amiantit.com
 E-mail: falharbi@amiantit.com

Company Authorized Representative (2)

Dr. Mohammed Saud Al-Badr
 Board Member
 Saudi Arabian Amiantit Company
 PO Box 3361 Dammam 32234
 First Industrial City - Dammam
 Tel: +966 13 8471500 Ext. 1117
 Fax: 920004070
 Website: www.amiantit.com
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Financial Advisor

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wasatah capital
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الصالح والسهلي
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 Alsaleh & Alsahli Law Firm
 in co-operation with *Daher Firm*



Lead Manager

Al-Nefaie Investment Group Company

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The Company's Auditor for the year 2019G

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The Company's Auditor for the years 2020G and 2021G

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

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Disclaimer: All the Advisors and auditors mentioned above have given their written consent to publish their names and logos to include their statement in the form contained in this Prospectus. None of them has withdrawn that consent until the date of this Prospectus.

Offering Summary

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

Summary	
The Company or Amiantit	Saudi Arabian Amiantit Company (" Amiantit " or " the Company ") is a Saudi joint stock company, initially established as a limited liability company with Commercial Registration No. (2050002103), dated 17/03/1388H (Corresponding to 14/06/1968G). The Company was converted into a Saudi joint stock company pursuant to Ministerial Resolution No. (886) dated 06/08/1414H (Corresponding to 18/01/1994G). On 14/12/1416H (Corresponding to 01/05/1996G), the Company's shares were listed on the Saudi Stock Exchange (the Main Market).
Company Activities	<p>The Company operates under Commercial Registration No. (2050002103) issued on 17/03/1388H (Corresponding to 14/06/1968G)</p> <ol style="list-style-type: none"> 1. Construction <ul style="list-style-type: none"> – Laying of water lines between and within cities and the establishment of new networks – Construction of sewage stations and projects, sewage networks and pumps – Network extensions. 2. Wholesale and retail trade and repair of motor vehicles and motorcycles. <ul style="list-style-type: none"> – Sale and installation of machinery and factory equipment.

Summary

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

1. Establishing factories, owning, managing and operating industrial facilities and marketing their products.
2. Establishing and owning industrial projects in general, and projects for the production of pipes of all kinds and uses, and owning their accessories such as couplings, valves, rubber rings and pumps in particular, and all complementary industrial activities vertically and horizontally. As well as projects for the production of building materials and maintenance in general.
3. Operating and managing existing factories or those established or shared by the company, and providing technical support, maintenance and marketing of their products to serve the company's projects and other industrial projects.
4. Acting as an agent or contractor for any person, persons, institutions or companies, whether they are Saudis or foreigners.
5. Supervising and carrying out the technical works and conducting workshops that are primary secondary necessary to achieve the objectives of the company.
6. Owning patents, inventions and appropriate industrial secrets, renting and exploiting them, licensing others to exploit what they own or rent, and self-development of industrial technology in the possible fields by strengthening the ability of research and development, encouraging innovation and invention talents, and establishing specialized research and development laboratories.
7. Trade in connection with the company's business.
8. Management and leasing of owned or leased (residential) properties, management, and leasing of owned or leased (non-residential) properties.
9. Owning properties, constructing buildings and warehouses necessary to preserve and store the products of industrial projects, show rooms necessary for displaying them, and other aspects that the company needs to use in manufacturing, storage, buying and selling.
10. Carrying out various technical research and studies and opening research and study centers necessary for this.
11. Importing manufactured pipes, their fittings, accessories and the necessary building materials, and completing the manufacturing of incomplete pipes, rehabilitating them, completing their manufacture, and exporting.
12. Cleaning, packing, lining and painting pipes, their accessories, fittings, fixtures, equipment, building materials and surfaces.
13. Engineering, design, installation and operation works, whether for pipes or others.
14. Import and export.
15. General contracting and construction work, as well as contracting works related to the implementation of pipeline installation and extension projects and the operation of their lines.
16. Information technology.
17. Mediation in the recruitment of technical Labor and the provision of domestic labor services and employment for other sectors.
18. Transportation.
19. Water and sewage work: Irrigation, sewage, water networks, sewage networks, and rain water drainage.
20. Mechanical works related to water and sewage treatment plants, pumping and treatment stations.
21. Industrial works related to refining and petrochemical works.
22. Maintenance and operation of water and sewage facilities, and maintenance and operation of electrical and mechanical installations.
23. Water and power equipment rental services, a well as building and construction.
24. Water selling services of all kinds through distribution networks and transport vehicles.
25. Operation, maintenance and construction of all types of water networks.
26. Managing and maintaining potable water and sewage projects, operating pipelines, and sewage plants using the most advanced technical methods.
27. Generation and distribution of power from gas, electricity, and others.
28. Mining works.

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

Company Activities

Summary

Substantial Shareholders	Those who own 5% or more of the Company's shares. As at the date of this Prospectus, the Company has one major shareholder who is: His Royal Highness Prince / Mohammed bin Fahd bin Abdulaziz Al Saud, who owns six hundred and twenty-one thousand eight hundred and nineteen (621,819) shares, or an interest of (6.281%) of the Company's Shares prior to Offering.
Public	In the Rules on the Offer of Securities and Continuing Obligations, public means the persons other than the following: <ol style="list-style-type: none"> 1. Affiliates of the issuer. 2. Substantial shareholders of the issuer. 3. Directors and senior executives of the issuer. 4. Directors and senior executives of the affiliates of the issuer. 5. Directors and senior executives of substantial shareholders of the issuer. 6. Any relatives of the persons in (1, 2, 3, 4, or 5) above. 7. Any company controlled by any person in (1, 2, 3, 4, 5, or 6) above. 8. Persons who act together in agreement and jointly own (5%) or more of the class of shares that will be listed.
Nature of Offering	Increasing the capital by issuing Rights.
Purpose of Proposed Rights Issue	The Company aims by increasing its capital through a Rights Issue to finance its Share Capital.
Total number of the Company's outstanding and issued shares before the offering	Nine million nine hundred thousand (9,900,000) ordinary shares.
Nominal value of the share	Ten (10) Saudi Riyals per share.
Company's capital before the Offering	Ninety-nine million (99,000,000) Saudi riyals.
Total number of new shares offered for subscription	Thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares.
Offering Price	Ten (10) Saudi Riyals per share.
Total value of Offering	Three hundred and forty-six million five hundred thousand Saudi riyals (346,500,000) Saudi riyals.

Summary

Adjusted Price	The Company's share price in the Exchange has been modified to SAR ** per share at the end of trading on the day of the Extraordinary General Assembly meeting for the capital increase. This represents a decrease in the share price of SAR ** per share.
Registered Shareholders	Shareholders who own shares at the end of the trading day of the Extraordinary General Assembly for the capital increase and are registered in the Company's records at the Depository Center at the end of the second trading day following the convening of the Extraordinary General Meeting for the capital increase.
New Investors	In general, individual and institutional investors, other than Registered Shareholders, who purchased the Rights issue during the trading period.
Targeted investors	Registered shareholders and new investors.
Rights	Rights are tradable securities that entitle its holders the right to subscribe to new shares upon approval of the capital increase. It is an earned right for all registered shareholders. Rights can be traded during the Trading Period. Each Right entitles its holder to subscribe to one share of the new shares at the Offer Price. Rights will be deposited in the portfolios of registered shareholders after the Extraordinary General Assembly for the capital increase has convened. These rights will appear in the registered shareholders' accounts under a new pre-emptive right-related symbol.
New Shares	Thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares, which will be issued as a result of the capital increase.
Eligibility Ratio	Approximately (3.5) Rights for every (1) share held by the Registered Shareholder. This factor is the result of dividing the number of new shares by the number of the current shares of the Company
Number of Issued rights	Thirty-four million six hundred and fifty thousand (34,650,000) Rights.
Number of Underwritten New Shares	Thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares.
Total value of underwritten Rights	Three hundred and forty-six million five hundred thousand (346,500,000) Saudi riyals.
Number of issued shares after capital increase	Forty-four million five hundred and fifty thousand (44,550,000) ordinary shares.
The Company's capital after the capital increase	Four hundred and forty-five million and five hundred thousand (445,500,000) Saudi riyals.
percentage of offered shares of the Company's capital	(350%) approx.

Summary

It is expected that the total Offering Proceeds will be three hundred and forty-six million five hundred thousand (346,500,000) Saudi riyals divided into three hundred and thirty-two million five hundred thousand (332,500,000) Saudi Riyals to finance the working capital and spare parts for maintenance and production, and the Offering costs that amount to fourteen million (14,000,000) Saudi Riyals.

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

In Saudi Riyals	2023G		Total	% of the total
	Q 3	Q 4		
Working capital	155,531,000	155,531,000	311,062,000	89.77%
Spare parts for maintenance and production	10,719,000	10,719,000	21,438,000	6.19%
Offering costs	14,000,000	-	14,000,000	4.04%
Total	180,250,000	166,250,000	346,500,000	100%

For more information (please refer to Section (6) "Using the Offering Proceeds").

Offering costs

Value of the Offering costs is about fourteen million (14,000,000) Saudi riyals, which includes costs of the Financial Advisor, Lead Manager, Underwriters, Legal Advisor, Auditor, marketing, printing, distribution expenses and other expenses related to the Offering. (Please see Section (6) "Using the Offering Proceeds").

Use the Offering Proceeds

The Company will use the net proceeds of the Offering to finance working capital and spare parts for maintenance and production (please refer to Section (6) "Using the Offering Proceeds").

Summary

The total proceeds obtained by the Company from its last rights issue process amounted to one hundred and twenty million (120,000,000) Saudi Riyals.

The extraordinary general assembly (EGM) of the Company's shareholders agreed on 16/04/1442H (Corresponding to 01/12/2020G) to increase its capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing twelve million (12,000,000) rights issue shares with a nominal value of ten (10) Saudi riyals per share, with a total value of one hundred and twenty million (120,000,000) Saudi riyals, in order to finance working capital, repay loans and repay suppliers.

The following table shows the use of the offering proceeds as disclosed in the relevant prospectus

Total proceeds from the last Rights Issue

Saudi Riyals	Planned use	Actual use	Actual spending percentage (%) to the planned spending
Working capital	45,000,000	45,000,000	100%
Payment to suppliers	17,205,250	17,205,250	100%
Repayment of loans	50,000,000	50,000,000	100%
Offering expenses	7,794,750	7,794,750	100%
Total	120,000,000	120,000,000	100%

Eligibility Date

Shareholders who own shares at the end of trading on the day of the EGM for the capital increase, and who are registered in the Company's shareholders register at the end of the second trading day following the EGM meeting for the capital increase, on **/**/****H (Corresponding to **/**/****G).

Offering Period

The Trading Period begins after (3) three working days from the approval of the EGM including the approval of the capital increase, on **/**/****H (Corresponding to **/**/****G) and continues until the end of **/**/****H (Corresponding to **/**/****G). During this period, all Right holders - whether they are registered investors or new investors - may trade in Rights.

Subscription Period

The Subscription Period starts after (3) three working days from the approval of the EGM including the approval of the capital increase, on **/**/****H (Corresponding to **/**/****G) and continues until the end of **/**/****H (Corresponding to **/**/****G). During this period, all holders of Rights, whether they are registered investors or new investors, may exercise their right to subscribe to the new shares.

Rump Shares

Remaining shares that have not been subscribed to during the Subscription Period.

Summary

Rump Offering	<p>If any Shares remain unsubscribed for during the Subscription Period (“Rump Shares”), they will be offered to a number of Institutional Investors (“Institutional Investors”). Such Institutional Investors shall submit offers to purchase the Rump Shares and receipt of such offers will start at 10:00 AM on *** **/**/****H (Corresponding to **/**/****G), until 05:00 PM on *** **/**/****H (Corresponding to **/**/****G), (“Rump Offering Period”). The remaining shares will be allocated to the Institutional Investors in the order of the offered price with the highest first until all the Rump Shares have been allocated (providing that the price shall not fell below the Offering Price). Rump Shares shall be proportionally divided among Institutional Investors that tendered offers at the same price. Fractional shares will be added to the Rump Shares and treated similarly.</p>
Payment of Compensation Amounts (if any)	<p>Cash compensation amounts will be paid to Eligible Persons who failed to exercise their right to subscribe and did not subscribe wholly or partially for the New Shares and for those entitled to fractional shares without any deductions, at the latest on **/**/****H (Corresponding to **/**/****G). Compensation amounts represent the amount that exceeds the Offering Price from the net proceeds of selling the remaining shares and share fractions.</p>
Listing and trading of the Rights	<p>The Rights are listed on Tadawul and are traded during the Rights Trading Period. The Rights shall have a symbol separate and independent from the Company’s current stock symbol on Tadawul screen.</p> <p>Registered Shareholders during the Trading Period shall have several options, which include selling the Rights or part of them in the Exchange, buying additional Rights through the Exchange, or not taking any action regarding the Rights, whether by selling them or buying additional Rights. New investors during the Trading Period will have the right to buy Rights through the Exchange or sell those rights or part of them or not to take any action regarding the Rights purchased during the Trading Period.</p> <p>The “Tadawul” system will cancel the Company’s Rights symbol on the trading screen after the expiry of the Rights Trading Period, and accordingly the trading of Rights will stop at the end of that period.</p>
Method of Subscription	<p>Subscription applications shall be submitted electronically through the websites and platforms of the Brokers that provide these services to subscribers, or through any other means provided by the Brokers.</p>
Exercising subscription to Rights	<p>Eligible Persons have the right to exercise their right to subscribe to the Right Shares by subscribing electronically through the websites and platforms of Brokers that allow these subscription services or through any other means provided by the Brokers. Eligible persons may also exercise the Rights as follows:</p> <p>Shareholders registered during the Subscription Period have the right to exercise the rights granted to them on the Eligibility Date and any additional Rights they purchased during the Trading Period by subscribing to new shares. They also have the right not to take any action regarding the Rights they have.</p> <p>New investors during the Subscription Period have the right to exercise the Rights they purchased during the Trading Period by subscribing to the new shares. They also have the right not to take any action regarding the Rights they have.</p> <p>In the event that none of the registered shareholders or new investors exercise their right to subscribe to the new shares during the Subscription Period, the shares associated with those Rights will be offered during the Rump Offering Period.</p>

Summary

Indicative Value of the Right	<p>The indicative value of the right reflects the difference between the market value of the Company's share during the Trading Period and the Offer Price.</p> <p>Tadawul will calculate and publish the Right's Indicative Value during the Trading Period on its website, five minutes late, and market information service providers will also publish this information in order for investors to view the indicative value when entering orders.</p>
Right trading price	It is the price at which the Right is traded, knowing that it is determined through the mechanism of supply and demand, and therefore it may differ from the indicative value of the right.
Allocation date	The shares will be allotted no later than on **/**/****H (Corresponding to **/**/****G).
Allocation of shares and refund of surplus	<p>New Shares will be allotted to the Eligible Persons based on the number of Rights they have fully and correctly exercised. Share fractions will be collected and added to the remaining shares and then offered to the Institutional Investors during the Rump Offering Period.</p> <p>The Company will receive the total amount of the Offering resulting from the sale of the Rump Shares, while the difference between the proceeds from the sale of the Rump Shares and the Offer Price of the Rump Shares will be distributed to the Eligible Persons who did not subscribe in whole or in part to the New Shares and to the Eligible persons of the share fractions without any deduction or fees (please refer to Section (12) "Subscription Terms and Conditions").</p>
Trading in the New Shares	Trading of new shares on " Tadawul " begins after completing all procedures related to the registration, allocation and listing of new shares, provided that the time period between the end of subscription to the Rights and the deposit of shares in the shareholders' portfolios is 9 working days.
entitlement to profits	The owners of the new shares will be entitled to any dividends declared by the Company after the date of their issuance
Voting rights	All the Company's shares are of one class, and no share gives its holder preferential rights. The New Shares will be fully paid up in value and exactly equal to the existing shares. Each share gives its holder the right to one vote, and each shareholder in the Company has the right to attend and vote in the general assembly of shareholders (whether ordinary or extraordinary) meeting.
Restrictions to trading in the shares	There are no restrictions imposed on trading Rights except for regulatory restrictions on publicly listed shares.
Restrictions to trading in the rights	There are no restrictions imposed on trading Rights except for foreign shareholders who are not entitled to purchase additional Rights without approval of the competent authorities.

Summary

Previously listed
shares by the
Issuer

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

On 09/01/1441H (Corresponding to 08/09/2019G), the Company reduced its capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals, thus reducing the number of the Company's shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand three hundred (81,048,300) shares with a capital reduction rate of (70.2%), and at a rate of one share reduction for every (1.425) shares, in order to extinguish the total accumulated losses amounting to (810,483,000) Saudi riyals. On 16/04/1442H (Corresponding to 01/12/2020G), the Company reduced its capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals, thus reducing the number of the Company's shares from thirty-four million four hundred and fifty-one thousand seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million, four hundred and fifty-one thousand

Summary

Previously listed shares by the Issuer	and seven hundred (14,451,700) shares at a capital reduction rate of (41.95%), and at a rate of reduction of one share for every (2.384) shares, in order to extinguish the Company's accumulated losses at a ratio 96.61%. On 16/04/1442H (Corresponding to 01/12/2020G), the Company increased its capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing rights issue shares by twelve million (12,000,000) shares in the amount of one hundred twenty million Saudi riyals (120,000,000) Saudi riyals, and thus increasing the number of shares from twenty million (20,000,000) shares to thirty-two million (32,000,000) shares in order to finance the working capital, repay loans and repay suppliers. On 26/07/1443H (Corresponding to 27/02/2022G, the Company reduced its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reduced the number of the Company's shares from thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares by canceling twenty-two million one hundred thousand (22,100,000) shares at a capital reduction rate of (69.06%), and at a rate of reducing one share for every (1.447) shares, in order to restructure the Company's capital to extinguish accumulated losses.
Risk Factors	Investing in Rights involves certain risks, and these risks can be categorized into: (1) risks related to the Company's business, (2) risks related to the market and sector, and (3) risks related to new shares. These risks have been reviewed in section (2) " Risk Factors " of this Prospectus, which must be carefully studied before making any investment decision in new Rights or Shares.
Conditions for subscribing to the Rights Issue	Eligible Persons wishing to subscribe to the new shares must fulfill the relevant subscription conditions. To view the information related to the shares and the terms and conditions of the Offering, please refer to Section (12) " Subscription Terms and Conditions ".
Significant changes in the information disclosed in the latest Prospectus	The Authority has approved the publication of the Company's latest Prospectus on 01/10/2020G. Please see subsection (9-11) " Material information that has changed since the Authority's approval of the last prospectus " of section (9) " legal information " for material information that the Company believes has changed since that date.

Disclaimer: The "**Important Notice**" section on page "iii" and Section (2) "**Risk Factors**" of this Prospectus should be studied very carefully before making any investment decision in new Rights or Shares.

Key dates for Subscribers and Subscription Procedures

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Schedule	Timeline
Holding the EGM that includes approving the capital increase and determining the date of eligibility and eligible shareholders, bearing in mind that the eligible shareholders are the shareholders who are registered in the Company's shareholders register who are registered until 2 days after the day of the Extraordinary General Assembly meeting.	**/**/****H (Corresponding to **/**/****G).
Trading Period.	The Subscription Period starts 3 working days after approval of the EGM that approved the capital increase on **/**/****H (Corresponding to **/**/****G) and continues until the end of **/**/****H (Corresponding to **/**/****G). During this period, all holders of Rights, whether registered or new investors, may subscribe to the Rights.
Subscription Period.	The Subscription Period starts 3 working days after approval of the EGM that approved the capital increase on **/**/****H (Corresponding to **/**/****G) and continues until the end of **/**/****H (Corresponding to **/**/****G). During this period, all holders of Rights, whether registered or new investors, may exercise their rights by subscribing to the New Shares.
End of Subscription Period.	The subscription period ends, and the receipt of subscription applications ends at the end of **/**/****H (Corresponding to **/**/****G).
Rump Offering Period.	The Rump Offering Period begins at 10:00 AM of **/**/****H (Corresponding to **/**/****G) and continues until 5:00 PM of the next day on **/**/****H (Corresponding to **/**/****G).
Final Allocation Notification.	On **/**/****H (Corresponding to **/**/****G).
Payment of compensation amounts (if any) for Eligible Persons who did not participate in the Offering entirely or partially.	On **/**/****H (Corresponding to **/**/****G).
Expected Commencement of trading in the Offer Shares.	After completing all the necessary procedures. The starting date of trading in the new shares will be announced on Tadawul's website, provided that the time period between the end of subscription to the Rights and the deposit of shares in the shareholders' portfolios shall be 9 working days.

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

Key announcement dates

Announcement	Announcing Party	Announcement Date
Announcement the invitation for the EGM for capital increase.	Company	On ** **/**/****H (Corresponding to **/**/****G)
Announcement of the EGM results regarding the capital increase.	Company	On ** **/**/****H (Corresponding to **/**/****G)
Announcement regarding the change in Company's share price, Rights' deposit and the Indicative Value of the Right	Tadawul	On ** **/**/****H (Corresponding to **/**/****G)
Announcement regarding the addition of Rights to Amiantit.	Edaa	On ** **/**/****H (Corresponding to **/**/****G)
Announcement regarding the determination of the Rights Trading Period and the Subscription Periods	Company	On ** **/**/****H (Corresponding to **/**/****G)
Announcement of the start date of the Trading Period and the subscription period	Tadawul	On ** **/**/****H (Corresponding to **/**/****G)
Reminder announcement of the start of the rights Trading Period and the subscription period	Company	On ** **/**/****H (Corresponding to **/**/****G)
A reminder about the last day of trading rights	Company	On ** **/**/****H (Corresponding to **/**/****G)
Announcement regarding: <ul style="list-style-type: none"> Subscription results, Details of the sale of unsubscribed Shares, if any, and commencement of the Rump Offering 	Company	On ** **/**/****H (Corresponding to **/**/****G)
Announcement regarding the outcome of the Rump Offering and Notification of the final allocation	Company	On ** **/**/****H (Corresponding to **/**/****G)
Announcement regarding the deposit of New Shares in the investors' portfolios	Edaa	On ** **/**/****H (Corresponding to **/**/****G)
Announcement regarding distribution of the compensation amounts (if any)	Company	On ** **/**/****H (Corresponding to **/**/****G)

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

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

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

How to apply for subscription

Subscription to the rights shares shall be limited to the Eligible Persons, whether they are registered shareholders or new investors, and if the Rights of the Eligible Persons are not exercised, any remaining shares not subscribed to by the Eligible Persons will be offered to Institutional Investors by offering them during the Rump Offering Period. The Eligible Persons wishing to subscribe to the new shares must submit subscription applications through the means and services provided by a Broker to the investors, provided that the Eligible Person has an investment account with one of the Brokers who provide these services.

Subscription Applications shall be submitted through the investment portfolio in the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the Broker to investors and the custodian of shares. The Company reserves the right to reject any application to subscribe to the new shares, in whole or in part, if it does not meet any of the terms or requirements of the subscription. The Subscription Application may not be amended or withdrawn after its submission. The Subscription Application upon submission represents a binding contract between the Company and the Eligible Shareholder.

FAQs about the Rights Issue

What is a Rights Issue?

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

To whom Rights are granted?

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

When are the Rights deposited?

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

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

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

How many Rights can be acquired by a Registered Shareholder?

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

What is the Rights Issue eligibility factor?

It is the ratio that permits the Registered Shareholders to know how many Rights they are entitled to in relation to the Shares that they already owned on the second trading day after the EGM. This factor is calculated by dividing the number of new shares by the number of the current shares of the Company. Therefore, the eligibility factor is approximately (3.5) right for each one (1) share owned by the registered shareholder on the Eligibility Date. Accordingly, if a registered shareholder owns one thousand (1,000) shares on the Eligibility Date, he/she will be allocated three thousand and five hundred (3500) rights in exchange for the shares he/she owns.

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

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

What is the Right value upon commencement of trading?

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

Who is the Registered Shareholder?

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

Can Registered Shareholders subscribe for additional shares?

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

Is it possible for a Registered Shareholder to lose his eligibility to subscribe even if he has the right to attend the EGM and vote on increasing the capital through a Rights Issue?

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

How does the subscription take place?

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

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

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

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

The Rights will be deposited in the same portfolio where the shares of the Company connected to the Rights are deposited, for example if a shareholder owns one hundred (1000) shares in the company as follows: eight hundred (800) shares in portfolio (a) and 200 shares in portfolio (b), then the total Rights which will be deposited (3,500) three thousand and five hundred Rights as each share is eligible for approximately (3.5) Right. Therefore, two thousand and eight hundred (2800) Rights will be deposited in portfolio (a) and seven hundred (700) Rights will be deposited in portfolio (b).

Are share certificate holders allowed to subscribe and trade?

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

Are additional Rights purchasers entitled to trade them once again?

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

Is it possible to sell a part of these Rights?

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

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

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

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

No, that is not possible. After the expiry of the Trading Period, holder of the Rights may only exercise the right to subscribe for the Rights or not. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio.

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

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

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

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

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

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

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

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

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

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

What are Trading and Subscription periods?

Trading in and Subscription to the Rights shall commence at the same time after (3) three working days from the approval of the extraordinary general assembly, which includes the approval of the capital increase, until the end of trading on the sixth day, while Subscription shall continue until the ninth day, as stated in the Prospectus and the Company's issued announcements.

Is it possible to subscribe during the weekend?

No, that is not possible.

Can non-registered shareholders on the day of the EGM subscribe for the Rights?

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

Additional Assistance

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

For more information on the terms and conditions of the subscription, please see Section (12) "**Subscription Terms and Conditions**" and the rest of the information contained in this Prospectus.

Summary of Key Information

This summary provides a brief overview of the key information included in this Prospectus. Being a summary, it does not include all information that may be of interest to shareholders and other general institutional and individual investors. The recipients of this Prospectus must read it in full before making any investment decision related to the Rights or New Shares.

Company Overview

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

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

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

The Company has one major shareholder who is: His Royal Highness Prince \ Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%).

Summary of Company Activities

The Company operates under Commercial Registration No. (2050002103) issued on 17/03/1388H (corresponding to 14/06/1968G).

1. Construction

- Laying of water lines between and within cities and the establishment of new networks
- Construction of sewage stations and projects, sewage networks and pumps
- Network extensions.

2. Wholesale and retail trade and repair of motor vehicles and motorcycles.

- Sale and installation of machinery and factory equipment.

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

1. Establishing factories, owning, managing and operating industrial facilities and marketing their products.
2. Establishing and owning industrial projects in general, and projects for the production of pipes of all kinds and uses, and owning their accessories such as couplings, valves, rubber rings and pumps in particular, and all complementary industrial activities vertically and horizontally. As well as projects for the production of building materials and maintenance in general.
3. Operating and managing existing factories or those established or shared by the company, and providing technical support, maintenance and marketing of their products to serve the company's projects and other industrial projects.
4. Acting as an agent or contractor for any person, persons, institutions or companies, whether they are Saudis or foreigners.
5. Supervising and carrying out the technical works and conducting workshops that are primary secondary necessary to achieve the objectives of the company.
6. Owning patents, inventions and appropriate industrial secrets, renting and exploiting them, licensing others to exploit what they own or rent, and self-development of industrial technology in the possible fields by strengthening the ability of research and development, encouraging innovation and invention talents, and establishing specialized research and development laboratories.
7. Trade in connection with the company's business.
8. Management and leasing of owned or leased (residential) properties, management, and leasing of owned or leased (non-residential) properties.
9. Owning properties, constructing buildings and warehouses necessary to preserve and store the products of industrial projects, show rooms necessary for displaying them, and other aspects that the company needs to use in manufacturing, storage, buying and selling.
10. Carrying out various technical research and studies and opening research and study centers necessary for this.
11. Importing manufactured pipes, their fittings, accessories and the necessary building materials, and completing the manufacturing of incomplete pipes, rehabilitating them, completing their manufacture, and exporting.
12. Cleaning, packing, lining and painting pipes, their accessories, fittings, fixtures, equipment, building materials and surfaces.
13. Engineering, design, installation and operation works, whether for pipes or others.
14. Import and export.
15. General contracting and construction work, as well as contracting works related to the implementation of pipeline installation and extension projects and the operation of their lines.
16. Information technology.

17. Mediation in the recruitment of technical Labor and the provision of domestic labor services and employment for other sectors.
18. Transportation.
19. Water and sewage work: Irrigation, sewage, water networks, sewage networks, and rain water drainage.
20. Mechanical works related to water and sewage treatment plants, pumping and treatment stations.
21. Industrial works related to refining and petrochemical works.
22. Maintenance and operation of water and sewage facilities, and maintenance and operation of electrical and mechanical installations.
23. Water and power equipment rental services, as well as building and construction.
24. Water selling services of all kinds through distribution networks and transport vehicles.
25. Operation, maintenance and construction of all types of water networks.
26. Managing and maintaining potable water and sewage projects, operating pipelines, and sewage plants using the most advanced technical methods.
27. Generation and distribution of power from gas, electricity, and others.
28. Mining works.

Capital Structure

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

million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, by issuing rights issue shares by twelve million (12,000,000) shares in the amount of one hundred twenty million Saudi riyals (120,000,000) Saudi riyals, and thus increasing the number of shares from twenty million (20,000,000) shares to thirty-two million (32,000,000) shares in order to finance the working capital, repay loans and repay suppliers. On 26/07/1443H (Corresponding to 27/02/2022G), the Company reduced its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reduced the number of the Company's shares from thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares by canceling twenty-two million one hundred thousand (22,100,000) shares at a capital reduction rate of (69.06%), and at a rate of reducing one share for every (1,447) shares, in order to restructure the Company's capital to extinguish accumulated losses.

VISION

To maintain our position as the leaders in supplying the best piping systems to every corner of the globe while actively participating in a global effort where our end users would have access to our products and services through sustainable social and environmental solutions.

MISSION

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

STRATEGY

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

Strength and Competitive Advantages

First: The Company owns an integrated system for pipe projects. It owns 100% owned subsidiaries working in the field of planning and engineering pipeline projects, and then specify the pipes used in the projects, and manufacturing, supplying and installing pipes, fittings and accessories. Amiantit is almost unique and distinct in the world at this level.

Second: Amiantit owns product research and development centers in Saudi Arabia and Norway. These centers develop products, improve their performance, develop new products, and provide technical support to find engineering solutions to all problems experienced by projects and develop production and manufacturing methods. These centers are not available in all worldwide pipe companies except for Amiantit.

Third: Amiantit owns factories that produce complementary materials for the manufacture of pipes, such as joints, accessories, rubber rings, flanges and tanks.

Fourth: Amiantit has a marketing network locally and internationally, as it has branches and marketing offices all over the world.

Fifth: Amiantit owns all pipeline technologies and licenses them to third parties and provides the necessary technical support for turnkey projects.

Sixth: Amiantit's global reputation in the field of manufacturing, supplying, installing, and manufacturing pipe factories made it assume the first global position in the field of pipe industry.

Seventh: Effective and active management, as it has a distinguished board of directors and executive management, and they hold educational qualifications and specialized expertise in the company's business field.

Market Overview

Fiberglass pipes

The demand for fiberglass pipes in the world is growing rapidly. This rapid growth is due to the following reasons:

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

The global GRP market is expected to grow at a CAGR of 3.2% and 2.7% from 2019G to 2024G in terms of value and volume, respectively. In the oil and gas, water/wastewater and wastewater treatment industries, GRP is expected to grow to replace traditional plastic and metal tubes which exhibit superior mechanical properties that extend life cycle. One of the most important reasons for the increase in the demand for fiberglass pipes is an increase in the population, which leads to the expansion of the residential area and the construction of new systems for water supply and treatment, as well as the renovation of old systems.

The projected growth rates of fiberglass pipes by uses from 2019G to 2024G in terms of volume:

	By size
Sewage drainage	4.10%
Water	3.70%
Oil & Gas	1.50%
Chemical industries	1.50%

The global market size of the GRP pipes market amounted to 3,612.9 million US dollars in 2018G, with a five-year market growth rate (2013G-2018G) of 1.3%. The market is expected to grow for the next five years (2019G-2024G) by 3.2%, and the market size will be 4,363.1 million US dollars by 2024G¹.

Valves

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

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

The size of the valves market in the East and Africa amounted to 8,648.26 million US dollars in 2019G and is expected to reach 11,102.09 million US dollars in 2024G, with a CAGR rate of 5.12%.

The volume of demand in the Kingdom of Saudi Arabia represented approximately 4,989.61 million US dollars in 2019G out of the total global demand, which represents approximately 34%, and it is expected that the volume of demand in the Kingdom of Saudi Arabia will reach 4,181.36 million US dollars in 2024G, with an CAGR of 6.94%².

Ductile iron pipe

By 2028G, the global market for ductile iron pipes will reach \$14,966.6 million. One of the most important factors of increasing the demand for ductile iron pipes is the distribution of water such as potable water, sewage, irrigation and mining. The CAGR from 2020G to 2028G is expected to be 4.4%.

The following table shows the expected growth rates of ductile iron pipes in the world by uses in 2019G:

Potable water	46.80%
Sewage	31.40%
Irrigation	9.50%
Mining	5.40%
Other	7.00%

¹ Lucintel . (2019). Growth Opportunities in the global FRP Pipe Market. Lucintel .

² Modrdor Intelligence. (2019-2024). GCC AND MENA VALVES MARKET. Modrdor Intelligence.

The value of ductile iron pipes in the Middle East and Africa in 2019G is expected to reach \$837.4 million, and in 2028G it will reach \$1,287.1 million. The market growth rate is 5.7% by 2028G. The following table shows the expected growth of ductile iron pipes in the Middle East and Africa according to uses in the following years (in thousands of Saudi Riyals3):

Uses	2022G	2023G	2024G	2025G	2026G	2027G	2028G
Potable water	419.5	467.1	493.7	522.2	553.6	587.9	626.8
Sewage	328.8	357.4	373.2	390.2	408.7	428.8	451.8
Irrigation	78.2	80.5	83	85.6	88.5	91.6	95.2
Mining	62.3	63.9	67.6	67.6	69.7	72	74.7
Other	30.7	32	34.6	34.6	35.6	37.2	38.6

Summary of financial information

The summary of the financial information below is based on the Company's audited financial statements for the financial years ending on December 31, 2019G, 2020G and 2021G and the accompanying notes.

1- Financial Position (Balance Sheet):

Statement of Financial Position (SAR '000)	Fiscal year Ended on 31/12/2021G (Audited)	Fiscal year Ended on 31/12/2020G (Audited)	Fiscal year Ended on 31/12/2019G (Audited)
Assets			
Total current assets	1,379,201	1,243,747	988,134
Total non-current assets	1,039,616	1,009,161	940,746
Total Assets	2,418,817	2,252,908	1,928,880
Liabilities and Shareholders' Equity			
Total current liabilities	1,847,104	1,826,208	1,726,247
Total non-current liabilities	209,506	257,942	232,735
Total liabilities	2,056,610	2,084,150	1,958,982
Total Shareholders' Equity	362,207	168,758	(30,102)
Total liabilities and shareholders' equity	2,418,817	2,252,908	1,928,880

2- Operational performance:

Statement of Income (SAR '000)	Fiscal year Ended on 31/12/2019G (Audited)	Fiscal year Ended on 31/12/2020G (Audited)	Fiscal year Ended on 31/12/2021G (Audited)
Total revenue	780,409	441,023	438,911
Cost of revenue	(926,922)	(506,171)	(515,452)
Total profit (loss)	(146,513)	(65,148)	(76,541)
Loss from operations	(247,514)	(259,009)	(187,567)

Statement of Income (SAR '000)	Fiscal year Ended on 31/12/2019G (Audited)	Fiscal year Ended on 31/12/2020G (Audited)	Fiscal year Ended on 31/12/2021G (Audited)
Net profit (loss) before Zakat and foreign income tax	(321,252)	(349,545)	(148,078)
Net profit (loss) from continuing business	(342,849)	(394,519)	(172,421.00)

3 - Cash flows:

Cash Flows (SAR '000)	Fiscal year Ended on 31/12/2019G (Audited)	Fiscal year Ended on 31/12/2020G (Audited)	Fiscal year Ended on 31/12/2021G (Audited)
Cash and cash equivalents at beginning of the year	93,280	89,819	53,255
Net cash and cash equivalents from operating activities	216,191	(82,163)	21,499
Net cash and cash equivalents from investing activities	9,688	24,563	24,630
Net cash and cash equivalents from financing activities	(228,896)	17,801	(23,197)
Net change in cash and cash equivalents for the year	(3,017)	(39,799)	22,932
Differences in transferring foreign commissions from foreign operations	(444)	3,235	(1,051)
Cash and cash equivalents at end of the year	89,819	53,255	75,136

4- Key Indicators:

Financial Indicators	December 31, 2019G	December 31, 2020G	December 31, 2021G
Revenue growth rate	(17.64%)	(43.49%)	(0.48%)
Growth rate in comprehensive income	65.82%	(15.07%)	56.20%
Gross profit margin	(18.77%)	(14.77%)	(17.44%)
Net profit margin from continuing business	(43.93%)	(89.46%)	-39.37%
Turnover ratio (time)	0.75	0.68	0.57
Total Assets / Total Liabilities (Time)	1.18	1.08	0.98
Revenue/total assets	32.26%	19.58%	22.75%
Debt/Equity Ratio	567.80%	1234.99%	6507.81%
Debt/Total Assets Ratio	85.03%	92.51%	101.56%
Return on assets	(14.17%)	(17.51%)	(8.96%)
Return on equity	(94.66%)	(233.78%)	(573.99%)

Summary of Risk Factor

There are a number of risks related to the Rights Issue, which are summarized as follows:

- Risks related to the Company's business
- Risks related to market and sector
- Risks related to the new shares

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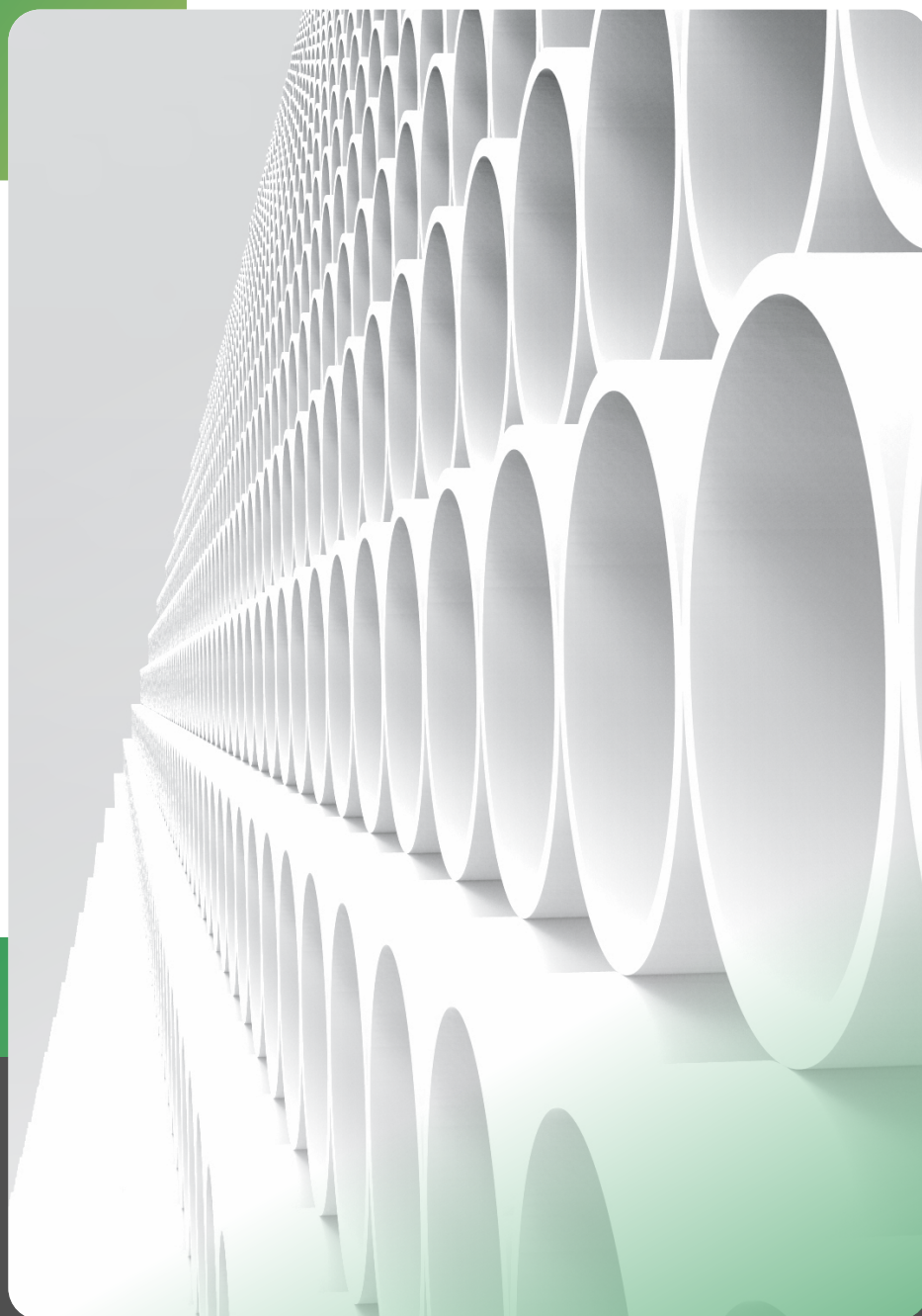
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1.

Terms and Definitions

1- Terms and Definitions

Term or Abbreviation	Definition
“ The Company ”, “ Amiantit ” or “ the Issuer ”	Saudi Arabian Amiantit Company, a Saudi public joint stock company, registered in the commercial registry in Dammam under Certificate No. (2050002103) dated 17/03/1388H (Corresponding to 14/06/1968G).
Group	Saudi Arabian Amiantit Company and its subsidiaries (together referred to as the “ Group ”).
Advisors	The Company’s advisors whose names are shown on pages (ix & x).
Management	The Company’s Management.
Board or Board of Directors	The Company’s Board of Directors, whose names appear on page (vii).
Substantial Shareholders	Shareholders who own 5% or more of the Company’s shares. As the date of this Prospectus, the Company has one major shareholder who is: His Royal Highness Prince/ Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%) of the Company’s shares.
Related Parties	<p>Related parties shall mean the following:</p> <ol style="list-style-type: none"> 1. Affiliates of the Company. 2. Substantial Shareholders of the Company. 3. Directors and senior executives of the Company. 4. Directors and senior executives of the affiliates of the Company. 5. Directors and senior executives of substantial shareholders of the Company. 6. Any relatives of the persons in (1, 2, 3, 4 or 5) above. 7. Any Company controlled by any person described in (1, 2, 3, 4, 5, or 6) above. 8. Persons who work in agreement together and jointly own (5%) or more of the class of shares to be listed.
Senior Executives	Any natural person who is entrusted (alone or with others) by the Company’s managerial body or by a member of the Company’s managerial body with tasks of supervision and management, and whose reference is to any of the following: (1) the managerial body directly and (2) a member of the managerial body and (3) the CEO.
The Managerial body	The group of individuals who make the strategic decisions of the Company, and the Board of Directors of the joint stock company is the managerial body for it.
Bylaws or Articles of Association	The Company’s Articles of Association.
Saudi Authority for Industrial Cities and Technology Zones (“ Modon ”)	The Saudi Authority for Industrial Cities and Technology Zones (“ Modon ”), a governmental authority with an independent legal personality, was established based on Cabinet Resolution No. (235) dated 27/08/1422H. It reports directly to His Excellency the Minister of Industry and Mineral Resources.

Term or Abbreviation	Definition
CMA or the Authority	The Capital Market Authority in the Kingdom of Saudi Arabia.
Companies Law or Companies Regulations	The Companies Law in the Kingdom of Saudi Arabia issued pursuant to Royal Decree No. (M/3) dated 28/01/1437H (Corresponding to 10/11/2015G), which entered into force on 25/07/1437H (Corresponding to 02/05/2016G), as amended on 01/07/1441H (corresponding to 25/02/2020G).
Exchange	Saudi Tadawul (Tadawul).
Founding Shareholders	The Founding Shareholders of the Company.
General Assembly	The general assembly of the Company's shareholders.
Ordinary General Assembly	The Company's ordinary general assembly meeting of shareholders, which is held in accordance with the Company's Articles of Association.
Extraordinary General Assembly	The Company's extraordinary general assembly meeting of shareholders, which is held in accordance with the Company's Articles of Association.
GCC	Cooperation Council for the Arab States of the Gulf.
GDP	Gross Domestic Product of the Kingdom of Saudi Arabia
The Government	Government of the Kingdom of Saudi Arabia.
Corporate Governance Regulations	The Corporate Governance Regulations in KSA issued by the Board of the CMA under Resolution No. (8-16-2017) dated 16/05/1438H (Corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree M/3 dated 28/01/1437H, and as amended by the CMA Board Resolution No. (1-4-2022) dated 24/01/1444H (Corresponding to 22/08/2022G).
Kingdom or Saudi Arabia	Kingdom of Saudi Arabia.
Rights	They are tradable securities that grant their holder the right to subscribe to new shares upon approval of the capital increase. It is an acquired right for all registered shareholders, and each Right gives its holder the right to subscribe to one share of the new shares at the Offering Price. The rights are deposited after convening the Extraordinary General Assembly of the capital increase. These Rights will appear in the Registered Shareholders' accounts under a new symbol for the Rights. Registered Shareholders will be notified of the deposit of Rights in their portfolios.
Capital Market Law	The Capital Market Law issued by Royal Decree No. M/30 on 02/06/1424H (Corresponding to 01/08/2003G).

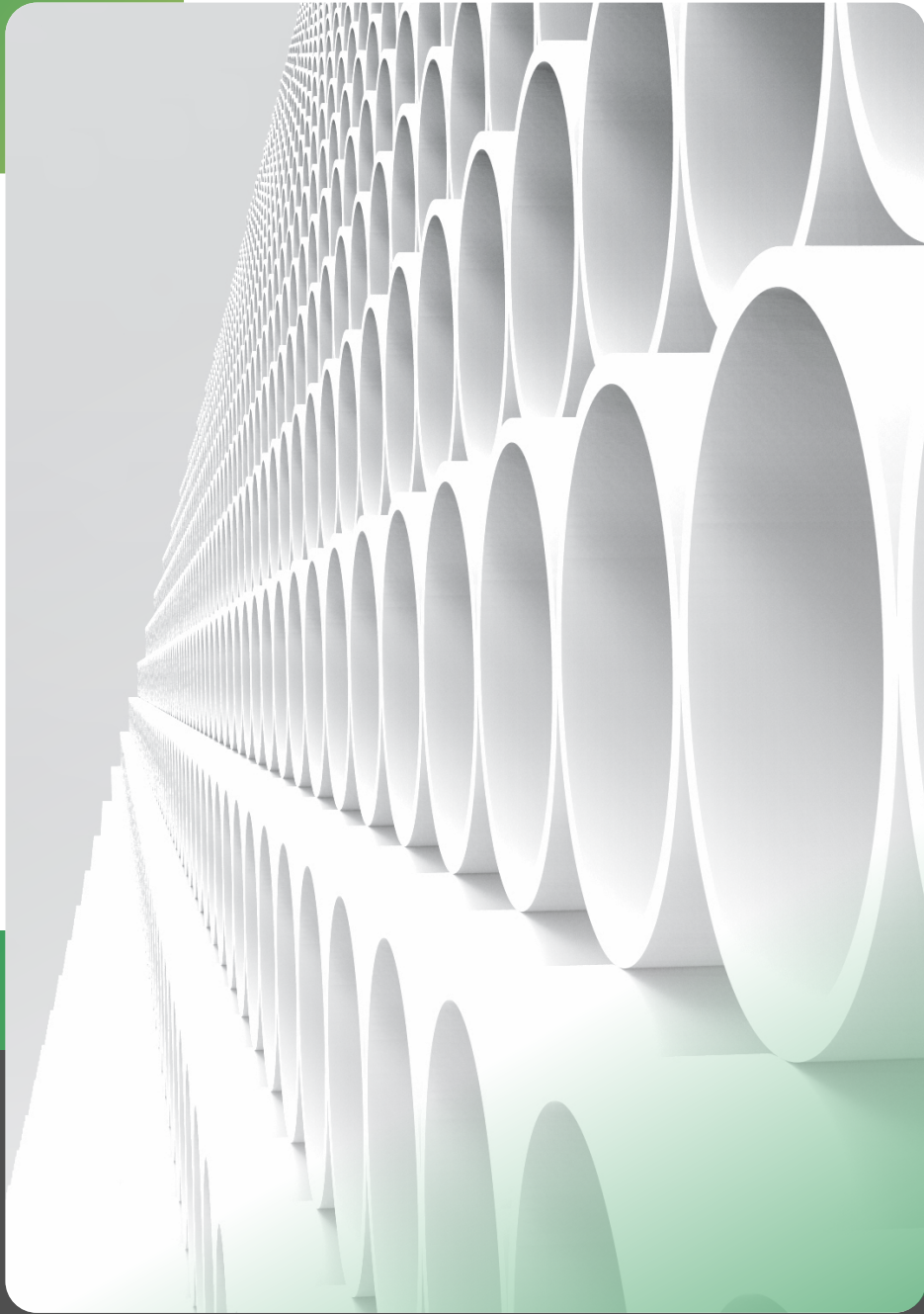
Term or Abbreviation	Definition
Rules on the Offer of Securities and Continuing Obligations	The rules on the offer of securities and continuing obligations issued by the board of the Capital Market Authority under resolution No. (3-123-2017), dated 09/4/1439H (Corresponding to 27/12/2017G), based on the Capital Market Law issued by Royal Decree M/30 dated 02/06/1424H, and amended by the Authority's Board Decision No. (1-94-2022) dated 24/01/1444H (Corresponding to 22/08/2022G).
Listing Rules	Listing rules issued by the Saudi Stock Exchange (Tadawul) and approved by CMA Board Resolution No. 3-123-2017 dated 09/04/1439H (Corresponding to 27/12/2017G) and amended by Resolution No. (1-19-2022) dated 12/07/1443H (Corresponding to 13/02/2022G), and amended by Resolution No. (1-52-2022) dated 12/09/1443H (Corresponding to 13/04/2022G).
Listing	To list securities on the main market or - where applicable - to submit an application for listing to the Saudi Tadawul Company (Tadawul).
Lead Manager	Al-Nefae Investment Group.
Net Offering Proceeds	The net Offering Proceeds after deducting the Offering Expenses.
Offering Price	10 Saudi riyals per share.
Offered Shares	34,650,000 ordinary shares.
Right indicative value	The difference between the market value of the Company's shares during the Trading Period and the Offering Price.
Subtraction period	The period that begins after (3) three working days from the approval of the extraordinary general assembly, that approves the capital increase, from ** ***/**/****H (Corresponding to ** ***/****G) to the day of ** ***/**/****H (Corresponding to ** ***/****G).
Rump Offering	Offering of any remaining unsubscribed shares by eligible persons to Institution Investors by offering them during the Rump Offering Period.
Rump Offering period	If any Shares remain unsubscribed for during the Subscription Period (" Rump Shares "), they will be offered to a number of Institutional Investors (" Institutional Investors ") (" Rump Offering "). Such Institutional Investors shall submit offers to purchase the Rump Shares and receipt of such offers will start at 10:00 AM on *** ***/**/****H (Corresponding to ** ***/****G), until 05:00 PM on *** ***/**/****H (Corresponding to ** ***/****G), (" Rump Offering Period "). The remaining shares will be allocated to the Institutional Investors in the order of the offered price with the highest first until all the Rump Shares have been allocated (providing that the price shall not fell below the Offering Price). Rump Shares shall be proportionally divided among Institutional Investors that tendered offers at the same price. Fractional shares will be added to the Rump Shares and treated similarly.
Eligible Persons	It includes both Registered Shareholders and those who purchased the Rights during the Trading Period.

Term or Abbreviation	Definition
Registered Shareholders	Shareholders who own Shares at the end of trading on the day of the Extraordinary General Assembly for the capital increase and who are registered in the Company's Shareholders Register at the Depository Center at the end of the second trading day following the Extraordinary General Assembly for the capital increase.
Person	Natural Person.
Prospectus	This document prepared by the Company in connection with the subscription to Rights Issue Shares.
SAR or Riyal or SR	Saudi riyal, the official currency of the Kingdom of Saudi Arabia.
Functional Currency	Saudi riyal, in which the consolidated financial statements are presented.
USD	The current official currency of the United States of America.
Euro	The current official currency of the European region.
Shareholder	A shareholder or owner of stake at a specified time.
Total number of offered shares	The Company's ordinary shares of thirty-four million six hundred and fifty thousand (34,650,000) shares, with a nominal value of ten (10) riyals per share.
Wasatah or Wasatah Capital	The Wasatah Capital Company, a closed Saudi joint stock company, licensed by the Capital Market Authority, license No. (37-08125), which allows it to deal as principal and provide underwriting, managing, arranging and custody services to securities.
Brokers	They are the market institutions licensed through the Capital Market Authority to engage in the activity of dealing in securities in the capacity of a Broker.

Term or Abbreviation	Definition
Institutional Investors	<p>Include a number of institutions, as follows:</p> <ol style="list-style-type: none"> 1. Government entities and Government owned companies, whether investing directly or through a portfolio manager, or any international entity recognized by the CMA, the Exchange or any other stock exchange recognized by CMA or the Depository Center. 2. Mutual funds established in the Kingdom and publicly offered besides private funds which invest in the securities listed in the Saudi Stock Exchange if such is permitted by the fund's terms and conditions and subject to the provisions and restrictions provided in the Investment Fund Regulations. 3. Persons authorized to deal in securities as principals, provided that the financial adequacy requirements are observed. 4. Customers of a capital market institution to conduct management activities, provided that such capital market institution has been appointed on terms upon which it may make decisions regarding the acceptance of the Offering subscription and investment in Tadawul on behalf of the customer without obtaining prior approval. 5. Any legal persons that may open an investment account in the Kingdom and an account with the Depository Center, taking into consideration the rules and regulations that apply on investments by listed companies in securities provided that the participation by such Company shall not cause any conflict of interest. 6. GCC Investors with Legal Personality, including companies and funds established in the GCC countries. 7. Qualified foreign investors. 8. A final legal beneficiary in a swap agreement concluded with capital market institution, in accordance with the terms and regulations of the swap agreements.
SOCPA	<ul style="list-style-type: none"> – The Saudi Organization for Auditors and Accountants. – (Saudi Organization for Certified Public Accountants, formerly).
IFRS	A set of accounting standards and their interpretations issued by the Board of the International Accounting Standards.
Ministry of Commerce	The Ministry of Commerce in the Kingdom of Saudi Arabia (the name of the " Ministry of Commerce and Investment " has been modified to become the " Ministry of Commerce ").
The Subscriber	Any person who subscribes to shares offered for subscription.
Tadawul	An automated system for buying and selling Saudi stocks.
External manpower.	Manpower hired from local manpower supply companies through the Ajir system.

Term or Abbreviation	Definition
Value Added Tax (VAT)	On 02/05/1438H, the Council of Ministers approved the unified agreement of the value added tax of the Cooperative Council of the Arab States of the Gulf, which came into force as of 01 January 2018G, as a new tax to be added to the system of taxes and other fees that should be applied by certain sectors in the Kingdom and in the Cooperative Council of the Arab States of the Gulf. The amount of this tax is (5%), and the Kingdom's government has decided to increase the value-added tax rate from 5% to 15%, starting from July 2020G, and a number of products have been excluded, including (basic foods, services related to health care and education).
Underwriter	Wasatah Capital Company and Nomw Capital Company.
Underwriting Agreement	Underwriting Agreement between the Company and the Underwriters.
Capital	The balance shown as a separate item within shareholders' equity in the statement of financial position.
Litigation	Recourse to courts or judicial and quasi-judicial committees to reach a settlement of a dispute.
Rules for Qualified Foreign Financial Institutions Investment in Listed Securities	These are rules for regulating investment in securities by non-Saudis residing outside the Kingdom issued by the Board of the Capital Market Authority pursuant to Resolution No. (1-42-2015) dated 15/07/1436H (Corresponding to 04/05/2015G) and the subsequent amendment by the decision of the Board of the Capital Market Authority No. (3-65-2019), dated 14/10/1440H (Corresponding to 17/06/2019G).
Procedures and instructions for companies listed in the market whose accumulated losses amounted to (20%) or more of their capital	Rules for companies with accumulated losses issued by the Authority's Board pursuant to Resolution (4-48-2013) dated 15/01/1435H (Corresponding to 18/11/2013G) and amended by CMA Board Resolution No. (1-77-2018) dated 05/11/1439H (Corresponding to 18/07/2018G).
Fiberglass	Or fiberglass, which is glass in the form of very fine lines that are stronger than steel and do not burn, stretch, rust or fade.
Al-Azhar Iron	An alloy of iron characterized by its hardness and stability, which is suitable for engineering and construction structures.
Ductile	A form of cast iron with improved properties that is highly flexible and suitable for water pipes.
Epoxy	A substance used in painting and coating surfaces for the purpose of providing protection and insulation. It can be used on all surfaces, provided that they are solid and smooth.
Resins	A liquid adhesive that is processed into a solid that is water-resistant.
Polyester	A material used for waterproofing and thermal insulation.

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2.

Risk Factors

2- Risk Factors

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

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

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

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

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

2-1 Risks Related to the Issuer

2-1-1 Risks related to Revenue Concentration

The Company's revenues are focused on manufacturing and selling various types of pipes, developing and licensing related technologies, managing water projects and related consulting, engineering and operational services, and mainly on sales of pipes and fittings of all kinds (fiberglass, ductile, epoxy). Pipe sales accounted for 36%, 42%, 43% of the Company's total sales for the fiscal years ending in 2019G, 2020G and 2021G, respectively. Sales of polyester, fiberglass, ductile and epoxy formulations accounted for 39%, 16%, and 13% of the company's total sales for the fiscal years ending in 2019G, 2020G and 2021G, respectively. In the event of a negative impact on the sales of fiberglass, ductile and epoxy pipes and their fittings, or any change in the prices of the Company's products, locally and globally, as a result of the change in supply, demand and competition for these products, or the inability of the Company to reach a satisfactory solution with suppliers, causing interruption or delay in receiving raw materials, the Company's revenues will be directly affected and this will have a negative and material impact on the Company's business, results of operations, financial condition and future prospects. The following table shows the details of the Company's revenues by product type and its percentage of total sales:

Table (1) Revenues of the Company by Product Type

Source of Revenue	2019G		2020G		31 Dec 2021G	
	Amount	%	Amount	%	Amount	%
	(SAR'000)		(SAR'000)		(SAR'000)	
Fiberglass, ductile and epoxy pipes	280,768	36%	187,207	42%	188,941	43%
Compositions of polyester, fiberglass, ductile and epoxy	301,769	39%	69,601	16%	56,837	13%
Water management activity	105,656	14%	19,114	4%	61,006	14%
Design and installation services	53,380	7%	63,667	14%	54,708	12%
Other products*	38,836	5%	101,433	23%	77,419	18%
Total	780,409	100%	441,022	100%	438,911	100%

* Tanks, gaskets and connections

It is worth noting that the Company's revenues focus on dealing with institutions and companies as well as government agencies. Companies, institutions and government agencies represent 98.8%, 96% and 97.7% of the Company's revenues for the financial years ending on December 31, 2019G, December 31, 2020G and December 31, 2021G, respectively. Sales to government agencies contributed to the largest decrease in the profit margin between 2019G and 2020G by 19%, due to losses in water projects in particular, while sales to institutions and companies contributed by 14% to the decrease in the profit margin during 2021G. The main reason for the profit margin fluctuation is due to the change in the prices of raw materials, the unplanned delay in projects, and the error in estimating, planning and forecasting the costs of future projects. (For more information, please see Paragraph No. (2-1-6) "Risks of Estimating and Predicting the Costs of Future Projects"). The continued concentration of the Company's revenues with specific entities and specific products with no good forecasting will negatively and fundamentally affect the Company's business, its subsidiaries, financial results, prospects and financial condition.

2-1-2 Risks of Decline in Revenues:

The Company's revenues depend largely on its ability to enter and acquire new projects, and therefore the Company's revenues will be subject to decline according to the size of existing projects and economic conditions. The Company's sales decreased from 780.4 million Saudi riyals in 2019G to 441 million Saudi riyals in 2020G and decreased to 438.9 million Saudi riyals in 2021G. The main reasons behind the decline in revenues are due to the decrease in the pace of existing projects, slowdown in completion of some projects, lack of new acquired projects, miscalculation of risks and wrong analysis of projects before starting them. This was reflected in the decrease in sales of pipes and other metal and non-metallic fittings. The decrease in revenues during the above-mentioned periods had significant negative impacts on the Company, as shown below:

- The decrease in revenues has affected the Company's ability to absorb fixed costs, which are not affected by the volume of revenues, in addition to other substantial costs such as obsolescence and impairment of fixed assets, which amounted to 125.7 million Saudi riyals during the year 2019G and amounted to 44.6 million Saudi riyals during the year 2021G as a result of forming a provision for water sector projects. Also, such decrease has affected the ability to absorb general industrial costs such as employee costs, depreciation, services, maintenance and other industrial costs, which amounted to 56% of the volume of revenues in 2019G and rose to 58% of the volume of revenues in 2021G.
- The decrease in revenues led to a decrease in profitability in general, as the Company's gross profit percentage amounted to (-18.8%), (-14.8%), and (-17.4%) during the fiscal years 2019G, 2020G, and 2021G, respectively.
- The decrease in the Company's revenues also leads to poor liquidity in the company, which limits its ability to provide raw materials, as well as negotiate letters of guarantee and preferred credit terms with suppliers and creditors.

The decline in the Company's revenues prompted the management to take a firm decision in the context of maintaining a low-cost rate in order to balance the revenues with the operational and administrative costs. This was done by laying off some employees from the operational and administrative departments and restructuring the wage scale. This decision resulted in a decrease in the number of operating employees from 2,215 employees as in 2019G to 1,488 employees as in 2021G and a decrease in the number of administrative employees from 401 employees as in 2019G to 290 employees as of 2021G. The reduction in the number of employees resulted in a decrease in the costs of the following items:

- Decrease in marketing expenses with a cumulative decrease of 72% from 2019 to 2021G, equivalent to 6.2 million Saudi riyals. Note that marketing expenses are represented in commissions paid to employees against the percentages of completion in projects
- Decrease in IT expenses with a cumulative decrease of 20% from 2019G to 2021G, equivalent to 4 million Saudi riyals.
- Decrease in fees for professional services, with a cumulative decrease of 18%, from 2019G to 2021G.
- Decrease in travel expenses with a cumulative decrease of 43% from 2019G to 2021G.

The Company may have to reassign more workers if required, which will incur additional costs related to attracting, training and qualifying new employees. No assurance can be made that there will be no decrease in the Company's sales in the coming years, and if the Company fails to reduce the decrease in sales by developing solutions to practical problems that arise for projects, and if the Company's sales continue to decline, and the Company follows the previous approach to reducing its operational and administrative costs, it will adversely and substantially affect its operations and production, and consequently on its profitability and financial condition.

2-1-3 Risks related to the Export of the Company's Products

The Company's exports outside the Kingdom of Saudi Arabia represent a large percentage of the Company's total sales, amounted to (51.58%), (21.74%) and (27.82%) of the total sales for the years 2019G, 2020G and 2021G, respectively. The decline in the exports for these years was due to several reasons, including, but not limited to, the repercussions of the impact of the Corona pandemic for the years 2020G and 2021G, including the increase in raw material prices and transportation prices, the termination of some industrial projects in some countries due to the completion of the project or the financial conditions of these countries, the increasing competition from

manufacturers in some countries, and the existence of some political obstacles in some neighboring countries). Any change in the laws of these countries or any other country to which the Company exports or any change in the local laws and regulations in the Kingdom of Saudi Arabia regarding the export of the products of the Company's and its subsidiaries or the cut-off of the political relations, this will affect the ability of the Company and its subsidiaries to export their products to the customers in those countries and consequently the Company's sales will decrease, which in turn will negatively and fundamentally affect the Company's and its subsidiaries business, financial results, prospects and financial condition. The following table shows the top five countries to which the Company exports:

Table (2) Export

2019G		2020G		2021G	
Country	Percentage of total exports	Country	Percentage of total exports	Country	Percentage of total exports
Kuwait	50.66%	Kuwait	22.63%	Kuwait	22.51%
UAE	12.51%	Germany	15.90%	Iraq	21.62%
Albania	10.11%	Iraq	15.51%	Morocco	18.10%
Germany	8.84%	Bahrain	13.01%	Germany	16.26%
Iraq	4.31%	UAE	12.52%	Kazakhstan	5.93%
Percentage of the countries mentioned above	86.42%	Percentage of the countries mentioned above	79.57%	Percentage of the countries mentioned above	84.42%
Other countries	13.58%	Other countries	20.43%	Other countries	15.58%
Total	100%	Total	100%	Total	100%

2-1-4 Risks of Fluctuation of Currency Exchange Rates and Costs

The Company is exposed to the risk of fluctuation in foreign currency exchange rates due to its owning investment branches outside the Kingdom of Saudi Arabia (for more information, please see Paragraph No. (9-3-2) Subsidiaries (outside the Kingdom) owned by Amiantit completely or by the majority of the shares (more than 50%), directly or indirectly, and Paragraph No. (9-3-3) Companies (outside the Kingdom) which Amiantit owns directly or indirectly (50%) or less of their shares, of Section (9) "Legal Information"). This is in addition to the nature of the Company's business and its normal activities, related to import and export operations, whether directly or indirectly, in foreign currencies such as (the US dollar, Euro, Kazakhstani Tenge, the UAE dirham, the Kuwaiti dinar). Therefore, the Company will be exposed to an increase in operational costs and a decrease in its profitability as a result of any negative fluctuations that occur in the value of the Saudi riyal against these currencies. Since the Company does not use any of the financial derivative contracts to hedge against fluctuations that occur in currency exchange rates, the Company will continue to face the risks of price fluctuations.

The Company recognized currency losses resulting from import and export operations in foreign currencies, amounting to 15,164 Saudi riyals, 7,192 Saudi riyals, and 9,755 Saudi riyals for the fiscal years ending in 2018G, 2019G and 2020G, respectively. The Company also recognized the change in currency rates resulting from the translation and consolidation of the financial statements through the item “**foreign currency translation reserve.**” The balance of the foreign currency translation reserve amounted to negative 142.4 million Saudi riyals as on December 31, 2018G, and decreased to negative 146.5 million Saudi riyals as on December 31, 2019G, as a result of the negative change in currency rates during the period. Then, the foreign currency translation reserve balance increased from negative 146.5 million Saudi riyals to negative 91.0 million Saudi riyals as on December 31, 2020G as a result of an improvement in currency rates such as the Euro during the period. Then it went back down to negative 109.4 million Saudi riyals as on September 30, 2021G as a result of the negative change in currency rates during the period.

Therefore, the Company is exposed to foreign exchange rate risk in relation to its sales and commitments in a currency other than the Kingdom’s currency. As part of the policy of the Kingdom of Saudi Arabia, the Saudi riyal until the date of this prospectus is pegged to the US dollar at an exchange rate of 3.75 Saudi riyals to 1 US dollar. It is subject to supply and demand factors and is subject to fluctuations at any time, and any unexpected large fluctuations in exchange rates will negatively affect the Group’s financial condition, financial condition, results of operations and future prospects.

2-1-5 Risks related to the Company’s Ability to Obtain Tenders

The Company receives some requests for its products through governmental, private, and semi-governmental tenders, directly or indirectly. The offers are evaluated on the basis of technical and financial criteria, and companies in the sector compete to offer the best prices to ensure obtaining the offered tender. The competitiveness of prices is linked to the extent of the manufacturing efficiency at Company, which is governed by market raw material prices, purchase costs, production costs, administrative expenses, forecasting ability, and project analysis. In the event that the Company is unable to manage and improve these areas effectively, this will lead to a loss of its competitiveness, which in turn will reduce the Company’s share of new tenders, including the requests to which the Company is currently submitting offers, and thus this will reflect negatively on the Company’s business, financial condition, results of operations and future prospects.

2-1-6 Risks of Estimating and Forecasting Costs of Future Projects

The Company’s continuity depends on the extent of its ability to attract projects and to predict project costs and revenues in advance. Companies in the sector compete to present their offers at reasonable prices to ensure the award. This exposes the Company to the risks of higher actual costs than the project’s expected costs, which cause a decrease in expected profits and may turn into losses if the actual costs exceed the total revenue realized from the project. Losses resulting from fluctuations in the prices of raw materials amounted to 160 million Saudi riyals, 380 million Saudi riyals and 374 million Saudi riyals, for the financial years ending in 2019G, 2020G and 2021G, respectively. There is no guarantee that the Company will not achieve any losses in the future resulting from fluctuations in the prices of raw materials. If the number of projects estimated as mentioned above increases, this will negatively and fundamentally affect the Company’ and subsidiaries business, financial results, prospects and financial condition.

2-1-7 Risks related to the Availability of the Main Raw Materials

The Saudi Arabian Amiantit Company depends on some main raw materials such as resins, fiberglass, cast iron, epoxy resins, etc. The Company's operations are directly and negatively affected by any change in the prices of those raw materials or any rise in import costs for some raw products or any change that occurs in the conditions of their provision or delays in supplies. The following table sets out the changes in the prices of the main raw materials in the financial years ending in 2019G, 2020G and 2021G and the first quarter of 2022.

Table (3) Raw Materials

Raw materials	Prices (in Saudi riyals) (per kilogram)								
	2019G	2020G	Change %	2020G	2021G	Change %	31/03/2021G	31/03/2022G	Change %
Iron ore	1.76	1.59	(10%)	1.59	2.35	48%	2.35	2.21	(6%)
IPS (1 Resin	4.54	4.10	(10%)	4.10	5.74	40%	4.88	7.25	49%
Isophalic resin (Isoflex)	4.97	4.27	(14%)	4.27	6.02	41%	5.04	7.46	48%
Cut glass fiber size 2400 ECR	3.43	3.63	6%	3.63	4.28	18%	4.40	5.87	34%
Fiberglass Size 2400 Tex ECR	2.67	2.75	3%	2.75	3.24	18%	3.54	-	(100%)
Vinylester resin	10.05	9.75	(3%)	9.75	13.47	38%	11.25	16.72	49%
TEX 1200 Fiberglass	3.01	2.99	(1%)	2.99	3.23	8%	-	-	0%
Epoxy resin (glue)	12.09	11.74	(3%)	9.97	11.11	11%	13.82	17.76	28%
Scrap iron	1.49	1.18	(21%)	1.18	1.77	50%	1.70	2.19	29%
Fiberglass Filament Size 600 ECR	3.35	3.57	6%	3.57	3.52	(1%)	4.02	-	(100%)

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

2-1-8 Risks related to the Company's Ability to Provide Raw Materials

Total inventory amounted to 341,643 million Saudi riyals, 271,551 million Saudi riyals, and 242,122 million Saudi riyals for the fiscal years ending in 2019G, 2020G and 2021G, respectively. The inventory turnover rate was 2.71 times, 1.86 times and 2.71 times for the fiscal years ending in 2019G, 2020G and 2021G, respectively. The stock of raw materials decreased from 81,352 thousand Saudi riyals in 2019G to 37,199 thousand Saudi riyals in 2021G, due to the inability of the Company to provide raw materials as a result of lack of liquidity that the Company is facing.

The Company is also facing difficulty in providing letters of guarantee to the suppliers it deals with, due to the low profitability and lack of liquidity of the Company, which prompted some of the main suppliers to prevent providing any preferential advantages to the Company with regard to long-term purchase. It should be noted that if the Company is unable to solve the liquidity problems to provide the raw materials needed for production, this will negatively affect its business, results of operations and financial condition. The following table shows the details of the Company's inventory during the years 2019G, 2020G and 2021G.

Table (4) Company Inventory Details

(Thousands of Saudi riyals)	For the fiscal year ended December 31, 2019G	For the fiscal year ended December 31, 2020G Audited	For the fiscal year ended December 31, 2021G Audited
Raw materials	81,352	60,291	37,199
Goods in process	6,275	6,045	9,138
Supplies, not for sale	47,078	46,355	46,160
Finished products	205,857	159,351	148,994
Goods on the road	1,081	(491)	631
Total	341,643	271,551	242,122

2-1-9 Risks related to Raw Material Suppliers

The Company's continuity depends on its ability to provide raw materials at reasonable prices. Resins, fiberglass, and cast iron are among the most prominent raw materials used in manufacturing. The Company relies on local and international suppliers to provide its raw materials, and the mechanism of dealing with suppliers is through issuing direct purchase orders. The purchases of the Saudi Arabian Amiantit Company for raw materials from the five largest suppliers accounted for (37%), (41%) and (48%) of the total purchases for the fiscal years ending on December 31 2019G, 2020G and 2021G, respectively. Due to the Company's reliance on direct purchase agreements in its dealings, the Company may be exposed to risks related to the interruption of raw materials or fluctuation in their prices, whether for a temporary period or for long periods, which in turn will affect the Company's operating margins and results of operations, and will have a negative and fundamental impact on the Company's business, financial condition, results of operations and future prospects. The following tables show the purchases from the Company's 5 largest suppliers:

Table (5) Suppliers

2019G	1	Saudi Industrial Resins Company	Resins	35,214,668	15%	90,065,920.13	37.31%
	2	Cast Iron La Fonte Company	Cast Iron	17,250,000	7%		
	3	Jushi Fiber Glass Production Company	Fiber glass	14,451,565	6%		
	4	Industrial Resin Chemicals Company	Resins	12,985,312	5%		
	5	Vedanta Ltd	Cast Iron	10,164,375	4%		
2020G	1	Lafonte Cast Iron Company	Cast Iron	24,538,969	15%	67,175,028.06	40.76%
	2	Saudi Industrial Resins Company	Resins	21,376,246	13%		
	3	Al-Jebel Chemical Industries Company	Epoxy resin	7,606,638	5%		
	4	Glass Taiwan Industries Corporation	Fiber Glass	7,484,656	5%		
	5	CBIC AbHussein Fiberglass Company	Fiber Glass	6,168,519	4%		

2021G	1	Lafonte Cast Iron Company	Cast iron	25,875,000	18%	69,558,159.14	48.25%
	2	Saudi Industrial Resins Company	Resins	25,562,532	18%		
	3	Al-Jubail Chemical Industries Company	Epoxy resin	9,358,395	6%		
	4	Atoll Company	Epoxy resin	4,408,500	3%		
	5	Taishan Glass Fiber Production Co.	Fiber Glass	4,353,732	3%		

2-1-10 Risks of Supplier Default

The Company's activity depends mainly on its ability to provide basic raw materials with the required quality, at the right price, and the right time. Due to the lack of liquidity and the accumulation of losses suffered by the Company, this led to delay in paying some of the debts owed by the Company to suppliers for the specified period. The balance of accounts payable amounted to 332.8 million Saudi riyals, 325.0 million Saudi riyals and 234.9 million Saudi riyals for the financial years ending in 2019G, 2020G and 2021G. The balance of accounts payable that exceeded 365 days amounted to 106 million Saudi riyals, which is equivalent to 45% of the outstanding balance, as of December 31, 2021G. In addition, the top ten suppliers represent 59% of the outstanding accounts payable balance as on December 31, 2021G.

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

2-1-11 Risks Associated with Increased Cost of Sales

The Company faces the risk of an increase in the cost of revenues, which amounted to 926.9 million Saudi riyals, 506.2 million Saudi riyals and 515.5 million Saudi riyals for the fiscal years, 2019G, 2020G and 2021G, respectively. This is due to the high costs of materials used for the production process (for more information, please see Table No. (3) Raw Materials Table), which represent 45.3%, 44.2% and 41.8% of the total cost of sales for the fiscal years 2019G, 2020G and 2021G. In addition to the increase in raw material prices, the reasons for the increase in the cost of sales by 8.9% for the year 2019G compared to the year 2018G are due to the increase in the drop of the value of real estate, factories and equipment by 211.9% from 40.3 million Saudi riyals to 125.7 million Saudi riyals during the same period, as the Company conducted a depreciation test for the fiscal year 2019G. Accordingly, the results of the cash-generating units of the Saudi Arabian Ductile Iron Pipes Manufacturing Company Limited (SADEEP), the Amiantit Fiberglass Manufacturing Company Limited (AFIL), and the Bondstrand Company Limited (Bondstrand) were below management expectations used in the last annual impairment test conducted in December 2018G, and the market value impairment test that was conducted for real estate, factories and equipment compared to the book value did not result in any losses in the value during the years 2020G and 2021G.

The cost of revenue increased by 1.8% from SAR 506.2 million in 2020G to SAR 515.5 million in 2021G, mainly due to recording a provision for non-viable contracts amounting to SAR 44.6 million related to expected losses to be incurred for the water treatment plant project located in the city of Samawah in Iraq. It is worth noting that it is possible to record additional allocations in the future. Any change in any of the production costs as a result of unexpected events outside the Company's control or the recording of additional provisions would have a negative and material impact on the Company's business, results of operations, financial condition and future prospects.

2-1-12 Risks related to the Availability of Facilities and Changes in their Prices

The Company and its subsidiaries (inside the Kingdom) have benefited from the services provided to the industrial facilities located in the industrial cities and the appropriate facilities equipment provided to them by the Saudi Authority for Industrial Cities and Technology Zones ("**MODON**") at a cost that is lower than the rental rates offered to industrial entities outside the industrial cities. In addition to providing all services and facilities such as electricity, water, sewage, industrial security, environmental services, communications and logistics services at symbolic prices, in addition to customs exemptions that benefit owners of factories and investors in the lands assigned by MODON to them. The Company owns all the lands on which its industrial facilities are located, except for the industrial facilities and workers' housing for the Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd. (Sadeep) and the Saudi Amicon Company Limited (Amicon), which are built on lands leased by MODON. Although the leases of land leased by MODON extend for a period of (15) years (for more details, please see subparagraph No. (9-5) "**Substantive Contracts**" of section (9) "**Legal Information**" of this prospectus), there is no guarantee that MODON will continue to provide these incentives to industrial establishments in terms of rental value or fees for services provided. The Company cannot guarantee that future changes will not affect these incentives and the value of service fees, which will negatively affect the Company's business, results of operations and financial condition.

2-1-13 Risks related to Product Quality

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

2-1-14 Risks Unexpected Accidents

The Company's factories consist of several production lines which are exposed to interruption due to malfunctions that occur in machines, sudden interruptions in raw materials, or for any technical reason such as interruption of electricity, power, water supplies, or exposure to any emergency event that affects the continuity of its work,

temporarily or permanently, such as natural disasters. Given the Company's complete dependence on the revenues of its factories, any failure that occurs in the machines or any sudden interruption in raw materials or any of the causes that may occur in the future will affect the Company's productivity throughout the period of stopping the production lines, which in turn will be negatively and materially reflected on the Company's operational and financial results.

2-1-15 Risks related to the Company's Inability to Keep Pace with Technical Developments

The Company uses advanced and expensive technologies and systems to manufacture its products. To keep pace with the development in the pipe industry, it is necessary to make frequent improvements to the products and the use of advanced technologies.

Amiantit Fiberglass Manufacturing Company Ltd. (a subsidiary company) has a contract with Amiblu Company under which it pays an annual fee of 2.5% of the revenues of Amiantit Fiberglass Manufacturing Company Ltd. "AFIL" to Amiblu Technology Company in Norway, in exchange for using Amiblu services as a technical knowledge fee. The amount due to Amiblu has reached a value of (1.4) million Saudi riyals as on December 31, 2021G. The Company is trying to keep pace with technological developments and new technology to develop its production mechanism, and the Company does not guarantee the disruption of any of these systems or the Company's ability to provide new technologies and apply its own systems to its products in the appropriate time and form. This may affect the Company's ability to produce the products required by its customers in the specified dates. Also, modern technologies are expensive and will cause higher costs, which would negatively affect its results of operations, financial and operational performance and future prospects.

2-1-16 Liquidity Risk

The Company faces liquidity risk when it is unable to provide the necessary funds to meet its financial obligations resulting from operating activities on time. The Company's liquidity ratio was (0.75) as on December 31, 2019G, (0.68) as on December 31, 2020G and (0.57) as on December 31, 2021G. These ratios indicate that the Company does not enjoy good liquidity ratios and is not able to cover its short-term obligations, and that because its current assets are less than its short-term liabilities. The lack of liquidity limits the Company's ability to freely provide raw materials, as well as limits the Company's ability to secure letters of guarantee to suppliers. This will be reflected on the Company's relationship with its main suppliers, as a number of the Company's main suppliers withdrew their preferential financing terms. The shortage in the Company's liquidity has led to a reduction in the production capacity in order to reduce costs, as the Company's production capacity decreased from 20% in 2019G to 14% in 2020G, before increasing slightly to 17% in 2021G.

Therefore, it is necessary for the Company to work on improving its level of liquidity in order to be able to meet its short-term obligations, otherwise it will face additional liquidity problems that will negatively affect the Company's business and thus its operational and financial operations.

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

The Company may need to obtain financing and banking facilities to finance its expansion plans in the future. It is worth noting that obtaining financing depends on the Company's capital, financial condition, cash flows, guarantees provided, and its credit history. The Company relies on credit facilities to finance its operations, and the Company has concluded agreements with local banks to provide medium and long-term facilities. The total value of the credit bank facilities and loans granted to the Company as on 31/12/2021G amounted to (1,126,238,000)

Saudi riyals. During the years 2020G and 2021G, the Saudi Arabian Amiantit Company rescheduled all banking facilities with Alinma Bank, the Saudi National Bank and Albilad Bank for a period ten years.

The Company may face risks related to its inability to repay these loans when they become due. It should be noted that the Company did not comply with some of the terms and conditions of the facilities agreements. The terms of the short and long-term agreements and facilities require maintaining the financial condition at specific agreed levels, for example, the main financial provision breached by the Group is that the total liabilities for the net tangible value ranged from (200%) to (250%), while the current ratio is (100%-125%), (for more information please refer to Section (5) "**Management's Discussion and Analysis of the Financial Condition and Results of Operations**"). As a result of this violation, the lenders have the right to speed up the payment of future installments, and accordingly, the entire balance of long-term loans was presented within the current liabilities in the Company's consolidated financial statement. It should be noted that if the Company fails to pay its future installments, this will adversely affect the its business in light of the current liquidity crisis it is facing

The Company and its subsidiaries do not guarantee obtaining the necessary financing in a timely manner, on acceptable terms, if the need arises, and this will negatively affect the implementation of its business. It is also possible for the Company and its subsidiaries to incur capital expenditures to carry out continuous maintenance and improvement of its assets and equipment, either in order to comply with any new legal or regulatory requirements that require carrying out these works, or in order to comply with new standards approved by the Company's management in production. In the event of failure to obtain or delay in securing this financing when needed, or providing financing on terms that are inappropriate for the condition of the Company or subsidiaries, this will negatively affect the implementation of the Company's projects, financial performance and results of operations.

2-1-18 Risks related to Interest Rate Fluctuations

The loans under the Company's bank facilities are primarily at variable rates of interest. An increase in the floating interest rates that are not protected under hedging agreements may increase the cost of the Company's loans, increase interest expenses and reduce cash flow. Interest rates are also affected by many factors, including factors related to government, monetary and tax policies, international and local economic conditions, and other factors outside the Company's control. The Company does not currently hedge its exposure to any fluctuations in interest rates and this could lead to losses in the event of an increase in interest rates, which would have a negative and material impact on the Company's business, results of operations, financial condition and future prospects.

2-1-19 Risks related to Future Availability of Financing

The Company may need to obtain financing and banking facilities to finance its expansion plans in the future. It is worth noting that obtaining financing depends on the Company's capital, financial condition, cash flows, guarantees provided, and its credit history. The Company may not be able to obtain the appropriate financing if the need arises. Therefore, the Company's inability to obtain the financing it needs from financiers, or financing with acceptable preferential terms commensurate with the Company, will have a negative impact on the Company's performance, operational activities and future plans.

2-1-20 Risks related to the Company's High Indebtedness

The Company's activities depend on credit. Credit risk arises when one party is unable to fulfill a certain financial obligation to the other party, and the Company may face credit risks in several temporary or permanent cases,

including the presence of debit balances from customers, failure of other debtor parties to fulfill their obligations to the Company, and other cases in which the Company is exposed to risks. The Company's trade receivables amounted to (527) million Riyals, (343) million Riyals and (253) million Riyals as of December 31, 2019G, December 31, 2020G and December 31, 2021G, respectively, at a turnover rate of receivables amounted to 1.36 times, 1.01 times and 1.47 times as on December 31, 2019G, December 31, 2020G and December 31, 2021G, respectively. The Company's debt represented (85.03%), (92.51%) and (101.56%) of the total assets attributable to the shareholders of the Company as of December 31, 2019G, December 31, 2020G and December 31, 2021G, respectively. The Company's indebtedness rise is due to the customers' failure to pay their dues. The Company classified the defaulting customers in the non-current receivables item of the Company, which amounted to (367) million Saudi riyals, (345) Saudi riyals and (329.9) million Saudi riyals as on December 31, 2019G, 31, December 2020G and December 31, 2021G, respectively. The following table shows the company's ages of trade receivables:

(SAR'000)	Undue	Less than 180 days	From 181 to 365 days	More than 365 days	Total
Accounts receivable - third parties	47,231	40,072	30,401	246,107	363,811
Accounts receivable - related parties	11,173	-	810	3,397	15,381
Total	58,404	40,072	31,211	249,504	379,192

The Company's top 10 clients represent 75% of the total trade receivables as on December 31, 2021G. The balance of trade receivables is 379.2 million Saudi riyals, of which 246 million Saudi riyals are long-term trade receivables. The Company has a provision for doubtful debts for trade receivables amounting 125.9 million Saudi riyals, representing 34%, as on December 31, 2021G.

The Company has receivables under judicial collection amounting to 441.9 million Saudi riyals as on December 31, 2021G, and the provision made up to the amount of 189.9 million Saudi riyals as on December 31, 2021G. The company submitted complaints to the court to collect the amounts of non-current receivables. The following table shows the details of accounts receivables under legal collection:

Table (6) Details of Accounts Receivable under Judicial Collection

(Thousands of Saudi Riyals)	For the fiscal year ending on December 31, 2019G Adjusted	For the fiscal year ending on December 31, 2020G	For the fiscal year ending on December 31, 2021G
Balances scheduled for collection in accordance with judicial rulings	145,321	99,991	85,486
Balances with court rulings in favor of the group and settlements with customers are still in place	222,686	346,041	329,130

(Thousands of Saudi Riyals)	For the fiscal year ending on December 31, 2019G Adjusted	For the fiscal year ending on December 31, 2020G	For the fiscal year ending on December 31, 2021G
Balances still under legal procedures	56,235	31,047	27,331
Total	424,242	477,079	441,947

The Following table shows details of Accounts Receivables written off as in December 31, 2019G, 2020G and 2021G

(Thousands of Saudi Riyals)	Nature of the relationship	For the fiscal year ending on December 31, 2019G Administration	For the fiscal year ending on December 31, 2020G Administration	For the fiscal year ending on December 31, 2021G Audited
Amiantit Libya Company	Associate Company	-	-	7,775
Amiantit Egypt Company	Associate Company	-	5,651	-
Total			5,651	7,775

If the Company is unable to collect its dues from its customers and continues to make additional provisions, this will adversely and substantially affect the Company's business, financial position, results of operations and future prospects.

2-1-21 Risks related to Contractual Assets

The Company has contractual assets amounting to 323 million Saudi riyals as on December 31, 2021G. These contractual assets result from long-term project contracts, where the Company proves its revenues based on the percentage of completion achieved from long-term project contracts. However, the Company cannot bill the customer or transfer the owed amounts to due accounts receivables until the achieved completion percentage is reached according to the contract signed with the customer. Upon completion of the main stages of the project and their acceptance by the client, the recognized amounts are reclassified to the trade receivables in preparation for their collection. The water project in the city of Samawah, Iraq, constitutes 97% of the contractual assets of the Company as on December 31, 2021G, because the Company is unable to issue invoices to the customer as it provided the service to the customer, but has not reached the pre-determined completion stage to be eligible for payments as the project has been suspended due to geographical and political factors. If the Company is not able to complete its projects and achieve the specified completion rates in a timely manner in accordance with long-term contracts, this will negatively affect the Company's ability to implement its projects and will affect the Company's financial performance and future prospects (for more information, please see "**Audited Balance Sheet Statement**" of section (5) "**Management's Discussion and Analysis of the Financial Position and Results of Operations**")

2-1-22 Risks related to the Increase in the Company's Liabilities

The increase in the Company's liabilities could pose a threat to the Company's general financial condition and its financial solvency, as the proportion of total liabilities out of total assets amounted to 85.0% as of December 31, 2019G, and 92.5% as of December 31, 2020G, and 101.56% as of December 31, 2021G. Accordingly, the increase in the Company's liabilities will negatively affect its financial condition and increase financing costs, and in the event this occurs, it will be difficult for the Company to meet its obligations, and this will have a negative impact on the Company's business, financial condition, results of operations and future prospects. (For more information, please see subsection (6-6) "**Consolidated Balance Sheet Statement**" of Section (6) "**Financial Information and Management Discussion and Analysis**" of this Prospectus).

2-1-23 Risks Arising from Transactions with Related Parties

In the course of carrying out its business, the Company conducts transactions with related parties represented in the Group's subsidiaries. Transactions with related parties are carried out on commercial bases, and they included sales and purchases. The Company does not have any dealings and contracts with related parties such as members of the board of directors, shareholders, senior executives and their relatives. In the event that the Company deals with any of the parties that require the approval of the Company's General Assembly, it will be presented to the General Assembly and the shareholders who have an interest in those contracts are not given the right to vote on them. In case of rejection, this will negatively affect the Company's business and profitability. For more details, please refer to sub-paragraph No. (9-5) "**Substantive Contracts**" of section (9) "**Legal Information**" of this prospectus.

2-1-24 Risks related to Differences in Zakat Amounts and VAT Fines

The Company submitted its Zakat returns to the General Authority for Zakat and Income until the year 2021G, and obtained a certificate valid until 30/04/2023G, enabling it to refer to government agencies and finalize its transactions with them. It gives the Company the right to enter tenders in accordance with the applicable regulations in this regard, including the payment of final dues on contracts.

The Company also submitted the Group's annual Zakat return to the Zakat, Tax and Customs Authority based on draft unaudited financial statements. The return included a due amount of 23 million Saudi riyals. Note that the Zakat provision has been set aside and is sufficient to cover the Zakat payable. It was agreed with the Zakat, Tax and Customs Authority on a plan for the installments of the amount of Zakat for the year 2021G, provided that 10% of the value of the amount of the Zakat obligation will be paid as an advance payment, and that the installments will be over 12 months starting from June 2022G, and accordingly, an amount of 2,331,969 Saudi riyals was paid as a down payment and 3 monthly payments of 1,748,977 Saudi riyals for each installment for the following months' installments: (June, July, and August) of the year 2022G. And also the Zakat, Tax and Customs Authority issued the Zakat assessment (re-evaluation) for the fiscal years from 2014G to 2020G, and the re-evaluation included Zakat differences for the years from 2014G until 2020G, so the Zakat due amounted to 15.3 million Saudi riyals for the year 2014G, and 232.8 million Saudi riyals for the years from 2015G to 2018G, 46.8 million Saudi riyals for the year 2019G, and 21 million Saudi riyals for the year 2020G and until the date of this Prospectus, any assessments or Zakat checks for the year 2021G.

On 05/07/1442H (Corresponding to 17/02/2021G), the Company submitted an objection to the Zakat assessments from 2015G to 2018G (through the Office of Sulaiman Al-Khalaf for Review and Auditing). A dispute settlement request was reviewed in which the expected differences after settlement amounted to an amount of (59,869,341) Saudi riyals (noting that the amounts due from the assessment or evaluation of the authority are 232,789,820) Saudi riyals. On 13/04/1443H (Corresponding to 18/11/2021G), the Company submitted an objection to the Zakat

assessments for the years 2019G and 2020G, and the Company received a response from the Zakat, Tax and Customs Authority, rejecting the objection request for the two years, and accordingly the objection was escalated to the General Secretariat of the Tax Committees on 31/ 01/2022G. On April 14, 2022G, the Company entered into an agreement with the office of Talal Abu-Ghazaleh to complete the escalation with the General Secretariat of the Tax Committees, representing Amiantit, and the session was held on May 19, 2022G.

On June 07, 2022G, the Company announced the issuance of the First Department's decision to settle income tax violations and disputes, accepting some of the Company's objections to the items mentioned in the objections for the period from 2015G to 2018G, and rejecting other items.

The Company also announced that it had received the decision on the evening of 07/11/1443H (Corresponding to 06/06/2022G), and found that the total amounts that the Committee approved of the Company's objection amounted to about 150 million Saudi riyals, noting that the Company maintains a provision covering the amounts of objection that have not accepted.

It is worth noting that this decision is subject to appeal by both parties within 30 days from the date of receiving the decision, i.e. from 07/11/1443H (Corresponding to 06/06/2022G). Accordingly, the Company appealed for the amounts rejected by the decision by the Zakat, Tax and Customs Authority on the amounts accepted by the General Secretariat of the Tax Committees. On 10/16/2022G the company obtained the decision of the General Secretariat of the Tax Committees on the escalation related to the year 2019G and the objection was partially accepted regarding the escalation related to the year 2020G, the objection was completely rejected, and the decision has not been appealed to date, knowing that the period allowed for appeal is 30 days from the date of the decision.

On 25/10/2022G, the decision of the General Secretariat of the Tax Committees was obtained on the escalation related to the year 2014G, and the objection was partially accepted, and the Company has a period of 30 days to appeal from the date of the decision

With regard to value added tax, the Company has a tax group that includes the Company and its subsidiaries (Amiantit Fiberglass Manufacturing Company Ltd.), (Amiantit Rubber Industry Company Ltd.), (Saudi Arabian Ductile Iron Pipe Manufacturing Company), (Bondstrand Company Factory Ltd.) and (International Company for Management and Operation of the Infrastructure Limited), (Infrastructure Engineering Contracting Company Ltd.), (Saudi Amicon Company Ltd.), and (Saudi Arabian Amiantit Management Company Ltd.). None of the mentioned subsidiaries in addition to the following subsidiaries (Arabian Company for Trading Building Materials and Industrial Equipment Ltd.) and (Saudi PWT Company) and (BWT Arabia Company) have a VAT registration certificate in their individual capacity. Although registration within the tax group leads to the suspension of the VAT account numbers for other group members, this does not mean that they are exempted from the obligation to register (for those eligible to register) or cancel their registration for value added tax (VAT). Members of the tax group do not have any other tax obligations not imposed on the group throughout the period of their membership in the group. The provisions of the value-added tax system shall be applied to the company that exits from the Group or is no longer a member of it, which may be exposed as an independent taxpayer to the imposition of a fine of (10,000) ten thousand riyals in addition to a fine for not submitting value-added tax returns within the period specified by the Regulations, which is not less than (5%) and not more than (25%) of the value of the tax that it should have declared.

The total amount of value-added tax for the unpaid months for the period from February 2021G to April 2022G amounted to 27.2 million Saudi riyals, and the amount of fines was 8.9 million Saudi riyals. In order to benefit from the initiative of the Zakat, Tax and Customs Authority (in the event that the main amount of the value added tax is paid for the overdue amounts during the period from 01/06/2022G until 30/11/2022G, the fines arranged for the delay in payment of the paid amounts will be canceled), and accordingly a request was made to pay the aforementioned amount of the value-added tax at installments, and the installment has been approved by

the Zakat, Tax and Customs Authority, provided that 10% shall be paid as an advance payment, and that the installments will be over 6 months, at an amount of 4 million riyals per month, starting from June 2022G until November 2022G. The Company paid an amount of 2,726,874 Saudi riyals as an advance payment, and the amount due has been scheduled in 6 installments, and the Company has paid 3.5 million Saudi riyals as part of the first installment of the scheduled installments.

The Group did not settle the value-added tax dues for the month of June and August 2022G, which amounted to 3.3 million Saudi riyals, and the consequent fines amounting to 241 thousand Saudi riyals

On 30/11/2021G, the Zakat, Tax and Customs Authority issued an assessment for the tax periods from January 2018 to December 2018G amounting to 2.6 million Saudi riyals related to the exclusion of tax purchase invoices for invoices that were not in compliance with VAT regulations, and the imposition of tax on some supplies that were disclosed to be subject to the zero rate or outside the scope of VAT due to the company not meeting the requirements of the transitional provisions subject to the zero rate and so on.

On January 28/2021, the Company objected to the assessment with the Zakat, Tax and Customs Authority and the objection was partially accepted so that the value of the claim amounted to 1.1 million riyals. The Company escalated the objection to the General Secretariat of the Tax Committees on 23/05/2021G on the result of the Authority's decision for the months of 2018G.

It is possible that the General Secretariat of the Tax Committees will not accept the objection or demand from the Company to pay additional amounts for the declarations submitted by the Company obligating it to pay amounts to the Zakat Authority in excess of what has been allocated for those years, which will negatively affect the Company's financial condition

2-1-25 Risks Associated with Contingent Liabilities:

Some contingent liabilities may arise on the Company and its subsidiaries, such as costs related to Zakat, taxes, guarantees, lawsuits, and other obligations or costs related to the Company's activity.

The Group has contingent liabilities with a balance of 246.4 million Saudi riyals as of December 31, 2021G. Among the most prominent contingent liabilities of the Group are the following:

- Bank guarantees issued in the light of the Company's practice of its normal business, amounting to 76.9 million Saudi riyals.
- Corporate guarantees worth 168.6 million Saudi riyals in return for financing facilities.
- Capital expenditure contracts worth 0.9 million Saudi riyals.

In addition, the Group has commitments to the financing agencies in return for the loans it obtained, such as maintaining certain financial conditions, as well as limiting the ability to distribute any profits without referring to the approval of the financing authorities. The Group also has guarantee provisions for the guarantees it provides in return for general maintenance works. The Group forms a provision against guarantees it provides to its clients, and it relies on historical data to form the provision required for that. The Warranty Provision amounted to 4.8 million Saudi riyals, 8.9 million Saudi riyals, and 3.3 million Saudi riyals during the years 2019G, 2020G and 2021G, respectively.

However, there are no guarantees that it will not incur amounts that exceed the provisions made up for that, which will negatively affect the Group's financial condition, results of operations and future prospects.

2-1-26 Risks related to the Company's Losses

The accumulated losses of the Saudi Arabian Amiantit Company on December 31, 2016G amounted to (126,720) thousand Saudi riyals, which represents (10.97%) of its capital, which amounted at the time (1,155,000) thousand Saudi riyals. The accumulated losses on December 31, 2017G amounted to (217,941) thousand Saudi riyals, which represents (18.86%) of its capital, which amounted at the time (1,155,000) thousand Saudi riyals. The accumulated losses on December 31, 2018G amounted to (514,367) thousand Saudi riyals, which represents (44.53%) of its capital, which amounted at the time (1,155,000) thousand Saudi riyals. The accumulated losses on December 31, 2019G amounted to (32,369) thousand Saudi riyals, which represents (9.39%) of its capital, which amounted at the time (344,517) thousand Saudi riyals. The Company announced the results of the second quarter of 2020G, through which the accumulated losses amounted to (206,884) thousand Saudi riyals, which is equivalent to about 60% of the capital of 344,517 thousand Saudi riyals. As a result, the Board of Directors held a meeting on 07/01/1442H (corresponding to 26/08/2020G) and took a decision to reduce the statutory reserve by 30.2% to extinguish part of the accumulated losses by transferring only (57,296) thousand from the Company's statutory reserve amounting to (189,472) thousand Saudi riyals, to extinguish part of the Company's accumulated losses amounting to (206,884) thousand Saudi riyals only, so that the accumulated losses become (149,588) thousand Saudi riyals, which is equivalent to 43.42% of the capital. The accumulated losses on December 31, 2020G amounted to (205,499) thousand Saudi riyals, which represents (64.21%) of its capital, which amounted at the time (320,000,000) Saudi riyals. As a result, the Board of Directors decided on March 27, 2021G to extinguish the entire statutory reserve amounting to (132,176) thousand Saudi riyals to extinguish part of the accumulated losses.

The accumulated losses on December 31, 2021G amounted to (243,634) thousand Saudi riyals, which represents (76.14%) of its capital which amounted at the time (320,000) thousand Saudi riyals.

These accumulated losses resulted in several decisions to reduce the capital, as follows:

- On 09/01/1441H (Corresponding to 08/09/2019G), the Company's extraordinary general assembly agreed to reduce the Company's capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seventeen thousand (344,517,000) riyals Saudi Arabia with a decrease of 70.2%, thus reducing the number of the Company's shares from one hundred and fifteen million and five hundred thousand (115,500,000) shares to thirty-four million, four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand and three hundred (81,048,300) shares of the Company's issued shares, at the rate of reducing one share for every (1.42) shares.
- On 16/04/1442H (Corresponding to 01/12/2020G), the Company's extraordinary general assembly agreed to reduce the Company's capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals with a decrease amount of 41.95%, thus reducing the number of the Company's shares from thirty-four million, four hundred and fifty-one thousand seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million four hundred and fifty-one thousand seven hundred (14,451,700) shares of the Company's issued shares, at the rate of reducing one share for every (2.38) shares.
- On 26/07/1443H (Corresponding to 27/02/2022G), the Company's extraordinary general assembly agreed to reduce the Company's capital from three hundred twenty million (320,000,000) to ninety-nine million (99,000,000) Saudi riyals, with a capital reduction rate of (69.06%), thus reducing the number of the Company's shares from thirty-two million (32,000,000) shares to nine million and nine hundred thousand (9,900,000) shares by canceling twenty-two million one hundred thousand (22,100,000) shares of the Company's issued shares, at the rate of reducing one share for every (1.447) share.
- The financial statements for the fiscal year ending on December 31, 2021G, the financial statements for the year ending on December 31, 2020G, and the financial statements for the year ending on December 31, 2019G

included the auditor's great doubt regarding the Company's ability to remain as a going company, due to the Company incurring accumulated losses of an amount (243,634) thousand Saudi riyals, which represents (76.14%) of its capital of (320,000,000) Saudi riyals as on December 31, 2021G, compared to an amount of (205,499) thousand Saudi riyals, representing (64.21%) of the capital for the year 2020G. This is also largely reflected in the low liquidity ratio of the Company (for more information, please refer to the subsection (2-1-16) "**Liquidity Risks**" of this section).

It is worth noting that the Company continued to realize losses during the fiscal years 2019G, 2020G and 2021G, mainly drawn by the following:

- Decrease in revenues with a cumulative decline rate of 341.5 million Saudi riyals, at a rate of 25% during the period from 2019G to 2021G, as a result of the decrease in the quantity of pipes sold and the average selling price of non-metallic fixtures and the adjustments made to the revenues of water projects as a result of the delay in implementation and the low estimate of costs.
- Achieving a negative gross margin during the years 2019G, 2020G and 2021G, as the Company achieved a negative profit margin of (-19%) during the year 2019G, (-15%) during the year 2020G, and (-17%) during the year 2021G. The reason is mainly due to proving impairment losses amounting to 125.7 million Saudi riyals during the year 2019G, and 44.6 million Saudi riyals during the year 2021G, in addition to absorbing the general industrial costs.
- Decrease (impairment) in the value of accounts receivable by 4.1 million Saudi riyals during the year 2019G, 105.6 million Saudi riyals during the year 2020G and 20.8 million Saudi riyals during the year 2021G.
- The significant decrease in other revenues and expenses, as revenues decreased from 961 thousand riyals in 2020G to losses of 51.3 million Saudi riyals during the year 2020G resulting from the re-measurement of the employee share ownership program amounting to 26.8 million Saudi riyals, impairment losses for equity investments amounting to 23 million Saudi riyals, in addition to the increase in the value of currency losses by 2.6 million Saudi riyals.

Although the Company reduced its capital based on the approval of the general assembly on 26/07/1443H (Corresponding to 27/02/2022G) by a reduction in the capital of (69.06%), by canceling twenty-two million one hundred thousand (22,100,000) shares from the Company's issued, the accumulated losses still amount to (28,614) thousand Saudi riyals as on March 31, 2022G, which represents 28.9% of the capital. There is no certainty that the Company will not realize any future losses that would negatively and materially affect the Company's business and financial results.

2-1-27 Risks related to the Existence of Previous Priority Rights Issues

In 2020G, the Company increased the capital by issuing 12,000,000 shares at a price of (10) Saudi riyals, where the total proceeds from the offering amounted to (120,000,000) Saudi riyals, and the Company disclosed in the relevant prospectus that the proceeds of the offering will be used to support the working capital in order to raise the efficiency of the Company's operational activities, as well as paying part of the amounts owed to suppliers and financing loans, in addition to the offering expenses.

If the company does not succeed in raising sufficient funds through priority rights issues or using them optimally, or if, after the capital increase process is completed, it modifies the use of the proceeds of the offering from what was disclosed in the prospectus, and such using have a negative impact on the Company, this will negatively and fundamentally affect the Company's business, financial condition and future prospects.

2-1-28 Risks associated with Losses of Water Projects

The Company incurred losses from water projects amounting to (53,788) million Saudi riyals, (42,150) million Saudi riyals and (52,598) million Saudi riyals during the years 2019G, 2020G, and 2021G, respectively. The reason for the losses in the water projects is due to the error in estimating the costs of the projects, as well as the delay in implementation as a result of external factors such as the geographical nature, delay in collection, government restrictions on banks, and the international transfer of the US dollar currency for the Company's projects in Turkmenistan.

The above-mentioned factors have contributed to losses in water projects, particularly in Turkmenistan, Iraq, Albania, and Morocco. Based on the internal risk assessment, the Company recorded a provision for unprofitable contracts amounting to 44.6 million Saudi riyals related to expected losses to be incurred for the water treatment plant project, which is located in the city of Samawah in Iraq, as on December 31, 2021G. The main reason for the dispute with the subcontractor and one of the subsidiaries of PWT Company, which is 100% owned by Saudi Arabian Amiantit Company, as the subcontractor received an operating advance from the Ministry of Municipality and Rural Works and did not give the subsidiary of Amiantit its full share of this payment, in addition to the existence of another dispute with the Ministry of Municipal and Rural Affairs as a result of non-payment of dues to BWT, and accordingly the group appointed an international legal advisor and prepared the necessary documents, including the power of Attorney to deal with the case. The project is expected to be completed during the year 2023G, and the provision for expected losses for water projects amounted to 162.2 million Saudi riyals as on December 31, 2021G and accordingly the company may need to record additional provisions in the future. Any change in any of the production costs as a result of unexpected events outside the Company's control or the recording of additional provisions, or if the Company does not win the outstanding case would have a negative and material impact on the Company's business, results of operations, financial condition and future prospects.

2-1-29 Losses on Sale of Investments

The Company follows the equity method in proving its investments in its subsidiaries. The Company may incur capital and currency losses as a result of disposal of these investments. The Company's total capital losses and currency losses resulted from the exclusion of some investments amounted to 28.5 million Saudi Riyals incurred in 2020G. The Company's sale of its stakes by 50% and 49% in Amiantit Fiberglass Company Egypt and Ameron Egypt Company, respectively, resulted in actual realized losses amounting to 15.7 million Saudi riyals during the year 2020G. Also, the Company's sale of 15% of its stake in Amensos Company, resulted in actual realized losses amounted to 2.9 million Saudi riyals during the year 2020G. In addition, the Company conducted an evaluation during the year 2020G for its investment in Embello Company, of which it owns 50%, resulted in that the Company incurred losses estimated at 9.9 million Saudi riyals resulting from the decrease in the value of equity.

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

2-1-30 Risks of Liquidation of Subsidiaries

The Company has embarked on voluntary, not judicial, liquidation procedures for each of the following subsidiaries: Saudi Arabian Ameron Company Ltd., Saudi Arabian Company for Concrete Products SACOP, John Hansen Company, Flotite Company and Amtech Romania.

1. The Saudi Arabian Ameron Company Ltd. was liquidated on 21/02/2019G and this resulted in losses estimated at a total amount of 8.6 million Saudi riyals, noting that the company is still in the process of liquidation and

its financial statements have been prepared according to the basis of accounting division, and its assets are measured with the cash amount expected to be received and its liabilities are measured based on estimated settlement amounts in due time.

2. The liquidation of the Saudi Arabian Company for Concrete Products SACP, losses estimated at a total amount of 5.4 million Saudi riyals, as the company sold its operations on December 31, 2020G, and all assets were sold and obligations paid on December 31, 2020G, and the company began liquidation from 01/01/2020G until 31/12/2021G. It received the refunds, receivables and paid creditors, and distributed the remaining cash to the shareholders.
3. The John Hansen Company was formally liquidated in 2020G, and John Hansen is a 100% owned subsidiary of the Company in Germany. Its liquidation resulted in a loss of 1.5 million Saudi riyals and was recognized as a realized reserve from foreign currency conversion upon liquidation.
4. During the year 2020G, the Group sold its stake in Amensos SA, headquartered in Morocco, a company owned by 15% of the Group, and its liquidation resulted in a loss of 2.8 million Saudi riyals.
5. During the year 2020G, the Company sold its stakes owned by 50% and 49% in Amiantit Fiberglass Company Egypt and Ameron Egypt Company, respectively, and this resulted in actual realized losses in the amount of 15.7 million Saudi riyals.
6. The formal liquidation of Flotite Export ES in 2021G, a 100% owned subsidiary of the Group based in Norway. The management made a loss of 48.8 thousand Saudi riyals upon liquidation.
7. Amitech Pipe Systems Romania was officially liquidated on 29/07/2019G and is 100% owned by Suboor, in which Amiantit owns 20% of Sabor. Before liquidation, the book value of this subsidiary in the Company's books was 793 Saudi riyals.

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

2-1-31 Risks of Reliance on Key Personnel

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

2-1-32 Risks related to Staff Mistakes or Misconduct

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

2-1-33 Risks related to the Company's Reliance on Hired Labors

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

Table (7) Hired Labors and Registered Labors under the Company's Sponsorship

Period	Labors under the Company's sponsorship			Hired Labors		
	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
2018G	430	993	1423	0	1526	1526
2019G	363	938	1301	0	1228	1228
2020G	320	868	1188	0	660	660
2021G	336	756	1092	0	757	757

In the event that the Company or the contracting parties are unable to abide by the terms of those contracts, or in the event of any future disputes, or in the event that the Company is unable to maintain the continuity of labor rental contracts beyond the period specified in the contract or renew contracts with the same current terms or preferential terms, where it may be difficult for the Company to find alternative labor within a sufficient time and appropriate to the nature of the Company's activity. This will adversely affect its financial condition, cash flows and operating results.

2-1-34 Risks related to Dependence on non-Saudi Employees

The Company and its subsidiaries, to ensure the continuity of their business, depend largely on non-Saudi employees who constituted about (69.23%) of the total employees in the Company and its subsidiaries (inside the Kingdom). In view of this, the Company may be exposed to several risks in the event that it is not able to maintain its non-Saudi cadres, or in the event of any change in the policies, regulations and systems of the Ministry of Human Resources and Social Development resulting in an increase in the Saudization of the sector, which will reduce the Company's ability to maintain its cadres of non-Saudi workers. This in turn will cause an increase in costs for the Company, and if the Company is not able to find replacements with the same skills and experience required, this will negatively affect the results of the Company's and its subsidiaries business, financial condition and operational results.

2-1-35 Risks related to Expansion and Growth strategy

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

2-1-36 Risks related to the Inability to Implement the Strategy

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

2-1-37 Risks related to the Adequacy of Insurance Coverage

The Company and its subsidiaries provided medical insurance to its employees and their families through the health insurance policy dated 01/01/2022G, which ends on 30/12/2022G. The Company and its subsidiaries have an insurance policy on their property related to buildings, Company offices, machinery, furniture, fixtures and computers with the Saudi Arabian Cooperative Insurance Company, valid to 08/02/2023G. The Company also insured the motors owned by the Group, signed with Alinma Tokio Marine Cooperative Insurance Company on 01/03/2022G and expires on 28/02/2023G. The Company's insurance contract includes deductible amounts and factors excluded from the insurance coverage, in addition to other restrictions related to the insurance coverage to be negotiated with insurance companies. The Company's ability to obtain the compensation due to it by the relevant insurance company also depends on its financial solvency and ability to meet the value of this compensation, so the insurance may not cover all the losses incurred by the Company. There is no guarantee that the Company will not incur losses that exceed the limits of the insurance policies or outside the scope of coverage contained in these policies. It is possible that cases may arise in which the value of the claim exceeds the value of the insurance held by the Company, or that the compensation claim submitted by the Company to the relevant insurance company will be rejected, or the claim and compensation period may be prolonged, which will negatively affect the Company's business, future prospects, results of operations and financial condition. (For more information on insurance coverage, please refer to subparagraph (9-10) "**Insurance Contracts**" of Section (9) "**Legal Information**" of this Prospectus).

The inability of the Company to obtain adequate insurance coverage may limit its ability to carry out its work as required, which will affect the Company's business. It is also possible that the Company, its business, its branches, its subsidiaries, or its industrial facilities may be exposed to many accidents that are outside its control and that could affect the functioning of its business, including natural disasters, accidents, terrorist acts, and war-related events for which there is no adequate insurance coverage. In addition, the recurrence of various other events such as sudden accidents, work interruptions or potential damage to the Company's facilities, property and equipment caused by bad conditions, human mistakes, pollution, labor disputes or natural disasters are all matters that will lead to the Company incurring great losses.

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

2-1-38 Risks related to Non-registration of Lease Contracts in Ejar Platform

The Company has (18) lease contracts entered into by the Company in its capacity as a lessee and a lessor. All of these contracts are not electronically documented on the Ejar network. On 16/05/1438H (Corresponding to 13/02/2017G) the Cabinet Resolution No. (292) dated 16/05/1438H (Corresponding to 13/02/2017G) was issued, including the non-consideration of a lease contract not registered in the electronic network as a valid contract produces its administrative and judicial effects. Since the rental services electronic network was launched in

cooperation between the Ministries of Justice and Housing on 17/05/1439H (Corresponding to 03/02/2018G), and a circular was issued by the Ministry of Justice approving the application of this to all contracts entered into after 05/05/1440H (Corresponding to 11/01/2019G). Therefore, all companies should commit to registering all lease contracts on the Ejar platform. Note that the electronic lease contract is an executive document, and the two parties can request its implementation directly, even if by force, through the enforcement courts, without the need to file a lawsuit in the event that any of the parties breaches its essential obligations arising from Contract. As on the date of publication of this prospectus, the Company is partly complied with registering some contracts in the Ejar platform and therefore the Company will not benefit from the advantages offered to contracts registered only in the Ejar network if a dispute arises between the two parties of the contract. Therefore, there are potential risks related to prove the Company's rights in the event that it is a plaintiff or defendant, which may affect the company's operations.

2-1-39 Risks related to Not Obtaining or Renewing Governmental Licenses, Certificates and Permits

The Company is required to obtain and maintain various permits, licenses and regulatory approvals in relation to its activities. These licenses include, but are not limited to: Company registration certificate issued by the Ministry of Commerce, Chamber of Commerce membership certificates, trademark registration certificates, Saudization certificates, Zakat and income certificates, value-added tax registration certificate, social insurance, wage protection and Saudization (for more details about licenses and certificates obtained by the Company, please see sub-paragraph (9-2) "**Licenses and Authorizations Obtained by the Company**" of Section (9) "**Legal Information**").

The Company has a municipal (professional) license No. (21073) dated 19/07/1439H (Corresponding to 05/04/2018G) issued by the Ministry of Municipal and Rural Affairs and Housing (East Dammam Municipality) that has not been renewed until the date of publication of this prospectus. Also, the municipal license for the branch of Saudi Arabian Amiantit Company, record No. 4030006691 has not been considered.

As on the date of this prospectus, the Company has not been issued municipal licenses to its subsidiaries and branches, including Amiantit Fiberglass Manufacturing Company Ltd., register No. 2050005268, and Amiantit Fiberglass Manufacturing Company Ltd's branch, register number (2050106908), and the International Company for Infrastructure Management and Operations Ltd., register number (2050083715), the Engineering Infrastructure Contracting Company, Register No. 2050097629, the Saudi Arabian Amiantit Management Company, Register No. 2050105945, the Arab Company For Trading Building Materials and Industrial Equipment Co., Ltd., Register No. 2050008853, and the Saudi BW Company, Register No. 2050080446. This will expose it to the penalties stipulated in the Table of Municipal Violations and Penalties issued pursuant to Ministerial Resolution No. (4300204497) dated 12/03/1443H (Corresponding to 18/10/2021G) based on (Council of Ministers Resolution No. 218 dated 06/08/1422H), which specified fines for non-compliance with renewing the license of a fine ranging from (200) two hundred riyals as a minimum to (1,000) one thousand riyals as a maximum, and a fine for practicing activity without a license of (1,000) one thousand riyals with a minimum of (5,000) five thousand riyals as a maximum, and the site (offices may be closed)). This is in addition to suspending the electronic services of the Labor Office, which negatively affects the Company's business, results of operations and financial condition.

The Company has a safety certificate No. (40/000199059/2) dated 21/11/1440H (Corresponding to 24/07/2019G) issued by the General Directorate of Civil Defense (Salama website) that has not been renewed until the issue date of this prospectus. The two branches of the Company in Jeddah Dammam and some of the subsidiaries have not issued municipal licenses to practice the activity, which may expose the Company to penalties and fines stipulated in Article (30) of the Civil Defense System issued by Royal Decree No. (M/10) dated 10-05-1406H (Corresponding to 21/01/1986G). And amended by Royal Decree No. (M/66) dated 02/10/1424H (Corresponding to 26/11/2003G), which stipulates the imposition of a penalty on the violator of any of the provisions of this system, its regulations, or the decisions issued according to it, with imprisonment for a period not exceeding six months, or a fine of no

more than 30 thousand riyals or both for each violation. The Company's failure to obtain civil defense licenses will lead to the Company's inability to obtain new municipal licenses or renew existing licenses and in the event of its inability to obtain security and safety licenses from the civil defense, this may lead to the closure of the head office, branches or facilities of the Company until the procedures are completed to obtain civil defense licenses, which will negatively and fundamentally affect the Company's business, financial condition, results of operations and future prospects.

The branch of the subsidiary company (Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd.) register number (2050101313) and the subsidiary company (Amicon Saudi Company Ltd.) register number (2050039735) have expired environmental permit and expired operating license issued by the Saudi Authority for Industrial Cities and Technology Zones (MODON). Also, the branch of the subsidiary company Amiantit Fiberglass Manufacturing Company (4030135751) has an industrial license, and has not been issued the environmental permit for operation which is issued by the National Center for Monitoring Environmental Compliance (formerly the General Authority for Meteorology and Environmental Protection) as on the date of publication of this prospectus, which will expose these companies to the penalties stipulated in the Violations and Penalties Regulations attached to the Public Environment Law issued by Royal Decree No. M/34 dated 28/07/1422H (Corresponding to 15/10/2001G), which was set with a fine not exceeding (10,000) ten thousand riyals and may reach the limit of closing the facility. This in addition to bearing the damage costs for the facility in the event that the violation of environmental standards, standards and requirements results in harm to the environment and to others, which will negatively affects the Company's operations, results of operations and financial condition. The subsidiary company (BW Saudi Company, Register No. 2050080446) has not been issued a subscription certificate of the Chamber of Commerce, which constitutes a violation of Article (5) of the Commercial Register System, which requires everyone who is registered in the Commercial Register to file with the Commercial Registry Office, within (30) days from the date of registration, a subscription certificate in the Chamber of Commerce and Industry. This may expose the Company to a fine stipulated in Article (15) of the Commercial Register System, with value not to exceed (50,000) fifty thousand riyals for each violation, in addition to the Company's inability to benefit from the services provided by the Chambers of Commerce, which will result in the disruption of the Company's operations regarding this matter.

Also, the subsidiary company (the Arab Company for Trading Building Materials and Industrial Equipment) is not registered with the Ministry of Human Resources and Social Development (Labor Office), and therefore the Company will not be able to obtain compliance certificates and benefit from the services provided by the aforementioned Ministry, in addition to the possibility of imposing penalties and fines that may adversely affect the Company's performance and financial condition.

The industrial license for the branch of the subsidiary company Amiantit Fiberglass Manufacturing Company's factory registered (4030135751) has expired. The non-compliance with the terms and conditions of the license may lead to the withdrawal of the license by the Ministry of Industry and Mineral Resources, in addition to the disruption of the factory's work. Also, the Company did not comply with the provisions of the Companies Law and its regulations by not obtaining the approval of the Extraordinary General Assembly to amend Article 49 of the Company's Articles of Association, which allows the Company to charge the expenses incurred by the shareholder to file a lawsuit against the Company, whatever its outcome, and the Company will be subject to the penalties stipulated in the Companies Law imposing a fine not exceeding 500 thousand Saudi riyals.

The inability of the Company to renew its existing licenses, permits and certificates, or to obtain any of the licenses necessary for its business, or if any of its licenses are suspended or expired, or if any of those licenses are renewed on conditions that are not suitable for the Company, or if the Company is unable to obtain licenses and additional permits and certificates that may be required in the future, such cases may expose the Company to stopping and preventing it from carrying out its work, such as closing the Company's headquarters or freezing part or all of the services provided by the regulatory authorities to the Company, which will result in the disruption of the Company's operations and incurring additional costs, which will negatively affect its results of operations and financial condition.

2-1-40 Risks of Litigation and Legal Action

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

As at the date of publishing this prospectus, the Company was exposed to some lawsuits that arose in the course of carrying out its activities, especially those filed by some of the Company's clients. The total claims in the cases filed by the Company as a plaintiff amounted to (401,675,797) riyals and against it as a defendant (23,851,464) riyals, and the provision for doubtful debts reached the amount of 189 million Saudi riyals as on December 31, 2021G, which represents part of the cases filed by the Company. These cases are still under consideration. The Company did not set aside and deduct the amounts claimed in full to avoid any responsibility for them in the event that the full value of each claim is judged separately, which will put the Company in front of unexpected financial obligations and may be unable to pay them and meet its obligations, which will negatively affect the Company's business, future prospects, results of operations and financial condition.

Except as provided in subparagraph (9-8) "**Lawsuits**" of Section (9) "**Legal Information**" of this Prospectus), the Company is not a party to any existing or potential litigation, claim, arbitration or administrative proceeding, collectively or individually, existing or likely to be instituted, that would materially affect the Company's business or financial condition.

2-1-41 Risks related to Non-registration or Renewal of Trademarks

The subsidiaries have trademarks registered with the Ministry of Commerce (Trademarks Department) and the Saudi Authority for Intellectual Property, but as of the date of publication of this prospectus, there are some certificates that have expired. Failure to renew the trademark certificate may lead to its loss of legal protection and the illegal use of the Company's trademarks by third parties, which may affect the Company's reputation, and this will result in lawsuits and claims before the competent courts to protect these rights. It is an expensive process and requires a great deal of time and effort on the part of the Management to follow up. In the event that the Company fails to protect its trademarks effectively or track similar marks, this will negatively affect its value. In addition, the Company will not be able to put its logo and use it on its products or place it on the external facade of the building, offices or Company cars.

2-1-42 Risks related to the Impact of the Corona Pandemic (Covid19)

The Corona virus (Covid19) swept the world during the year 2020G, and its negative effects and high costs ravaged all business sectors around the world. With the outbreak of the virus, many countries of the world took precautionary measures to limit its rapid spread. The government of the Kingdom of Saudi Arabia was proactive in taking several precautionary measures to prevent the spread of the virus, and accordingly most of the activities in the Kingdom of Saudi Arabia were affected by these precautionary measures. There was a delay in the export of products that coincided with the closure of the land and sea borders. The supply chain crisis led to the market's inability to import internationally during that period, which led to a shortage in the local supply of products

produced by the Company, which allowed the Company to sell the product of metal fittings at high prices in line with the global rise in raw material prices, the supply chain crisis and the limited local supply. It should be noted that the average sale of the metal fittings product increased from 242 Saudi riyals in 2019G to 968 Saudi riyals in 2020G and then to 1,344 Saudi riyals in 2021G, which contributed to improving the Company's sales as a result of the increase in product selling prices, as metal pipe sales constituted 6% and 4% and 5% during the years 2019G, 2020G, and 2021G. With the lifting of restrictions resulting from the Corona pandemic, and in the event that the demand for the Company's product decreases or the average selling price decreases, this may affect the price of the product and the quantity of demand. The company has also reduced the number of workers in warehouses and reduced their movement between warehouses, which negatively affects the annual inventory process. More precautionary measures may be required in the future, and the Company cannot assess the extent to which the impact of the pandemic continues, as the company may face a supply chain crisis. In the event that one of the suppliers is located in an area where the authorities apply precautionary measures to prevent the spread of the epidemic, the pandemic may also affect the Company's ability to bring in and appoint qualified workers or obtain government tenders which will decrease as a result of the pandemic, and thus this will affect the continuity of the Company's business and its subsidiaries. This will negatively affect the Company's business, results of operations, financial condition and future prospects

2-1-43 Import Risks

The Company imports final products from external suppliers, especially products of special sizes, which are difficult for the Company to manufacture locally due to the lack of suitable foundries. The ratio of sales of imported products to the Company's total sales is 8%, 13.5% and 8.3% during the years 2019G, 2020G and 2021G, respectively. The cost of these products constitutes 14.3%, 26.2% and 16.5% of the Company's purchases during the years 2019G, 2020G and 2021G, respectively. The Company cannot control the costs of purchasing these products. In the event that the costs of importing these products increase or there is a delay in importing them as a result of factors outside the control of the Company, it will result in the disruption of the Company's operations and incurring additional costs, which will negatively affect the results of its operations and financial condition.

2-1-44 Risks of Obsolescence and Impairment of Assets

The Company has specialized factories, machines and equipment that it uses in the production of its products, with depreciation rates ranging from 4 to 25 years, and the combined depreciation percentage of the total factories, machinery and equipment was (91.3%) as on December 31, 2021G. The equipment and machinery used in the production process are very important to the success of the Company's operations. Therefore, the Company relies on reliable and consistent operation of this equipment in order to achieve its financial goals and forecasts. Any unexpected malfunction that occurs to machinery or equipment, or any prolonged maintenance work to them, would disrupt the Company's production. It impairs its ability to produce sufficient quantities of products on an ongoing basis, to secure the quality of its products, or to comply with its contractual requirements. The depreciation and devaluation expense for the plant, machinery and equipment item amounted to 126.3 million Saudi riyals, 18.8 million Saudi riyals, and 17.3 million Saudi riyals during the fiscal years 2019G, 2020G and 2021G, respectively. It is worth noting that the Company appoints an independent and accredited valuer to reassess the impairment of its machinery and equipment. The re-evaluation process resulted in a decrease in the value during the year 2019G as a result of proving obsolescence and depreciation expenses amounting to 125.7 million Saudi riyals.

The Company also has real estate investments worth 11.4 million riyals as on December 31, 2021G, resulting from a land obtained from a customer against an outstanding debt, and the Company did not re-evaluate the land to measure the decrease in value, if any. Additional expenses may arise from the re-evaluation.

The Company owns intangible assets amounting to 7.4 million Saudi riyals as of December 31, 2021G, including a goodwill value of 4.6 million Saudi riyals resulting from the Group's acquisition of AMETEC Poland. The value of the goodwill of the joint venture with Embello (a company in which the group owns 50%) amounted to 71.8 million Saudi riyals as in 2019G. The group recorded a decrease in goodwill of 9.9 million Saudi riyals during the year 2020G and as on December 31, 2021G, the goodwill value of the joint venture amounted to 61.9 million Saudi riyals, and there is no confirmation that the company will not incur losses in value resulting from future revaluation.

The Company must conduct a continuous evaluation of the tangible and intangible assets and assess the extent of their economic feasibility and follow up the maintenance work and the continuous renewal of the dilapidated assets. The risk of disruption and decay of these assets, which will result in disruption of the Company's production or affect the quality of its products, which will negatively affect the results of its operations and financial position.

2-1-45 Risks of Impairment of Employee Stock Portfolios.

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

Accordingly, the Group decided, based on its evaluation of the performance of its employees, to grant 564,309 shares and 380,000 shares as of 2015G and 2021G, respectively. It is also worth noting that the company measures the employee stock ownership program periodically. In the year 2020G, the re-measurement resulted in a decrease in the employee stock ownership program provision and recorded a net loss of 26.8 million Saudi riyals, and it continued to decline and recorded an additional loss estimated at 7.1 million Saudi riyals as in December 31, 2021G. Any decrease in the market value of employees' shares would negatively affect its profitability, as this decrease will be recognized as impairment losses, which in turn will affect its financial results and future prospects.

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

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

The expected future performance of the Company depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation factors, GDP growth, average per capita income, and so on. The Kingdom's macro and micro economy depends mainly on oil and oil industries, which still control a large share of the gross domestic product. Therefore, any unfavorable fluctuations in oil prices will have a direct and fundamental impact on the plans and growth of the Kingdom's economy in general and on government spending rates, which would negatively affect the Company's financial performance, given its work within the Kingdom's economic system and its impact on the government spending rates.

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

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

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

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

Many countries in the Middle East suffer from political or security instability at present. There are no guarantees that the economic and political conditions in those countries or any other countries will not have a negative impact on the Kingdom's economy, and therefore this may affect the Company's business, results of operation, financial condition and future prospects.

2-2-4 Risks of Imposing a Fine for Violating Labor Laws:

The Company and some of its subsidiaries did not comply with the work system and its executive regulations in terms of not matching the data and numbers of workers with various government agencies, which may be explained as that there are workers working for the Company who are not under its sponsorship, or vice versa, there are some workers registered under the Company's sponsorship work for another entity without transferring their sponsorships in a regular manner. In the event that the Company does not comply with the above, it may be considered a violation of the Labor Law and its implementing regulations, and the Company will be subject to a fine of: (20) thousand riyals for each violating employee) according to what was stated in the table of violations and penalties issued under Ministerial Resolution No. (178743) dated 27/09/1440H (Corresponding to 01/06/2019G), which will negatively affect the Company's business and results of operations.

The Labor Law and its Executive Regulations obligate all employers that the work contract with any employee and worker shall be in writing and in two copies. The Ministry of Human Resources and Social Development has also obligated the work contracts to be documented electronically by uploading and updating the information related to the workers' work contracts and giving workers the opportunity to verify the validity of their contract data through documenting contracts through the electronic services portal of the General Organization for Social Insurance, in accordance with Ministerial Resolution No. (156309) and on 18/08/1440H (Corresponding to 23/04/2019G). Note that all employee contracts must be documented and that has become mandatory for all companies since the end of the fourth quarter of the year 2020G. The Company's failure to comply with this may be considered a violation of the Labor Law and its executive regulations, and the Company will be subject to a fine of: (1,000) thousand riyals, multiplied by the number of violating workers) according to what was stated in the table of violations and penalties issued under Ministerial Resolution No. (178743) dated 27/09/1440H (Corresponding to 01/06/2019G), which will negatively affect the Company's business and results of operations.

As on the date of publishing this prospectus, the Company has not been issued a certificate of commitment proving its application of the wage protection system, which is one of the Ministry's programs aimed at providing an appropriate and safe work environment in the private sector, in terms of raising the level of transparency and preserving the rights of the contracting parties, as the system monitors wage disbursement processes for all male

and female workers in the private sector (Saudis and expatriates). It measures the extent to which establishments are committed to paying wages on time and at the value agreed upon between the contracting parties, aiming to reduce wage disputes between establishments and workers in the private sector. This system obliges the establishment to upload the wages payment file on the electronic services portal of the (Madad) platform of the Ministry of Human Resources and Social Development and to update the employment data periodically as soon as any changes occur.

The program monitors the monthly wage payment data for establishments and compares it with the data recorded in the Ministry of Human Resources and Social Development and banks, and the Ministry monitors the employer's discipline to pay on time and at the agreed value, according to what was registered in the wage protection system. The Company's failure to raise the wages file on the due date and non-disbursement of wages at the agreed time and/or value may lead to the Company's inability to issue a certificate of commitment to the wage protection system or to renew the expired ones and may expose it to imposition of penalties and fines up to stopping the Ministry's services for the facility and a fine of (10.000) ten thousand riyals in addition to a fine of (3000) three thousand riyals for each worker who proves that his salary was not paid on the due date, according to what was stated in the table of violations and penalties issued under Ministerial Resolution No. (178743) dated 27/09/1440H (Corresponding to 01/06/2019G). As of the date of publishing this prospectus, the Company and its subsidiaries are committed to the wage protection system. It should be noted that the subsidiaries (Al-Arabiya Company for Trading Building Materials and Industrial Equipment and Saudi PWT) are not subject to the wage protection system because they do not have workers.

2-2-5 Risks related to the Application of the Companies Law:

The Company has complied with the new Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437H (Corresponding to 10/11/2015G) and published in the Official Gazette (Umm Al-Qura) on 22/01/1437H (Corresponding to 04/12/2015G), which entered into force on 27/07/1437H (Corresponding to 04/05/2016G) and amended by Royal Decree No. (M/79) and dated 25/07/1439H (Corresponding to 11/04/2018G). It also complied with Article (224) of the Companies Law in terms of amending its Articles of Association in accordance with the provisions of the Companies Law. The Extraordinary General Assembly approved the updated Articles of Association of the Company in accordance with the new Companies Law at its meeting held on 27/08/1438H (Corresponding to 23/05/2017G). On 25/07/1439H (Corresponding to 11/04/2018G), Royal Decree No. (M/79) was issued amending some articles of the new Companies Law, especially Article (91) related to the period for publishing the invitation to convene the General Assembly, Article (104) related to the report of the Audit Committee, Paragraph No. (3) of Article (126) related to financial documents, Article (80) of the liability claim, where the system allowed charging the Company for the expenses incurred by the shareholder to file a case against the Company, whatever its outcome. The Company obtained the approval of the Ministry of Commerce- Corporate Governance Department under the letter No. (22558) dated 30/06/1441H (Corresponding to 24/02/2020G) amending Articles (28), (39) and (43) of the Articles of Association to reflect the above-mentioned amendments. The (Extraordinary) Shareholders' General Assembly held on 16/04/1442H (Corresponding to 01/12/2020G) approved these amendments and were reflected in the Articles of Association (with the exception of the amendments related to Article (80) - of the Companies Law - Article (49) of the Company's Articles of Association Liability lawsuit) which was not submitted to the Extraordinary General Assembly for approval as on the date of this prospectus, which may constitute a violation of the Companies Law. On the event of continuing in this violation and the Company's failure to obtain the approval of the extraordinary general assembly of shareholders to amend this article of the Articles of Association, it will be subject to the penalties stipulated in the Companies Law by imposing a fine not exceeding (500,000) riyals.

According to the text of Article (181) of the Companies Law, if the losses of the limited liability Company amount to 50% of its capital, the Company's directors must register this incident in the commercial registry and invite the shareholders to a meeting within a period not exceeding (90) ninety days from the date of their knowledge of

the loss has reached this amount in order to consider the continuation of the company or its dissolution. Failure to take these statutory measures may subject each director, official or auditor of any of the subsidiaries (all are limited liability) to which the provisions of Article (181) of the Companies Law may apply, to impose a penalty (imprisonment for a period not exceeding 5 years and a fine not exceeding 5 million riyals or one of these two penalties) if he does not call for meeting of the shareholders- or did not take what was necessary for that, as the case may be - when he knew that the losses had reached the estimated limits (which are 50% or more), or if he did not publicize the incident and publish the shareholders' decision on the Ministry's website. This will have a negative and material impact on the Company's business, results of operations, financial condition and existence as a legal entity.

The articles of incorporation of (Bondstrand Company Factory Ltd.), (Arabian Building Materials and Industrial Equipment Trading Company Ltd.) and (PWT Saudi Company) have not been updated in accordance with the new Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437H (Corresponding to 10/11/2015G) and published in the Official Gazette (Umm Al-Qura) on 22/01/1437H (Corresponding to 04/12/2015G), and as amended by Royal Decree No. (M/79) dated 25/07/1439H (Corresponding to 11/04/2018G), which may expose it to the penalties stipulated in the Companies Law by imposing a fine not exceeding (500,000) riyals.

2-2-6 Risks Associated with VAT

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

2-2-7 Risks related to the Competitive Environment:

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

2-2-8 Risks related to the Company's Operations being Subject to Environmental, Health and Safety Regulations and Rules:

The Company's operations are subject to a wide range of laws and regulations related to the protection of the environment, health and safety in the Kingdom, which increasingly impose strict standards that the Company must adhere to on an ongoing basis. The costs of complying with those laws and regulations, and the resulting fines, may be significant. Adhering to new and strict standards requires incurring additional capital expenses or the emergence of modifications in operating practices. Accidents related to the environment, health and safety may arise outside the control of the Company. For example, the operations of the Company can result in a number of waste materials and pollutants that can lead, if not controlled and managed properly, or if left untreated or properly managed, to risks of the environment pollution. Failure to fully comply with environmental legislation and regulations may lead to the closure of the Company's industrial facilities and will expose the Company to violations, fines or penalties imposed by regulatory authorities, which will negatively affect its operations, limit the growth of its revenues or suspend its work or license and this will affect its ability to conduct its business and thus adversely affect its financial results and profitability.

2-2-9 Risks related to Energy and Electricity Products and Related Services:

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

2-3 Risks related to the Offered Securities:

2-3-1 Risks associated with Possible Fluctuation in the Price of the Priority Rights

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

2-3-2 Risks related to Potential Fluctuations in the Share Price

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

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

2-3-3 Risks related to non-Profitability or Sale of Priority Rights

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

2-3-4 Risks related to Future Data

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

2-3-5 Risks related to the Possibility of Issuing New Shares

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

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

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

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

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

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

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

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

The future earnings per share depend on a number of factors, including the Company's profitability, maintaining its good financial condition, capital needs and distributable reserves, the Company's available credit strength and general economic conditions. Increasing the Company's capital may lead to a decrease in the earnings per share in the future on the grounds that the Company's profits will be distributed to a larger number of shares as a result of the increase in its capital.

The Company does not guarantee that any dividends on the shares will be actually distributed, nor does it guarantee the amount that will be distributed in any particular year. Dividend distribution is subject to certain restrictions and conditions stipulated in the Company's articles of association.

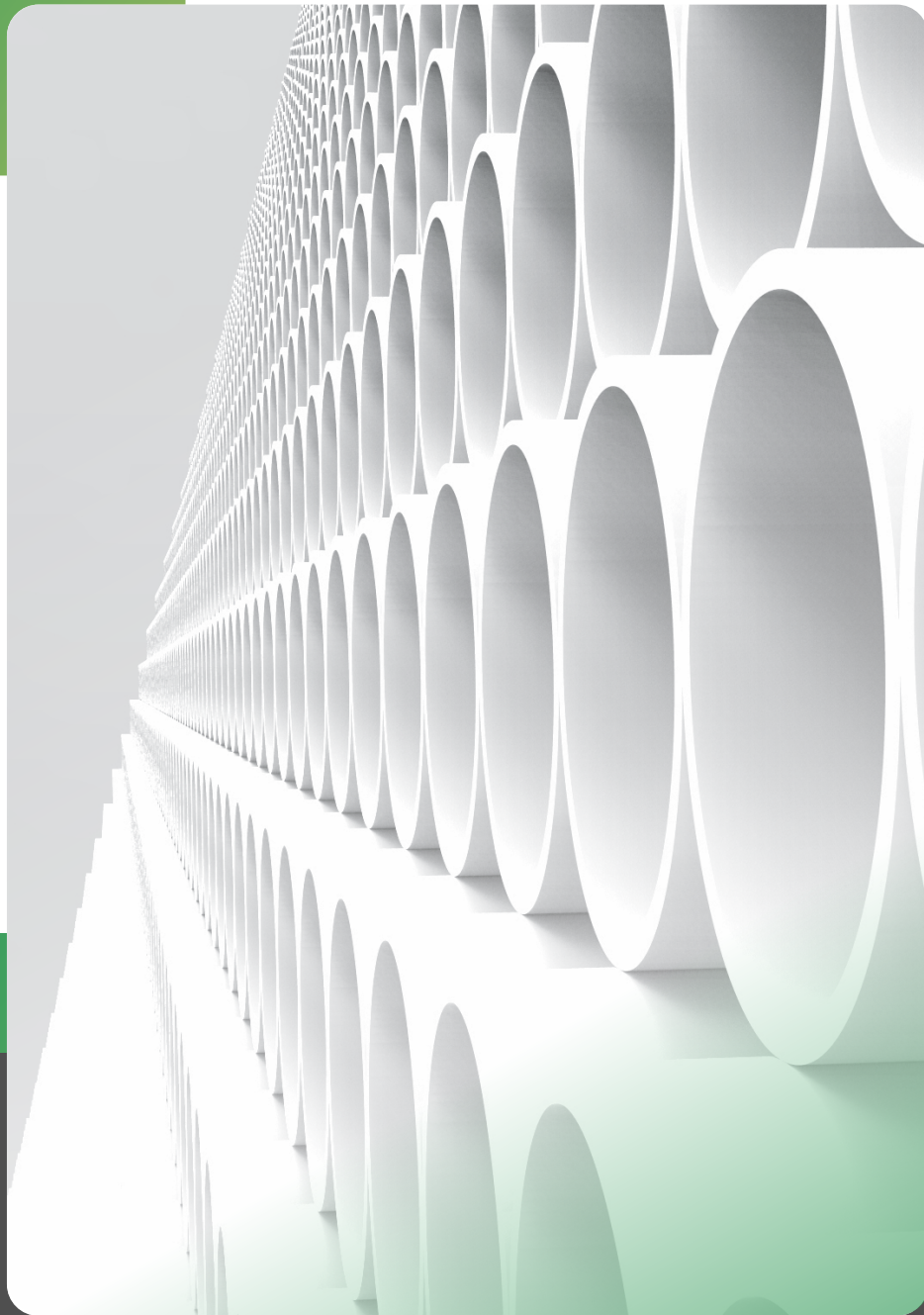
2-3-10 Risks related to Speculation in Priority Rights

Speculation in rights is subject to risks that may cause material losses. The permissible daily fluctuation range of the trading price of the priority rights is greater than the permissible daily fluctuation range of the market price (which is represented by 10% up or down of the closing price of the previous day). There is also a positive relationship between the Company's share price and the indicative value of the right. Accordingly, the daily price limits (ie the daily volatility range) for rights trading will be affected by the daily price limits for shares trading. In the event that the speculator does not sell the rights before the end of the trading period, and does not exercise these rights to subscribe to the new shares, he may incur some losses. Therefore, investors should review the full details of the mechanism for listing and trading new rights and shares and their method of operation, and be familiar with all the factors affecting them, in order to ensure that any investment decision is based on full awareness and knowledge. (Please refer to section (12) "**Information related to Shares and Terms and Conditions of the Offering**" in this prospectus.

2-3-11 Risks related to Suspending Trading or Canceling the Company's Shares as a result of Not Publishing its Financial Statements within the Statutory Period

In the event that the issuer is unable to publish its financial information within the statutory period (30 days from the end of the initial financial period, and three months from the end of the financial period for the annual financial statements), the procedures for suspending the listed securities will be applied in accordance with the listing rules approved by the decision of the Board of the Capital Market Authority No. (1-22-1442) dated 12/07/1442H (Corresponding to 24/02/2021G), which stipulates that the market suspends trading of securities for a period of one trading session following the expiry of the statutory period. In the event that the financial information is not published within twenty trading sessions following the first suspended trading session, the Saudi Tadawul Company will announce the re-suspension of the Company's securities until it announces its financial results. In the event that the suspension of trading the Company's shares continues for a period of six months without taking the appropriate measures to correct that suspension, the Authority may cancel the listing of the Company's securities. The Financial Market shall lift the suspension after one trading session has passed following the announcement of the Company's financial results. However, in the event that the Company is late in announcing its financial results, or if it is unable to publish them within the statutory period referred to above, this will cause the Company's shares to be suspended or the listing of its shares will be cancelled, which will negatively and fundamentally affect the interest of the Company's shareholders and the Company's reputation and results of operations. In addition, the Capital Market Authority may cancel the offering of the Company's priority rights shares in the event that it deems that the offering may not be in the interest of the shareholders.

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3.

Company Background and Nature of Business

3- Company Background and Nature of Business

3-1 Company Overview

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

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

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

The Company has one major shareholder who is: His Royal Highness Prince \Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%).

3-2 Company's History and Milestones of its Capital Development

- Seven million (7,000,000) shares of the Company's shares were listed on the Exchange at a nominal value of fifty (50) riyals per share on 14/12/1416H (Corresponding to 01/05/1996G) after obtaining approval of the Ministry of Commerce and the Saudi Arabian Monetary Agency.
- The Company subsequently increased its capital on 28/01/1421H (Corresponding to 03/05/2000G) from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by granting one free share for every 7 shares, so that the number of its shares become eight million (8,000,000) shares in order to support the Company's expansions and its internal and external investments.
- On 08/02/1422H (Corresponding to 02/05/2001G), the Company increased its capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals through distributing three (3) free shares for every eight (8) shares using the entire profits of the Company in order to support the Company's expansion and its internal and external investments.
- On 01/02/1423 H (Corresponding to 14/04/2002G), the Company increased its capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of 2001G to the capital and distribution of two (2) shares for each eleven (11) shares, thus increasing the number of shares from eleven million (11,000,000) to thirteen million (13,000,000) shares in order to support the Company's expansions and its internal and external investments.

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

3-3 Vision, Mission, and Strategy

VISION

To maintain our position as the leaders in supplying the best piping systems to every corner of the globe while actively participating in a global effort where our end users would have access to our products and services through sustainable social and environmental solutions.

MISSION

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

STRATEGY

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

3-4 Company Branches

Table (8) Company Branches

Branch name	Mother Company	CR number	Location	Activity
Saudi Arabian Amiantit Company	Saudi Arabian Amiantit Company Joint stock Company	4030006691	Jeddah	Marketing of the Company's products

Branch name	Mother Company	CR number	Location	Activity
Amiantit factory for Production of Epoxy Pipes	Saudi Arabian Amiantit Company Joint stock Company	2050042140	Dammam	Manufacture of tubes, pipes, hollow shapes, pipe or tube fittings, manufacture of semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hose, fittings, etc.). manufacture of pipes, manufacture of plastic pipes, hoses, tubes, fittings and accessories, non-ferrous ordinary metal articles, including (wires, pipes, tubes, powders, papers, sheets, etc.)
Saudi Arabian Amiantit Company Factory for Manufacturing Plastic Products	Saudi Arabian Amiantit Company Joint stock Company	2050041516	Dammam	Manufacture of semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and their fittings, etc.)
Saudi Arabian Amiantit Company Branch for Construction, Building, Operation and Maintenance	Saudi Arabian Amiantit Company Joint stock Company	2050101638	Dammam	General construction of residential buildings, finishing of buildings
Saudi Arabian Amiantit Company	Saudi Arabian Amiantit Company Joint stock Company	1010006234	Riyadh	Integrated office management services activities

3-5 Subsidiaries

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

Table (9) Subsidiaries owned directly or indirectly by the Group wholly or by majority interest

No	Company	Activity	Country of incorporation	Subsidiary capital	Currency	Amiantit stake (%)
1	Amiantit Fiberglass Manufacturing Co., Ltd. (AFIL)	Pipe production	Kingdom of Saudi Arabia - Dammam	180,000,000	SAR	100
2	Amiantit Rubber Industry Co., Ltd.	Production of rubber rings and materials for pipes	Kingdom of Saudi Arabia - Dammam	8,750,000	SAR	100
3	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. (SADEEP)	Marketing of the Company's products	Kingdom of Saudi Arabia - Dammam	86,915,000	SAR	100
4	Factory of Bondstrand Co., Ltd.	Pipe production	Kingdom of Saudi Arabia - Dammam	20,000,000	SAR	60
5	Amicon Saudi Arabia Limited (Amicon)	Production of pipes and valves	Kingdom of Saudi Arabia - Dammam	15,000,000	SAR	99,93
6	Global Infrastructure Management and Operation Company Ltd. (Amiwater)	Management and maintenance of water projects, desalination plants and a holding Company	Kingdom of Saudi Arabia - Dammam	100,000,000	SAR	100
7	Amiantit International Holding Company Limited	Holding Company	Kingdom of Bahrain - Manama	32,000,000	USD	100
8	Ductile Technology Company Limited (DCTC)	Acquiring and selling properties and renting	Kingdom of Bahrain - Manama	20,000	Bahraini Dinar	100

No	Company	Activity	Country of incorporation	Subsidiary capital	Currency	Amiantit stake (%)
9	Aquamundo Co., Ltd.	Water management	Germany	3,000,000	EUR	100
10	PWT WASSER- UND ABWASSERTECHNIK GMBH (BWT)	Establishment, management and maintenance of water and wastewater treatment plants	Germany	3,000,000	EUR	100
11	Amiantit Malta Holdings Limited	Holding Company	Malta	49,025,000	EUR	100
12	Amitech Astana Pipe Company	Pipe industry	Kazakhstan	403,000,000	Tenji - Kazakhstan	51
13	Amitech Switzerland Company	Holding	Switzerland	10,500,000	Franc - Swiss	100
14	Flotite Engineering	Consulting and technology	Germany	30,000	EUR	100
15	BWT Arabia Company	Establishment, management and maintenance of water and wastewater treatment plants	Germany	311,888	EUR	100
16	BWT Arabia Company	Branch of BWT Company for the management of construction, management and maintenance of water and wastewater treatment plants	Kingdom of Saudi Arabia - Dammam	500,000	SAR	51
17	BWTSU Double U Oh Oh Oh - Turkmenistan	Water management	Turkmenistan	250,000	USD	100
18	Engineering Infrastructure Contracting Company Ltd.	Design and installation services	Kingdom of Saudi Arabia - Dammam	500,000	SAR	100

No	Company	Activity	Country of incorporation	Subsidiary capital	Currency	Amiantit stake (%)
19	Saudi Arabian Amiantit Management Company Ltd.	Management	Kingdom of Saudi Arabia - Dammam	10,000	SAR	90
20	Arabian Building Materials and Industrial Equipment Trading Co. Ltd. (Al Arabiya Trading)	Trading	Kingdom of Saudi Arabia - Dammam	2,000,000	SAR	100
21	FLOTITE EXPORT IS*	Selling and trading	Germany	1,000,000	Norwegian Krone	100
22	John Hansen Company **	Water management	Germany	311,888	EUR	100
23	Saudi Arabian Concrete Products Company ***	Production of pipes	Saudi Arabia -Jeddah	12,250,000	SAR	100
24	Saudi Arabian Ameron Company Limited ***	Production of pipes	Kingdom of Saudi Arabia - Dammam	76,500,000	SAR	100

* During the year 2021G, the Company liquidated Flotite Export ES.

** During the year 2020G, the Company liquidated John Hansen Company

*** On February 20, 2019G, the Company's management decided to stop the activities of the Saudi Arabian Company for Concrete Products and the Saudi Arabian Ameron Company Ltd. Work is underway to liquidate both companies.

Table (10) Companies in which Amiantit owns minority interests, directly or indirectly

No	Country of incorporation	Activity	Country	Affiliate Capital	Currency	Amiantit Interest (%)
1	Amiantit Egypt Company for Fiberglass*	Pipe Industry	Egypt	50,000,000	Egyptian Pound	50
2	Ameron Egypt Company*	Pipe Industry	Egypt	19,313,900	Egyptian Pound	49
3	Amitech Algeria Company	Pipe Industry	Algeria	262,769,000	Algerian Dinar	50

No	Country of incorporation	Activity	Country	Affiliate Capital	Currency	Amiantit Interest (%)
4	Amitac Morocco Company*	Pipe Industry	Morocco	122,000,000	Moroccan Dirham	50
5	Amiantit Qatar Company Limited (ACAP) Limited	Pipe Industry	Qatar	27,200,000	Qatari Ryal	40
6	Sar Plast	Pipe Industry	Switzerland	1,550,000	EUR	23,7
7	Amitech Libya Company	Pipe Industry	Libya	1,000,000	Libyan Dinars	40
8	Sar Plast Qatar Ltd.	Pipe Industry	Qatar	200,000	Qatari Ryal	20.4
9	Superpower Industrial Power Company Vikart AS	Pipe Industry	Turkey	48,306,000	Turkish lire	20
10	Super Gap Industrial Company Vikart AS	Pipe Industry	Turkey	21,700,000	Turkish lire	16
11	Amitech Piping Systems	Pipe trade	Romania	327,620	Romanian Leu	50
12	Amitech Pipes Romania **	Under liquidation	Romania	116,000	Romanian Leu	50
13	Embello Holding Company GMBH	Pipe Industry	Austria	5,950,000	EUR	50
14	Amensos SE*	Water Distribution	Morocco	100,000,000	Moroccan Dirham	15
15	SBI Industrial Initiative	Pipe Industry	Italy	3,700,000	EUR	4,48
16	International Water Distribution Company Limited ("Tawzea")	Construction, operation and maintenance of water networks and sewage services	Kingdom Saudi Arabia	146,000,000	SAR	50
17	East Gas Company	Production of liquefied petroleum gas, propane gas, butane gas, cylinders, and tanks	Kingdom Saudi Arabia	80,000,000	SAR	13

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

* The Company announced on Tadawul on 24/11/2020G the sale of its entire stakes in Amitac Morocco and Amensos Morocco. During the year 2020, the Company sold its 50% and 49% owned stake in Amiantit Fiberglass Egypt and Ameron Egypt, respectively.

** During the year 2019, the Company liquidated the Romanian-based Amitechh Pipes Company.

3-6 Company Substantial Shareholders

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

Table (11) Substantial Shareholders of the Company (shareholders who own 5% or more of the Company's shares)

No	Name	Nationality	Direct Ownership Percentage Approx.*	Number of shares for direct ownership	Face value (SAR)
1	Prince Mohammed bin Fahd bin Abdulaziz Al Saud	Saudi	6.281%	621,819	6,218,190

* Substantial Shareholders do not have indirect shares in the Company

3-7 Company Activity

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

The "**Company**" also provides pipe design and installation services through its Saudi Company, Infrastructure Engineering Contracting Company Limited (ISECC). The "**Group**" carries out various activities in research and development related to the pipe industry, which are implemented through the research and development centers located in the city of Dhahran at the Dhahran Techno Valley Company, in the Kingdom of Saudi Arabia, in addition to a research center of the "**Group**" in S adford, Norway, as part of the joint "**Company**" in Europe (Amiblu). In addition, the "**Group**" works in the field of engineering and operation of water treatment plants through its German subsidiary PWT (wholly owned by the "**Company**"). The Group also works in the field of water project management through the International Water Distribution Company Limited "**Tawzea**" in the Kingdom of Saudi Arabia, in which the Company owns a 50% stake. It is worth noting that the Company owns 13% of the shares of East Gas Company, which purchases natural gas from Saudi Aramco and sells it to more than 45 industrial customers through its underground pipeline network in the Second Industrial City of Dammam. It also implements engineering, construction, operation and maintenance of pipelines and station meters in a safe and environmentally friendly manner.

3-7-1 Manufacturing and sales of pipes and related technologies

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

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

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

The technology sector operates through two research and development centers. The first center is located in Dhahran Techno Valley at King Fahd University of Petroleum and Minerals, in Dhahran, Saudi Arabia. The second center is located in the city of S adford, Norway, as part of the joint Company in Europe (Amiblu). The two centers are staffed by 58 researchers managing advanced research and testing equipment, with an estimated value of 67.03 million Saudi Riyals as on December 31, 2021G (53.8 million Saudi Riyals during the year 2020G). The expenditures of the research and development sector are estimated at about 51.7 million Saudi Riyals as on December 31, 2021G (21.9 million Saudi Riyals during the year 2020G). The research centers depend on their work on the activities of fiberglass tubes and epoxy tubes (GRP / GRE). This research aims to improve product design, expand the scope of its applications, raise the efficiency of production processes, and other related research activities.

The Group's revenues from manufacturing and sale of pipes and related technologies sector represented (86%), (96%) and (86%) of the total Group revenues for the years 2019G, 2020G and 2021G, respectively. The following table shows the Group's revenues from the manufacturing and selling sector of Pipes and related technologies

Statement (SAR '000)	2018G	2019G	2020G	2021G
Revenues from the manufacture and sale of pipes and related technologies	772,033	674,761	421,909	377,905
Group total revenue	947,594	780,409	441,022	438,911

3-7-2 Water Management Sector

3-7-2-1 Engineering, procurement, and operation of water treatment projects EPC

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

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

The results and actions of the year 2021G were greatly affected by the Corona pandemic and by the political and economic conditions in the regions where large projects are being implemented, for example (large water treatment plant) in Iraq and (water desalination plant) in Turkmenistan.

The Company has worked in the development of many industrial projects in Germany, especially after the state's tendency to work on water conservation and sustainability.

The Company aims to expand the operation, maintenance, and treatment of industrial water.

3-7-2-2 Water Management

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

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

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

Furthermore, on August 25, 2021G, the consortium in which the International Water Distribution Company "**Tawzea**" participates with the Spanish Acciona Company and Tatamus Company won three projects to establish three independent sewage treatment plants in Tabuk, Buraidah and Madinah. The total capacity of the three plants is 440,000 m³/day as per the distribution below. Financial closure is expected to be achieved during the first quarter of 2022G.

City	Processing capacity in m3/day
AL Madinah AL Munawara	200,000
Buraydah	150,000
Tabuk	90,000

In order to enhance and develop the role of Tawzea in implementing the mentioned current projects, the Board of Directors of the Saudi Arabian Amiantit Company approved during the year 2021G to list it on the Parallel Market (“**Nomu Market**”).

The Group’s revenues from the water management sector represented (14%), (4%) and (14%) of the Group’s total revenues for the years 2019G, 2020G and 2021G, respectively. The following table shows the Group’s revenues from the water management sector.

Statement (SAR '000)	2018G	2019G	2020G	2021G
Water management sector revenue	175,561	105,648	19,114	61,006
Group total revenue	947,594	780,409	441,022	438,911

3-8 Competitive Advantages

First: The Company owns an integrated system for pipe projects. It owns 100% owned subsidiaries working in the field of planning and engineering pipeline projects, and then specify the pipes used in the projects, and manufacturing, supplying and installing pipes, fittings and accessories. Amiantit is almost unique and distinct in the world at this level.

Second: Amiantit owns product research and development centers in Saudi Arabia and Norway. These centers develop products, improve their performance, develop new products, and provide technical support to find engineering solutions to all problems experienced by projects and develop production and manufacturing methods. These centers are not available in all worldwide pipe companies except for Amiantit.

Third: Amiantit owns factories that produce complementary materials for the manufacture of pipes, such as joints, accessories, rubber rings, flanges, and tanks.

Fourth: Amiantit has a marketing network locally and internationally, as it has branches and marketing offices all over the world.

Fifth: Amiantit owns all pipeline technologies and licenses them to third parties and provides the necessary technical support for turnkey projects.

Sixth: Amiantit’s global reputation in the field of manufacturing, supplying, installing, and manufacturing pipe factories made it assume the first global position in the field of pipe industry.

Seventh: Effective and active management, as it has a distinguished Board of Directors and executive management, and they hold educational qualifications and specialized expertise in the Company’s business field.

3-9 Business interruption

On 20/02/2019G, the Group's management decided to stop the activities of the Saudi Arabian Ameron Company Limited and the Saudi Arabian Concrete Products Company Limited (SACOP) due to the cessation of demand for the products of those companies. The following table shows the revenues of the Saudi Arabian Ameron Company Ltd. and the Saudi Arabian Concrete Products Company for the years 2018G, 2019G, 2020G and 2021G.

Year	2018G	2019G	2020G	2021G
Ameron Saudi Arabia Co. Ltd. *	5,294 million Saudi Riyals	41,092 million Saudi Riyals	0	0
Saudi Arabian Concrete Products Co. Ltd. **	6,980 million Saudi Riyals	3,713 million Saudi Riyals	0	0

* Work is underway to liquidate the Saudi Arabian Ameron Company, and the losses resulting from the liquidation of that company are estimated at 8.6 million Saudi Riyals.

** Work is underway to liquidate the Saudi Arabian Concrete Products Company, and the losses resulting from the liquidation of the Company are estimated at 5.4 million Saudi Riyals.

The Company has conducted an assessment for the value of the companies to determine the recoverable value. The following table shows the assessment result during the years 2018G, 2019G, 2020G and 2021G.

(SAR '000)	2018G	2019G	2020G	2021G
Ameron Saudi Arabia Co. Ltd.	(18,350)	(524)	562	(638)
Saudi Arabian Concrete Products Co. Ltd.	(6,118)	(1,444)	90	-
Total	(24,468)	(1,968)	652	(638)

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

1. During the year 2019G, the Group liquidated the Romanian-based Amitech Pipe Company, which is 100% owned by Suboor Amiantit Company owns 20% of Sabor Company, and its liquidation resulted in a loss of 793 Saudi Riyals.
2. During the year 2020G, the Group officially liquidated the German-based John Hansen Company, which is 100% owned by the Group, and its liquidation resulted in a loss of 1.5 million Saudi riyals. The revenues of John Hansen Company represented (0.00%) of the total Group revenues for the years 2018G, 2019G and 2020G and the nine-month period ending on September 30, 2021G.
3. During the year 2020G, The Group sold its stake in Amensos SI, based in Morocco, a company owned by 15% of the Group, and its liquidation resulted in a loss of 2.8 million Saudi Riyals.
4. During the year 2020G, the Company sold its 50% and 49% owned stake in Amiantit Fiberglass Egypt and Ameron Egypt, respectively, and this resulted in actual realized losses in the amount of 15.7 million Saudi Riyals.
5. On 23/11/2020G, the Company sold its 50% owned stake in Amitac Morocco, which resulted in a net profit of (12.4) Million Saudi Riyals.

6. During 2021G, the Group formally liquidated Norway-based Flo-Tite Export ES, a 100% owned subsidiary of the Group. The liquidation resulted in a loss of 48.8 thousand Saudi Riyals. The revenues of Flo-Tite for Export represented (0.00%) of the total Group revenues for the years 2018G, 2019G and 2020G and the nine-month period ending on September 30, 2021G.

3-10 Employees and Saudization

As on December 31, 2021G, the Saudi Arabian Amiantit Company's localization rate was (30.76%), and it is classified within the Platinum - Small category (B) range of the Nitaqat program, according to the Nitaqat program issued by the Ministry of Human Resources and Social Development.

The following table shows the details of the Saudi subsidiaries according to the Nitaqat program:

Table (12) Saudi subsidiaries according to the Nitaqat program

The Company's name	Nationalization rate	Entity size	Range (Nitaq)	Date
Amiantit Fiberglass Manufacturing Co., Ltd.	91.67%	Small (class B)	Platinum	31 December 2021G
Amiantit Rubber Industry Factory	30.43%	Small (class B)	Green medium	31 December 2021G
Saudi Arabian Company for the manufacture of ductile iron pipes	26.32%	Middle class (c)	Green medium	31 December 2021G
Bondstrand Factory Company	31.07%	Middle class (B)	Green high	31 December 2021G
Global Infrastructure Management and Operation Company	100%	Small (class A)	Green Small	31 December 2021G
Infrastructure Engineering Contracting Company	16.73%	Middle class (B)	Green Small	31 December 2021G
Saudi Amicon Company	26.32%	Middle class (c)	Green Small	31 December 2021G

3-11 Employee Stock Plan

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

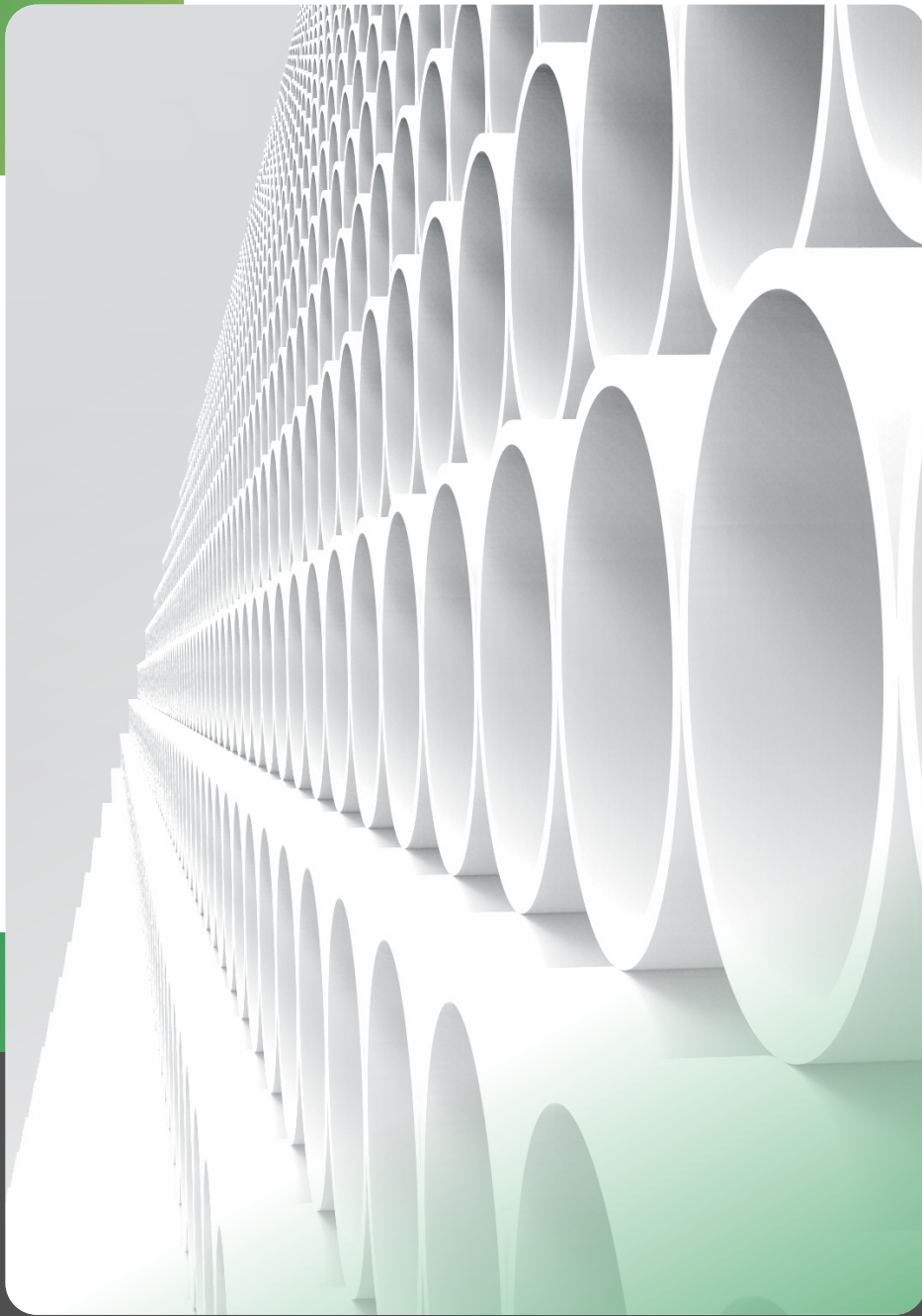
The following table shows details of this Plan up to the date of this Prospectus:

Table (13) Employee Stock Plan

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

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

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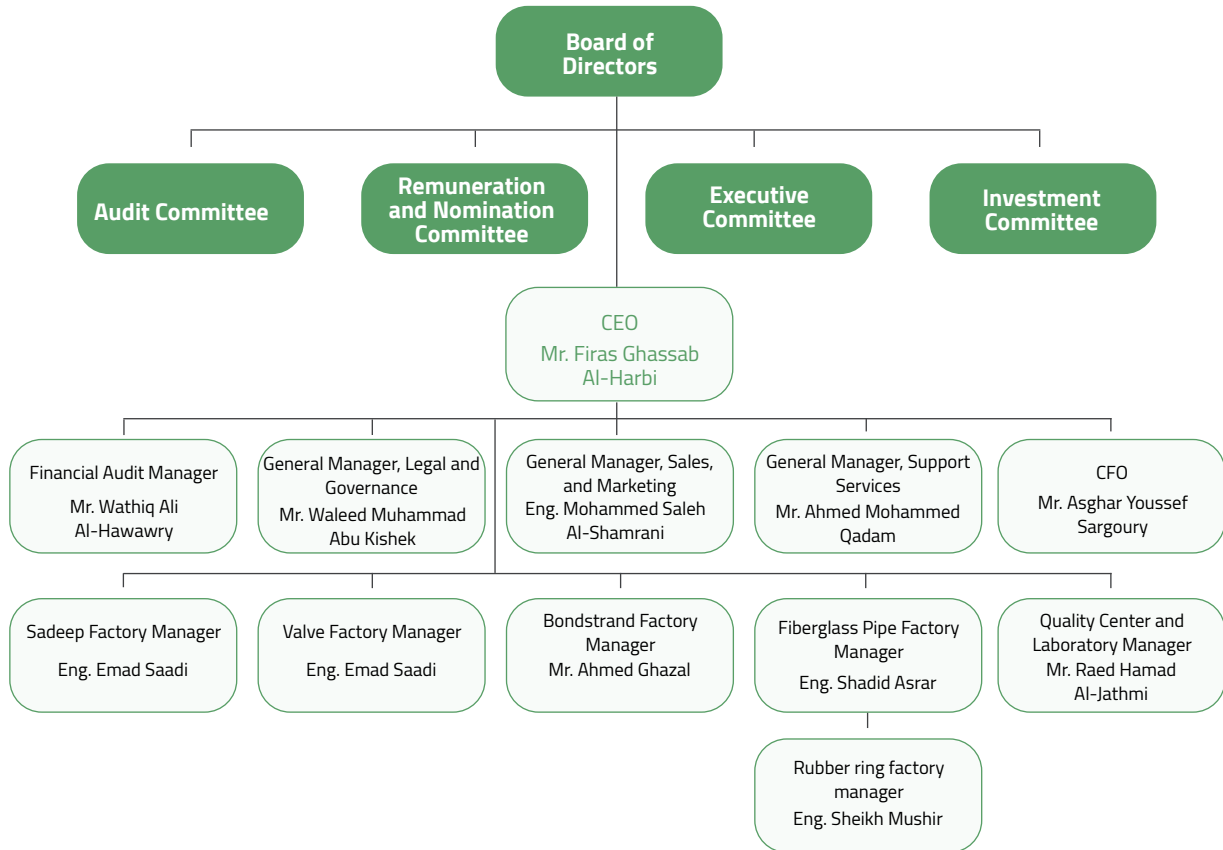
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The organizational structure of the company

4- The organizational structure of the company

4-1 Organizational Structure

The following figure shows the organizational structure of the Company:



4-2 Board of Directors and Secretary:

The Company's Ordinary General Assembly, in its meeting held on 17/11/2020G, approved the appointment of (5) members of the Board of Directors, with the appointment taking effect from 01/01/2021G for a period of three years and ending on 31/12/2023G. The following table shows the members of the Board of Directors as of the date of this prospectus:

Table (14) Board members

Name	Position	Representing	Nationality	Age	Capacity	Owned Shares				Membership Date
						Direct	Indirect*	Total	(%)	
Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud	Chairman	-	Saudi	62	Non - Executive	66,920	-	66,920	0.6759596%	01/01/2021G
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Deputy Chairman	-	Saudi	30	Non-Executive	7,096	-	7,096	0.0716768%	01/01/2021G
Dr. Sulaiman Abdulaziz Al-Tuwaijri**	Member	-	Saudi	56	Non-Executive	0	-	-	0.00%	19/10/2021G
Dr. Mohammed Saud Al-Badr	Member	-	Saudi	69	Independent	0	-	-	0.00%	01/01/2021G
Eng. Mohammed Abdulrahman Al-Luhaidan	Member	-	Saudi	50	Independent	4	-	4	0.0000404%	01/01/2021G
Waleed Mohammed Abu Kishek	Secretary	-	Jordanian	59	-	0	0	0	0	01/01/2021G

Source: The Company Management

The Company's Ordinary General Assembly, in its meeting held on 17/11/2020G, approved the election of the members of the Board of Directors Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud, Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud, Dr. Khalil Abdel Fattah Kurdi, Dr. Mohammed Saud Al-Badr and Eng. Mohammed Abdulrahman Al-Luhaidan, starting on 01/01/2021G for a period of three years ending on 31/12/2023G.

* Board members have no indirect ownership in the Company

Dr. Khalil Abdel Fattah Kurdi resigned from the Board of Directors on 18/10/2021G, and the Board of Directors approved his resignation on 12/03/1443H (Corresponding to 18/10/2021G).

** The Extraordinary General Assembly of the Company, in its meeting held on 27/02/2022G, approved the Board of Directors' decision to appoint Dr. Sulaiman Abdulaziz Al-Tuwaijri as a non-executive member of the Board of Directors starting from the date of his appointment on 19/10/2021G to complete the Board's term until the end of the current term on 31/12/2023G, succeeding the previous member, Dr. Khalil Abdel Fattah Kurdi (Non-Executive Member).

Table (15) The number of board meetings in the last three years

Managerial body	2019G	2020G	2021G	2022G Until the date of this Prospectus
Board of Directors	4	4	8	1

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

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

Table (16) Compensation and remuneration of Board members and top executives

(SAR '000)	2019G	2020G	2021G
Board of Directors	284,400	135,000	1,243,000
Executive Managers	5,772,000	8,439,479	11,431,000

Source: The Company Management

4-4 Board Committees

The Board has formed a number of specialized committees, whether in accordance with the requirements of the Companies Law, the Capital Market Authority Law and its Implementing Regulations, or in light of the Company's business need, to assist the Board in managing its tasks more effectively, which are as follows:

4-4-1 Executive Committee

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

- Discussing and making decisions related to issues that need urgent decisions in emergency situations within the limits of the powers granted to it by the Board of Directors.
- Receiving reports from management on legal issues and lawsuits of material importance to the Company.
- Ensuring that the Company's strategic plans have been translated into actual actions and works aimed at achieving the Company's goals.
- Reviewing the CEO's recommendations regarding the distribution of the Company's resources aimed at achieving alignment between the Company's strategic plans and its long-term operational objectives.
- Periodic review of the Company's strategic plans and operational objectives to ensure their compatibility with the Company's mission and strategic objectives.

- Preparing recommendations to the Board of Directors for strategic decisions related to operational priorities, including expansion to new markets and countries or exit from existing markets and countries.
- Preparing and reviewing the recommendations submitted to the Board of Directors related to the Company's policy and dividends and how to implement them.
- Periodic review of capital and actual expenditures and review them with previously approved budgets for them.
- Annual review and evaluation of its charter in order to ensure that it performs its duties and submit recommendations to the Board of Directors regarding making amendments thereto.
- The Committee submits a periodic report on its work to the Board of Directors, not less than once every six months.

Table(17) Executive Committee Members

Name	Position	Membership Date
Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud	Chairman	01/01/2021G
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Member	01/01/2021G
Dr. Khalil bin Abdul Fattah Kurdi	Member	01/01/2021G
Dr. Sulaiman bin Abdulaziz Al-Tuwaijri	Member	01/01/2021G
Mr. Firas Ghassab Al-Harbi	Member	15/03/2021G

Source: The Company Management

Table (18) The number of committee meetings

Managerial body	2019G	2020G	2021G
Executive Committee	3	3	8

4-4-2 Audit Committee

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

- Monitoring the Company's business and activities to verify the integrity and fairness of the financial reports and the Company's internal and financial control systems.
- Studying the Company's initial and annual financial statements before presenting them to the Board of Directors and making recommendations in this regard to ensure their integrity, fairness, and transparency.
- Examining any issues raised by the CFO or Auditor.
- Supervising the Company's internal audit unit and recommending to the Board of Directors the appointment of an internal audit officer.
- Studying internal audit reports and following up on the implementation of corrective actions.
- Recommending the Board of Directors to nominate and dismiss auditors, determine their fees, verify their independence, and evaluate their performance.

- Studying the accounting policies followed by the Company and expressing an opinion and recommendation to the Board of Directors in this regard.
- Verifying the Company's compliance with relevant laws and regulations.
- Reviewing the reports of the regulatory authorities and verifying that the Company has taken the necessary measures in this regard.
- Reviewing the Committee's work regulations, evaluating tasks and controls from time to time, recommending any changes to the Board of Directors for study, and recommending the shareholders' General Assembly to approve the amendment.

Table (19) Audit Committee Members

Name	Position	Membership Date
Dr. Sulaiman bin Abdullah Al-Sukran	Chairman	01/01/2021G
Mr. Waleed Mohammed Al-Othaimeen*	Member	01/01/2021G
Dr. Mohammed bin Saud Al-Badr	Member	01/01/2021G

Source: Company Management

* On 25/03/1443H (Corresponding to 31/10/2021G) the Board of Directors' decision to appoint Mr. Waleed Mohammed Al-Othaimeen as a member of the Audit Committee from outside the Board, starting from 01/11/2021G until the end of the current committee's term on 31/12/2023G, in place of the previous committee member, Dr. Khalil Abdel Fattah Kurdi (Non-Executive Member).

Table (20) Number of committee meetings in the last three years

Managerial body	2019G	2020G	2021G
Audit Committee	5	4	6

4-4-3 Remuneration and Nominations Committee

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

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

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

Table (21) Members of the Remuneration and Nominations Committee

Name	Position	Membership Date
Dr. Mohammed bin Saud Al-Badr	Chairman	01/01/2021G
Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud	Member	01/01/2021G
Mr. Sulaiman Abdullah Al-Amro	Member	01/01/2021G

Source: Company Management

Table (22) Number of committee meetings in the last three years

Managerial body	2019G	2020G	2021G
Remuneration and Nominations Committee	1	4	5

4-4-4 Investment Committee

The following table shows the details of the investment committee of the Company:

Table (23) Investment Committee Members

Name	Position	Membership Date
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Chairman	01/01/2021G
Eng. Mohammed Abdul Rahman Al-Luhaidan	Member	01/01/2021G
Mr. Sulaiman Abdullah Al-Amro	Member	01/01/2021G
Mr. Firas Ghassab Al-Harbi	Member	01/01/2021G

Source: The Company Management

Table (24) Number of Committee meetings

Managerial body	2019G	2020G	30/9/2021G*
Investment Committee	-	-	3

4-5 Executive Management

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

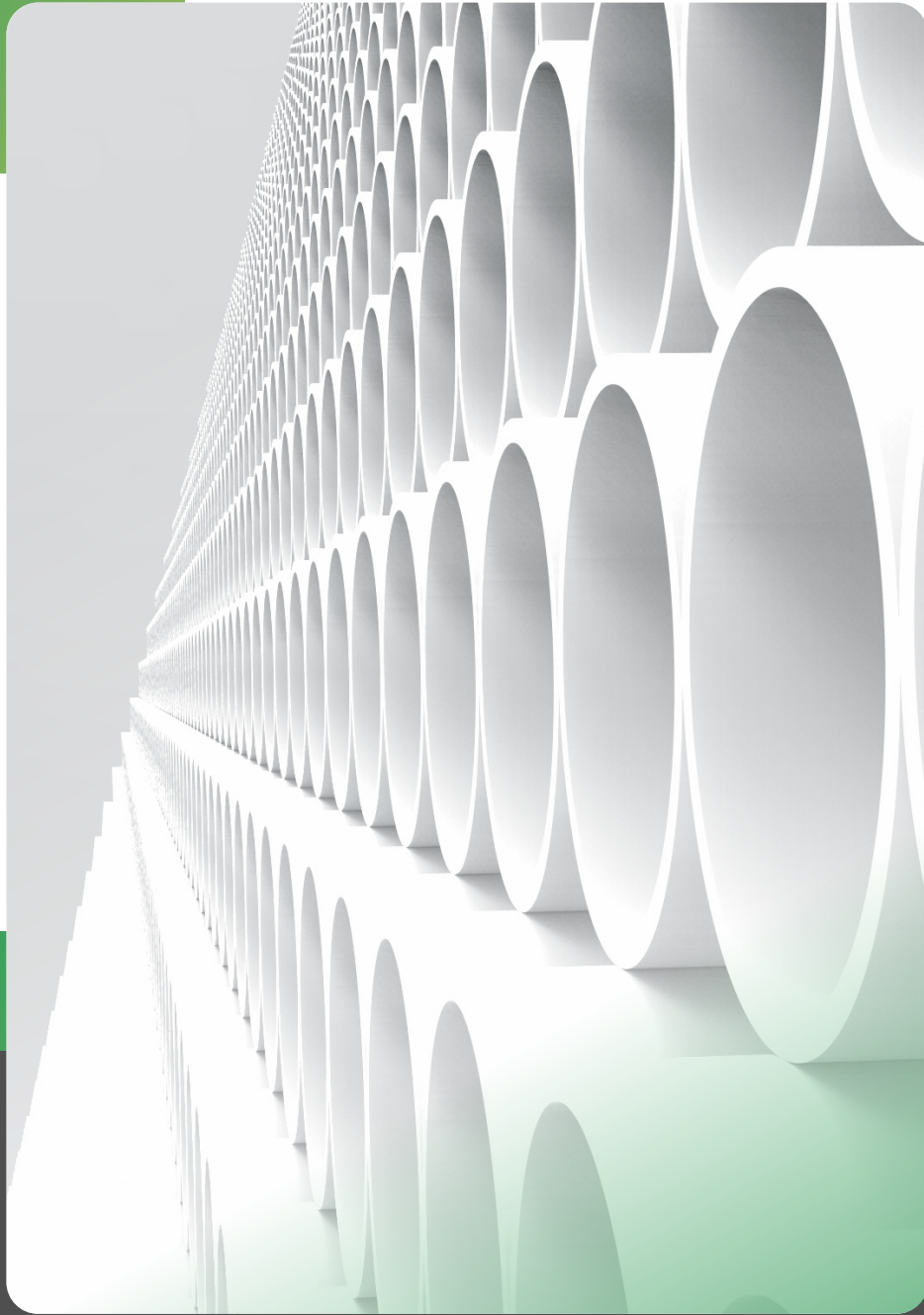
Table (25) The Company's executive management

Name	Post	Qualification	Nationality	Date of Appointment
Firas Ghassab Al-Harbi*	CEO	Master's Degree in Finance and Accounting	Jordanian	01/06/2020G
Waleed Mohammed Abu Kishek	General Manager of Legal Affairs and Compliance	Master of Laws	Jordanian	01/09/1990G
Asghar Youssef Sargroh	Finance Manager	Bachelor's degree in Accounting and Finance	Indian	11/09/2001G
Mohammed Saleh Alshamrani	Sales and Marketing Manager	Bachelor of Chemical Engineering	Saudi	08/11/2005G
Ahmed Mohammed Qadam	Service Manager	Bachelor of Business Administration	Saudi	22/07/2000G
Wathiq Ali Al-Hawara	Internal Audit Manager	Bachelor's degree in Finance and Banking Sciences	Jordanian	15/02/2021G
Jamil Dakhil Al-Anzi	Manager of Human Resources Department	Bachelor's degree in Sociology	Saudi	01/02/2003G
Ahmed Anwar Al-Shuaibi	Manager of Information Technology	Bachelor of Computer Science	Saudi	26/07/2015G

Source: The Company Management

* Mr. Firas Ghassab Al-Harbi was appointed to the position of CEO starting from 01/03/2022G instead of Dr. Khalil Abdul-Fattah Kurdi, who resigned on 27/02/ 2022G.

** The Internal Audit Manager, Mr. Mohammed Subhatallah, was appointed on 23/02/2020 instead of Mrs. Maraya Al-Subaie, resigned on 30/06/2019G.



5.

Management Discussion and Analysis of the Financial Position and Results of Operations

5- Management Discussion and Analysis of the Financial Position and Results of Operations

5-1 Introduction

The management discussion and analysis section of the Saudi Arabian Amiantit Company (the “**Company**”) presents an analytical review of the operational performance and financial position during the past three years ending on 31 December 2019G, 2020G and 2021G. This section is to be read in conjunction with the audited financial statements for the respective periods reviewed by Baker Tilly MKM and Partners (Chartered Accountants) Company during the years ending on 31 December 2019G and 2020G and the audited financial statements for the period ending on 31 December 2021G, which were reviewed by the company’s auditors, Al Kharashi & Partners Company (Certified Public Auditors).

This section is based on the company’s consolidated financial statements for the fiscal year ending on 31 December 2019G, 2020G and 2021G, which were prepared in accordance with International Accounting Reporting Standards (IFRS) as approved in the Kingdom of Saudi Arabia and other standards and statements issued by the Saudi Organization for Certified Public Accountants (SOCPA) in addition to the accompanying notes prepared by Baker Tilly MKM & Co. (Certified Public Auditors) and Al Kharashi & Co. (Certified Public Auditors).

Neither Baker Tilly MKM & Co. (Certified Public Auditors), Al Kharashi & Co. (Certified Public Auditors), its subsidiary, its employees, nor any of their relatives have any shares or interest of any kind in the Company that would affect their independence. The company’s auditors, as on the date of this prospectus, have provided their written consent, and have not withdrawn that consent, to refer in this prospectus to their role as the company’s auditors for the financial years ending on 31 December 2019G, 2020G and 2021G.

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

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

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

Following are the most important operating companies of the Group:

Subsidiary	Ownership percentage as on				
	Main activity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019
Amiantit Fiberglass Manufacturing Company Limited (AFIL) Factory	A	Saudi Arabia	100	100	100
Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd. (SADEEP) Factory	A	Saudi Arabia	100	100	100
Global Infrastructure Management and Operation Company Ltd. (Amiwater)	B	Saudi Arabia	100	100	100
Infrastructure Engineering Contracting Company Ltd.	C	Saudi Arabia	100	100	100
Amiantit Rubber Industry Co. Ltd. (Ariel) Factory	A	Saudi Arabia	100	100	100
Bondstrand Co. Ltd. (Bondstrand)	A	Saudi Arabia	60	60	60
Amicon Saudi Company Limited (Amicon)	A	Saudi Arabia	99,93	100	100
PWT WASSER- UND ABWASSERTECHNIK GMBH (BWT)	C	Germany	100	100	100
Amitech Astana L. L. C.	A	Kazakhstan	51	51	51
Non-continuous operations (Note 2-2)					
Saudi Arabian Ameron Company Limited (ASAL)	A	Saudi Arabia	100	100	100
Saudi Arabian Concrete Products Co. Ltd. (SACOP)*	A	Saudi Arabia	100	100	100

**The subsidiary was formally liquidated during 2021G.

- a. Pipe manufacturing
- b. Water management
- c. Contracting

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

5-2 Acknowledgment of the Members of the Board of Directors Regarding the Financial Statements

1. The members of the Board of Directors acknowledge that the financial information contained in this section has been extracted without material changes from the audited consolidated financial statements for the years ended on 31 December 2019G, 2020G and 2021G, and the notes attached to them without making any material modification to them. They include financial information provided on a consolidated basis in a form consistent with the financial statements approved by the company and its subsidiaries in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants (SOCPA).
2. The members of the Board of Directors acknowledge that the company has - either alone or jointly with its subsidiary company - a working capital sufficient for a period of at least 12 months immediately following the date of publication of the prospectus.
3. The company incurred losses during the years ending on 31 December 2019G, 2020G and 2021G, and with the exception of what was disclosed in this prospectus, the members of the Board of Directors acknowledge that there has been no fundamental negative change in the financial and commercial position of the company during the three fiscal years immediately preceding the date of submitting the application for registration, and the offering of the securities subject to this prospectus, in addition to the period covered by the chartered accountant's report until the date of approval of the prospectus.
4. The Board of Directors acknowledges that the company does not intend to make any fundamental change in the nature of its activity.
5. The Board of Directors acknowledges that the company's operations have not stopped in a way that could affect or adversely affect its financial position during the past twelve months.
6. The members of the Board of Directors acknowledge that all material facts related to the company and its financial performance have been disclosed in this prospectus, and that there are no other facts whose omission may lead to any data in this prospectus being misleading.
7. The members of the Board of Directors acknowledge that the company and its subsidiary company do not have any property, including contractual securities or other assets whose value is subject to fluctuations or whose value is difficult to ascertain, which greatly affects the assessment of the financial position.
8. Except for what was disclosed in this prospectus, the members of the Board of Directors acknowledge that the company and its subsidiary have not provided any commissions, discounts, brokerage fees, or any non-cash compensation during the three years immediately preceding the date of submitting the application for registration and offering the subject securities. This Prospectus is related to the issuance or offering of any securities, in addition to the names of any of the members of the Board of Directors, members of the proposed Board of Directors, senior executives, those presenting or offering securities, or experts who received any of those payments or benefits.
9. The members of the Board of Directors acknowledge that the capital of the company and its subsidiary is not subject to any of the option contracts.
10. The Board of Directors acknowledges that the company does not have issued, existing or approved debt instruments that have not been issued, or term loans, or loans secured by mortgage, or not secured by a mortgage, except for what was disclosed in Section No. (5) "**Discussion and analysis of the management of the Statement of Financial position and Results of Operations**" and Section No. (9) "**Legal Information**" of this Prospectus".
11. The Board of Directors declares that the Company does not have loans or other indebtedness, including bank overdrafts, commitments under acceptance and acceptance credit, lease-purchase commitments, loans secured by mortgage, or loans not secured by mortgage, or loans secured by personal guarantees or debts or obligations covered by personal guarantees, except for what was disclosed in Section No. (5) "**Management discussion and analysis of the financial position and results of operations**" and Section No. (9) "**Legal information**" of this prospectus.

12. Except for what was disclosed in Section No. (5) “**Management’s discussion and analysis of the financial position and results of operations**” and Section No. (9) “**Legal information**” of this prospectus, the Board of Directors acknowledges that there are no mortgages, rights or burdens on the company’s property and company affiliate as of the date of this Prospectus.
13. The Board of Directors acknowledges that there are no important fixed assets to be purchased or leased except for what was disclosed in Section No. (5) “**Discussion of Management, Analysis of the Financial Position and Results of Operations**” of this Prospectus.
14. The Board of Directors acknowledges that, with the exception of what has been disclosed in Section No. (2) “**Risk Factors**” of this Prospectus, the Company does not have any seasonal factors or economic cycles related to the activity that may have an impact on the operations of the Company, its subsidiaries or associates.
15. The Board of Directors acknowledges that, with the exception of what was disclosed in Section No. (2) “**Risk Factors**” of this Prospectus, the Company has no information on any governmental, economic, financial, monetary, political, or any other factors have materially affected or could affect (directly or indirectly) the operations of the Company, its subsidiaries or associates

5-3 Basis of Preparation

The Group’s consolidated financial statements for the financial years ending on 31 December 2019G, 2020G and 2021G have been prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants.

The consolidated financial statements have been prepared on the historical cost basis, except for the financial derivatives that are measured at fair value and termination of employment benefit obligations, which are recognized at the present value of the future obligations. The consolidated financial statements are presented in Saudi riyals, which is the company’s functional currency, and all amounts are rounded to the nearest (SAR 1 thousand), unless otherwise indicated.

5-4 Basis of Consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries as of 31 December 2019G, 2020G and 2021G.

Control is achieved when the company becomes exposed, or has the right, to variable returns from its involvement with the investee, and the company has the ability to affect those returns through the exercise of its power over the investee. In particular, the company controls an investee if, and only if, directly or indirectly, the company has:

- Influence over the investee (for example: the existence of existing rights that give the company the current ability to direct the relevant activities of the investee).
- Exposure to risks and the company has rights to obtain variable returns as a result of its relationship with the investee.
- The ability to use its influence over the investee to affect its returns. In general, there is an assumption that possession of the majority of voting rights will result in control.

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

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

The company reassesses whether or not it exercises control over the investee if facts and circumstances indicate that there has been a change in one or more of the three elements of control. The consolidation of the subsidiary company begins from the date of the company's control over the subsidiary company and continues until the control of the subsidiary company is removed.

The assets, liabilities, revenues and expenses of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which control is transferred to the company until the date the company loses control of the subsidiary. Profit or loss and each component of consolidated comprehensive income are distributed to the shareholders of the company and to the non-controlling interests, even if such distribution could result in a deficit balance for the non-controlling interests. When necessary, adjustments are made to the financial statements of the subsidiaries in order to reconcile their accounting policies with the group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to intra-group transactions are eliminated in full on consolidation of the financial statements.

Any change in the ownership interest in a subsidiary that does not result in a loss of control is accounted for as an equity transaction. If the group loses control of a subsidiary, it:

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

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

5-4-1 Conservative opinion

The legal auditor has reviewed the consolidated financial statements of the Saudi Arabian Amiantit Company and its subsidiaries (the "**Group**"), which include the consolidated financial position statement as of 31 December 2019G, 2020G, 2021G, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal years 2019G, 2020G and 2021G, and the notes attached to the consolidated financial statements, including a summary of important accounting policies.

However, the legal auditor concluded that, except for the potential impact of the matters described in the "**Basic for Conservative Opinion**" section below, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019G, 2020G and 2021G and its consolidated financial performance and its consolidated cash flows for the financial years ending on those dates, in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia, and other standards and issuances approved by the Saudi Organization for Certified Public Accountants.

5-4-2 Basis of Conservative Opinion

- The balance of current trade receivables, non-current receivables and contract assets as of 31 December 2019G amounted to SAR 527.4 million, SAR 367.8 million and SAR 353.8 million, respectively. The Group accounts for these balances using the amortized cost method and the expected credit losses are estimated using the simplified approach. The estimation of expected credit losses depends on the financial conditions of the group's customers, the majority of whom are contracting companies, and also depends on the results of the cases before the courts and the results of the implementation decisions of the judgments issued. Although the Group's management believes that the provision for impairment in these balances as of 31 December 2019G represents its best estimate in the light of the available information, the Group's management cannot, due to circumstances beyond its control, obtain reliable information about the financial conditions of its customers or predict the results of the cases before the courts and the results of the execution decisions of the issued judgments are reliable even if the legal auditor has been able to complete his review and obtain this information, he might have learned things indicating that there were necessary adjustments to be made to the balances of trade and non-current receivables and contract assets.
- The book value of the Group's investment in Amiblu, which represents an investment in a joint venture that is accounted for using the equity method, amounted to SAR 258.3 million as of 31 December 2019G (SAR 230.2 million as of 31 December 2018G). The auditor has not been able to obtain sufficient appropriate audit evidence about the Group's management's assessment of the impairment of the Group's investment in Amiblu. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

The legal auditor has audited the financial statements in accordance with the international standards of auditing approved in the Kingdom of Saudi Arabia. His responsibilities under those standards are detailed in the **"Auditor's Responsibilities for the Audit of the Consolidated Financial Statements"** section of the financial statements. It should be noted that the legal auditor is independent of the group in accordance with the rules of professional conduct and ethics approved in the Kingdom of Saudi Arabia related to the audit of the consolidated financial statements. The legal auditor has also fulfilled his other ethical responsibilities in accordance with these rules. In his opinion, the audit evidence obtained by him is sufficient and appropriate to provide a basis for expressing his qualified opinion.

5-5 A Summary of the Most Important Accounting Policies

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

Revenue from Contracts with Customers

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

Goods Sales

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

Variable Consideration

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

Warranty Obligations

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

Provision of Services

Revenue from rendering services is recognized over the period of time in which those services are performed. For fixed rate contracts, revenue is recognized based on the percentage of completion method which measures actual costs incurred up to the end of the reporting period as a proportion of total costs to be incurred. Estimates of revenue, costs or business progress are reviewed and adjusted if conditions change. Any increase or decrease in the estimated revenue or costs is reflected in profit or loss in the period in which the circumstances giving rise to the revision of the estimates become known to management.

Contractual Assets

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

Contractual Obligations

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

Expenses

All operating expenses are allocated on a consistent basis to cost of revenue and selling, general and administrative expenses using fixed distribution factors that are determined in proportion to the group's activities.

5-5-1 Zakat and Tax

Zakat

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

Current Foreign Income Tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered or paid to the tax authorities. Tax rates and regulations in effect or de facto at the balance sheet date are used in the countries in which the Group operates and generates taxable income. Income tax relating to items recognized directly in equity is charged to equity and not to the consolidated statement of profit or loss. The management evaluates the situations taken in the tax returns periodically with regard to the cases subject to interpretations and creates provisions when needed.

Deferred Tax

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

- If the deferred tax liability arises from the initial evidence of goodwill or an asset or liability in a transaction other than a business combination and does not affect - at the time of the transaction - the accounting profit or taxable profit or loss.
- Taxable temporary differences relating to investments in subsidiaries, associates or joint ventures, when the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences and unused tax liabilities or unused tax losses to the extent that such temporary differences can be deducted from taxable profit. Unused tax credits and unused tax losses can be carried forward except in the following cases:

- If the deferred tax asset related to temporary differences allowed to be deducted from the first recognition of an asset or liability arises in a transaction other than a business combination and does not affect - at the time of the transaction - the accounting profit or taxable profit or losses.
- With respect to deductible temporary differences related to investments in subsidiaries, associates or joint ventures, deferred income tax assets are recognized only when the temporary differences are likely to reverse in the near future, and there is a taxable profit arising from the use of temporary differences.

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

Deferred tax assets and liabilities are measured using tax rates expected to apply in the period in which the asset is realized or the liability is settled based on the tax rates (and tax regulations) in force on the date of preparing

the financial position in the country in which the group operates or is subject to income tax. Deferred tax on items recognized outside profit or loss is calculated outside profit or loss. Deferred tax items relating to the underlying transaction are recognized either in other comprehensive income or directly in equity. Deferred tax assets and liabilities are offset if the system grants the right to use current tax assets to pay current income tax obligations and the deferred income taxes belong to the same taxable entity before the same tax authority.

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

Sales and Value Added Taxes

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

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

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

Cash and Cash Equivalents

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

5-5-2 Financial Instruments - Initial Recognition and Subsequent Measurement

Initial Recognition and Measurement

Financial instrument represents contracts that result in financial assets of one entity and financial liabilities or ownership instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets

1. Initial classification and subsequent measurement.

The Group classifies its financial assets as assets that will subsequently be measured at amortized cost if they meet the following criteria:

- Holding the financial asset within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount receivable.
- The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flow of the financial assets.
- The Group initially measures the receivable at the transaction price because the receivable does not contain a significant financing component.

2. Impairment of Financial Assets

Provision for Loss

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

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

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

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

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

- Actual or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change in the customer's ability to meet its obligations.
- Actual or expected material changes in the business results of the client.
- Significant increases in credit risk over other financial instruments of the same customer.
- Material changes in the expected performance and behavior of the borrower, including changes in the payment status of clients and changes in client business outcomes.
- Macroeconomic information (e.g market interest rates or growth rates).
- Past maturity information adjusted for forward looking information.

- Regardless of the above analysis, a significant increase in credit risk is presumed to occur if the contracted receivable date exceeds 30 days unless the Group has reasonable and supporting information to demonstrate otherwise.

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

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

The group considered evidence of impairment for financial assets individually and at a group level. For individually significant financial assets whose depreciation has not been individually identified, they are valued within groups with similar credit characteristics to determine the decline in the value incurred, but have not yet been determined.

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

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

3. Recognition of Financial Assets

The Group de-recognizes the financial asset when the contractual cash flows of the asset expire or transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all risks and returns of ownership are transferred.

The portion of the transferred financial assets that arise or held by the Group is recognized as a separate asset or obligation. De-recognition of financial commitment is removed from the Consolidated Statement of Financial Position when the Group has fulfilled its obligations or upon cancellation or termination of the contract.

Financial obligations

1. Initial recognition and measurement

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

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

2. Subsequent Measurement

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

Loans and Advances

After initial recognition, commission bearing loans are measured at amortized cost using the effective interest rate method. Gains or losses are recognized in the consolidated statement of profit or loss when obligations are paid, as well as through the process of amortizing the effective commission rate.

Amortized cost is calculated after taking into account the premium or discount on purchase as well as fees or costs that are an integral part of the effective commission rate. The effective commission rate amortization is recognized as a finance cost in the consolidated statement of profit or loss. This category generally applies to interest-bearing loans.

3. Exclusion of financial obligations

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

4. Adjustment of Financial Obligations

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

5. Offsetting Financial Obligations

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

Inventory

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

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

Raw Materials:

- Purchase cost based on weighted average cost.

Goods in process and finished goods:

- The cost of direct materials and direct labor plus a portion of its overheads according to the normal level of activity and does not include borrowing costs.

Realizable value is the expected selling price in the ordinary course of business less expected manufacturing completion costs and expected selling costs.

Investments Registered Using the Equity Method

A joint venture is a type of joint arrangement where the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of the arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group exercises significant influence. Significant influence is the ability to participate in the financial decisions and operating policies of the investee, but it does not amount to control, or joint control, over those policies.

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

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

Under the equity method, investments in associates and joint ventures are initially recognized at cost. They are subsequently adjusted to reflect changes that occur as a result of a change in the Group's share of the net assets of associates and joint ventures from the date of acquisition.

Goodwill associated with associates and joint ventures is included in the carrying amount of the investment and is not independently tested for impairment.

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

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the investee, including any other long-term unsecured receivables, the Group does not recognize additional losses, unless it has a legal obligation or implied on behalf of the investee. Unrealized gains or losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture.

The company's share in the results of associates and joint ventures is presented in the consolidated statement of profit or loss after operating profits.

It represents the company's share of the results of the associate or joint venture net of tax of the associate or joint venture and the non-controlling interests in subsidiaries of associates and joint ventures.

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

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

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

Property, Plant and Equipment

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

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

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

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

Any item of real estate, plant and equipment is derecognized upon disposal or when no economic benefits are expected from its use or sale in the future. Any gain or loss arising on disposal of the asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognized in the consolidated statement of profit or loss when the asset derecognized. The residual value, useful lives, and depreciation methods of real estate, plant and equipment are reviewed at the end of each financial year and adjustments are made on a prospective basis, if required.

Borrowing Costs

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

Compilation of Business and Fame

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

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

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

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

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

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

Intangible Assets

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

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

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

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

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

Research and Development Costs

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

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

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

Impairment of Non-Financial Assets

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

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

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

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

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

Goodwill

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

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

Intangible Assets

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

5-5-3 Provisions

General

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

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

Guarantee Provisions

Provisions are recognized for costs related to guarantees when products are sold, or services are rendered to a customer. It is initially recognized based on past experiences, and then reviewed annually.

Provision For Termination Benefits

The cost of benefits to employees under defined benefit programs is determined separately for each program using the planned unit credit method.

Remeasurement, comprising of actuarial gains and losses, is recognized immediately in the consolidated statement of financial position and in retained earnings through other comprehensive income in the period in which it occurs. Remeasurement is not reclassified to the consolidated statement of profit or loss in subsequent periods. Past service costs are recorded in the consolidated statement of profit and loss either:

- On the date of the program modification or the date on which the duration of the program was reduced, or
- The date the Group recognizes the related restructuring costs.

Net interest is calculated by applying the discount rate to the net obligation or asset of the defined benefit plan. The Group records the following changes in a defined benefit obligation under “**Cost of sales**” and “**Selling, general and administrative expenses**” in the consolidated statement of profit and loss (by function):

- Service costs, including current service costs, past service costs, and gains and losses from non-routine adjustments.
- Net expense or interest income.

Statutory Reserve

In line with the requirements of the Saudi Companies Law, the Company transfers 10% of its profit for the year to a statutory reserve until this reserve reaches 30% of the capital. This reserve is not distributable as dividends. During the year ended 31 December 2020G, there were some transfers from the statutory reserve to offset accumulated losses

Classification of Assets and Liabilities into Current or Non-Current

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

- It is expected that the asset will be realized or there is an intention to sell or consume it during the normal business cycle
- The asset is held mainly for trading
- The asset is expected to be realized within 12 months after the date of the consolidated statement of financial position, or
- There is no unconditional right to defer the settlement of the obligation for at least 12 months after the date of the consolidated statement of financial position.

All other assets are classified as non-current assets.

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

- Expectation of settlement of the obligation during the normal business cycle
- The liability is held primarily for trading
- The obligation is expected to be settled within 12 months after the date of the consolidated statement of financial position or
- There is no unconditional right to defer the settlement of the obligation for at least 12 months after the date of the consolidated statement of financial position.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

Fair Value Measurement

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

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

that the transaction to sell the assets or transfer the liabilities takes place either:

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

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

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

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

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

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

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

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

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

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

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

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

Foreign Currency

The Group presents the consolidated financial statements in Saudi Riyals, which is the Group's functional currency. The group determines the functional currency of each entity within the group, and items included in its financial statements are measured in that currency. The Group uses the direct consolidation method, and when a foreign operation is disposed of, the gain or loss reclassified to profit or loss reflects the amount arising from the use of this method.

Transactions And Balances

Foreign currency transactions are initially recorded by group entities at the rate prevailing in the functional currency of each entity on the date that the transaction qualifies for recognition.

Monetary assets and liabilities in foreign currencies are retranslated into the functional currency at the prevailing rate on the date of preparing the consolidated financial statements. All differences arising from settlements or transactions on monetary items are recorded on profit or loss.

Non-monetary items that have historical cost measured in a foreign currency are translated primarily at the exchange rate ruling at the date of the transaction. As for non-monetary items in foreign currencies whose fair value was measured in a foreign currency, they are translated at the currency rate ruling at the date when their fair value was determined. Gains or losses arising from translation of non-monetary items measured at fair value are treated in line with the recognition of gains and losses arising from a change in the fair value of that item. (That is, translation differences for items whose fair value gains and losses are recognized in the statement of other comprehensive income is recognized in other comprehensive income, and items whose fair value gains and losses are recognized in profit and losses are recognized in profit and loss, respectively).

Group Companies

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

Sectoral Information

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

Discontinued Businesses

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

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

Depreciation and amortization of property, plant and equipment and intangible assets cease when they are classified as held for sale. Assets and liabilities classified as held for sale are presented separately under current assets and liabilities in the consolidated statement of financial position.

The disposed group is considered a discontinued operation if it is disposed of or classified as held for sale, and it:

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

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

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

Rentals

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

Group As a Tenant

a. Right Of Use Assets

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

b. Lease Obligations

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

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

c. Short-Term Leases and Leases with Impaired Assets

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

Approval of New Amendments and Interpretations to the International Financial Reporting Standards

Standards, amendments and interpretations are effective as of 01 January 2020G

The Group has adopted the standards and amendments below for annual reporting periods beginning on 01 January 2020G

- Business Definition (Amendments to IFRS No. 3).
- Rental incentives related to the COVID-19 pandemic (amendments to IFRS 16).

Business Definition (Amendments to IFRS 3)

The amendments to IFRS 3 were mandatorily effective for reporting periods beginning on or after 01 January 2020G as the Group did not make any acquisitions during the period, therefore, there was no impact of this amendment on the Group.

Rental incentives related to the COVID-19 pandemic (amendments to IFRS 16)

As of 01 June 2020G, IFRS 16 has been amended to provide a practical way to hold tenants accountable for rental incentives that arise as a direct result of the COVID-19 pandemic and to meet the following criteria:

- The change in rental payments results in a modification of the remuneration for the lease which is largely the same or less than the Corresponding lease directly preceding the change.
- The reduction in rental payments only affects the original payments due on or before 30 June 2021G.
- There is no material change to the terms and conditions of the lease.

Rental incentives that meet these criteria can be calculated according to practical benefit, which means that the tenant does not assess whether rental incentives meet the definition of amending a lease. Tenants apply other requirements in IFRS 16 in accounting for rental incentives.

Since the group did not receive any incentives related to rental payments, therefore there was no effect from the adjustment on the group.

Other Standards

The new standards that were applied in the annual consolidated financial statements for the year ended on 31 December 2020G, but did not have a material impact on the Group are:

- International Accounting Standard No. 1 Presentation of Consolidated Financial Statements and International Accounting Standard No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Disclosure Initiative - Definition of Materiality); and the
- Amendments to the framework of financial reporting concepts.

Standards, Amendments and Interpretations Issued, but Not Yet Effective and Not Early Adopted by the Group:

There are a number of standards, amendments to standards and interpretations issued by the International Accounting Standards Board that are effective for future accounting periods and which the company decided not to apply early.

The following amendments are effective for the period beginning on 01 January 2021G:

Reference Interest Rate Measurement Correction - (Amendments to IFRS 9, IAS 39 and IFRS 7);

These adjustments provide some waivers with respect to the correction of the interest rate measurement. The exemptions relate to hedge accounting and the effect of the interbank rate correction does not terminate hedge accounting. However, any ineffective hedge must continue to be recognized in the consolidated statement of profit or loss and other comprehensive income.

The following amendments are effective for the period beginning on 01 January 2022G:

- Ineffective contracts - the cost of fulfilling the contract (amendments to IAS 37).
- Property, plant and equipment: proceeds before intended use (amendments to IAS 16)
- Annual improvements to IFRS 2018G-2020G cycle (amendments to IFRS 1, 9, 16 and IAS 41).
- Amendments contained in the financial reporting concepts framework (Amendments to International Financial Reporting Standard No. 3).

The following amendments are effective for the period beginning on 01 January 2023G:

IFRS 17 Insurance Contracts (effective from 01 January 2023G) - In June 2020G, the IASB issued amendments to IFRS 17, including deferring the effective date to 01 January 2023G. Note 4 Significant accounting estimates and judgments.

In January 2020G, the International Accounting Standards Board issued amendments to IAS 1, which clarify the criteria used to determine whether a liability is classified as current or non-current. These amendments clarify that current or non-current classification depends on whether an entity has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The amendments also clarify that "**settlement**" includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer the equity instruments arises from the transfer feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual periods beginning on or after 01 January 2022G. However, in May 2020G, the effective date was deferred to annual reporting periods beginning on or after 01 January 2023G.

The Company does not expect that any other standards issued by the International Accounting Standards Board, which are not yet effective, will have a material impact on the Company.

Annual Improvements to IFRS 2019G-2021G Cycle:

- IFRS 9, "**Financial Instruments**" - clarifies the fees a company includes when performing a '10 percent test' to assess whether to derecognize a financial liability.
- IFRS 16, "**Leases**" - Eliminate potential ambiguity regarding lease incentives by amending illustration 13 attached in IFRS 16.
- IAS 41, "**Agriculture**" harmonizes the fair value measurement requirements in IAS 41 with those found in other IFRSs.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts of revenues, expenses, assets, liabilities, accompanying disclosures and disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in results that require a material adjustment to the carrying amount of the assets or liabilities that are susceptible in future periods.

- Other disclosures related to the Group's exposure to risks and uncertainties include:
 - Capital management Note 6
 - Financial Instruments Risk Management and Policies Note 19
 - Sensitivity Analysis Disclosures Notes 19 and 32

Judgments

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

Going Concern Concept

The consolidated financial statements have been prepared on the basis of the going concern concept, which assumes that the Group will be able to meet the mandatory payment terms of trade payables and bank facilities as shown in Notes 28 and 30.

The group has accumulated losses of SAR 243.6 million as on 31 December 2021G. As of that date, current liabilities exceeded current assets by SAR 738.1 million. In addition, the group violated some financial provisions related to the bank facilities disclosed in the financial statements for the year 2021G. (Note 4).

The Group incurred a net loss of SAR 172.4 million for the year ended 31 December 2021G (2019G: SAR 344.8 million, 2020G: SAR 393.9 million). As of that date, current liabilities exceeded current assets by SAR 738.3 million. In addition, the Group violated some of the financial provisions related to the banking facilities disclosed in Note 28. Moreover, as indicated in Note 40, later to the end of the year, a pandemic virus spread across the world, which led to a temporary partial shutdown of the industrial group's facilities in Kingdom Saudi Arabia.

During 2020G, the company's board of directors increased the company's capital by SAR 120 million through the issuance of priority rights shares (refer note 36). The management also appointed a third party as a consultant to work on a loan rescheduling plan, and certain terms were signed with a commercial bank, some loans were rescheduled and paid in full, resulting in a profit of SAR 12.5 million during the year 2020G (refer note 12).

Management acknowledges that uncertainty remains about the Group's ability to meet the financing requirements and to refinance or repay the credit facilities as they fall due. However, as explained above, management has reasonable expectations that the Group has sufficient resources to continue its operating activity for the foreseeable future. If, for any reason, the Group is unable to continue as a continuous facility, this may have an impact on the Group's ability to realize assets at their recognized values and to settle liabilities in the ordinary course of business in the amounts stated in the consolidated financial statements.

Recognition of Revenue

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

Estimates And Assumptions

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

Uncertain Zakat and Tax Conditions

The Group's current Zakat and tax payable amounting to SAR 188.2 million relates to management's assessment of the amount of Zakat and tax payable on open Zakat and tax positions as the obligations still have to be agreed upon with the relevant tax authorities. Unconfirmed Zakat and tax items for which a provision of SAR 45.0 million is made mainly relate to the interpretation of Zakat and tax legislation applicable to the arrangements entered into by the Group. Because of the uncertainty associated with these Zakat and tax provisions, it is possible that the final result will differ significantly when concluding open Zakat and tax matters at a future date.

It was later announced on 07/06/2022G that he had received on the evening of 07/11/1443H (Corresponding to 06/06/2022G) the decision of the First Department to settle income tax violations and disputes accepting some of the company's objections to the items mentioned in the objections and rejecting some other items, and after perusal on this decision, the company found that the total amounts that the committee approved of the company's objection amounted to about SAR 150 million, noting that the company maintains a provision covering the amounts against which the objection was not accepted.

The Company is in the process of submitting an appeal to the General Authority of Zakat and Income regarding the Zakat and Income Tax claim for the amount of SAR 231.9 million to complete the assessment for the years 2015G to 2018G. Since the Company is confident that the appeal will be in favor of the Company and that the Company has sufficient provisions in its balance sheet; therefore, no other provisions were made in connection with the Zakat and income tax claim by the General Authority for Zakat and Income Tax (refer note 14).

Impairment of Property, Plant and Equipment

The results of the Cash Generating Units (CGUs) for Avil, Sadeep and Bondstrand during 2019G were materially worse than management's expectations used in the last annual impairment test that was conducted on 31 December 2018G. Accordingly, management has appointed an independent consultant who is licensed by the Saudi Authority for Accredited Valuers (TAQEEM) to review their impairment forms as of 30 June 2019G. The recoverable amount for those CGUs has been determined based on a value in use calculation. Management also estimated that as of 31 December 2020G, there were no indications of an additional impairment, or a reversal of the impairment incurred previously. Impairment of property, plant and equipment is disclosed in note 26.

Impairment test is conducted annually; so there are no results for the interim periods, whether they are in 2021G or 2020G.

Impairment of Investments Recorded Using the Equity Method

Determining whether there are indicators of impairment in the value of equity-accounted investments as at the reporting date and estimating the recoverable amount of these investments requires significant management judgements.

Estimated Costs of Completion

The Group uses the percentage of completion method in accounting for fixed-price contracts for contracting works. The use of the percentage of completion method by the group requires an estimate of the total costs to complete the contract. If the total estimated costs are 10% higher than management's estimate, the amount of revenue generated in the year ended on 31 December 2021G will be reduced by SAR 11.13 million (2020G: SAR 11.55 million, 2019G: SAR 10.01 million).

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

The Group uses a certain matrix to calculate the provision for expected credit losses for trade receivables. Provision ratios are based on days since accrued maturity for groups of different client segments that have similar loss patterns.

The provision matrix is initially based on the group's historical default rates and is adjusted in relation to future estimated information.

The relationship between observed historical default rates, expected economic conditions and expected credit losses is a material estimate. The amount of expected credit losses is sensitive to changes in economic conditions and prospects. The company's historical credit loss experience and expectations of economic conditions may also not reflect the actual customer's default in the future.

Long-Term Assumptions of Employment Termination Benefits

End-of-employment benefit liabilities and benefit payments are obligations that will be settled in the future and require assumptions to predict the obligations and fair values of benefit plan assets, if any. Management has to make more assumptions regarding variables like discount rates, salary increase rate, return on assets, mortality rates, labor turnover and future health care costs. Periodically, the Company's management consults with external actuarial experts on these assumptions. Changes in key assumptions could have a significant impact on the expected benefit obligations and/or the specific periodic costs of employees incurred.

Lease Clauses

In determining the term of the lease, management takes into account all facts and circumstances that create an economic incentive to exercise the option of extension or termination. The assessment is reviewed if a significant event or a material change in circumstances that affects this assessment occurs. During the current financial year, there has been no material financial impact for the revision of the lease terms to reflect the effect of exercising the extension or termination options.

Economic Value of Property, Plant and Equipment

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

5-6 Results of Operation

5-6-1 Audited Income Statement

Table (26) Income statement for the fiscal years ending on December 31, 2019G, 2020G and 2021G

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Ongoing works:						
Revenue from contracts with customers	780,409	441,023	438,911	(43.5%)	(0.5%)	(25.0%)
Revenue cost	(926,922)	(506,171)	(515,452)	(45.4%)	1.8%	(25.4%)
Gross Profit/(Loss)	(146,513)	(65,148)	(76,541)	(55.5%)	17.5%	(27.7%)
Selling, general and administrative expenses	(101,001)	(193,861)	(111,026)	91.9%	(42.7%)	4.8%
Operating loss	(247,514)	(259,009)	(187,567)	4.6%	(27.6%)	(12.9%)
Other income/ (expenses), net	961	(51,263)	40,236	(5434.3%)	(178.5%)	547.1%
Share in the results of investments recorded using the equity method	25,511	24,808	8,050	(2.8%)	(67.6%)	(43.8%)
Financing expenses	(100,210)	(64,081)	(8,797)	(36.1%)	(86.3%)	(70.4%)
Loss before Zakat and foreign income tax	(321,252)	(349,545)	(148,078)	8.8%	(57.6%)	(32.1%)
Zakat	(21,000)	(44,757)	(23,563)	113.1%	(47.4%)	5.9%
Foreign income tax	(597)	(217)	(142)	(63.7%)	(34.6%)	(51.2%)
Loss from continuing business	(342,849)	(394,519)	(171,783)	15.1%	(56.5%)	(29.2%)
Discontinued business:						
Profit/(loss) of discontinued business net of Zakat	(1,968)	652	(638)	(133.1%)	(197.9%)	(43.1%)
Loss of the year	(344,817)	(393,867)	(172,421)	14.2%	(56.2%)	(29.3%)

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Return to:						
Shareholders of the Company	(338,475)	(389,350)	(171,317)	15.0%	(56.0%)	(28.9%)
Non-controlling interests	(6,342)	(4,517)	(1,104)	(28.8%)	(75.6%)	(58.3%)
Loss of the year	(344,817)	(393,867)	(172,421)	14.2%	(56.2%)	(29.3%)
Currency exchange differences resulting from the translation of foreign operations	(3,948)	28,699	(32,580)	(826.9%)	(213.5%)	187.3%
Change in the fair value of the interest rate swap	152	30	-	(80.3%)	(100.0%)	0.0%
Remeasurement of employee defined benefit obligation	(2,858)	1,190	(1,284)	(141.6%)	(207.9%)	(33.0%)
Other comprehensive income (loss) from an associate	(572)	(732)	2,362	28.0%	(422.7%)	N/A
Other comprehensive income/(loss)	(7,226)	29,187	(31,502)	(503.90%)	(207.9%)	108.8%
Total comprehensive loss for the year	(352,043)	(364,680)	(203,923)	3.6%	(44.1%)	(23.9%)
Performance indicators						
As a percentage of revenue				Percentage point	Percentage point	Percentage point
Gross profit (loss)	(18.8%)	(14.8%)	(17.4%)	4.0	(2.7)	1.3
Operational loss	(31.7%)	(58.7%)	(42.7%)	(27)	16.0	(11.0)
Loss from ongoing business	(43.9%)	(89.5%)	(39.1%)	(45.5)	50.3	4.8
Loss of the year	(44.2%)	(89.3%)	(39.3%)	(45.1)	50.0	4.9

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Revenues

The company's revenues come from manufacturing and selling various types of pipes, developing and licensing related technologies, managing water projects and related consulting, engineering and operational services. Please refer to Table (5-3) and (5-4) for the segmental analysis.

Most of the revenues consist of internal sales, which represented the equivalent of 72% of the total revenues in 2021G fiscal year.

Revenues decreased by 43.5% from SAR 780.4 million in 2019G to SAR 441 million in 2020G mainly due to the following:

- a. The decrease in revenues from the non-metallic fittings sector amounted to SAR 204.6 million during the same period in line with the decrease in the quantities sold from 514 thousand pieces to 244 thousand pieces during the same period due to the decrease in demand, in addition to the decrease in the average selling price from SAR 497 per piece to SAR 209 per piece due to the change in the sales mix towards lower-priced items, as the cost price depends on the item's size and chemical composition.
- b. The decrease in revenues from the non-metallic pipes sector by SAR 56.6 million in 2020G fiscal year as a result of the decrease in the average cost price from SAR 270 per meter to SAR 133 per meter due to the change in the sales mix towards lower-priced items,
- c. The decrease in revenues from the metal pipes sector by SAR 37.0 million in line with the decrease in the quantities sold from 1,025 thousand meters to 394 thousand meters, in addition to restrictions in the company's liquidity, which limited the company's ability to meet customer requests,
- d. The decrease in revenues from the water management sector by SAR 86.5 million during the same period due to the near completion of the Durais project in Albania and the Nawassir project in the Kingdom of Morocco.

Revenues decreased by 0.5% from SAR 441.0 million in 2020G fiscal year to SAR 438.9 million in 2021G fiscal year mainly due to the following:

- a. The decrease in revenues from the non-metallic fittings sector by SAR 15.1 million in line with a decrease in the average selling price from SAR 209 per piece to SAR 145 per piece during the same period,
- b. The decrease in revenues from other products by SAR 24.0 million due to a decrease in steel coil sales.
- c. The decrease in revenues from the other services sector by SAR 4.7 million in line with the decrease in engineering and installation services, in addition to the slowdown in the completion of several projects.

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

Cost of Revenue

The cost of revenue mainly represents the cost of materials used in manufacturing and the costs of manufacturing personnel, which is equivalent to 84% of the total cost of sales during the fiscal years 2019G, 2020G and 2021G.

The cost of revenue decreased by 45.4% from SAR 926.9 million in 2019G to SAR 506.2 million in 2020G. This is due to the absence of impairment of Property and plants, in addition to the decrease in consumables by SAR 197.0 million in line with the decrease in sold quantities.

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

Gross Profit

Total (loss) decreased by 55.5% from a loss of SAR 146.5 million in 2019G to a loss of SAR 65.1 million in 2020G as a result of:

- a. The decrease in the materials used by SAR 197.0 million in line with the decrease in the quantities sold, in addition to the market price of raw materials during the same period.
- b. Not recording the cost of impairment of Property, plants and equipment in 2020G fiscal year, while the company recorded the cost of the decline in the value of Property, plants and equipment in 2018G and 2019G fiscal years.

Gross profit/(loss) increased by 17.5% from a loss of SAR (65.1) million in the fiscal year 2020G to a loss of SAR (76.5) million in the 2021G as a result of recording a write-off of contractual assets amounting to SAR 44.3 million related to expected losses to incur upon completion the Water Management Sector Project in Samawah, Iraq.

Selling, General and Administrative Expenses

Selling, general and administrative expenses mainly consist of (1) the cost of employees, which represented the equivalent of 31.6%, 41.2%, 49.1% of the total selling, general and administrative expenses during the years 2019G, 2020G and 2021G, respectively, and (2) professional fees, which represented the equivalent of 21.6%, 23.4%, 15.6% of the total selling, general and administrative expenses during the years 2019G, 2020G and 2021G, respectively.

General and administrative selling expenses increased by 91.9% from SAR 101.1 million in the fiscal year 2019G to SAR 193.9 million in 2020G, mainly due to an increase in the depreciation of accounts receivable by SAR 101.5 million. This is due to an increase in the provision by SAR 35.9 million related to trade receivables (third parties and related parties), in addition to an increase in the provision by SAR 69.7 million related to receivables under legal collection due to an increase in the total balance of receivables under legal collection by SAR 52.8 million during the same period. This was coupled with an increase in employee benefits by 21.0% due to the cancellation of the employee incentive program, which led to recording a reversal of SAR 8.2 million in 2019G.

Selling, general and administrative expenses decreased from SAR 96.9 million in 2019G fiscal year to SAR 88.3 million in 2020G fiscal year, due to a decrease in miscellaneous expenses by SAR 8.7 million as a result of continued cost improvement initiatives.

Selling, general and administrative expenses increased to SAR 90.3 million in 2021G fiscal year, mainly due to the increase in staff costs by SAR 7.4 million as a result of the provision of an incentive program for employees. This was offset by an increase in other expenses by SAR 5.7 million due to customs fines related to delay fees (demurrage) payable to the owner of the charter ship due to the unloading of the cargo. This was offset by a decrease in (1) professional fees amounting to SAR 6.5 million as a result of a decrease in expenses related to legal advice for PWT Germany; a subsidiary of the group, (2) and information technology and communication by SAR 3.1 million in line with the operational needs and the company's efforts to reduce costs.

Other Income (Expenses)

Other income (expenses) decreased from revenues of SAR 961 thousand to expenses of SAR 51.3 million, and this is mainly due to the recording of re-evaluation expense of the employee shares and ownership reserve plan amounting to SAR 26.8 million. This was coupled with recording a loss from the disposal of an investment registered using the equity method, amounting to SAR 18.6 million, in addition to the impairment of the investments recorded using the equity method, amounting to SAR 9.9 million during the same period.

Other income increased to SAR 40.2 million in 2021G fiscal year, due to profits from the sale of an equity investment in the amount of SAR 12.4 million in 2021G. Profit from the selling of investing using the equity method relates to group's liquidation of its subsidiary; "**Amitech Morocco**". This was coupled by profits from the settlement of loan rescheduling, amounting to SAR 7.6 million in 2021G fiscal year, related to discounts granted by the group's lenders, namely (1) a discount from Al Baraka Bank in the amount of SAR 13.4 million, and (2) a discount from Bank Al-Jazira in the amount of SAR 6.7 million. In addition, profits from foreign exchange differences increased by SAR 11.2 million and the group received SAR 4.5 million from one of its suppliers.

Financing Expenses

The financing expenses mainly represent Murabaha and Tawarruq commissions, interests on loans and amortization of the end of service award deduction. Financing expenses decreased by 36% from SAR 100.2 million in 2019G fiscal year to SAR 64.1 million in 2020G as a result of lower Murabaha and Tawarruq commissions due to lower interest rates. This was coupled with a reduction in interest charges on outstanding loans in the amount of SAR 5.2 million due to the periodic amortization of long-term loans.

Financing expenses decreased by 86.3% to reach SAR 8.8 million in 2021G fiscal year, as a result of a decrease in the commission on Murabaha and Tawarruq financing by SAR 27.4 million, due to the group negotiating lower interest rates from its lenders, as the interest rate decreased from an average of 3.27 % per year in 2020G fiscal year to 2.39% per year in 2021G fiscal year. This was coupled by a reversal of financing expenses in the amount of SAR 27.0 million in relation to the recorded provisions related to previous years. These provisions included (i) the provision for finance charges in the amount of SAR 11.1 million, and (ii) the provision for increase in accrual for finance charges amounting to SAR 15.9 million.

Zakat

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

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

Zakat expense decreased to SAR 23.6 million in 2021G fiscal year, due to changes in the Zakat base.

Foreign Income Tax

The company and its foreign subsidiaries are subject to income tax. Income tax is due according to the tax rates of the foreign subsidiaries. Foreign income tax decreased from SAR 597 thousand in 2019G to SAR 217 thousand in 2020G and then to SAR 142 thousand in 2021G in line with the decrease in revenue in income during the fiscal years 2019G, 2020G, and 2021G.

Discontinued Business Net of Tax

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

Profits/(losses) from discontinued business, net of SAR 2 million in 2019G, increased to SAR 652 thousand in 2020G, where profits from suspended operations amounted to SAR 562 thousand for ASAL Company and SAR 90 thousand for SACOP. Profits/(losses) from discontinued business, net of tax, decreased to a loss of SAR 638 thousand in 2021G fiscal year, resulting from Saudi Arabian Emeron Company Limited (ASAL).

5-7 Revenue and Total profit Per Sector

Table (27) Revenues and gross profit by sector for the fiscal years ending on December 31, 2019G, 2020G and 2021G

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Revenues						
Manufacturing and piping technology segment, net						
Installations	301,769	69,601	56,837	(76.9%)	(18.3%)	(56.6%)
Metallic	46,198	18,614	20,922	(59.7%)	12.4%	(32.7%)
Non-metallic	255,571	50,987	35,915	(80.0%)	(29.6%)	(62.5%)
Pipes	280,768	187,207	184,724	(33.3%)	(1.3%)	(18.9%)
Metallic	135,893	98,928	91,159	(27.2%)	(7.9%)	(18.1%)
Non-metallic	144,875	88,279	93,565	(39.1%)	6.0%	(19.6%)
Other products	38,836	101,433	77,419	161.2%	(23.7%)	41.2%
Other services	53,380	63,667	58,925	19.3%	(7.4%)	5.1%
Total manufacturing and piping technology segment, net	674,753	421,908	377,905	(37.5%)	(10.4%)	(25.2%)
Water management sector	105,656	19,114	61,006	(81.9%)	219.2%	(24%)
Total	780,409	441,022	438,911	(43.5%)	(0.5%)	(25.0%)
Gross profit						
Manufacturing and piping technology segment, net						
Installations	14.5%	2.1%	3.5%	(12.4)	1.4	(11.0)
Metallic	46.6%	30.9%	21.9%	(15.8)	(8.9)	(24.7)
Non-metallic	8.7%	(8.4%)	(7.2%)	(17.1)	1.2	(15.9)
Pipes	(50.4%)	(19.5%)	(17.5%)	31	2.0	33.0

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Metallic	8.5%	(30.4%)	(15.7%)	(39)	14.8	(24.2)
Non-metallic	(105.8%)	(7.3%)	(19.3%)	98.5	(12.0)	86.5
Other products	2.0%	0.3%	0.8%	(1.7)	0.5	(1.2)
Other services	8.3%	18.4%	9.8%	10.1	(8.7)	1.4
Total manufacturing and piping technology segment, net	(13.7%)	(5.5%)	(6.3%)	8.3	(0.9)	7.4
Water management sector	(50.9%)	(220.5%)	(86.2%)	(169.6)	134.3	(35.3)
Total	(18.8%)	(14.8%)	(17.4%)	4.0	(2.7)	1.3
Number of units sold / number of projects						
Fittings (thousand pieces)	705	263	264	(442)	1	(441)
Metallic	191	19	16	(172)	(4)	(175)
Non-metallic	514	244	248	(271)	4	(266)
Pipes (thousand meters)	1.561	1,059	850	(502)	(209)	(711)
Metallic	1.025	394	236	(631)	(158)	(789)
Non-metallic	536	665	614	129	(52)	77
Other products	There are several products with different units of measurement in this group					
Other services	There are several services with different units of measurement in this group					
Water Management Sector (Number of Projects)	8	8	5	-	(3)	(3)

Source: Management Information

Manufacturing and Pipe Technology Sector

The manufacturing and piping technology sector includes Amiantit Fiberglass Manufacturing Company Limited (AFIL), Saudi Arabian Ductile Iron Pipes Manufacturing Company Limited (SADEEP), Amiantit Rubber Manufacturing Company Limited (ARIL), Bondstrand Company Limited (Bondstrand), Saudi Amicon Company Limited (Amicon), Amitech Astana LC and the discontinued operations of Saudi Arabian Ameron Company Limited (ASAL) and Saudi Arabian Concrete Products Company Limited (SACOP).

Metal Fittings

Metal fittings sales decreased by 59.7% from SAR 46.2 million in 2019G to SAR 18.6 million in 2020G as a result of the decrease in sold quantities from 191 thousand pieces in 2019G to 19 thousand pieces in 2020G. This was partially offset by the increase in the average selling price from SAR 242 per unit to SAR 968 per unit as a result of the change in the product mix as higher density metal fixtures were sold (higher average selling price). The total profit of metal fittings also decreased by 15.8 percentage points from 46.6% in 2019G to 30.9% percentage in 2020G. This is due to the decrease in the revenues of metal fittings during the same period as the company's ability to absorb the fixed operating costs related to metal fittings decreased.

Metal fittings sales increased by 12.4% to reach SAR 20.9 million in the 2021G fiscal year as a result of the increase in the average selling price by 38% from SAR 968 to SAR 1,334 during the same period. The total profit of metal fittings also decreased to 21.9% due to an increase in fixed costs and employee costs related to metal fittings.

Non-Metallic Fittings

Sales of non-metallic fittings decreased by 80.0% from SAR 255.6 million in 2019G to SAR 51.0 million in 2020G due to a decrease in sold quantities from 514 thousand pieces to 244 thousand pieces in addition to a decrease in the average selling price by 57.9% due to shift in the sales mix towards lower priced non-metallic fittings. The total profit (loss) of non-metallic fittings also decreased by 17.1 percentage points from 8.7% to (8.4%) as a result of the decrease in the revenues of non-metallic fittings, in addition to the negative impact of the liquidity shortage on the company's operational capacity.

Sales of non-metallic fittings decreased by 29.6% from SAR 51.0 million in 2020G fiscal year to SAR 35.9 million in 2021G fiscal year, as a result of a 31% decrease in the average selling price from SAR 209 to SAR 145. The total loss of non-metallic fittings also decreased to (7.2%) as a result of the decrease in the average cost per meter from SAR 227 to SAR 145 during the same period.

Metal Pipes

Metal pipes decreased by 27.2% from SAR 135.9 million in 2019G to SAR 98.9 million in 2020G. This is due to a decrease in the quantities sold from 1,025 thousand meters to 394 thousand meters during the same period. The total profit (loss) of metal pipes decreased by 39 percentage points from 8.5% in 2019G to 30.4% in 2020G as a result of the high market price of raw materials of which the company was unable to hedge against due to lack of liquidity.

Metal pipes decreased by 7.9% from SAR 98.9 million in 2020G fiscal year to SAR 91.2 million in 2021G, due to a decrease in the quantities sold by 158 thousand meters. The total loss of metal pipes also decreased to 15.7% in 2021G fiscal year as a result of the increase in the average selling price per meter from SAR 251 to SAR 386 during the same period.

Non-Metallic Pipes

Non-metallic pipes decreased by 39.1% from SAR 144.9 million in 2019G to SAR 88.3 million in 2020G as a result of a decrease in the average selling price by 50.9%. That is due to the change in the sale mix towards the lower cost non-metallic pipes as the prices of non-metallic pipes depend upon the chemical composition of the pipe and the hardness of the pipe. The total (loss) of non-metallic pipes also decreased from (105.8%) in 2019G fiscal year to (7.3%) in 2020G fiscal year, due to a decrease in the value of Property, plant and equipment by SAR 44.1 million.

Non-metallic pipes increased by 6.0% from SAR 88.3 million in 2020G fiscal year to SAR 93.6 million in 2021G fiscal year, as a result of an increase in the average selling price by 15% from SAR 133 to SAR 153 during the same period. The total (loss) of non-metallic pipes also continued to decline to reach (19.3%) due to the decrease in revenues during the same period as the group's ability to absorb the fixed costs related to non-metallic pipes decreased.

Other Products

Other products increased by 161.2% from SAR 38.8 million in 2019G to SAR 101.4 million in 2020G due to the increase in sales of non-metallic accessories and other products from subsidiaries in addition to the increase in sales of water tanks.

Other products decreased by 24% from SAR 101.4 million in 2020G fiscal year to SAR 77.4 million in 2021G, due to a decrease in mineral products by SAR 11.4 million and non-metallic products by SAR 12.6 million. This is due to lower sales of steel coils, which were sold through a subsidiary of the group that is currently out of business; (ASAL) in addition to the decline in sales of pipes and accessories.

Other Services

Other services include engineering and installation services, the outputs of which depend on the percentage of completion in each period. These services are provided by the Infrastructure Engineering and Contracting Co. Ltd., PWT Wasser-und Abwassertechnik GmbH "**PWT**".

Other services increased by 19.3% from SAR 53.4 million in 2019G to SAR 63.7 million in 2020G as a result of an increase in the number of short-term projects that are more frequent and profitable in contrast to long-term projects that are less frequent and more expensive. The gross profit of other services also increased by 10.1 percentage points from 8.3% in 2019G to 18.4% in 2020G, due to the increase in the number of short-term projects.

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

Water Management Sector

The water management sector includes PWT Wasser-und Abwassertechnik GmbH "**PWT Germany**" for managing and operating the limited infrastructure.

The water management sector decreased by 81.9% from SAR 105.7 million in 2019G to SAR 19.1 million in 2020G due to the near completion of the Durais Project (SAR 51.4 million) and the Al-Nawaser Project (SAR 7.8 million). This was accompanied by a decrease in operations and management (SAR 1.7 million) as a result of the completion of many projects, along with a smaller number of new projects during the same period. It is worth noting that operations and management consist of short-term water infrastructure projects.

Revenues from the water management sector increased by 219.2% from SAR 19.1 million in the fiscal year 2020G to SAR 61.0 million in 2021G, due to the high pace of work in the Al-Nawaser project, the Hadd Al-Sawalim project and the Samawa project, in addition to Several other projects.

5-8 Revenue By Region

Table (28) Revenue table by region for the fiscal years ending on December 31, 2019G, 2020G and 2021G

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Central Region	100,660	56,875	48,346	(43.5%)	(15.0%)	(30.7%)
Western Region	50,081	71,036	22,841	41.8%	(67.8%)	(32.5%)
Eastern Province	227,137	217,238	244,742	(4.4%)	12.7%	3.8%
European area	16,974	15,482	29,357	(8.8%)	89.6%	31.5%
Exports and other foreign subsidiaries	385,557	80,392	93,625	(79.1%)	16.5%	(50.7%)
Total	780,409	441,023	438,911	(43.5%)	(0.5%)	(25.0%)
As a percentage of total revenue	Percentage point					
Central Region	12.90%	12.9%	11.0%	0	(1.9)	(1.9)
Western Region	6.40%	16.1%	5.2%	9.7	(10.9)	(1.2)
Eastern Province	29.10%	49.3%	55.8%	20.2	6.5	26.7
European area	2.20%	3.5%	6.7%	1.3	3.2	4.5
Exports and other foreign subsidiaries	49.40%	18.2%	21.3%	(31.2)	3.1	(28.1)

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

The group operates in the Kingdom of Saudi Arabia, Europe and the Gulf Cooperation Council countries. The group's revenue concentration by region changed from an equal concentration of exports, other foreign subsidiaries and domestic sales (approximately 52% of export revenue, and 48% of domestic revenue in fiscal year 2019G) to a rise in domestic sales, which represented approximately 78% and 72% of total sales in 2020G and 2021G fiscal years respectively.

Eastern region sales represent the largest percentage of the group's total sales, as they represented in the 2019G, 2020 and 2021G fiscal years, approximately 29.1%, 49.3% and 55.8%, respectively followed by the Central Region, which represented approximately 11% of total sales in the 2021G fiscal year. This was offset by a decrease in the western region's percentage of the group's total domestic sales, from 16.1% in 2020G fiscal year to 5.2% in 2021G fiscal year.

The percentage of the European region's revenues and the revenues of exports and other foreign subsidiaries of the group's total revenues decreased from 51.6% in the 2019G fiscal year to 21.7% in the 2020G fiscal year, due to the impact of the Corona pandemic on the export of products in addition to the implementation of the company's strategy to focus on internal sales to meet the needs of the local market.

The percentage of the revenues of the European region and the revenues of exports and other foreign subsidiaries of the total revenues of the group increased to 28.0% in the 2021G fiscal year in line with the increase in the revenues of the water management sector, where the majority of the ongoing projects are located outside the Kingdom of Saudi Arabia.

5-9 Cost of Revenue

Table (29) Cost of revenue for the fiscal years ending on December 31, 2019G, 2020G and 2021G.

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Materials used	420,319	223,888	215,683	(46.7%)	(3.7%)	(28.4%)
Cost of Staff	214,921	165,779	147,064	(22.9%)	(11.3%)	(17.3%)
Write-off of contractual assets during the year	-	-	44,631	-	100%	100%
Decline in the value of real estate, plant and equipment	125,730	-	-	(1.0%)	0.0%	0.0%
Depreciation and amortization	36,211	24,964	23,848	(31.1%)	(4.5%)	(18.8%)
Transportation cost	34,127	18,988	13,878	(44.4%)	(26.9%)	(36.2%)
Telephone and electricity	16,126	14,056	13,782	(12.8%)	(1.9%)	(7.6%)
Provision for inventory obsolescence	15,005	3,500	5,022	(76.7%)	43.5%	(42.1%)
Consumables and spare parts	29,492	21,360	28,973	(27.6%)	124.8%	69.4%
Rental space	2,199	3,118	1,841	41.8%	(41.0%)	(8.5%)
Professional fees	1,526	3,584	2,797	134.9%	(22.0%)	35.4%
Provision for GOSI	(1,441)	4,038	(1,298)	(380.2%)	(132.1%)	(5.1%)
Repair and maintenance	2,694	3,441	7,735	27.7%	124.8%	69.4%
Other	30,013	19,455	11,496	(35.2%)	(40.9%)	(38.1%)
Total	926,922	506,171	515,452	(45.4%)	1.8%	(25.4%)

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Key Performance Indicators			Change			
Number of Employees	2,215	1,846	1,488	(369)	(358)	(727)
Monthly cost per employee	8,086	7,484	8,236	(7.4%)	10.1%	0.9%
As a percentage of revenue			Percentage point			
Materials used	53.9%	50.8%	49.1%	(3.1)	(1.6)	(4.7)
Cost of Staff	27.5%	37.6%	33.5%	10.1	(4.1)	6.0
Provision for useless contracts	-	-	10.2%		10.2	10.2
Decline in the value of real estate, plant and equipment	16.10%	-	-	(16.1)	-	(16.1)
Depreciation and amortization	4.6%	5.7%	5.4%	1.0	(0.2)	0.8
Transportation cost	4.4%	4.3%	3.2%	(0.1)	(1.1)	(1.2)
Telephone and electricity	2.1%	3.2%	3.1%	1.1	(0.0)	1.1
Provision for Inventory obsolescence	1.9%	0.8%	1.1%	(1.1)	0.4	(0.8)
Consumables and spare parts	3.8%	4.8%	6.6%	1.1	1.8	2.8
Rental space	0.3%	0.7%	0.4%	0.4	(0.3)	0.1
Professional fees	0.2%	0.8%	0.6%	0.6	(0.2)	0.4
Provision for Guarantees	(0.2%)	0.9%	(0.3%)	1.1	(1.2)	(0.1)
Repair and maintenance	0.3%	0.8%	1.8%	0.4	1	1.4
Other	3.8%	4.4%	2.6%	0.6	(1.8)	(1.2)
Total	118.8%	114.8%	117.4%	(4)	2.7	(1.3)

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Materials Used

The cost of materials used represents 45.3%, 44.2% and 41.8% of the total cost of revenue in the fiscal years 2019G, 2020G and 2021G.

The cost of materials used decreased by 46.7% from SAR 420.3 million in 2019G to SAR 223.9 million in 2020G in line with the decrease in sold quantities and decrease in revenues (from SAR 780.4 million to SAR 441.0 million) during the same period.

The materials used decreased by 3.7% to SAR 215.7 million in the 2021G fiscal year, in line with the decrease in the quantities sold during the same period, in addition to the decrease in the prices of raw materials.

Staff Cost

Staff cost mainly includes factory staff salaries, loaned workforce salaries, overtime and other provisions. Staff cost represents 23.2%, 32.8% and 28.5% of the total revenue cost in the fiscal years 2019G, 2020G and 2021G.

Staff cost decreased by 22.9% from SAR 214.9 million in 2019G to SAR 165.8 million in 2020G, due to the decrease in the number of employees equivalent to 369 employees (from 2,215 to 1,846 employees) in line with the decrease in production and revenues during the same period. In addition, the company reduced its dependence on external labor, which led to a decrease in the average monthly salary for each employee by 7.4% from SAR 8.1 thousand in 2019G to SAR 7.5 thousand in 2020G.

The cost of employees decreased by 11.3% to SAR 147.1 million in the 2021G fiscal year, due to the decrease in the number of employees from 1,846 employees to 1,488 employees. In addition, the group adjusted the salaries of its employees during the same period, which led to an increase in the average monthly salary for each employee to SAR 8.2 thousand in order to improve employee retention.

Write-Off of Contractual Assets

During the year, the Group recorded a write-off of contractual assets during the 2021G fiscal year amounting to SAR 44.6 million in relation to the water management sector project in Samawah in the State of Iraq.

Depreciation in the Value of Property, Plant and Equipment

The recoverable value was calculated by calculating the value of use by calculating the expected future cash flows that were extracted from the budget approved by the management for the year 2019G. The pre-tax discount rate used to discount the cash flows was 8.5% and the cash flow growth rate for the years after 2019G was used at 1%. The management also concluded that the fair value less cost of disposal cannot be reliably calculated.

The impairment of Property, plant and equipment also increased to SAR 125.7 million in 2019G, as the management appointed an independent consultant licensed by the Saudi Authority for Accredited Valuers (Taqeem) to review their impairment models as on 30 June 2019G. The recoverable amount of those cash-generating units has been determined based on the value in use calculation. Accordingly, the results of the cash-generating units of Saudi Arabian Ductile Iron Pipes Company Limited (SADEEP), Amiantit Factory for Fiberglass Manufacturing Company Limited (AFIL), and Bondstrand Company Limited (Bondstrand) for the six months ended on 30 June 2019G were materially worse than management's expectations used in the last annual impairment test conducted in December 2018G. Accordingly, the Group had to re-test the valuation of these units after taking into account the current conditions. There were no indications of an additional impairment or a reversal of the previously incurred impairment as on 31 December 2019G.

Table (30) Impairment test results conducted on June 30, 2019G

Cash generating unit	Book value	Refundable value	Impairment
Avil	141,450	113,640	27,810
Sadeep	81,670	-	81,670
Bondstrand	16,250	-	16,250
Total	239,370	113,640	125,730

Source: The consolidated audited financial statements for the fiscal year ending on December 31, 2019G

The post-tax discount rate applied to the cash flow projections ranged from 8.7% to 10.4% and the cash flows after 2019G are estimated using a 1% growth rate. It was concluded that the fair value less costs to sell could not be measured reliably.

Depreciation and Amortization

Depreciation and amortization decreased by 31.1% from SAR 36.2 million in 2019G to SAR 25.0 million in 2020G and then to SAR 23.8 million in 2021G due to the decrease in additions, in addition to the increase in the accumulated depreciation of property and equipment the group.

Transportation Cost

The transportation cost mainly includes the cost of transporting supplies, warehousing and transportation of goods to customers between cities within the Kingdom, in addition to transportation of personnel and other operational transportation costs.

Transportation cost decreased by 44.4% from SAR 34.1 million in 2019G to SAR 19.0 million in 2020G in line with the decrease in sold quantities, which led to a decrease in regional deliveries.

The cost of transportation decreased by 26.9% to SAR 13.9 million in the fiscal year 2021G, in line with the decrease in the quantities sold during the same period and therefore fewer deliveries, specifically to the Gulf Cooperation Council countries.

Telephone and Electricity

The cost of telephone and electricity decreased by 12.8% from SAR 16.1 million in 2019G to SAR 14.1 million in 2020G, and also decreased to SAR 13.8 million in 2021G in line with the decrease in production and operation during the period.

Inventory Obsolescence Provision

The provision for inventory obsolescence relates to the bad inventory which, according to the company, is calculated on the basis of the net realizable value of the outstanding inventory.

Inventory obsolescence decreased from SAR 15 million in 2019G to SAR 3.5 million in 2020G and then increased to SAR 5 million in 2021G in line with the aging of the company's inventory.

Consumables and Spare Parts

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

The cost of consumables and spare parts decreased by 27.6% from SAR 29.5 million in 2019G to SAR 21.4 million in 2020G due to the decrease in revenues in addition to the decrease in maintenance required in light of the decrease in production.

The cost of consumables and spare parts increased by 35.6% to reach SAR 29.0 million in the 2021G fiscal year, due to an increase in consumables by SAR 8.7 million, due to engineering and installation services, which witnessed an increase in revenues by SAR10.2 million during the same period.

Rental Space

It relates to costs associated with cleaning services for the Arabian Peninsula Group Company.

The cost of rental space increased from 41.8% from SAR 2.2 million in 2019G to SAR 3.1 million in 2020G as a result of the annual increase in prices according to the annual escalation condition contained in the agreement.

Rental space costs decreased by 41.0% from SAR 3.1 million in the 2020G fiscal year to SAR 1.8 million in the 2021G fiscal year, as a result of the decrease in rented areas and consequently the decrease in cleaning costs.

Professional Fees

Professional fees relate to technical consultancy fees for the water management sector, related to the activity of PWT Germany; one of the foreign subsidiaries of the group company.

Professional fees increased by 134.9% from SAR 1.5 million in 2019G to SAR 3.6 million in 2020G due to information technology-related consultancy for the water management sector.

Professional fees decreased by 22.0% from SAR 3.6 million in 2020G fiscal year to SAR 2.8 million in fiscal year 2021G, due to fewer IT consultations.

Provision for Warranties

Warranty provision costs relate to the estimated warranty costs, while the company does not have a unified warranty policy for its products as policies differ based on the products sold and supply contracts.

During the 2019G fiscal year, the Group recorded a reversal of the warranty provision in the amount of SAR 1.4 million due to the expiration of a number of guarantee policies that were previously allocated and did not result in any claims.

The guarantees provision costs increased to SAR 4.0 million in 2020G according to the guarantee terms of products and supply contracts during the same period.

During the 2021G fiscal year, the Group recorded a reversal of the guarantee provision amounting to SAR 1.3 million, due to the expiration of a number of guarantee policies that were previously allocated and did not result in any claims.

Repair and Maintenance

Repair and maintenance costs mainly include repairs and maintenance of plants, machinery and operational equipment that are used for production.

Repair and maintenance costs increased by 27.7% from SAR 2.7 million in 2019G to SAR 3.4 million in 2020G due to the repair and maintenance needs of Amiantit Fiberglass Industries Limited (AFIL).

Repair costs increased by 124.8% from SAR 3.4 million in fiscal year 2020G to SAR 7.7 million in fiscal year 2021G, due to an increase in unscheduled maintenance of the group's machinery.

Other Costs

Other expenses consist of miscellaneous and intra-group expenses, property damage, travel-related expenses, and provision relating to a shareholder of a group subsidiary; Amicon, and various other charges.

Other costs decreased by 35.2% from SAR 30.1 million in 2019G to 19.5 million SAR in 2020G and then to 11.5 million SAR in 2021G due to the Group's continuous efforts to reduce costs.

Selling General and Administrative Expenses.

Table (31) Selling, general and administrative expenses for the fiscal years ending on December 31, 2019G, 2020G and 2021G.

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Employee benefits	30,558	36,974	44,333	21.0%	19.9%	20.4%
Professional fees	20,918	20,643	14,102	(1.3%)	(31.7%)	(17.9%)
Information and communication technology	11,096	10,230	7,100	(7.8%)	(30.6%)	(20.0%)
Depreciation and amortization	7,550	7,172	6,986	(5.0%)	(2.6%)	(3.8%)
Impairment of accounts receivable	4,133	105,598	20,756	2,455.0%	(80.3%)	124.1%
Travel	3.13	1,238	1,009	(60.4%)	(18.5%)	(43.2%)
Marketing and sales commissions	2,706	520	(377)	(80.8%)	(172.5%)	N/A
Repair and maintenance	2,145	1,450	1,407	(32.4%)	(3.0%)	(19.0%)
Other	18,765	10,036	15,710	(46.5%)	56.5%	(8.5%)
Total	101,001	193,861	111,026	91.9%	(42.7%)	4.8%

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Key Performance Indicators						
Number of Employees	401	339	290	(62)	(49)	(111)
Monthly cost per employee	6,350	9,089	12,739	43.1%	40.2%	41.6%
As a percentage of revenue						
Employee benefits	3.9%	8.4%	10.1%	4.5	18.7	12.4
Professional fees	2.7%	4.7%	3.2%	2	(1.5)	0.5
Information and communication technology	1.4%	2.3%	1.6%	0.9	(0.7)	0.2
Depreciation and amortization	1.0%	1.6%	1.6%	0.7	(0.0)	0.6
Impairment of accounts receivable	0.5%	23.9%	-	23.4	(19.2)	4.2
Travel	0.4%	0.3%	0.2%	(0.1)	(0.1)	(0.2)
Marketing and sales commissions	0.3%	0.1%	(0.1%)	(0.2)	(0.2)	(0.4)
Repair and maintenance	0.3%	0.3%	0.3%	0.1	(0.0)	0.0
Other	2.4%	2.3%	3.6%	(0.1)	1.3	1.2
Total	12.9%	44.0%	25.3%	31	(18.7)	12.4

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Employee Benefits

Employee benefits include administration staff salaries, residency renewal fees, and other benefits such as airfare, transportation and housing expenses. Employee benefits represent 30.3%, 19.1% and 39.9% in the fiscal years 2019G, 2020G, and 2021G of the total selling, general and administrative expenses.

Employee benefits increased by 21.0% from SAR 30.6 million in 2019G to SAR 37.0 million in 2020G due to the cancellation of the employee share Ownership Plan provision, which led to the recording of a reversal of SAR 8.2 million in 2019G.

Employee benefits increased by 19.9% from SAR 37.0 million in fiscal year 2020G to SAR 44.3 million in fiscal year 2021G, as a result of an amendment to the employee share Ownership Plan provision amounting to SAR 7.1 million in fiscal year 2021G, due to the re-measuring of employee stock ownership program.

Professional Fees

Professional fees represent internal and external audit services, Zakat services, value added tax, legal and financial advisory services.

Professional fees stabilized at SAR 20.8 million in the fiscal years 2019G and 2020G.

Professional fees decreased to SAR 14.1 million in 2021G due to fewer legal advisory services for PWT Germany, a subsidiary of the group.

Information Technology and Communication

Information technology and communications decreased by 7.8% from SAR 11.1 million in 2019G to SAR 10.2 million in 2020G, and decreased to SAR 7.1 million in 2021G in line with the company's strategy to reduce expenses in light of weak liquidity and declining revenues.

Consumption and Amortization

Depreciation and amortization expenses decreased by 5.0% from SAR 7.6 million in 2019G to SAR 7.2 million in 2020G and decreased to SAR 7 million in 2021G due to minor additions during the same period.

Impairment of Accounts Receivable

The impairment of accounts receivable represents a decrease in the value of (i) trade receivables from third and related parties and (ii) trade receivables under legal collection.

The impairment of accounts receivable increased by SAR 101.5 million from SAR 4.1 million in 2019G to SAR 105.6 million in 2020G due to an increase in the provision by SAR 35.9 million related to trade receivables (third parties and related parties) in addition to an increase in the provision by SAR 69.7 million related to receivables under legal collection due to an increase in the total balance of receivables under legal collection by SAR 52.8 million during the same period.

The impairment in the added value decreased to SAR 20.8 million during the fiscal year 2021G as a result of the decrease in the provisions recorded during the same period in line with the decrease in the total balance of trade receivables and the balance of receivables under legal collection.

Travel Expenses

Travel expenses continued to decline by 60.4% from SAR 3.1 million in 2019G to SAR 1.2 million in the 2020G financial year, due to travel restrictions caused by the Corona pandemic, in addition to the decrease in export sales and other foreign affiliates.

Travel expenses continued to decline to reach SAR 1.0 million in the fiscal year 2021G, due to the impact of the Corona pandemic, as the group shifted towards virtual meetings in line with cost improvement initiatives.

Marketing and Sales Commissions

The group has sales agents outside the Kingdom in countries such as China, UAE, Kuwait and others. Agents' fees represent approximately 2.5% to 5% of sales (depending on the contract).

Marketing expenses and sales commissions decreased by 80.8% from SAR 2.7 million in 2019G to SAR 520 thousand in 2020G, in line with the group's initiatives to reduce costs in addition to the decrease in revenues during the period.

Repair and Maintenance

Repair and maintenance costs relate to the repair of office equipment such as computers and other office equipment. Costs decreased by 32.4% from SAR 2.1 million in 2019G to SAR 1.5 million in line with the group's need for maintenance and repair in light of the decrease in the number of employees from 401 employees in financial year 2019G to 339 employees in the financial year 2020G.

Repair and maintenance costs continued to decline to reach SAR 1.4 million in 2021G fiscal year in line with the group's maintenance needs such as air conditioning units, cars and office tools.

Other Expenses

Other expenses consist of insurance expenses on property and vehicles, public utilities of electricity, water and other administrative expenses. Other expenses decreased by 46.5% from SAR 18.8 million in 2019G to SAR 10.0 million in 2020G, in line with the group's strategy to reduce expenses in light of weak liquidity and declining revenues.

Other expenses increased by 56.5% from SAR 10.0 million in 2020G fiscal year to SAR 15.7 million in 2021G fiscal year, due to an increase in miscellaneous expenses by SAR 1.8 million, which are related to machinery rental expenses, such as cranes and excavators related to the water management sector. This was coupled with the increase in the following:

1. Administration and advertising expenses in the amount of SAR 841 thousand in relation to the reversing of SAR 623 thousand related to the employee share Ownership Plan and reserve provision,
2. Office and postal expenses amounting to SAR 677 thousand,
3. Legal fees in the amount of SAR 327 thousand,
4. Rent expenses amounting to SR 669 are linked to 2020G fiscal year, as the group did not record the entitlement of the rental expenses in the 2020G fiscal year in anticipation of an expected rent discount during the same period that wasn't realized.

Other Revenue

Table (32) Financing expenses for the financial years ending on December 31, 2019G, 2020G and 2021G

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Loan Rescheduling Adjustment Profit	-	12,484	20,063	0.0%	60.7%	0.0%
Profit (loss) on the sale of equity-accounted investments	4,578	(18,551)	12,412	(505.2%)	(166.9%)	64.7%

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Supplier Discount Adjustment Profit	-	-	4,470	0.0%	0.0%	0.0%
Receipt of unclaimed overpayment	-	-	2,705	0.0%	0.0%	0.0%
Foreign currency Differences	(7,192)	(9,755)	1,422	35.6%	(114.6%)	N/A
Gain (loss) on disposal of property, plant and equipment	1,868	-	(719)	(169.1%)	(44.3%)	N/A
Modify employee share option plan	-	(26,779)	-	0.0%	(100.0%)	0.0%
Impairment of investment accounted for using the equity method	-	(9,909)	-	0.0%	(100.0%)	0.0%
Miscellaneous income	1,707	1,247	(117)	(26.9%)	(109.4%)	N/A
Total	961	(51,263)	40,236	N/A	(178.5%)	547.1%

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Loan Rescheduling Adjustment Profit

Profits on a loan rescheduling settlement relates to discounts granted to the Group from its lenders. The profits of the loan rescheduling settlement amounted to SAR 12.5 million in 2020G fiscal year, related to a discount from Bank ABC by SAR 6.1 million, and a discount from Samba Bank by SAR 6.7 million.

The profits of the settlement of the rescheduling of a loan amounted to SAR 20.1 million in the fiscal year 2021G, and it relates to a deduction of SAR 13.1 million on a loan from Al Baraka Bank and a deduction of SAR 6.9 million on a loan from Bank Al-Jazira.

Gain (Loss) on the Sale of Equity-Accounted Investments

The profit (loss) on the sale of equity-accounted investments amounted to SAR 4.6 million in 2019G fiscal year, and relates to the Group's sale of a 30% ownership stake in Subor, with a value of SAR 9.9 million, whose value was fully amortized before the sale. It is worth noting that the group incurred a foreign currency exchange expense of SAR 4.5 million, which led to a net profit of SAR 4.6 million.

The (loss) from the sale of equity-accounted investments amounted to SAR (18.6) million and related to the group's sale of 50% and 49% equity stakes in AFEC Egypt and Ameron Egypt, respectively, with a total value of SAR 7.5 million, as the values of investments were amortized in full before selling. It should be noted that the group incurred foreign currency conversion expenses amounting to SAR 23.2 million, which led to a loss of SAR 15.7 million. In addition, the Group sold a 15% ownership stake in Amensos for an amount of SAR 6.3 million, which had a book value of SAR 7.4 million before the sale, and thus led to a loss of SAR 2.9 million after incurring a foreign currency conversion expense of SAR 1.8 million. This was coupled with a profit from the sale of an equity investment amounting to SAR 12.4 million in 2021G fiscal year, related to the liquidation of the group in its subsidiary "**Amitac Morocco**".

Supplier Discount Adjustment Profit

The supplier discount settlement profit amounted to SAR 4.5 million in 2021G fiscal year and relates to the settlement of a late balance of a supplier with a predetermined amount.

Receipt of Unclaimed Overpayment

The Group received an amount of SR 2.7 million in the year 2021G in respect of obsolete and overdue customer balances, as well as excess payments from unclaimed customers.

Foreign Exchange Spreads

The foreign exchange differences relate to the foreign currency translation expenses of the group's foreign subsidiaries.

Foreign exchange differences amounted to an expense of SAR (7.2) million in 2019G fiscal year and SAR (9.8) million in 2020G, and a profit of SAR 1.4 million in 2021G.

Gain (Loss) on Disposal of Property, Plant and Equipment

Profits (loss) from the disposal of Property, Plant and equipment amounted to SAR 1.9 million in 2019G fiscal year, related to profits from the sale of equipment and cars.

Profit (loss) from the disposal of Property, plant and equipment amounted to SAR (719) thousand in the fiscal year in connection with the disposal of assets from the Ameron group's subsidiary.

Modify Employee Share Option Plan

An expense related to the employee share option plan modification related to the re-measurement of the employee share ownership program, as the group recorded a reversal of SAR 26.8 million in 2020G fiscal year when the employee Ownership Plan was re-measured during the same period.

Impairment of an Investment Accounted for Using the Equity Method

The impairment of the equity-accounted investment is related to the amortization of 50% of the value of Amiblu, which is the equity-accounted investment. The group has amortized 50% of the value of Amiblu in 2020G fiscal year due to the company's weak performance, which led to recording a depreciation expense of SAR 9.9 million.

Miscellaneous Income

Miscellaneous income relates to miscellaneous income generated by the Group's subsidiaries.

Miscellaneous revenues decreased by 26.9% from SAR 1.7 million in 2019G fiscal year to SAR 1.2 million in 2020G financial year, as Astana recorded revenues from the sale of scrap by SAR 1.5 million in 2019G financial year in addition to writing off receivables in the amount of SAR 1.1 million related to Amitech Swiss in 2020G fiscal year. This was offset by dividends from Amitech Germany and other investments by SAR 3.1 million in 2020G fiscal year.

Miscellaneous revenues decreased from SAR 1.2 million in 2020G fiscal year to an expenditure of SAR (117) thousand in 2021G, due to the incurring of withholding taxes related to the use of foreign services. In addition, the group recorded a loss from the disposal of assets of SAR 95 thousand during the same period.

Financing Expenses

Table (33) Financing expenses for the fiscal years ending on December 31, 2019G, 2020G and 2021G.

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Murabaha and Tawarruq commissions	87,177	57,070	29,718	(34.5%)	(47.9%)	(41.6%)
Interest on loans	10,333	5,167	4,612	(50.0%)	(10.7%)	(33.2%)
Extinguishing the end of service gratuity deduction	2,208	1,675	1,026	(24.10%)	(38.7%)	(31.80%)
Interest on rental obligations	451	169	427	(62.5%)	152.7%	(2.7%)
Interest rate swap spreads	41	-	-	(100.0%)	-	-
Financing cost differences related to loan restructuring	-	-	(26,986)	-	(100%)	(100%)
Total	100,210	64,081	8,797	(36.10%)	(86.30%)	(70.40%)
As a percentage of the total						
Murabaha and Tawarruq commissions	11.20%	12.90%	6.8%	1.8	(6.2)	(4.4)
Interest on loans	1.30%	1.20%	1.1%	(0.2)	(0.1)	(0.3)
Extinguishing the end of service gratuity deduction	0.30%	0.40%	0.2%	0.1	(0.1)	(0.0)

(SAR '000)	2019G	2020G	2021G	Annual Change 2019G - 2020G	Annual Change 2020G - 2021G	Annual growth rate 2019G - 2021G
Interest on rental obligations	0.1%	0.0%	0.1%	(0.0)	0.1	(0.0)
Interest rate swap spreads	0.0%	-	-	(0.0)	-	0.0
Reverse financing costs related to loan restructuring	-	-	N/A	-	N/A	N/A

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Murabaha and Tawarruq Commissions

Murabaha and Tawarruq commissions decreased by 34.5% from SAR 87.2 million in 2019G to SAR 57.1 million in 2020G as a result of the decrease in interest rates by banks and this is due to the group's efforts to negotiate a reduction in interest rates.

Murabaha and Tawarruq commissions decreased by 47.9% from SAR 57.1 million in 2020G fiscal year to SAR 29.7 million in 2021G, due to the continuation of negotiating to reduce interest rates as the interest rate decreased from 3.3% in 2020G financial year to 2.4% in 2021G fiscal year.

Interest on Loans

Interest on loans decreased by 50.0% from SAR 10.3 million in 2019G to SAR 5.2 million in 2020G and then decreased by 10.7% to reach SAR 4.6 million in 2021G in line with the decrease in long-term loan balances during the same period.

Amortizing End of Service Award Deduction

Net interest is calculated by applying the discount rate to the net obligation or asset of the defined benefit plan. The amortization of the end-of-service benefits deduction decreased by 24.1% from SAR 2.2 million in 2019G to SAR 1.7 million in 2020G and decreased by 38.7% to SAR 1 million in 2021G, based on key actuarial assumptions.

Interest Rate Swap Spreads

The interest rate swap differences amounted to SAR 41 thousand in 2019G.

Interest on Lease Obligations

Interest on rental obligations fluctuated during the period, as it decreased by 62.5% from SAR 451 thousand in 2019G to SAR169 thousand in 2020G, then increased by 152.7% to SAR 427 thousand in 2021G in line with additions and exclusions to lease obligations in addition to Periodic amortization of right-of-use obligations.

Financing Cost Differences Related to Loan Restructuring

The group recorded differences in financing costs related to the restructuring of loans in 2021G fiscal year, and related to the reversal of the following provisions:

1. Reversal of interest provision amounting to SAR 15.9 million
2. Reversal of provision for management fees related to the Group's loans amounting to SAR 11.1 million

5-10 Audited Statements of Financial Position

Table (34) Statement of financial position as at December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Assets			
Current assets			
Cash and cash equivalents	89,819	53,255	75,136
Trade receivables	527,383	343,852	253,279
Contract assets	353,842	372,358	322,812
Prepayments and other receivables	66,514	202,731	94,785
Inventory	341,643	271,551	242,122
Total current assets	1,379,201	1,243,747	988,134
Non-current assets			
Non-current receivables	367,811	345,371	326,912
Investments registered using the equity method	407,445	429,692	407,200
Real estate, plant and equipment	246,864	217,319	187,059
Other non-current assets	17,496	16,779	19,575
Total non-current assets	1,039,616	1,009,161	940,746
Total assets	2,418,817	2,252,908	1,928,880

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Liabilities and Equity			
Current liabilities			
Short term loans	1,206,260	1,142,730	1,126,238
Accounts Payable	332,785	325,047	234,939
Accrued expenses and other liabilities	80,794	87,296	69,548
Contract obligations	80,153	81,901	99,240
Current portion of long-term lease obligations	1,136	1,039	895
Provision for Zakat and income tax	145,976	188,195	195,387
Total current liabilities	1,847,104	1,826,208	1,726,247
Non-current liabilities			
Long term loans	-	-	-
Employees' end of service benefits obligations	69,522	66,558	59,835
Provision for Securities	4,752	8,896	3,289
Provision for invalid contracts	128,655	175,145	162,174
Non-current portion of long-term lease obligations	6,547	7,343	5,354
Other long-term Obligations	30	-	2,083
Total non-current liabilities	209,506	257,942	232,735
Total Liabilities	2,056,610	2,084,150	1,958,982
Equity			
Capital	344,517	320,000	320,000
Statutory reserve	189,472	132,176	-
Accumulated losses	(18,294)	(205,499)	(243,634)

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Employee Stock Ownership Program and Reserve	(31,914)	(7,146)	(2,083)
Change in fair value of the interest rate swap	(30)	-	-
Reserve foreign currency translation	(146,483)	(90,952)	(123,705)
Total shareholders' equity attributable to the Company's shareholders	337,268	148,579	(49,422)
Non-controlling stakes	24,939	20,179	19,320
Total Equity	362,207	168,758	(30,102)
Total liabilities and equity	2,418,817	2,252,908	1,928,880
Performance indicators			
Return on assets	(14.3%)	(17.5%)	(8.9%)
Return on equity	(95.2%)	(233.4%)	(572.8%)
Debt to Equity Ratio	3.3	6.8	(37.4)
Average collection period	278	361	248
Average days of inventory turnover	159	221	182
Average Pay Period	129	237	198

Source: Consolidated audited financial statements for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the nine months ending on September 30, 2021G

5-10-1 Cash and cash equivalents

Table (35) Cash and cash equivalents as on December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Cash	1,476	1,052	853
Balances at banks	60,335	52,152	72,319
Term Deposits	28,008	51	1,964
Total	89,819	53,255	75,136

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Cash and cash equivalents mainly include current accounts with banks and term deposits with a maturity of less than 3 months.

Cash and cash equivalents decreased from SAR 89.8 million as in December 2019G to SAR 53.3 million as in December 2020G mainly due to a decrease in term deposits of SAR 28.0 million accompanied by a decrease in bank balances by SAR 8.2 million.

Cash and cash equivalents increased to SAR 75.1 million as of 31 December 2021G, as a result of an increase in bank balances by SAR 20.2 million, coinciding with an increase in cash flows from operating activities.

5-10-2 Trade Receivables

The balance of trade receivables mainly relates to customers of third parties and related parties. Trade receivables do not bear interest and are generally due within 30 to 90 days.

Trade receivables decreased from SAR 527.4 million as on 31 December 2019G to SAR 343.9 million as on 31 December 2020G mainly due to:

1. Collecting the balance of the trade receivables of the Petroleum, Chemical and Mining Company amounting to SAR 53.6 million,
2. Collecting the balance of Fluor's trade receivables amounting to SAR 16.2 million,
3. Collecting the balance of the trade receivables of Harbin Electric International Company, amounting to SAR 16.1 million.

The balance of trade receivables continued to decline to SAR 253.3 million as of 31 December 2021G, as a result of an increase in collections from third parties amounting to SAR 100.9 million in the same period.

Contract Assets

Contract assets are initially recognized from the revenue generated from construction contracts, as the receipt of consideration is conditional on the successful termination of key milestones. When the milestones are completed

and accepted by the customer, the amounts recognized as contract assets are reclassified to receivables. Contract assets are stated net of the effect of expected credit losses.

The contract assets balance mainly consists of a balance of BWT Germany amounting to SAR 319.0 million as of 31 December 2021G.

The balance of contract assets increased from SAR 353.8 million as on 31 December 2019G to SAR 372.4 million as on 31 December 2020G, mainly due to an increase in BWT Germany's balance by SAR 29.7 million. This was offset by a decrease in the balance of ISIC and its subsidiaries by SAR 11.1 million.

Contract assets decreased by increasing to SAR 322.8 million as of 31 December 2021G, mainly due to a partial write-off from the balance of BWT Germany amounting to SAR 44.6 million Sa during the same period.

Advance Payments and Other Receivables

The balance of prepayments and other receivables amounted to SAR 94.8 million as of 31 December 2021G, and consists mainly of prepaid expenses (a value of SAR 69.7 million), advances to suppliers (a value of SAR 24.7 million) and other debit balances.

The balance of advance payments and other receivables increased from SAR 66.5 million as on 31 December 2019G to SAR 202.7 million as on 31 December 2020G as a result of the increase in receivables from underwriting rights that the company had obtained approval from the Capital Market Authority on in the amount of SAR 120 million. In addition, the balance of advance payments to suppliers increased by SAR 12.2 million as a result of the lack of credit facilities and the new requirements imposed by some suppliers on purchasing raw materials, which makes the company pay in advance for new orders.

The balance of advance payments and other receivables decreased by SAR 94.8 million as on 31 December 2021G due to the absence of receivables from the underwriting rights that the company had obtained in 2020G.

Inventory

The company's strategy is to always maintain inventory in order to meet any anticipated needs. The company also operates under a hybrid operation between:

- Production for storage: which is mainly related to fast-moving goods. The company ensures that a minimum of those goods is kept in stock,
- Production for sale: It depends on purchase orders received from customers.

However, it is worth noting that in light of the company's low liquidity and continuous losses, the strategy has changed to production for sale only since the beginning of its losses.

The inventory balance decreased from SAR 341.6 million 2019G to SAR 271.6 million as of 31 December 2020G, mainly due to the decrease in the balance of finished products and raw materials in a value of SAR 46.5 million and SAR 21.1 million, respectively, as a result of the continuous decrease in sales and, accordingly, the decrease in production during the same period.

The inventory balance continued to decline to SAR 241.1 million as of 31 December 2021G, mainly due to the decrease in the balance of finished products and raw materials in a value of SAR 10.4 million and SAR 23.1 million, respectively, as a result of the continuous decrease in sales and therefore the decrease in production during the same period.

5-10-3 Non-Current Receivables

The balance of non-current receivables relates mainly to: (a) trade receivables that the company was unable to collect from customers, so it was classified as trade receivables under legal collection, and (b) reservations receivable, which is a guarantee for the proper implementation of projects by the company where the company implements water and pipe technology projects based on the percentage of completion in each period. On this basis, the client or the main contractor for each project deducts a part of each extract (ranging between 5% and 10% based on the contract) as a guarantee of proper implementation. The entire balance is settled upon completion of the project or the expiry of the guarantee period.

Non-current receivables decreased from SAR 367.8 million as of 31 December 2019G to SAR 345.4 million as on 31 December 2020G and to SAR 326.9 million as of 31 December 2021G as a result of a collection during the period from the balance of trade receivables under legal collection amounting to SAR 45.3 million and SAR 14.5 million, respectively.

5-10-4 Investments Registered Using the Equity Method

Investments accounted for under the equity method consist of investments in joint ventures and investments in associates.

Table (36) Investments recorded using the equity method as on December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Investments in joint ventures			
Amiblu Holdings GmbH ("Amiblu")	258,259	279,499	251,563
International Water Distribution Company (Distribution)	81,157	82,549	91,471
Total shares in the joint venture	339,416	362,048	343,034
Investing in associates			
Amiantit Qatar Pipe Company Limited ("IQIP")	44,554	52,450	49,718
Other associates	23,475	15,194	14,448
Total investments in associates	68,029	67,644	64,166
Total investments recorded using the equity method	407,445	429,692	407,200

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

The equity-recorded investments increased from SAR 407.4 million to SAR 429.7 million as of 31 December 2020G, mainly due to an increase in the value of a contribution in Amiblu company in an amount of SAR 21.2 million, as a result of adjustments in the translation of foreign currencies in conjunction with the appreciation of the euro against the US dollar.

The investments recorded using the equity method decreased to SAR 407.2 million as on 30 December 2021G, mainly due to the decrease in investments in Amiblu Company in the amount of SAR 27.9 million, offset by the increase in investments in International Water Distribution Company (Tawzea) in a value of SAR 8.9 million during the same period.

5-10-5 Property, Plant and Equipment

The Group conducted the annual valuation test in December 2019G, 2020G and 2021G for cash generating units (“CGUs”) based on the calculation of the value in use, as opposed to the cash flow projections of the approved Group budget.

Therefore, the management appointed an independent consultant licensed by the Saudi Authority for Accredited Valuers (Taqeem) “**Al-Thunayan Company for Certified Public Accountants and Auditors**” to review the impairment models as on 30 June 2019G. The recoverable amount of those cash-generating units has been determined based on the value in use calculation. The post-tax discount rate applicable to cash flow projections ranges from 8.7% to 10.4%. The cash flows after 2019G are estimated using a 1% growth rate. It was concluded that the fair value less costs to sell could not be measured reliably.

Table (37) Impairment test results conducted on June 30, 2019G

Cash generating unit	Book value	Refundable value	Impairment
Avil Company	141,450	113,640	27,810
Sadeep Company	81,670	-	81,670
Bondstrand Company	16,250	-	16,250
Total	239,370	113,640	125,730

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G

As of 31 December 2019G, there were no indications of an additional decline, or a reversal of the decline incurred previously.

Property, plant, and equipment decreased from SAR 246.9 million as on 31 December 2019G to SAR 217.3 million as on 31 December 2020G as a result of depreciation for the period amounting to SAR (31.0 million) and this was partially offset by small additions in the amount of SAR (2.6 million), most of which are related to the company's industrial machines registered under capital work in progress. Property, plant, and equipment decreased to SAR 187.1 million as on 31 December 2021G as a result of depreciation for the period in the amount of SAR 29.6 million.

Other Non-Current Assets

Other non-current assets consist of loans to equity-accounted investments, intangible assets and investment properties. These assets, collectively or individually, are not material to the group.

Other non-current assets decreased from SAR 17.5 million as of 31 December 2019G to SAR 16.8 million as of 31 December 2020G as a result of the decrease in the value of intangible assets as a result of the period amortizations.

Other non-current assets increased to SAR 19.6 million as of 31 December 2021G as a result of the reclassification of two plots of land valued at SAR 3.1 million from assets held for sale to investment properties.

Short Term Loans

These loans represent credit facilities obtained from several commercial banks and carry financial charges at prevailing market rates based on interbank offer rates plus a fixed margin. The Company intends to recycle the short-term loans when due. It also includes in short-term loans the current portion of long-term loans.

Short-term loans decreased from SAR 1,206 million as on 31 December 2019G, to SAR 1,143 million as on 31 December 2020G, as a result of the decrease in the current portion of long-term loans amounting to SAR 83.6 million. This was offset by an increase in short-term loans amounting to SAR 20.1 million.

Short-term loans continued to decline to SAR 1,126 million as of 31 December 2021G, as a result of a decrease in short-term loans by SAR 52.9 million. This was offset by an increase in the current portion of long-term loans, amounting to SAR 36.4 million.

Accounts Payable

Accounts payable consist of amounts owed to third parties (due to suppliers of raw materials and manpower) and amounts owed to related parties.

Accounts payable decreased from SAR 332.8 million as on 31 December 2019G to SAR 325.0 million as on 31 December 2020G, driven by a decrease in outstanding amounts of SAR 4.6 million as a result of paying some amounts due.

Accounts payable continued to decline to SAR 234.9 million as on 31 December 2021G, as a result of paying some amounts due, decreasing raw materials and labor required, in conjunction with the decrease in sales during this period, and forcing the company from suppliers to follow the monetary policy in payment instead of selling on credit.

Accrued Expenses and Other Liabilities

Accrued expenses and other payable mainly consist of accrued finance costs, accrued sales agent fees and others.

Accrued expenses and other liabilities increased from SAR 80.8 million as on 31 December 2019G to SAR 87.3 million as on 31 December 2020G as a result of the increase in value-added tax and tax dues by SAR 8.9 million. This was offset by a decrease in accruals for financing costs in the amount of SAR 2.3 million.

Accrued expenses and other liabilities decreased from SAR 87.3 million as on 31 December 2020G to SAR 69.5 million as on 31 December 2021G as a result of the decrease in financing cost accruals by SAR 18.4 million resulting from the decrease in loans during the same period. This was offset by an increase in VAT and tax dues by SAR 6.1 million.

Contract Liabilities

Contract Liabilities include long-term advances received against construction contracts and short-term advances received for piping installation, as well as the transaction price for performance obligations that are not yet satisfied.

The balance of contract liabilities increased from SAR 80.2 million as on 31 December 2019G to SAR 81.9 million as on 31 December 2020G as a result of an increase in the balance of PWT Wasser- und Abwassertechnik GmbH by SAR 4.0 million. This was offset by a decrease in the balance of ISAAC, in the amount of (SAR 2.4 million).

The balance of contract liabilities increased from SAR 81.9 million as on 31 December 2020G to SAR 99.2 million as on 31 December 2021G as a result of an increase in the balance of the Saudi Arabian Ductile Iron Pipe Company by SAR 12.3 million in addition to an increase in the company's balance of fiberglass Industries at a value of SAR 4.2 million, in line with the increase in cost of revenue during the same period.

Current and Non-Current Portion of Lease Liabilities

The group applied IFRS 16 in 2019G using a modified retrospective approach, and then the cumulative effect of applying IFRS 16 will be recognized as an adjustment to the opening balance of accumulated losses as on 01 January 2019G. Comparison information for 2018G will not be revised. The group used practical processors to determine the definition of the lease contract upon transition, meaning that all contracts concluded before 01 January 2018G are classified in accordance with International Accounting Standard No. (17).

The Group leases several assets, including lands, buildings and office equipment. The balance of the lease obligation (current and non-current portion) amounted to SAR 6.2 million as of 31 December 2021G.

Provision For Zakat and Income Tax

The company and its Saudi subsidiaries are subject to Zakat. Zakat is due at 2.5% of the approximate Zakat base or the adjusted net profit, whichever is higher. Income tax is payable according to the tax rates of foreign subsidiaries. The most important components of the Zakat base for each company according to Zakat regulations mainly consist of shareholders' equity, provisions, long-term loans and the adjusted net profit, minus the net book value of Property, plants, investments and some other items. The balance of the provision for Zakat and income tax amounted to SAR 195.4 million as of 31 December 2021G.

The provision for Zakat and income tax increased from SAR 146.0 million as on 31 December 2019G to SAR 188.2 million as on 31 December 2020G as a result of additions amounting to SAR 45.0 million, offset by payments of SAR 2.8 million during the same period. The provision for Zakat and income tax continued to rise to SAR 195.4 million as of 31 December 2021G, as a result of additions amounting to SAR 24.3 million, offset by payments of SAR 17.1 million during the same period.

Long Term Loans

The group obtained a number of loans from Al-National Bank, Alinma Bank, Albilad, Samba, Gulf International, Al Baraka Islamic Bank and the Arab Banking Corporation. The net book value of loans is calculated by subtracting any accumulated depreciation, amortization or impairment expense from the base cost. These loans generally carry finance charges based on interbank offer rates plus a fixed margin.

The entire balance of long-term loans has been included in the current liabilities within the consolidated statement of financial position as on 31 December 2019G and 31 December 2020G and 31 December 2021G because the loans

have already been due as a result of the group's breach of some of the financial commitments stipulated in the credit facility agreements with commercial banks that are subject to annual audit by lenders, which gives lenders the right to demand an expedited repayment of their money.

Employee Benefits Liabilities

Employee benefits liabilities decreased from SAR 69.5 million as on 31 December 2019G to SAR 66.6 million as on 31 December 2020G, as a result of payments of SAR 8.7 million during the same period, as this was offset by additions of SAR 6.9 million.

Employee benefits liabilities continued to decline to SAR 59.8 million as of 31 December 2021G, as a result of payments of SAR 13.7 million during the same period, while this was offset by additions of SAR 5.7 million.

Provision for Guarantees

Table (38) Provison for Guarantees as on December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
January 1	6,216	4,752	8,896
Extras (redemption)	(1,441)	4,038	(1,298)
Used and modifications	-	-	(4,218)
Foreign currency translation adjustments	(23)	106	(91)
December 31	4,752	8,896	3,289

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

A guarantees' provision represents a commitment on the company, where the company calculates and recognizes the expected costs related to projects as guarantees. The provision is initially calculated and recognized based on past experience and is then reviewed annually.

The change in the provision for guarantees is the result of the annual review of the provision by the company based on the expected costs of the projects.

The guarantees' provision increased from SAR 4.7 million as of 31 December 2019G to SAR 8.9 million as of 31 December 2020G, as a result of additions of SAR 4.0 million. The guarantees' provision decreased to SAR 3.2 million as of 31 December 2021G as a result of use of SAR 4.2 million.

Provision for Invalid Contracts

This provision mainly relates to losses expected to be incurred to complete a contract at a specified price in Samawah, Iraq. The project is expected to be completed in 2023G. The change in the guarantee's provision is caused by annual review of the provision by the company based on the expected costs to be incurred to complete a project in Samawah, Iraq.

Provision for invalid contracts increased from SAR 128.7 million as on 31 December 2019G to SAR 175.1 million as on 31 December 2020G as a result of the balance charged to the year in the amount of SAR 34.7 million in addition to foreign currency translation adjustments in the amount of SAR 11.8 million.

The balance of the provision for invalid contracts decreased to SAR 162.2 million as of 31 December 2021G, as a result of negative adjustments to foreign currency translation amounting to SAR 13.0 million.

Other Non-Current Liabilities

The balance of other non-current liabilities relates to a guarantee's provision and other provisions. The balance of other non-current liabilities amounted to SAR 30 thousand as on 31 December 2019G and then decreased to nil as on 31 December 2020G, when the account was reclassified to other items.

The balance of other non-current liabilities increased to SAR 2.1 million as of 31 December 2021G as a result of the increase in the stock options balance of employees in the same value.

Capital

The capital consists of the authorized, issued and fully paid-up capital. On 31 December 2018G, the capital balance amounted to SAR 1.2 billion. On 08/09/2019G, the company's extraordinary general assembly agreed to reduce the company's capital from SAR 1.2 billion to SAR 344.5 million, a decrease of 70.2%, and on 01/12/2020G, the extraordinary general assembly of the company agreed to reduce the company's capital from SAR 344.5 million to SAR 200 million, with a decrease of 41.95%, in order to amortize 96.61% of the accumulated losses. On 01/12/2020G, the company's extraordinary general assembly agreed to the company's board of directors' recommendation to increase the company's capital from SAR 200 million to SAR 320 million by issuing 12 million shares with a total amount of SAR120 million, bringing the company's capital to SAR 320 million as on 31 December 2020G, in order to increase THE Working capital, to repay loans, and to repay suppliers. On 26/07/1443H (Corresponding to 27/02/2022G), the company's extraordinary general assembly agreed to reduce the company's capital from SAR 320 million to SAR 99 million, a decrease of (69.06%) in order to amortize 99.93% of the accumulated losses so that the capital become SAR 99 million.

It should be noted that SADEEP, which is 100% owned by Amiantit, a limited liability company, has raised its capital from SAR 180.0 million in 2019G to SAR 280.0 million in 2020G through the issuance of non-tradable shares by transferring amounts owed by the parent company, thus increasing the number of shares and capital accordingly.

Statutory Reserve

In line with the requirements of the Saudi Companies Law, the Company transfers 10% of its profit for the year to a statutory reserve until this reserve reaches 30% of the capital. This reserve is not distributable as dividends.

The balance of the statutory reserve decreased from SAR 189.5 million as on 31 December 2019G to SAR 132.2 million as on 31 December 2020G as a result of the company's board of directors' decision dated 26 August 2020G to reduce the statutory reserve by 30.2% and transfer part of it by an amount of SAR 57, 3 million to amortize part of the accumulated losses of the company amounting to SAR 206.9 million.

Then the company's board of directors decided on 27 March 2021G to make full use of the remaining legal reserve balance of SAR 132.2 million to amortize the accumulated losses in order to partially adjust the accumulated losses of the company and reduce the balance to SAR 243.6 million, which represents 76.1% of the capital as on 31 December 2021G.

Accumulated Losses

The percentage of accumulated losses from the capital amounted to 5.3%, 64.2%, and 76.1% as on 31 December 2019G, 2020G and 2021G, respectively.

Accumulated losses increased from SAR 18.3 million as on 31 December 2019G to SAR 205.5 million as on 31 December 2020G as a result of losses incurred during the period.

Accumulated losses increased to SAR 243.6 million as of 31 December 2021G as a result of losses incurred during the period.

Employee Stock Ownership Plan and Reserve

The company has implemented the employee share ownership plan, which provides for rewards for specific job grades starting from 01 January 2012G. Accordingly, the company purchased 5.2 million of its shares through a financial institution for the purpose of the employee share ownership plan, which was recorded under the name "**employee share ownership reserve plan**" in the consolidated statement of financial position.

Employees, based on their contributions to the plan, completion of three years of service, and maintaining a certain performance level, were granted free shares until the maturity date during the year 2015G. The employee stock Ownership Plan and reserve represents the value of the remaining shares held by the trustee for future options to be presented to the company's employees.

The balance of the employee ownership plan and reserve decreased to SAR 7.1 million as of 31 December 2020G, and then decreased to SAR 2.1 million as on 31 December 2021G.

Change in Fair Value of The Interest Rate Swap

The Group has an interest rate swap contract (the "**Contract**") with a local bank relating to loans bearing variable profit rates. As on 31 December 2019G, the nominal value of the contract amounted to SAR 12.9 million and the fair value of the contract as on 31 December 2019G decreased to SAR 0.030 million.

The Group has accounted for the contract as an effective hedge of the cash flow risks. Accordingly, the Group recorded the decrease in the fair value of the contract in the statement of other comprehensive income and the Corresponding liability was recorded in the non-current liabilities in the consolidated statement of financial position.

Reserve Foreign Currency Translation

The risk that the value of financial instruments will fluctuate as a result of changes in foreign exchange rates. Currency risk arises when future business transactions and the recognized assets and liabilities are denominated in a different currency than the Group's presentation currency. The Group's exposure to foreign currency risk is primarily limited to transactions in US dollars and Euros and the Group's management believes that its exposure to currency risks linked to the US Dollars is limited because the Group's presentation currency is pegged to the US Dollar.

The balance of the foreign currency translation reserve increased from negative SAR 146.5 million to negative SAR 91.0 million as of 31 December 2020G, due to an improvement in currency rates such as the euro during the period.

Then the foreign currency translation reserve balance decreased to negative SAR 123.7 million as on December 31, 2021G due to the negative change in currency rates during the period.

Non-Controlling Interests

The non-controlling interest balance relates to 1) Bondstrand Corporation (60% owned); It is a pipe production company (GRE) located in Dammam, Kingdom of Saudi Arabia and 2) Emtec Astana LLP Company (51% owned); It is also a pipe production company (GRP) established in Kazakhstan. The balance of non-controlling interests decreased from SAR 24.9 million as of 31 December 2019G to SAR 19.3 million as of 31 December 2021G.

5-10-6 Trade Receivables

Table (39) Trade receivables as on December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Accounts receivable - third parties	624,676	482,615	363,811
Accounts receivable - related parties	24,175	11,717	15,381
Provision for expected credit loss	(121,468)	(150,480)	(125,913)
Total	527,383	343,852	253,279
Average collection period	278	361	248

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

a. Accounts receivable - third parties

Trade receivables - third parties relate to trade receivables in the normal course of business. The balance of accounts receivable - third parties decreased from SAR 624.7 million as of 31 December 2019G to SAR 482.6 million as of 31 December 2020G as a result of collection from the company's customers; Harbin Electric International Company with a value of SAR 16.1 million and Fluor Company with a value of 16.2 million. In addition, the balance of the Petroleum, Chemical and Mining Company amounted to SAR 53.6 million was transferred to balances under legal procedure. The balance of accounts receivable - third parties continued to decline to SAR 253.3 million as of 31 December 2021G. Collection from the company's customers; Al-Ghanim International Company with a value of SAR 7.2 million, Doosan Heavy Industries with a value of SAR 11.2 million, in addition to Ansab General Contracting Company with a value of SAR 12.9 million.

b. Accounts receivable - related parties

Table (40) Accounts receivable - related parties as at December 31, 2019G, 2020G and 2021G

(SAR '000)	Nature of the relationship	Fiscal year Ended 31 December 2019G Management	Fiscal year Ended 31 December 2020G Management	Fiscal year Ended 31 December 2021G Audited
Embello Company	Commercial	-	-	11,114
Amiantit Libya Company	Commercial	7,775	7,775	-
Amiantit Egypt Company	Commercial	5,653	2	2
IBS Romania	Commercial	3,621	-	-
Amitech Algeria	Commercial	2,070	2,070	2,070
FLOTITE TECHNOLOGY	Commercial	1,325	1,325	1,325
Other	Commercial	3,731	548	870
Total		24,175	11,720	15,381

Source: The Company Management Information

The balance of accounts receivables - related parties decreased from SAR 24.2 million as on 31 December 2019G to SAR 11.7 million as on 31 December 2020G as a result of receiving the amounts due. The main reason for the decrease is attributed to receivables from Amiantit Egypt, where the balance decreased by SAR 5.7 million, in addition to a decrease in receivables from IBS Romania by SAR 3.6 million, and receivables from Amiantit Qatar by SAR 1.6 million.

The balance of accounts receivable - related parties increased from SAR 11.7 million as on 31 December 2020G to SAR 15.4 million as on 31 December 2021G as a result of an increase in the balance of receivables from Amiblu Company by SAR 11.1 million as a result of the write-off of debit balances from Emtec Libya amounting to SAR 7.8 million during the same period.

c. Provision for Expected Credit Losses

Table (41) Movement on the account of impairment as of December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
January 1	144,905	121,468	150,480
Additions	-	41,532	1,686
Reverse/ write off	(23,437)	(13,770)	(24,533)

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Foreign currency translation adjustments	-	1,250	(1,720)
December 31	121,468	150,480	125,913

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Table (42) Ages of trade receivables as on December 31, 2021G

(SAR '000)	Undue	Balances that are past due and not impaired			
		Less than 180 days	181 to 365 days	More than 365 days	Total
Accounts receivable - third parties	47,231	40,072	30,401	246,107	363,811
Accounts receivable - related parties	11,173	-	810	3,397	15,381
Total	58,404	40,072	31,211	249,504	379,192

Source: The Company Management Information

The Group recognizes a provision for expected credit losses ("**ECL**") for financial assets measured at amortized cost. The provision for impairment is calculated based on the legal advisors' and attorneys' estimation of the amount to be collected. A provision for expected credit losses is recognized either over the life or 12 months. The Group considered the probability of default on initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis over the reporting period. To assess whether there has been a significant increase in credit risk, the Group compares the risk of default of an asset as at the reporting date with the risk of default at the date of initial recognition.

The balance of the provision for expected credit losses increased from SAR 121.5 million as of 31 December 2019G to SAR 150.5 million as on 31 December 2020G as a result of additions amounting to SAR 41.5 million.

The balance of the provision for expected credit losses decreased to SAR 125.9 million as of 31 December 2021G, as a result of writing off some provisions amounting to SAR 24.5 million during the same period.

5-11 Advance Payments and Other Receivables

Table (43) Prepayments and other receivables as at December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Advances to suppliers	14,613	26,795	24,749
Prepayments	50,396	52,140	69,737
Accounts receivable from rights to subscribe	-	120,000	-
Other	1,505	3,796	299
Total	66,514	202,731	94,785

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Advance Payments to Suppliers

The balance of advance payments to suppliers increased from SAR 14.6 million as on 31 December 2019G to SAR 26.8 million as on 31 December 2020G due to the lack of a credit facility and the new requirements imposed by some suppliers on purchasing raw materials, which makes the company pay in advance for new orders.

The balance of advance payments to suppliers decreased to SAR 24.7 million as of 31 December 2021G as a result of receiving invoices related to advance payments from suppliers, lack of liquidity within the company, and attempting to obtain requests with a cash payment policy from customers.

Prepaid expenses

Prepaid expenses increased from SAR 50.4 million as on 31 December 2019G to SAR 52.1 million as on 31 December 2020G, driven by value-added tax (+ SAR 3.8 million) and advance payments on current assets (+SAR3.0 million) as a result of suppliers not providing the usual credit terms, which renders the company pay in advance on raw material purchases partially offset by a decrease in deposits and guarantees (SAR 2.8 million).

Prepaid expenses increased to SAR 69.7 million as of 31 December 2021G, driven by an increase in VAT accruals (+ SAR 3.6 million) primarily related to VAT on PWT Germany sales tax payments and advance payments (+ SAR 12.8 million) relating to a 20% down payment made to La Fontaine in order to secure iron ore for one of the group's subsidiaries (Sadeep).

Other

Other advance payments relate to assets held for sale. The balance of other advance payments increased from SAR 1.5 million as on 31 December 2019G to SAR 3.8 million as on 31 December 2020G, then the other advance payments balances decreased to SAR 299 thousand as on 31 December 2021G as a result of a decrease in some assets held for sale (SAR 3.1 million).

5-11-1 Inventory

Table (44) Inventory as of December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Raw materials	81,352	60,291	37,199
Goods under manufacture	6,275	6,045	9,138
Supplies, not for sale	47,078	46,355	46,160
Finished products	205,857	159,351	148,994
Goods in transit	1,081	(491)	631
Total	341,643	271,551	242,122

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Raw Materials

Raw material balances include the basic materials from which products are made. The balance of raw materials decreased from SAR 81.4 million as on 31 December 2019G to SAR 60.3 million as on 31 December 2020G as a result of lower quantities in production and sales.

The balance of raw materials decreased to SAR 37.1 million as of 31 December 2021G, as a result of lower quantities in production and sales.

Goods Under Manufacturing

It remained constant at SAR 6.0 million as of 31 December 2019G and as of 31 December 2020G, primarily driven by delays in the progress of some projects from the client.

The balance of goods in process increased from SAR 6.0 million as of 31 December 2020G to SAR 9.1 million as of 31 December 2021G due to delays in receiving from customers.

Supplies, Not for Sale

The balance of supplies, not prepared for sale decreased from SAR 47.0 million as on 31 December 2019G to SAR 46.3 million as on 31 December 2020G as a result of usage during the period.

Supplies not ready for sale remained stable at SAR 46.2 million as 31 December 2021G and on 31 December 2021G.

Finished Products

The balance of finished products decreased from SAR 205.9 million as on 31 December 2019G to SAR 149.9 million as on 31 December 2021G as a result of delivering products to customers, mainly due to low-density pipes (SAR 4.9 million), in addition to products imported from abroad (SAR 36.8 million).

Goods On the Road

Goods on the road are incoming shipments that are held until they are cleared of customs procedures, after which they are transferred from the balance. The balance of goods on the road decreased from SAR 1.1 million as on 31 December 2019G to negative SAR 491.0 thousand as on 31 December 2020G as a result of an error in the automated accounting system and it was fixed in the next financial period during the year 2021G, where the balance of goods on the road increased to SAR 631 thousand as on 31 December 2021G.

5-11-2 Non-Current Receivable

Table (45) Non-current receivables as at December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Trade receivables under legal collection	424,242	477,079	441,947
Reservations due	68,993	62,740	74,650
Less: provision for impairment	(125,424)	(194,448)	(189,685)
Total	367,811	345,371	326,912

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

a. Trade receivables under legal collection

Trade receivables under statutory collection are collected after a period of more than one year from the reporting date. All receivable balances under statutory collection have not been paid for more than two years.

Trade receivables under legal collection increased from SAR 424.2 million as on 31 December 2019G to SAR 477.1 million as on 31 December 2020G as a result of obtaining some judicial rulings in favor of the company, and settlements with customers are still in place from SAR 222.7 million as on 31 December 2019G to SAR 346.0 million as on 31 December 2020G. This was offset by a decrease in the rescheduled due amounts in accordance with judicial rulings, amounting to SAR 45.3 million as a result of their collection during the period.

Trade receivables under legal collection decreased from SAR 477.8 million as on 31 December 2020G to SAR 441.9 million as on 31 December 2021G as a result of a decrease in balances scheduled for collection in accordance with judicial rulings of SAR 14.5 million as a result of the collection of the period. This was offset by an increase in obtaining some judicial rulings in favor of the company, and settlements with clients are still in place, coinciding with the decrease in the amounts that are still under legal procedures and rescheduling their collection in accordance with judicial rulings.

Table (46) Trade receivables under legal collection as of December 31, 2019G, 2020G and 2021G.

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Balances scheduled for collection in accordance with judicial rulings	145,321	99,991	85,486
Judicial judgment balances in favor of the group, and settlements with clients are still outstanding	222,686	346,041	329,130
Balances still under legal action	56,235	31,047	27,331
Total	424,242	477,079	441,947

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

b. Reservations Due

Reservations due represent the amounts that the customer holds and must pay to the company. Reservations due do not carry interest and are usually collected upon completion of the project.

Reservations due decreased from SAR 69.0 million as on 31 December 2019G to SAR 62.7 million as on 31 December 2020G as a result of collecting some amounts withheld from customers.

Due reservations increased to SAR 74.7 million as of 31 December 2021G, in line with the increase in the revenues of the water management sector projects.

c. Provision For Impairment

Table (47) Movement Provision for impairment of non-current receivables as at December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
January 1	119,776	125,424	194,448
Additions	5,648	69,725	13,882
Reverse	-	(701)	(18,645)
December 31	125,424	194,448	189,685

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Trade receivables under statutory collection are monitored by third party attorneys and impairment is calculated based on the status of the balances under statutory collection from the court and the expected potential outcomes. The impairment provision increased from SAR 125.4 million as on 31 December 2019G, to SAR 194.4 million as on 31 December 2020G as a result of the increase in the percentage of additions in the amount of SAR 64.1 million in line with the expectations of third-party lawyers for unfavorable court decisions.

The impairment provision decreased from SAR 194.4 million as of 31 December 2020G to SAR 189.7 million as of 31 December 2021G as a result of writing off the impairment provision of SAR 18.6 million.

5-11-3 Property, Plant, and Equipment

Table (48) Real estate, Plant and equipment as on December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Lands	53,567	51,315	48,585
Buildings and land improvements	57,077	49,673	42,244
Plants, machinery and equipment	120,096	100,749	83,723
Furniture, fixtures and office equipment	9,313	7,637	5,969
Capital work in progress	6,811	7,945	6,538
Total	246,864	217,319	187,059

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Lands

Certain Property, plant and Equipment belonging to the Group are located on land leased from the Government of the Kingdom of Saudi Arabia under multiple renewable lease contracts.

The "Group" owns two industrial plots of land in the city of Dammam since 1971G, which are registered in the "Group" accounts, with a value of SAR 1.4 million. The "Group" has the official certificates supporting the ownership of these two plots, and the "Company" announced on 28 December 2021G that it intends to apply the fair value policy on Property and investment properties, based on what was announced by the Capital Market Authority on 31 December 2019G allowing listed companies to use the fair value or revaluation model to measure property and investment properties for the financial periods of the fiscal year that begins during or after 2022G, with the continued obligation of listed companies to use the cost model option to measure machinery, equipment, and intangible assets for a period of five years ending at the end of 2024G, and obligating listed companies that wish to implement the accounting policy to announce it on the Tadawul platform 90 days prior to the date of the first accounting period in 2022G. The Company wishes to implement it as of 01 April 2022G. Therefore, the market value of these two pieces reached the lowest in August 2021G among three accredited valuers from the Saudi Authority for Accredited Valuers in the amount of SAR 371.89 million.

The “**Group**” has owned an industrial plot of land in Jeddah since 2009G. The value of this land amounts to SAR 150 million, recorded in the accounts of the subsidiary company (Arabian Company for Building Materials and Industrial Equipment Trading Ltd. (Arabia for Trading)) and the consolidated statement of financial position of the “**Group**” as on 30 September 2021G.

A dispute has arisen over this land due to the fact that there is a tribe called (Al-Jadaan), which claims that the whole land of Melissa (in which the land of Jeddah is located) belongs to their ancestors and demanded that the current owners to vacate the land and hand it over to them. The tribe submitted the dispute to the competent judicial authority, and it was ruled in their favor. In light of this, the company established a provision with the full value of the land of SAR 150 million, while the same dispute had already been decided and a royal order was issued to recognize the land to its current owners. Currently, in furtherance of the previous Royal Decree, another royal decree has been issued, a copy of which we have not received, but the Jeddah Municipality has begun to take the necessary measures to register the land to its current owners, and work is under way to develop a zoning plan for the entire Molaisa’ land in preparation for the issuance of electronic certificates.

The land balance decreased from SAR 53.6 million as on 31 December 2019G to SAR 51.3 million as on 31 December 2020G and continued to decline to SAR 48.5 million as on 31 December 2021G as a result of depreciation of some assets and improvements built on the land that has been classified under land balance.

Buildings and Land Improvements

The balance of buildings and land improvements decreased from SAR 57.1 million as on 31 December 2019G to SAR 49.7 million as on 31 December 2020G and continued to decline to SAR 42.2 million as on 31 December 2021G as a result of the cost of depreciation during the mentioned period.

Plants, Machinery and Equipment

The balance of plants, machinery and equipment decreased to SAR 100.7 million as on 31 December 2020G and continued to decline to SAR 83.7 million as on 31 December 2021G as a result of the depreciation cost of the period.
Furniture, Fixtures and Office Equipment

The balance of furniture, fixtures and office equipment decreased from SAR 9.3 million as on 31 December 2019G to SAR 6 million as on 31 December 2021G as a result the cost of depreciation during the period without recording any significant increases.

Capital Work in Progress

Capital work in progress on 31 December 2019G mainly represents advances to suppliers for the purchase of machinery and equipment in addition to improvement projects for which a provision for impairment has been fully recorded. The capital work in progress increased from SAR 6.8 million as on 31 December 2019G to SAR 7.9 million as on 31 December 2020G related to various plants in accordance with the capital expenditure policy approved by the company.

The capital work in progress decreased to SAR 6.5 million as of 31 December 2021G as a result of transferring part of the completed work to the fixed assets schedule.

5-12 Other Non-Current Assets

Table (49) Other non-current assets as of December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Investment properties	8,250	8,250	11,387
Intangible assets	8,705	7,986	7,386
Deferred Tax Assets	541	543	802
Total	17,496	16,779	19,575

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Other non-current assets are assets that, collectively or individually, are not material to the Group.

Investment Property

The investment properties amounted to SAR 8.3 million as on 31 December 2019G and 2020G, respectively, and represent lands that were received from some customers as payment to Amiantit against receivables that they were unable to pay. The investment properties are currently for sale, knowing that the company had received a deed for each land received from the client.

Investment properties increased to SAR 11.4 million as of 31 December 2021G due to the reclassification of SAR 3.1 million related to two plots of land from assets held for sale to investment properties.

Table (50) Lands paid to Amiantit as receivables payments

Owner	Area (m2)	Location	Client's Name
Saudi Arabian Amiantit Company	30,952	Riyadh - Khurais Road	Hashem Abdul Rahman Ahmed Al Hashem
Amiantit Fiberglass Manufacturing Co., Ltd.	1,375	Riyadh - Al-Gharnatah District	Hashem Abdul Rahman Ahmed Al Hashem
Amiantit Fiberglass Manufacturing Co., Ltd.	600	Riyadh - Industrial District	Riyadh Desert Contracting Est
Amiantit Fiberglass Manufacturing Co., Ltd.	5,000	Jubail - west of farms	Al-Irtiqaa General Trading and Contracting Company

Source: The Company Management Information

Intangible assets

Intangible assets consist of software development and other technology as well as research and development and other assets that are amortized.

Intangible assets decreased from SAR 8.7 million as on 31 December 2019G to SAR 8.0 million as on 31 December 2020G as a result of the amortization of those assets during the same period. Intangible assets decreased to SAR 7.4 million as of 31 December 2021G, as a result of a decrease in research and development during the same period.

Deferred Tax Assets

Deferred tax assets remained relatively constant at SAR 541 thousand as on 31 December 2019G and 31 December 2020G, and increased to SAR 802 thousand on 31 December 2021G as a result of the increase in losses incurred by one of the group's subsidiaries (Amitech Astana).

Loans to Associates and Joint Ventures

No loan balance was recorded for associates and joint ventures as on 31 December 2019G, 31 December 2020G and 31 December 2021G due to the merger with Hobart Company to establish the Amiplo Company and therefore part of this balance was reclassified from long-term assets to equity in addition to paying part of the amounts.

5-13 Short Term Loans

Table (51) Short-term loans as on December 31, 2019G and 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
SAR	809,565	841,112	824,476
USD	53,590	37,500	4,540
Other currencies	-	4,595	1,316
Current portion of long-term loans included in current liabilities	343,105	259,523	295,906
Total	1,206,260	1,142,730	1,126,238

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

The short-term loans represent credit facilities obtained from several local and foreign commercial banks and carry financial charges at the prevailing market rates based on interbank offer rates in addition to a fixed profit margin. The Company intends to recycle the short-term loans when due amounting to SAR 1,126 million as of 31 December 2021G.

The short-term loans account also includes the current portion of long-term loans amounting to SAR 295.4 million as of 30 December 2020G.

Table (52) Details of short-term loans as on December 31, 2021G (not including the current portion of long-term loans included in current liabilities)

Company	Funding entity	Amount	Balance as at December 31, 2021G	Securities	Finance Charges	Release Date	Expiry date	Purpose of funding	Terms and Conditions	Compliance status
Amiantit	Bank Albilad	268,000	268,000	Company Guarantee	2.34%	June 29 2021G	31 December 2031G	Working Capital Financing	– The leverage ratio (debt/equity ratio) shall not exceed 2.5:1 at the end of each fiscal year	Failure to comply with some financial provisions
	National Bank	316,664	97,564	Company Guarantee	2.38%	29 September 2021G	31 December 2031G	Working Capital Financing	– 50% of bin Laden's invoices – At least 30% of the revenue must be deposited in the National Bank – The leverage shall not exceed 2.5:1 at the end of each financial year – The ratio between total current assets and total current liabilities shall not be less than 1:1	Failure to comply with some financial provisions
	Alinma Bank	523,964	330,023	Company Guarantee	3.40%	13 December 2020G	31 December 2031G	Working Capital Financing	– Leverage shall not exceed 2:1 at the end of each financial year. – The ratio between total current assets and total current liabilities shall not be less than 1:1 – Maintain a minimum net equity (capital, reserves and retained earnings) of no less than 950,000,000 Saudi riyals during the financing period.	Failure to comply with some financial provisions
	BBK	4,540	4,540	-	-	-	-	Working Capital Financing	-	-
	Amitech Astana	1,035	-	-	-	-	-	-	-	-
	PWT Germany	281	-	-	-	-	-	-	-	-

Company	Funding entity	Amount	Balance as at December 31, 2021G	Securities	Finance Charges	Release Date	Expiry date	Purpose of funding	Terms and Conditions	Compliance status
Avil	National Bank	-	-	Company Guarantee	-	27 August 2019G	27 August 2020G	Working Capital Financing	<ul style="list-style-type: none"> - Leverage shall not exceed 2:1 at the end of each financial year. - The ratio between total current assets and total current liabilities shall not be less than 1.2: 1.0 - Any breach of the financial terms of the agreements with another financial institution is a breach of our Facility Agreement. After the restructuring with National Bank, all the dues of the Avil company will be collected to the mother company's Amiantit, and therefore there will be no obligations on the Avil company. 	Failure to comply with some financial provisions

Company	Funding entity	Amount	Balance as at December 31, 2021G	Securities	Finance Charges	Release Date	Expiry date	Purpose of funding	Terms and Conditions	Compliance status
Sadeep	NCB	-	-	Company Guarantee	-	27 August 2019G	27 August 2020G	Working Capital Financing	<ul style="list-style-type: none"> - The ratio between total current assets and total current liabilities shall not be less than 2.5:1 - Any breach of the financial terms of the agreements with another financial institution is a breach of our Facility Agreement. After the restructuring with National Bank, all the dues of the Sadeep company will be collected to the mother company's Amiantit, and therefore there will be no obligations on the Sadeep company. 	Failure to comply with some financial provisions
	Saudi Investment Bank	2,327	2,327	Company Guarantee	3.00%	14 November 2021G	14 November 2022G	Working Capital Financing	-	-

Company	Funding entity	Amount	Balance as at December 31, 2021G	Securities	Finance Charges	Release Date	Expiry date	Purpose of funding	Terms and Conditions	Compliance status
Bondstrand Ltd.	National Bank	-	-	Company Guarantee	-	27 August 2019G	27 August 2020G	Working Capital Financing	<p>Leverage shall not exceed 1.5:1.0.</p> <p>The ratio between total current assets and total current liabilities shall not be less than 1:1.</p> <p>After the restructuring with National Bank, all the dues of the Bondstrand company will be collected to the mother company's Amiantit, and therefore there will be no obligations on the Bondstrand company. Any breach of the financial terms of the agreements with another financial institution is a breach of our Facility Agreement.</p> <p>At least 30% of the revenue must be deposited in the National Bank.</p>	Failure to comply with some financial provisions
Total		1,116,811	703,770							

Source: The Management Information

Table (53) Details of the current portion of long-term loans included in current liabilities as on December 31, 2021G

Financier	Amount	Balance as on 31 December 2021G	Securities	Financing Charges	Purpose of Financing	Terms and conditions
National Bank	316,664	219,100	Company Guarantee	2.38%	Working Capital Financing	<ul style="list-style-type: none"> - 50% of bin Laden's invoices - At least 30% of the revenue must be deposited in the National Bank - The leverage shall not exceed 2.5:1 at the end of each financial year - The ratio between total current assets and total current liabilities shall not be less than 1:1
Alinma Bank	523,964	193,941	Company Guarantee	3.38%	Working Capital Financing	<ul style="list-style-type: none"> - Leverage do not exceed 2:1 at the end of each fiscal year - The ratio between total current assets and total current liabilities is not less than 1:1 - Maintain a minimum net equity (capital, reserves and retained earnings) of no less than 950,000,000 Saudi riyals during the financing period.
Amitech Astana	9,427	9,427	-	-	-	-
Total	850,055	422,468	-	-	-	-

Source: Management Information

5-14 Accrued Expenses and other Obligations

Table (54) Accrued expenses and other obligations as on December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G	Fiscal year Ended 31 December 2020G	Fiscal year Ended 31 December 2021G
Due financial charges	22,959	20,671	2,315
Sales agent fees due	10,813	9,240	7,843

(SAR '000)	Fiscal year Ended 31 December 2019G	Fiscal year Ended 31 December 2020G	Fiscal year Ended 31 December 2021G
Salary, wages and benefits accrued	5,536	7,073	5,690
Accrued expenses and other obligations	41,486	50,312	53,700
Total	80,794	87,296	69,548

Source: The Management Information

Accrued Financial Expenses

The accrued financial expenses decreased from SAR 23.0 million as on 31 December 2019G to SAR 20.7 million as on 31 December 2020G as a result of a reversal made to the provision for facility fees.

The accrued financial expenses continued to decline to SAR 2.3 million as of 31 December 2021G, as a result of reversing the provision for facility fees and canceling the increase in the accrued interest fees, the sum of both reasons amounting to SAR 16.3 million.

Due Sales Agent Fees

The company has sales agents outside the Kingdom in countries such as China, UAE, Kuwait and others. Agents' fees represent approximately 2.5% to 5% of sales (depending on the contract).

Accrued sales agents' fees continued to decrease from SAR 10.8 million as on 31 December 2019G to SAR 9.2 million as on 31 December 2020G to reach SAR 7.8 million as on 31 December 2021G in line with the decrease in export sales during the same period.

Accrued Salary, Wages and Benefits

Payable salaries, wages and benefits increased from SAR 5.5 million as on 31 December 2019G to SAR 7.1 million as on 31 December 2020G as a result of delays in the payment of salaries.

Payable salaries, wages and benefits decreased to SAR 5.7 million as of 31 December 2021G in line with the decrease in the number of employees.

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities increased from SAR 41.5 million as on 31 December 2019G to SAR 50.3 million as on 31 December 2020G, driven by an increase in value-added tax and payable income tax (+ SAR 8.9 million) due to the liquidity shortage that the company faces, and the contract loss provision (+SAR 3.5 million) offset by a decrease in the contractual labor provision (-SAR 5.4 million) related to lower production during the year due to the restrictions of the Corona pandemic, and knowledge fees (- SAR 1.3 million) mainly related to fees of the concession paid to Embello Norway (a related party) to use the Technology Services. It is worth noting that the knowledge fee is calculated based on 2.5% of Avil's revenue for the period.

Accrued expenses and other liabilities continued to rise to SAR 53.7 million as of 31 December 2021G, mainly driven by the increase in value-added tax and payable income tax (+ SAR 6.1 million).

5-15 Provision For Zakat and Income Tax

Table (55) Zakat and income tax as on December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
January 1	128,928	145,976	188,195
Charged during the year	22,158	44,974	24,324
Paid during the year	(5,110)	(2,755)	(17,132)
Total	145,976	188,195	195,387

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Table (56) Zakat provision charged as on December 31, 2019G and 2020G in 2021G.

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Zakat and income tax for the current year:			
- Ongoing operations	21,597	44,974	23,705
- Discounting operations	561	-	619
Total	22,158	44,974	24,324

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

The Company and its Saudi subsidiaries submit their Zakat returns on a consolidated basis. The company and its Saudi subsidiaries received final Zakat and income tax certificates for the previous years and up to 2020G. The company received final assessments from the Zakat, Tax and Customs Authority until the year 2020G.

5-16 Long Term Loans

Table (57) Long-term loans as on December 31, 2019G, 2020G, 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Loans from commercial banks	343,105	259,523	295,906
Current portion included in current liabilities	(343,105)	(259,523)	(295,906)
Non-current portion included in non-current liabilities	-	-	-

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Table (58) Carrying values of long-term loans denominated in currencies as at December 31, 2019G and 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
SAR	333,638	250,000	286,479
USD	9,467	9,523	9,427
Total	343,105	259,523	295,906

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

During 2019G, the group defaulted on some long-term loan installments, and work is underway to reschedule these installments and take precautionary measures by the management.

It is worth noting that the group breached some of the financial conditions related to credit facility agreements, as the provisions of some short and long-term loan agreements require the group to maintain the financial position at specific levels, and require the prior approval of lenders for dividend distributions in excess of specified amounts, capital expenses and some other obligations. At the moment, there are no remaining approval requests. During 2019G, the group defaulted on some long-term loan installments, and work is under way to reschedule these installments and take precautionary measures by the management. Arrangements are underway with banks for these loans to avoid defaults in 2021G.

The main financial terms breached by the group are as follows:

provisions	Requirements
Total liabilities to net tangible value	200% - 250%
Current ratio	100% - 125%
Minimum equity attributable to shareholders	950 Million Saudi Riyals

Based on the aforementioned breach, the lending banks have the right to cancel the credit facilities or to expedite the schedule of future payments. Accordingly, the entire balance of long-term loans was included within the current liabilities in the consolidated statement of financial position as on 31 December 2021G.

5-17 Employee Benefits Obligations

Table (59) Provision for employee benefit obligations as on December 31, 2019G, 2020G, 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
1 January	67,691	69,522	66,558
Charged to profit or loss	7,327	6,929	5,699
Actuarial remeasurement charged to the statement of other comprehensive income	2,858	(1,190)	1,284
Paid during the year	(8,354)	(8,703)	(13,706)
31 December	69,522	66,558	59,835

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

In accordance with the International Financial Reporting Standards approved in the Kingdom, the company started calculating the end of service benefits using the actuarial calendar. The calculation of the provision requires making assumptions related to variables such as discount rates, salary increase rate, mortality rates, employee turnover and future health care costs. Periodically, management consults with external actuarial experts regarding these assumptions.

Amounts of remeasurement of actuarial gains and losses are recognized on the defined benefit obligation, if any, and remeasurements of employees' end of service benefits, after deducting Zakat, are included in the statement of comprehensive income and accumulated actuarial profits in the statement of changes in equity.

Contingent Liabilities and Commitments

Capital Commitments

The capital expenditures that the Group contracted and were not incurred as of 31 December 2021G amounted to approximately SAR 0.9 million (SAR 2.6 million as of 31 December 2020G and SAR 2.7 million as of 31 December 2019G).

Potential Obligations

The group owns an industrial plot of land in the city of Jeddah since 2009G through the acquisition, from a related party, of a subsidiary company that owns this land. The ownership of this land is the subject of a legal dispute before the Saudi judicial system. The Group believes that this dispute will not result in any obligation.

Guarantees

The Group was conditionally liable for bank guarantee letters issued in the ordinary course of business amounting to SAR 76.9 million as on 31 December 2021G (SAR 73.0 million as on 31 December 2020G and SAR 108.2 million as on 31 December 2019G). Together with other shareholders in its related companies, the Company has a contingent liability for corporate guarantees amounting to SAR 168.6 million as on 31 December 2021G (SAR 554.0 million as on 31 December 2020G and SAR 543.0 million as on 31 December 2019G) in relation to the borrowing facilities to the related companies.

5-18 Audited Statements of Cash Flows

Table (60) Statement of cash flows for the financial years ending on December 31, 2019G, 2020G and 2021G

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Loss of the year	(344,817)	(393,867)	(172,421)
Depreciation, amortization, and impairment	173,318	32,136	30,834
Share in the results of investments recorded using the equity method	(25,511)	(24,808)	(8,050)
Impairment in the value of investments recorded using the equity method	-	9,909	-
Zakat and foreign income tax charged	22,158	44,974	24,324
Employees' end of service benefits, net	5,119	5,254	4,673

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Impairment losses in the value of financial assets	(4,133)	105,598	20,756
Provision for security (Reverse)	(1,441)	4,038	(1,298)
Realized loss from currency conversion	-	24,952	-
Provision for useless contracts	33,601	34,676	44,631
Financing charges	100,210	64,081	8,797
Loss / (profit) on disposal of property, plant and equipment	(1,868)	1,291	719
Gain on disposal of equity-accounted investments	(4,578)	(6,401)	(12,412)
Total	(47,942)	(98,167)	(59,447)
Changes in Working Capital:			
Trade receivables (current and non-current) and asset contracts	161,624	107,368	63,175
Prepayments and other receivables	13,890	(135,211)	103,160
Inventory	125,035	69,226	29,080
Accounts Payable	9,156	(16,598)	(88,180)
Accrued expenses and other obligations and contractual obligations	(10,675)	2,677	4,549
Zakat and foreign income tax paid	(5,110)	(2,755)	(17,132)
Paid employment termination benefits	(8,354)	(8,703)	(13,706)
Provision for useless contracts used	(21,433)	-	-

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Net cash generated from operating activities	216,191	(82,163)	21,499
Investment activities			
Proceeds from disposal of equity-registered investments	9,000	13,802	12,835
Proceeds from disposal of property, plant and equipment	3,949	-	43
Dividends received on equity-accounted investments	6,947	11,665	13,238
Acquisition of property, plant and equipment	(8,948)	(2,554)	(1,780)
Net change in other non-current assets	(1,260)	1,650	294
Net cash generated from (used in) investing activities	9,688	24,563	24,630
Financing activities			
Increasing the capital through the issuance of rights shares	-	120,000	-
Change in short term loans	(136,626)	(63,530)	(16,221)
Acquisition of a non-controlling interest in a subsidiary	-	24,768	5,063
Paid finance expenses	(92,303)	(64,081)	(8,797)
Paid lease obligations	(172)	699	(2,133)
Net change in other non-current liabilities	205	(55)	(1,109)
Net cash used in financing activities	(228,896)	17,801	(23,197)
Net change in cash and cash equivalents	(3,017)	(39,799)	22,932

(SAR '000)	Fiscal year Ended 31 December 2019G Audited	Fiscal year Ended 31 December 2020G Audited	Fiscal year Ended 31 December 2021G Audited
Cash and cash equivalents as at the beginning of the year	93,280	89,819	53,254
The effect of foreign currency translation on cash and cash equivalents	(444)	3,235	(1,051)
Cash and cash equivalents at the end of the year	89,819	53,255	75,135

Source: The consolidated audited financial statements for the fiscal years ending on December 31, 2019G, 2020G, 2021G.

Cash Flows from Operating Activities

The net cash generated from operating activities decreased from SAR 216.2 million in fiscal year 2019G to negative SAR 82.2 million in fiscal year 2020G as a result of the decrease in advance payments and other receivables by an amount of SAR 135.2 million in addition to a decrease in loss for the year by SAR 49.1 million.

The net cash generated from operating activities increased from negative SAR 82.2 million in the fiscal year 2020G to SAR 21.5 million in the 2021G as a result of an increase in advance payments and other receivables amounting to SAR 103.2 million.

Cash Flows Generated from (Used in) Investing Activities

The net cash generated (used in) investment activities increased from SAR 9 million in 2019G to SAR 24.6 million in the fiscal year 2020G as a result of the increase in proceeds from excluding investments registered using the equity method in the amount of SAR 4.8 million, in addition to an increase in dividends profits received on equity-accounted investments amounting to SAR 4.7 million during the period.

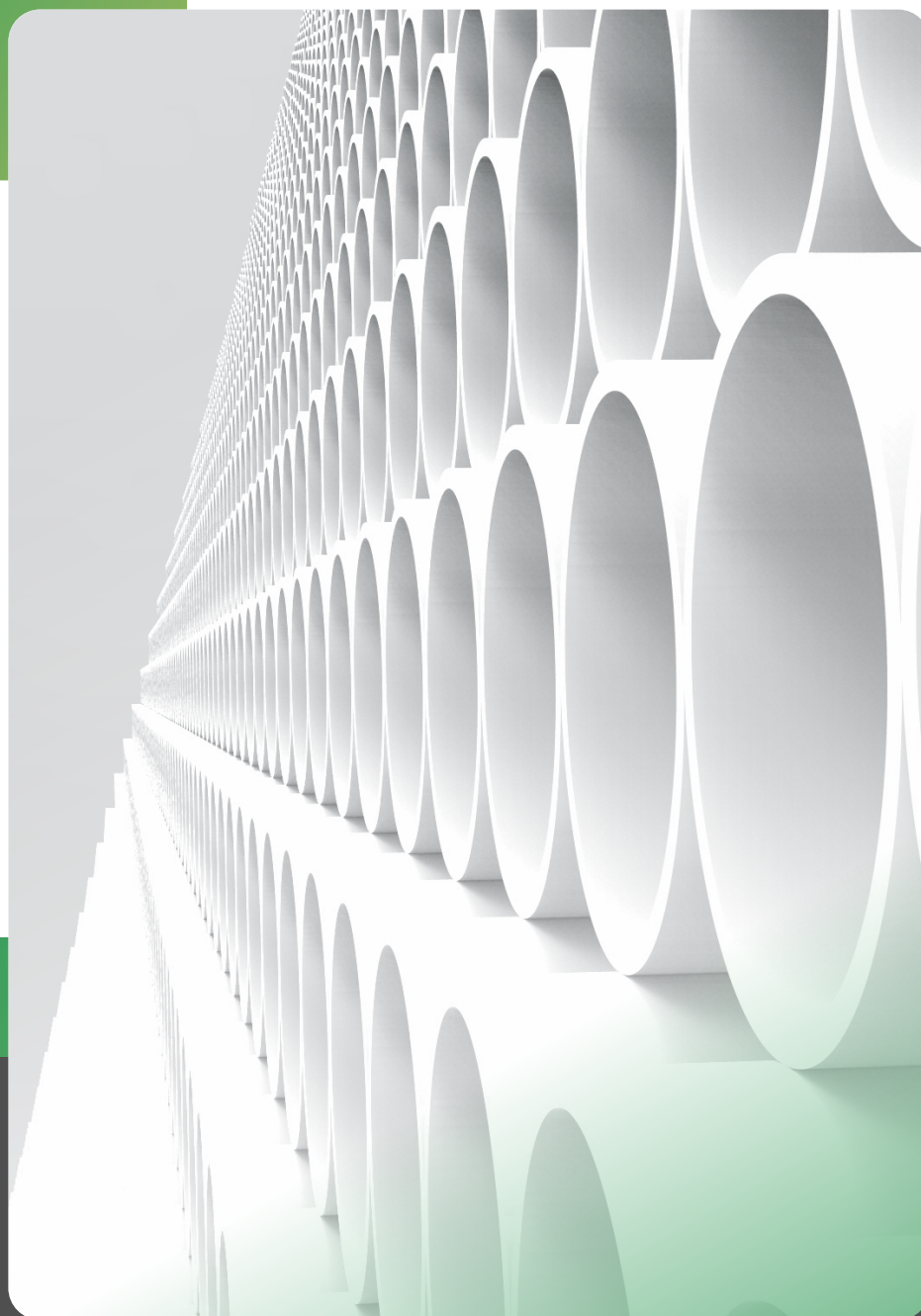
The net cash generated from investment activities stabilized at SAR 24.6 million in the fiscal year 2021G, as a result of annual distributions from investments recorded using the equity method, in the amount of SAR 13.2 million, in addition to proceeds from investment disposals recorded using the equity method amounting to SAR 12.8 million.

Cash Flows Used in Financing Activity

The net cash used in financing activities increased from negative SAR 228.9 million in the fiscal year 2019G to SAR 17.8 million in the 2020G financial year due to the increase in capital through the issuance of priority rights shares amounting to SAR 120 million.

The net cash used in financing activities decreased from SAR 17.8 million to negative SAR 23.2 million as a result of the decrease in short-term loans amounting to SAR 16.2 million in addition to the increase in financing expenses paid in the amount of SAR 8.8 million.

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6.

Use of the Offering Proceeds and Future Projects

6- Use of the Offering Proceeds and Future Projects

6-1 Net Offering Proceeds

The total Offering Proceeds from the rights issue is three hundred and forty-six million five hundred thousand (346,500,000) Saudi riyals, of which about fourteen million (14,000,000) Saudi riyals will be paid, to cover the costs of the Offering, which include the fees of the Financial Advisor, Lead Manager, Underwriters, Legal Advisor, Auditor, and the expenses of marketing, printing, distribution and other expenses related to the Offering.

The net proceeds of the offering will amount to about three hundred thirty-two million five hundred thousand (332,500,000) Saudi riyals, which will be used to finance working capital and spare parts for maintenance and production so that the Company can increase its operational capacity and support its future activity. The shareholders will not receive any of the proceeds arising from the Offering. The Company will also disclose to the public on the Saudi Stock Exchange (Tadawul) website when there is a difference of (5%) or more between the actual use of the Offering Proceeds versus what was disclosed in this Prospectus as soon as it becomes aware of this. This is in accordance with paragraph (b) of Article (54) of the Rules on Offer of Securities and Continuing Obligations, which states that **“the issuer must disclose to the public when there is a difference of 5% or more between the actual use of the proceeds from the Rights Issue shares against what was disclosed in a Prospectus as soon as he becomes aware of it.”**

6-2 Use of the Offering Proceeds

The net proceeds of the Offering will be used mainly for the purpose of financing working capital in order for the company to be able to increase the operating capacity and support its future activity. The shareholders will not receive any of the proceeds arising from the Offering.

The company will use the net Offering Proceeds as follows:

- **Working capital:** The Company seeks, through financing its capital, to increase its production of fiberglass, ductile and epoxy products, which requires the purchase of raw materials such as iron ore, resins, fiberglass and other production materials that contribute to reaching the finished product ready for sale. The products mentioned above represent 56% of the Company's revenues for the year 2021G, and in view of this, the Company allocated an amount of 232,304,000 Saudi riyals to purchase raw materials from its current suppliers, where the above-mentioned raw materials constituted 14.2% of the Company's total inventory of 242,122,000 Saudi riyals for the year 2021 divided as follows:
 - Finished materials from fiberglass accounted for 8.3% of the inventory for the year 2021G, with a total value of 20,002,000 Saudi riyals.
 - Finished ductile materials accounted for 3.7% of the inventory for the year 2021G, with a total value of 9,001,000 Saudi riyals.
 - Finished epoxy materials accounted for 2.2% of the inventory for the year 2021G, with a value of 5,282,000 Saudi riyals.

The work plan is expected to start in the third quarter of the year 2023G and end at the end of the fourth quarter of the 2023G. The Company also allocated an amount of 62,704,000 Saudi riyals for the direct costs of manpower for operations, which will mostly be used in fiberglass and ductile factories. The business plan is expected to start in the third quarter of 2023G and ends at the end of the fourth quarter of 2023G. The Company also allocated an amount of 16,054,000 Saudi riyals to cover other manufacturing costs (utilities, transportation costs) resulting from the increase in production. The business plan is expected to start in the third quarter of 2023G and end at the end of the fourth quarter of 2023G.

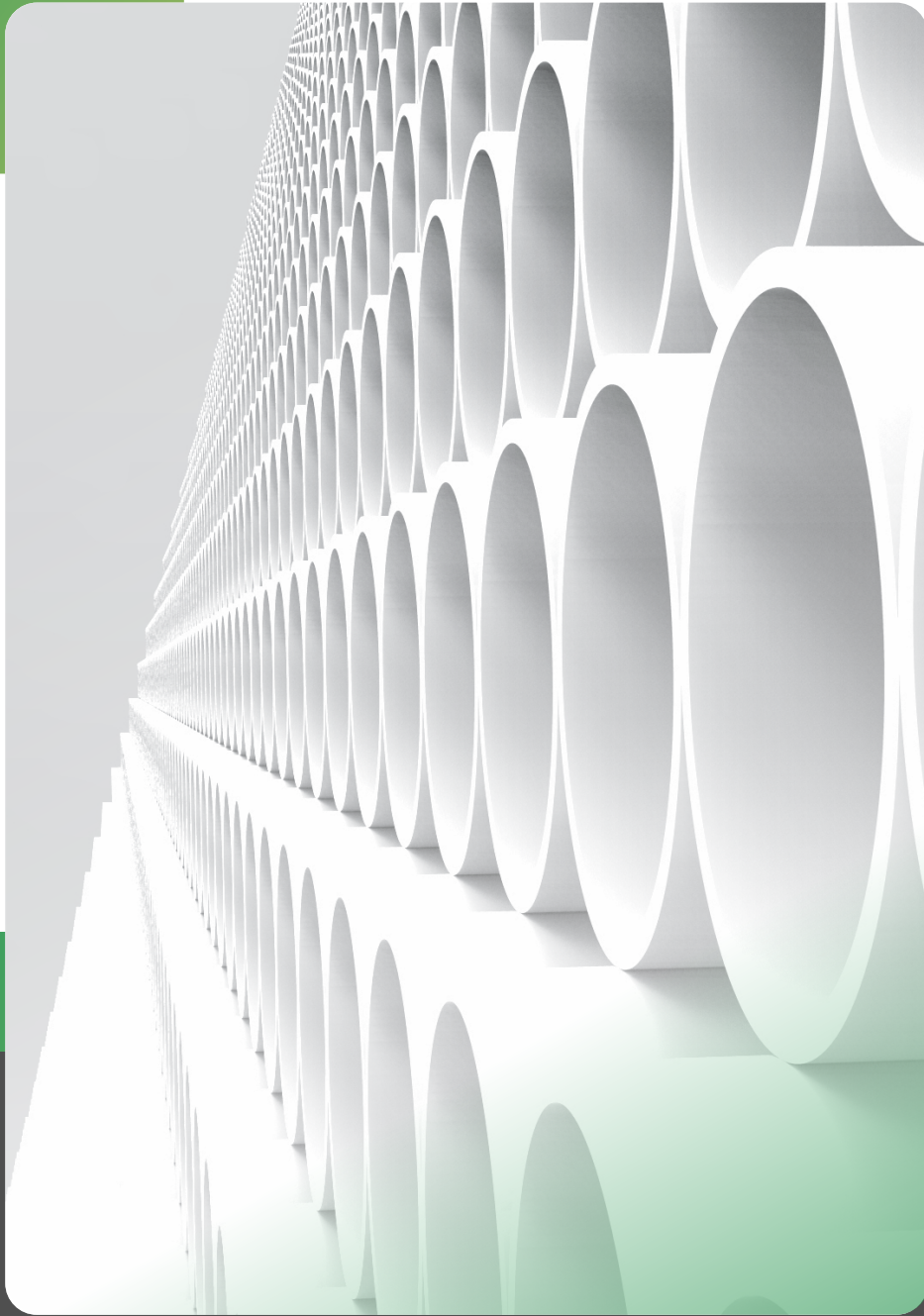
- **Spare parts for maintenance and production:** The Company allocated 21,438,000 Saudi riyals to provide tools and equipment (for example, but not limited to: ovens, hydraulic pressure cylinders, electric motors, welding electrodes, electrical control panels, lathe heads) as well as maintenance of machines. The business plan is expected to start in the third quarter of 2023G and ends at the end of the fourth quarter of 2023G.
- **Offering costs:** The Company has allocated an amount of 14,000,000 to cover the offering costs, which include the fees of the Financial Advisor, Lead Manager, Underwriters, Legal Advisor, Auditor, and the expenses of marketing, printing, distribution and other expenses related to the Offering, knowing that the cost is an estimate and is expected to be met in the third quarter of 2023G.

Following is the expected table for using the Offering Proceeds:

Table 61: Uses of Offering Proceeds

In Saudi Riyals	2023G		Total	% of the total
	Q 3	Q 4		
Working capital	155,531,000	155,531,000	311,062,000	89.77%
Spare parts for maintenance and production	10,719,000	10,719,000	21,438,000	6.19%
Offering costs	14,000,000	-	14,000,000	4.04%
Total	180,250,000	166,250,000	346,500,000	100%

It should be noted that the above-mentioned items will be financed from the Offering Proceeds.



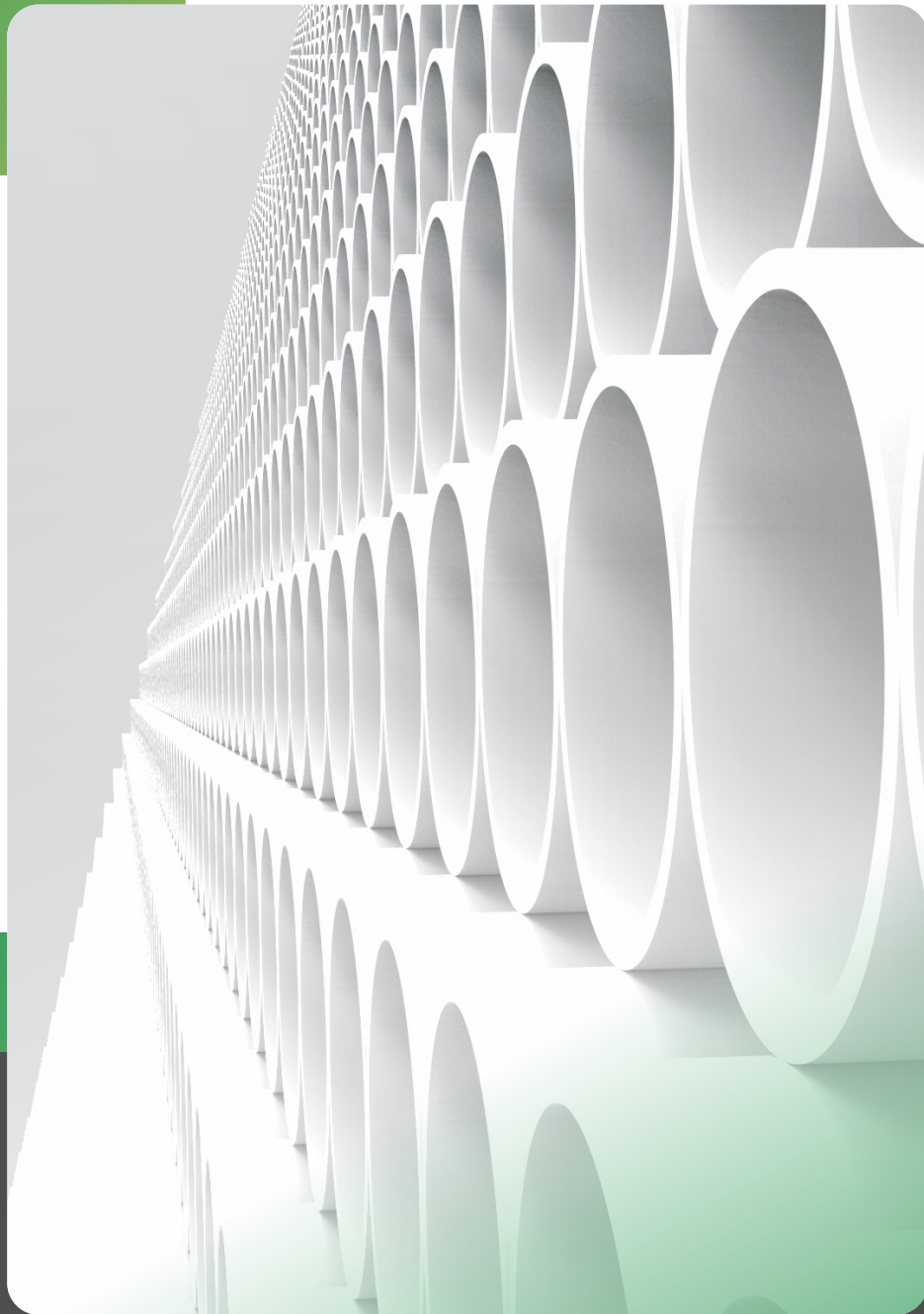
7.

Experts Statement

7- Experts Statement

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Written consents were obtained from the Financial Advisor, Legal Advisor, Underwriter and Lead Manager of the Company whose names appear on pages (ix,x) shall include their names, logos and statements in the form contained in this Prospectus. A written consent of the Company's Auditors was also obtained to include their names and logos in the form contained in this Prospectus. These consents have not been withdrawn as on the date of this Prospectus, and none of the above-mentioned parties, their employees or their relatives have any shares or any interest in the Company and its subsidiaries of any kind.



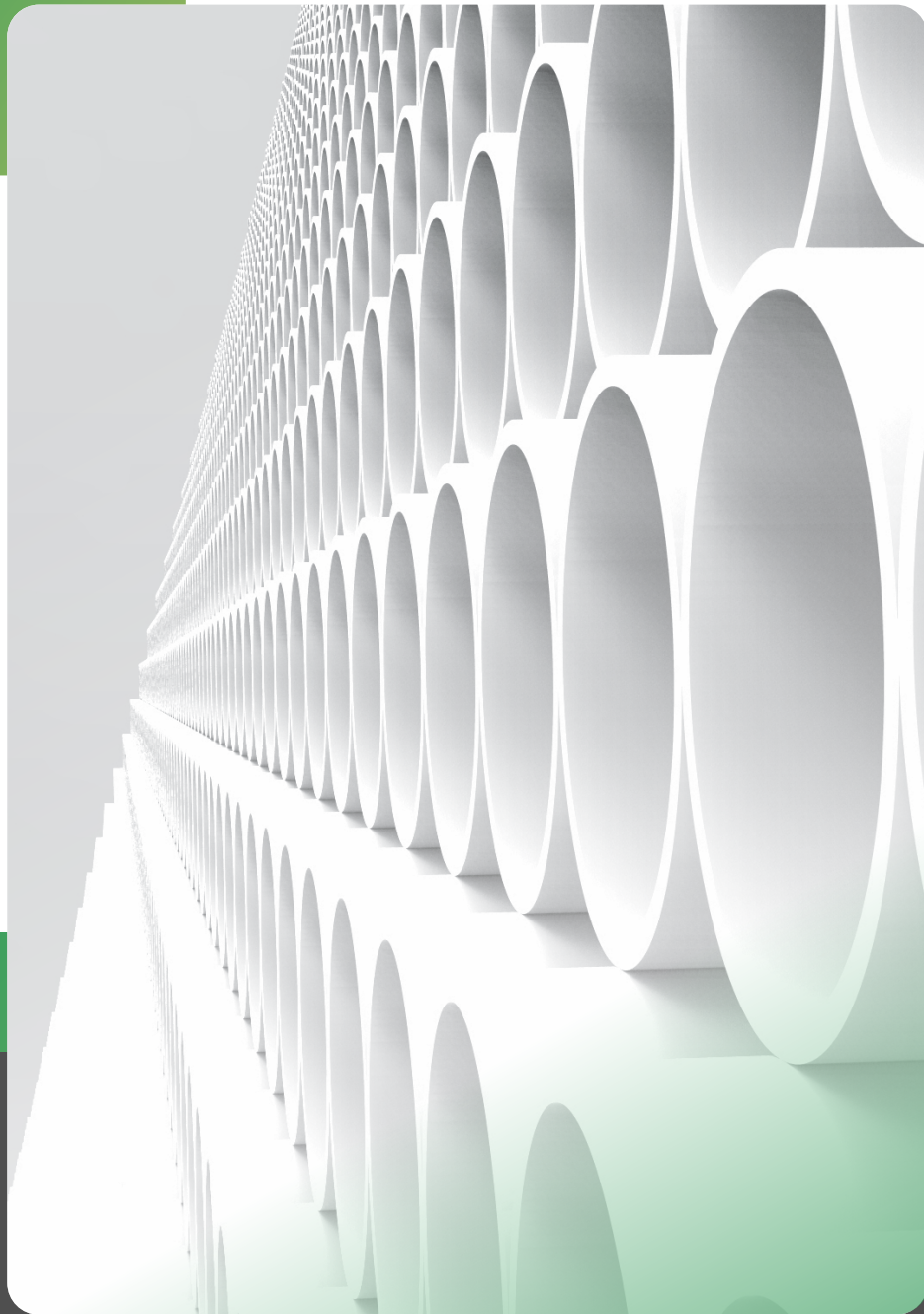
8.

Directors' Declarations

8- Directors' Declarations

As at the date of this Prospectus, the Company's Directors declare that:

- Other than what is mentioned in Section (3) "**The Company Background and its Nature of its Business**" of this Prospectus, there was no interruption in the business of the Company that could affect or have had a significant impact on the financial condition during the last (12) months.
- No commissions, discounts, brokerage fees, or any non-monetary compensation were granted by the Issuer or any of its subsidiaries during the three (3) years immediately preceding the date of submitting the application for registration and the Offering of securities in relation to the issuance or offering of any securities.
- Other than what was mentioned in the subparagraph "**Capital**" of Section (5) "**Financial Information and Management Discussion and Analysis**" with regard to reducing and raising capital, and what was mentioned in subparagraph (26) "**Risks of liquidation of subsidiaries**" of Section (2) "**Risk Factors**", there has not been any material negative change in the financial and commercial status of the Issuer or any of its subsidiaries during the three years immediately preceding the date of filing the securities registration and offering subject to this Prospectus, in addition to the accounting period covered by the auditors' report until the approval date of this Prospectus.
- Other than what is stated in page (vii), the members of the Board of Directors or any of their relatives do not have any shares or interest of any kind in the Company.
- The Company did not keep treasury shares, and the EGM of the Company did not approve the purchase of the Company's shares.



9.

Legal Information

9- Legal Information

9-1 Introduction about the Company and the most prominent changes that have occurred

9-1-1 The Company

Saudi Arabian Amiantit Company is a Saudi joint stock company established under Commercial Registration Certificate No. (2050002103) dated 17/03/1388H (14/06/1968G) which expires on 29/05/1445H (Corresponding to 13/12/2023G)

The Company was registered in the commercial register of joint stock companies in Riyadh under the trade name “**Saudi Arabian Amiantit Company**”, which is the current trade name of the Company, and there has been no change to the name after that until the date of this Prospectus.

9-1-2 Company's Incorporation and Milestones of its Capital Development

- The Saudi Arabian Amiantit Company was initially established as a limited liability company under the articles of incorporation documented by the notary public in Dammam on 26/11/1411H (Corresponding to 09/06/1991G).
- On 17/06/1414H (Corresponding to 30/11/1993G), the General Assembly of partners approved the transformation of the legal entity of the company from a limited liability company to a closed joint stock company. Ministerial Resolution No. (886) was issued on 06/08/1414H (Corresponding to 18/01/1994G) approving the conversion request, and the company was registered in the Commercial Register under Certificate No. (2050002103) dated 17/03/1388H (Corresponding to 14/06/1968G). The Company's capital upon conversion to a joint stock company amounted three hundred and fifty million (350,000,000) Saudi riyals divided into seven million (7,000,000) shares of equal value, each with a nominal value of fifty (50) riyals.
- On 14/12/1416H (Corresponding to 01/05/1996G) all the Company's shares were listed in the Saudi Stock Exchange (Tadawul - the main market), numbering seven million (7,000,000) shares, representing (100%) of the Company's capital amounting to three hundred Fifty million (350,000,000) Saudi riyals, with a nominal value of fifty (50) Saudi riyals per share, and the Company was converted into a public joint stock company accordingly.
- On 28/01/1421H (Corresponding to 03/05/2000G) the Company's Extraordinary General Assembly approved the Board's recommendation to increase the Company's capital from three hundred and fifty million (350,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by granting one free share for every 7 shares, so that the number of its shares become eight million (8,000,000) shares.
- On 08/02/1422H (Corresponding to 02/05/2001G), the Company's Extraordinary General Assembly approved the Board's recommendation to increase the Company's capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals increasing the company's shares from eight million (8,000,000) shares to eleven million (11,000,000) shares, with a nominal value of (50) riyals per share, by distributing three (3) free shares for every eight (8) shares using the entire profits of the Company.

- On 01/02/1423 H (Corresponding to 14/04/2002G), the (Extraordinary) General Assembly of Shareholders approved the recommendation of the Board of Directors to increase the Company's capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals, by transferring most of the profits of the year 2001 to the capital and distributing two shares (2) for every eleven (11) shares, thus increasing the number of shares from eleven million (11,000,000) shares to thirteen million (13,000,000) shares, with a nominal value of (50) riyals per share.
- On 03/04/1424H (Corresponding to 03/06/2003G), the (extraordinary) general assembly of shareholders approved the recommendation of the Company's Board of Directors to increase the capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, by transferring fifty million (50,000,000) Saudi riyals from the profits of 2002G to the capital and the distribution of one (1) free share for every thirteen (13) shares, and accordingly the number of shares was increased from thirteen million (13,000,000) to fourteen million (14,000,000) shares, with a nominal value of (50) riyals per share..
- On 30/03/1425H (Corresponding to 19/05/2004G), the (extraordinary) general assembly of shareholders approved the recommendation of the Company's Board of Directors to increase the capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, by transferring seventy million (70,000,000) Saudi riyals from the retained earnings to the capital and the distribution of a free share for every ten (10) shares, which resulted in an increase in the Company's shares from fourteen million (14,000,000) to fifteen million and four hundred thousand (15,400,000) with a nominal value of (50) riyals per share.
- On 12/06/1426H (Corresponding to 18/07/2005G) the (extraordinary) general assembly of shareholders approved the recommendation of the Company's Board of Directors to increase the capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals, by issuing and listing seven million seven hundred thousand (7,700,000) shares with a total nominal value of three hundred and eighty-five million (385,000,000) Saudi riyals, at a nominal value of SAR 50 per share, in order to strengthen its financial position and support its local industrial projects in the field of pipe industry and water management projects to keep pace with the country's needs of water pipes and other uses.
- On 27/08/1438H (Corresponding to 23/05/2017G), the (extraordinary) general assembly of shareholders approved amending and updating the Company's Articles of Association in line with the new Companies Law and amending Article (3) related to the Company's objectives, Article (16) relating to the Company's management, Article (19) relating to the powers of the Board, Article (20) relating to the remuneration of the Board, Article (21) relating to the powers of the Chairman and Managing Director, Chief Executive Officer and the Secretary, Article (22) relating to Board meetings, Article (30) relating to the quorum of the Ordinary General Assembly meeting, and Article (31) relating to the quorum of the Ordinary General Assembly meeting
- On 09/01/1441H (Corresponding to 08/09/2019G), the (extraordinary) general assembly of shareholders approved the recommendation of the Company's Board of Directors to reduce the capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals, at a reduction rate of (70.2%) of the company's capital, thus reducing the number of the Company's shares from one hundred and fifteen million five hundred thousand (115,500,000) shares to thirty-four million four hundred and fifty-one thousand and seven hundred (34,451,700) shares by canceling eighty-one million and forty-eight thousand three hundred (81,048,300) shares, in order to extinguish the total accumulated losses and amend articles (7 and 8) of the Articles of Association accordingly.
- On 16/04/1442H (Corresponding to 01/12/2020G), the (extraordinary) general assembly of shareholders approved the recommendation of the Company's Board of Directors to reduce the capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million

(200,000,000) Saudi riyals, at a reduction rate of (41.95%) of the company's capital, thus reducing the number of the Company's shares from thirty-four million four hundred and fifty-one thousand seven hundred (34,451,700) shares to twenty million (20,000,000) shares by canceling fourteen million four hundred and fifty-one thousand seven hundred (14,451,700) shares of the Company's issued shares. The same general assembly also agreed to increase the Company's capital through a rights issue, and the Offering is represented in offering twelve million (12,000,000) new ordinary shares and increasing the Company's capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals.

- On 17/04/1443H (Corresponding to 22/11/2021G), the Board of Directors decided to approve the restructuring of the Company's capital to extinguish the accumulated losses, which amounted to (221,146,000) riyals, or (69.11%) of the Company's capital as on 30/09/2021G, by reducing the capital from three hundred and twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, by canceling twenty-two million one hundred thousand (22,100,000) shares of the Company's shares by reducing one (1) share for every (1.447) shares, and then increasing the capital to three hundred twenty million (320,000,000) Saudi riyals to support working capital.
- On 26/06/1443H (Corresponding to 29/01/2022), The Board of Directors recommended the amendment of its previous recommendation issued on 17/04/1443 H (Corresponding to 22/11/2021G) regarding reducing the company's capital and then increasing it. The Board of Directors has recommended reducing the company's capital by two hundred and twenty-one million (221,000,000) Saudi riyals, which represents (69.06%) of the company's capital, and then increasing the company's capital by offering rights shares with a value of three hundred and forty-six million five hundred thousand (346,500,000) Saudi riyals.
- On 11/07/1443H (Corresponding to 12/02/2022G), the Board of Directors decided to separate the submission of the capital reduction file from the capital increase file. The reason for this is due to the accumulated losses reaching (69.06%) of the capital and the near expiry of the deadline granted to the listed joint-stock companies regarding the suspension of some provisions of the articles of the Companies Law, including Article (150) of the Companies Law based on the Royal Decree No. (15016) dated 16/03/1442H (Corresponding to 02/11/2020G).
- On 16/07/1443H (Corresponding to 17/02/2022G), the Capital Market Authority approved the Company's request to reduce its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reducing the number of shares from Thirty-two million (32,000,000) shares to nine million nine hundred thousand (9,900,000) shares. Note that this approval is conditional on the approval of the Company's EGM and the completion of the relevant regulatory procedures and requirements.
- On 26/07/1443H (Corresponding to 27/02/2022G), the (extraordinary) general assembly of shareholders agreed to reduce the Company's capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals with a reduction rate of (69.06)% by canceling twenty-two million one hundred thousand (22,100,000) shares of the Company, as one (1) share was reduced for every (1.447) shares, bringing the number of shares after the reduction to nine million nine hundred thousand (9,900,000) shares, i.e. (99.93%) of the Company's accumulated losses.
- According to the Board of Directors' (amended) recommendation to increase the Company's capital through a rights issue issued on 26/06/1443H (corresponding to 29/01/2022G), the approval of the (Extraordinary) General Assembly must be obtained within (6) six months from the date of approval of the competent regulatory authorities (the Capital Market Authority "the Authority", Saudi Tadawul Company "**Tadawul**" and the Ministry of Commerce). If the Company fail to obtain approval of the (Extraordinary) General Assembly during that period, the approval of the Authority shall be considered null and the Company must resubmit the application if it wants to increase its capital.

9-1-3 Substantial Shareholders

As at the date of this Prospectus, the Company has one major shareholder (1) who own 5% or more of the Company's shares who is: His Royal Highness Prince / Mohammed bin Fahd bin Abdulaziz Al Saud, who owns (6.281%) of the Company shares, as indicated in the following table:

Table (62) List of Substantial Shareholders and changes in the percentages of shares owned by them

Substantial Shareholders	Nationality	Ownership Percentage		
		According to the latest share issue prospectus dated 01/10/2020G	Up to 31/12/2021G	As on the date of publication of this Prospectus
Prince Khaled Abdullah Abdulrahman Al Saud	Saudi	7.47%	7.47%	-
Prince Mohammed bin Fahd bin Abdulaziz Al Saud	Saudi	6.96%	6.28%	6.281%
Abdullah Saleh Abdullah Al-Bassam	Saudi	5.8%	-	-

Source: Company

9-1-4 Head Office:

The head office of the Company is located in the city of Dammam. Branches, offices or agencies may be established for it inside or outside the Kingdom by a decision of the Board of Directors or a decision of the Chairman of the Board of Directors or his representative.

Until the date of this Prospectus, the Company's head office is located in Dammam City - 8212, First Industrial District - Dammam Khobar Expressway - P.O. 3361, Zip Code: 32234 Tel: 138471500.

9-1-5 Company term:

Article Six (6) of the Articles of Association stipulates that the term of the Company shall be ninety-nine (99) Gregorian years starting from the date of issuance of the decision of His Excellency the Minister of Commerce to convert the Company from a limited liability to a joint stock Company. The term of the Company may always be extended by a decision issued by the Extraordinary General Assembly at least one year before its expiry date. Commercial Registration data indicate the expiry of the Company's term on 24/07/1544H (Corresponding to 15/06/2077G).

9-1-6 Company purposes:

Article Three (3) of the Articles of Association stipulates that the activities that the Company is entitled to engage in after approval of the Commercial Register Department and the competent authority (if any) in contrast to any of these activities in the Commercial Register Certificate.

According to the Commercial Registration certificate, the Company may carry out the following activities: (Laying of water lines between and within cities, construction of new networks, construction of sewage stations and projects, sewage networks and pumps, network extensions, sale and installation of machinery and factory equipment). The Company exercises its activities through its head office, branches, and subsidiaries within the Kingdom in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities. The Company and its subsidiaries have obtained the necessary licenses from the competent authorities to carry out their activities (for more information, please see subsection (9-2) "**Licenses and permits obtained by the Company**" of this section)

9-1-7 Company Management:

According to Article (16) of the Articles of Association, the Company is managed by a board of directors consisting of five (5) members elected by the Ordinary General Assembly of shareholders for a period of three (3) years.

9-1-8 Articles of Association

The current version of the Company's Articles of Association was issued based on the resolution of the Extraordinary General Assembly on 26/07/1443H (Corresponding to 27/02/2022G). Articles of the Articles of Association have been amended several times according to the following:

- **Capital increase:** On 08/02/1422H (Corresponding to 02/05/2001G), the Extraordinary General Assembly approved increasing the Company's capital from four hundred million (400,000,000) Saudi riyals to five hundred and fifty million (550,000,000) Saudi riyals by transferring the entirety of the profits of the year 2000G and part of the reserves to the capital and the amendment of the Articles of Association accordingly.
- **Capital increase:** On 01/02/1423H (Corresponding to 14/04/2002 G), the Extraordinary General Assembly approved increasing the Company's capital from five hundred and fifty million (550,000,000) Saudi riyals to six hundred and fifty million (650,000,000) Saudi riyals through transferring most of the profits of the year 2001 and amending the Articles of Association accordingly.
- **Capital increase:** On 03/04/1424H (Corresponding to 03/06/2003G), the Extraordinary General Assembly approved increasing the Company's capital from six hundred and fifty million (650,000,000) Saudi riyals to seven hundred million (700,000,000) Saudi riyals, by transferring fifty million (50,000,000) Saudi riyals from the profits of the year 2002G to the capital and the amendment of the Articles of Association accordingly.
- **Capital increase:** On 30/03/1425H (Corresponding to 19/05/2004 G), the Extraordinary General Assembly approved increasing the Company's capital from seven hundred million (700,000,000) Saudi riyals to seven hundred and seventy million (770,000,000) Saudi riyals, from Transferring seventy million (70,000,000) Saudi riyals from the retained earnings to the capital and amending the Articles of Association accordingly.
- **Capital increase:** On 12/06/1426H (Corresponding to 18/07/2005G), the Extraordinary General Assembly approved increasing the Company's capital from seven hundred and seventy million (770,000,000) Saudi riyals to one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals by issuing rights shares with a value of three hundred and eighty-five million (385,000,000) Saudi riyals and amending the Articles of Association accordingly.

- Updating the Articles of Association on 27/08/1438H (Corresponding to 23/05/2017G). The (Extraordinary) General Assembly of shareholders approved the amendment and updating of the Articles of Association in accordance with the new Companies Law and the amendment of Articles (3 - 16 - 19 - 20-21 - 22 - 30 -31).
- **Capital Reduction:** On 09/01/1441H (Corresponding to 08/09/2019G), the (Extraordinary) general assembly of shareholders approved the recommendation of the Board of Directors to reduce the Company's capital from one billion one hundred and fifty-five million (1,155,000,000) Saudi riyals to three hundred and four forty million five hundred and seventeen thousand (344,517,000) riyals, by canceling eighty-one million and forty-eight thousand three hundred (81,048,300) shares, representing a decrease of (70.2%). The main reason for reducing the capital is to extinguish the accumulated losses and amend articles (7 and 8) of the Articles of Association accordingly.
- **Capital Reduction and Increase:** On 16/04/1442 AH (Corresponding to 01/12/2020G), the (Extraordinary) Shareholders' General Assembly approved reducing the Company's capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi riyals at a reduction rate of (41.95%) and thus reducing the number of the Company's shares from thirty-four million, four hundred and fifty-one thousand and seven hundred (34,351,700) shares to twenty million (20,000,000) shares by canceling fourteen million four hundred and fifty-one thousand seven hundred (14,451,700) shares of the Company's issued shares. The same general assembly also agreed to increase the Company's capital through a rights issue, and the Offering is represented in offering twelve million (12,000,000) new ordinary shares and increasing the Company's capital from two hundred million (200,000,000) Saudi riyals to three hundred and twenty million (320,000,000) Saudi riyals, and amending Articles (7 and 8) of the Articles of Association accordingly.
- **Capital Reduction:** On 26/07/1443H (Corresponding to 27/02/2022G), the (Extraordinary) Shareholders' General Assembly approved reducing the Company's capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals representing a reduction of (69.06)% by canceling twenty-two million one hundred thousand (22,100,000) shares of the Company, where one (1) share was reduced for every (1.447) shares, bringing the number of shares after the reduction to nine million nine hundred thousand (9,900,000) shares. The reason for this, is to amortize (99.93)% of the Company's accumulated losses, based on the recommendation of the Board of Directors issued on 26/06/1443H (Corresponding to 29/01/2022G) after the approval of the Capital Market Authority on 16/07/1443H (Corresponding to 17/02/2022G).

The Company is compliant with the requirements of the Saudi Capital Market Authority the Saudi Stock Exchange (Tadawul) in terms of uploading a copy of the Articles of Association on Tadawul's website on the Company's page, and the last amended version of the Company's Articles of Association was approved by the Ministry of Commerce (Corporate Governance Department) on 10/08/1443H (Corresponding to 13/03/2022G).

9-1-9 Management

According to Article Sixteen (16) of the Articles of Association, the Company is managed by a board of directors consisting of five (5) members elected by the ordinary general assembly of shareholders for a period not exceeding (3) three years.

9-1-9-1 Board Formation

On 02/04/1442H (Corresponding to 17/11/2020G) the ordinary general assembly of shareholders elected the members of the Board of Directors for a new term starting on 17/05/1442H (Corresponding to 01/01/2021G) for a period of three years ending on 18/06/1445H (Corresponding to 31/12/2023G). The Board of Directors for the mentioned term was formed from the gentlemen whose names appear on page (vii) of this Prospectus. The Company is committed to the Companies Law and the Corporate Governance Regulations, as the number of Board members is not less than three (3) and not more than eleven (11). It also shows the Company's commitment to Article Sixteen (16) of the Corporate Governance Regulations, which obliges listed companies to have the majority of the Board members from non-executive members and that the number of independent members should not be less than two members or one third of the Board members (whichever is more). Accordingly, three (3) non-executive members were appointed, and the number of independent members reached two. For more information on the extent of the Company's compliance with the Governance Regulations, please refer to subsection (9-4-2) "Continuing obligations according to the requirements of the Capital Market Authority" of this section).

Table (63) Positions of the Board Members

Name	Position	Representing	Nationality	Age	Capacity	Owned Shares				Membership Date
						Direct	Indirect*	Total	(%)	
Prince Ahmed bin Khalid bin Abdullah bin Abdulrahman Al Saud	Chairman	-	Saudi	62	Non - Executive	66,920	-	66,920	0.67595%	01/01/2021G
Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Deputy Chairman	-	Saudi	30	Non - Executive	7,096	-	7,096	0.0716%	01/01/2021G
Dr. Sulaiman Abdulaziz Al-Tuwaijri**	Member	-	Saudi	56	Non - Executive	0	-	-	0.00%	19/10/2021G
Dr. Mohammed Saud Al-Badr	Member	-	Saudi	69	Independent	0	-	-	0.00%	01/01/2021G
Eng. Mohammed Abdulrahman Al-Luhaidan	Member	-	Saudi	50	Independent	4	-	4	0.0000404%	01/01/2021G
Waleed Mohammed Abu Kishek	Secretary	-	Jordanian	59	-	0	0	0	0	01/01/2021G

Source: Company

* On 18/10/2021G, Dr. Khalil bin Abdul Fattah Al-Kurdi submitted his resignation from the membership of the Board of Directors as of 18/10/2021G, and the Board of Directors accepted his resignation on 12/03/1443H (Corresponding to 18/10/2021G).

* On 12/03/1443H (Corresponding to 18/10/2021G), the Board of Directors decided, based on the recommendation of the Remuneration and Nominations Committee and the recommendation of the Audit Committee, to appoint Dr. Sulaiman bin Abdulaziz Al-Tuwaijri as a non-executive member of the Board of Directors instead of Dr. Khalil bin Abdul-Fattah Kurdi, starting from 19/10/2021G and on 27/02/2022G, the (Extraordinary) general assembly of shareholders approved this appointment.

9-1-9-2 Appointment to mandatory positions (Chairman of the Board, Deputy Chairman, Secretary and Chief Executive Officer)

- In accordance with Article (20) of the Company's Articles of Association, the Board of Directors appoints from among its members a chairman and a deputy-chairman and may appoint a managing director, and it is not permissible to combine the position of the chairman of the board of directors with any other executive position in the Company. The board of directors appoints a secretary to be chosen by it from among its members or from others.
- The Company is committed to the Articles of Association and the Corporate Governance Regulations in terms of mandatory appointment in these positions, where the Board of Directors approved the appointment in these positions according to the following:

Table (64) Mandatory positions on the board of directors and the Company

Name of the appointed person	Date of the Board's decision to appoint	Position
His Highness Prince Ahmed Khalid bin Abdullah bin Abdul Rahman Al Saud	13/05/1442H (Corresponding to 28/12/2020G)	Chairman of Board of Directors
His Royal Highness Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	13/05/1442H (Corresponding to 28/12/2020G)	Deputy Chairman of the Board
Mr. Firas Ghassab Al-Harbi*	26/07/1443H (Corresponding to 27/02/2022G)	Chief Executive Officer
Mr. Waleed Mohammed Abu Kishek	13/05/1442H (Corresponding to 28/12/2020G)	Secretary of the Board of Directors

Source: Company

* On 18/10/2021G, Dr. Sulaiman bin Abdulaziz Al-Tuwaijri submitted his resignation from his position as CEO of the Company, as of 01/11/2021G, and the Board approved his resignation on 12/03/1443H (Corresponding to 18/10/2021G).

* On 12/03/1443H (Corresponding to 18/10/2021G), the Board of Directors decided to appoint Mr. Osama bin Jassim Al-Enezi to carry out the duties of the Chief Executive Officer, starting from 01/11/2021G.

* On 25/03/1443H (Corresponding to 31/10/2021G), the Board of Directors decided, based on the recommendation of the Nomination and Remuneration Committee, and on the recommendation of the Audit Committee, to suspend the assignment of Mr. Osama bin Jassim Al-Enezi from his position as CEO of the Company, and Dr. Khalil Bin Abdul-Fattah Al-Kurdi was appointed as his successor.

* On 26/07/1443H (Corresponding to 27/02/2022G) the Board of Directors appointed Mr. Firas bin Ghassab Al-Harbi as CEO of the Company instead of the resigned CEO, Mr. Khalil bin Abdul Fattah Al-Kurdi, as of 01/03/2022G.

The powers of the Board of Directors were defined in Article Nineteen (19) of the Company's Articles of Association, and the powers of the Chairman, his Deputy, and the Secretary were detailed in Article twenty-first (21) of the Company's Articles of Association. The Secretary of the Board of Directors shall assume the duties and powers assigned to him by the Board of Directors.

9-1-9-3 Board Remunerations

- According to the provisions of Article (20) of the Articles of Association, the remuneration of the Board of Directors consists of a lump sum amount paid annually, attendance allowance for meetings, benefits in kind, or a certain percentage of the net profits after deducting the provisions prescribed by the General Assembly in application of the provisions of the Companies Law and the Company's Articles of Association, taking into account that the percentage does not exceed (10)%, and after distributing a profit to shareholders of not less than (5)% of the paid-up capital. Two or more of these benefits may be combined.
- The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all remuneration that the Board members received during the financial year in terms of remuneration, expense allowance and other benefits. It shall also include a statement of what the board members received in their capacity as workers or managers, or what they received in return for technical, administrative or consultancy work. It shall also include a statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly. The report of the Board of Directors for the fiscal year ending on December 31, 2020G, which was approved by the General Assembly of Shareholders on 14/09/1442H (Corresponding to 26/04/2021G), disclosed the criteria adopted by the Company in paying remunerations to the Board of Directors, inclusive of everything that the members of the Board of Directors receive during the financial year of salaries, share in profits, attendance allowance, expenses and other benefits. The value of compensation and attendance of sessions for members of the Board of Directors for the fiscal year ending on December 31, 2020G, an amount of (135,000) Saudi riyals, and for the fiscal year ending on December 31, 2021G, an amount of (243,000) Saudi riyals. It should be noted that four members of the Board of Directors have waived their remuneration for the years 2018G and 2019G, amounting to (1,600,000) riyals and due to them according to the decision of the general assembly of shareholders, and no remuneration was distributed except to one member who did not agree to waive his remuneration amounting to (400,000) Saudi Riyals.

(For more information, please see subsection (4-3) "**Remunerations of Board Members and Senior Executives**" of Section (4) "**The Organizational Structure of the Company**" of this Prospectus).

9-1-9-4 Board Meetings

- According to Article twenty-two (22) of the Company's Articles of Association, the Board of Directors meets at least twice annually at the invitation of its chairman. The invitation shall be by telegram, mail, fax or e-mail at least five days prior to the date set for the meeting. The Chairman of the Board must invite the Board to the meeting if requested by two of the members.
- The Company is committed to the minimum number of Board meetings, and it was found that the number of Board meetings were six (6) during the year 2018G, four (4) meetings during 2019G, four (4) during 2020G, eight (8) during 2021G, and three (3) meetings in the year 2022G until the date of publication of this Prospectus.

9-1-9-5 Company Committees

9-1-9-5-1 Audit Committee

In accordance with Article Thirty-six (36) of the Company's Articles of Association, the Audit Committee shall consist of no less than three (3) and no more than five (5) members who are not Executive members of the Board of Directors, whether from shareholders or others. The number of current members of the Committee is three (3) members. The members of the Audit Committee were appointed by the Ordinary General Assembly held on 02/04/1442H (Corresponding to 17/11/2020G) and expires at the end of the current Board term on 31/12/2023G. It consists of the following members:

Table (65) Audit Committee Members

Name	Position	Other positions the member currently occupies
Dr. Sulaiman Alsakran	Chairman of the Committee	-
Mr. Waleed Mohammed Al-Othaimeen	Committee Member	-
Dr. Mohammed Saud Al-Badr	Committee Member	<ul style="list-style-type: none"> Chairman of the Remuneration and Nominations Committee Member of the Board of Directors

Source: Company

* On 31/10/2021G, Dr. Khalil bin Abdul Fattah Kurdi submitted his resignation from the chairmanship of the Audit Committee as of 01/11/2021G, due to his appointment as the CEO of the Company, and the Board of Directors accepted this resignation on 25/03/1443H (Corresponding to 31/10/2021G).

* On 25/03/1443H (Corresponding to 31/10/2021G), the Board of Directors decided to appoint Mr. Waleed Mohammed Al-Othaimeen as an alternate member of the Audit Committee for Dr. Khalil bin Abdul-Fattah Kurdi, starting from 01/11/2021G until the end of the Board's term on 31/12/ 2023G.

The Audit Committee's work regulations were approved by the Board of Directors on 19/08/1442H (Corresponding to 01/04/2021G), and by the Ordinary General Assembly held on 14/08/1442H (Corresponding to 26/04/2021G).

According to the Audit Committee's Charter, the Committee meets at least once every three months, and whenever the need arises. The Secretary of the Audit Committee prepares the minutes of the Committee's meetings, including its discussions and recommendations, and the minutes are signed by all the members present. The Committee held five (5) meetings during the financial year ending on December 31, 2019, four (4) meetings during the financial year ending on December 31, 2020G, and six (6) meetings during the financial year ending on December 31, 2021G. The number of meetings of the Audit Committee since the beginning of 2022G until the date of publication of this Prospectus is two (2).

9-1-9-5-2 Nomination and Remuneration Committee

By a decision of the Board of Directors, a committee called (Remuneration and Nominations Committee) shall be formed from three (3) members who are not members of the Executive Board of Directors, whether from shareholders or others, provided that at least one independent member is among them. The current Nominations and Remunerations Committee consists of three (3) members. The Nominations and Remunerations Committee was formed in the Board of Directors meeting held on 13/05/1442H (Corresponding to 28/01/2020G) and ends at the end of the current Board term on 31/12/2023G. Among the following members:

Table (66) Members of the Nominations and Remunerations Committee

Name	Position	Other positions the member currently occupies
Dr. Mohammed Saud Al-Badr	Chairman of the Committee	<ul style="list-style-type: none"> Member of the Audit Committee Board Member
His Royal Highness Prince Ahmed bin Khalid bin Abdullah bin Abdul Rahman Al Saud	Committee Member	<ul style="list-style-type: none"> Chairman of the Executive Committee Chairman of the Board of Directors
Mr. Sulaiman Abdullah Al-Amro	Committee Member	<ul style="list-style-type: none"> Member of the Investment Committee

Source: Company

The Regulations (Charter) of the Nominations and Remunerations Committee were approved by the Board of Directors on 19/08/1442H (Corresponding to 01/04/2021G), by the Ordinary General Assembly held on 14/09/1442H (Corresponding to 26/04/2021G).

The Nominations and Remunerations Committee holds its meetings periodically and whenever necessary, provided that it shall not be less than two meetings during one fiscal year (once every six months) and the committee submits its reports to the Board.

The committee held (1) meetings during the fiscal year ending on December 31, 2019G, (4) meetings during the fiscal year ending on December 31, 2020G, and five (5) meetings during the fiscal year ending on December 31, 2021. The Committee has not held any meeting since the beginning of 2022G until the date of this Prospectus.

9-1-9-5-3 Investment Committee

The Investment Committee is formed by a decision of the Company's Board of Directors for a period of three years. The number of committee members must not be less than three and not more than five, and members from outside the Board may be appointed.

The members of the Investment Committee were appointed by the Board of Directors on 13/05/1442H (Corresponding to 28/12/2020G) and expire at the end of the current Board term on 31/12/2023G. It is composed of the following members:

Table (67) Investment Committee Members

Name	Position	Other positions the member currently occupies
His Royal Highness Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Charman of the Committee	<ul style="list-style-type: none"> Deputy Chairman
Mr. Mohammed Abdul Rahman Al-Luhaidan	Committee Member	<ul style="list-style-type: none"> Board Member
Mr. Firas Ghassab Al-Harbi	Committee Member and Secretary	<ul style="list-style-type: none"> CEO
Mr. Sulaiman Abdullah Al-Amro	Committee Member	<ul style="list-style-type: none"> Member of the Nominations and Remunerations Committee

Source: Company

The Investment Committee's charter was approved by the Board of Directors on 21/05/1442H (Corresponding to 05/01/2021G).

The Committee meets at least once a year or as needed based on an invitation from the Board of Directors.

The Committee held three (3) meetings during the fiscal year ending on December 31, 2021G. The committee has not held any meeting since the beginning of 2022G until the date of this Prospectus.

9-1-9-5-4 Executive Committee:

The Company has an Executive Committee consisting of five (5) members. The committee is responsible for supervising the implementation of strategic goals, financial and operational priorities, and evaluating long-term productivity. Its tasks include reviewing strategic planning procedures and processes with the executive management and verifying the efficiency of procedures to implement strategic plans, reviewing the distribution of Company resources that achieve long-term goals in accordance with strategic plans, and periodic review of operational goals of the Company and its subsidiaries, reviewing annual and long-term goals and strategies and associated performance indicators, studying the financial matters of the Company and its subsidiaries related to the Company's capital, cash flows, borrowing proposals and the Company's position on its financial obligations, verifying capital expenditures, reviewing them with approved budgets, in addition to studying Strategic decisions related to opportunities for the Company aimed at improving product quality and rationalizing costs.

The Executive Committee's Charter was approved by the Board of Directors on 19/08/1442H (Corresponding to 01/04/2021G), and by the Ordinary General Assembly held on 14/09/1442H (Corresponding to 26/04/2021G).

The members of the Executive Committee were appointed by the Board of Directors in its meeting held on 13/05/1442H (Corresponding to 28/12/2020G), for a period of three years, starting from 01/01/2021G, until 31/12/2023G. It is composed of the following members:

Table (68) Executive Committee Members

Name	Position	Other positions the member currently occupies
His Highness Prince Ahmed bin Khalid bin Abdullah bin Abdul Rahman Al Saud	Chairman of the Committee	• Chairman of the Board
His Royal Highness Prince Abdulaziz bin Mohammed bin Fahd bin Abdulaziz Al Saud	Committee Member	• Deputy Chairman of the Board
Dr. Khalil Abdel Fattah Kurdi	Committee Member	-
Dr. Sulaiman Abdulaziz Al-Tuwaijri	Committee Member	• Board Member
Mr. Firas Ghassab Al-Harbi	Committee Member	• CEO

Source: The Company

The Committee shall meet at least twice upon the invitation of its Chairman. The Chairman of the Committee may also invite it to meet in exceptional cases if the need arises. The Committee held three (3) meetings during the fiscal year ending on December 31, 2019G three (3) meetings during the financial year ending on December 31, 2020G, and eight (8) meetings during the financial year ending on December 31, 2021G. The Executive Committee has not held any meeting since the beginning of 2022G until the date of this prospectus.

9-1-9-6 Executive Management

The current executive management is headed by the Chief Executive Officer, Mr. Firas bin Ghassab Al-Harbi, as of 28/07/1443H (Corresponding to 01/03/2022G) pursuant to a Board Resolution dated 26/07/1443H (Corresponding to 27/02/2022G). The table shows the details of the Company's Executive Management:

Table (69) Executive Management of the Company

Name	Post	Nationality	Age	Appointment Date	Owned Shares			
					Direct		Indirect	
					No	Percentage	No	Percentage
Firas Ghassab Al-Harbi	CEO	Jordanian	49	01/06/2020G	-	-	-	-
Waleed Mohammed Abu Kishek	General Manager of Legal Affairs and Compliance	Jordanian	59	01/09/1990G	-	-	-	-
Asghar Youssef Sargroh	Finance Manager	Indian	55	11/09/2001G	-	-	-	-
Wathiq Ali Al-Hawara	Internal Audit Manager	Jordanian	41	15/02/2021G	-	-	-	-
Mohammed Saleh Alshamrani	Sales and Marketing Manager	Saudi	43	08/11/2005G	-	-	-	-
Ahmed Mohammed Qadam	Service Manager	Saudi	42	22/07/2000G	-	-	-	-
Jamil Dakhil Al-Anzi	Manager of Human Resources Department	Saudi	45	01/02/2003G	-	-	-	-
Ahmed Anwar Al-Shuaibi	Manager of Information Technology	Saudi	30	26/07/2015G	-	-	-	-
vacancy	Operation Manager	-	-	-	-	-	-	-

Source: The Company

9-2 Licenses and permits obtained by the Company

9-2-1 Headquarters related licenses, certificates, and approvals

The Company has obtained several legal and operational licenses and certificates from the competent authorities necessary to carry out its activities in accordance with the regulations in force in the Kingdom of Saudi Arabia. These licenses are renewed periodically.

The following tables show the current licenses and approvals obtained by the Company in relation to its main Commercial Registration.

Table (70) Approvals, licenses, certificates, and permits under which the Company operates

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Commercial Register	Registration of the Company in the Commercial Companies Register (Joint stock company)	Saudi Arabian Amiantit Company joint stock company	2050002103	17/03/1388H (Corresponding to 14/06/1986G)	29/05/1445H (Corresponding to 13/12/2023G)	Ministry of Commerce - Commercial Registry Office in Dammam	-
Chamber of Commerce and Industry membership certificate (Class 1)	The Company's compliance with the commercial registry law	Saudi Arabian Amiantit Company	457	16/05/1443H (Corresponding to 20/12/2021G)	29/05/1445H (Corresponding to 13/12/2023G)	Chamber of Commerce and Industry in the Eastern Province	-
Certificate of Zakat and Income*	To enable the Company to finalize all its transactions, including paying its final dues on contracts.	Saudi Arabian Amiantit Company	1110886397	08/01/1443H (Corresponding to 16/01/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired
Certificate of registration of a tax group in VAT*****	To indicate that the Company and its subsidiaries are registered with value added tax	Saudi Arabian Amiantit Company and some of its subsidiaries	300434259210003	11/03/1439H (Corresponding to 29/11/2017G)	-	Zakat, Tax and Customs Authority	-

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Evaluation certificate of a company entity	Evaluation of the Company entity according to Nitaqat program, which indicates that the Company is in the (high green) range.	Saudi Arabian Amiantit Company	None	-	None	Electronic Services Department, Ministry of Human Resources and Social Development	File No.: 4-7934
Social insurance certificate***	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Arabian Amiantit Company	46897360	14/11/1443H (Corresponding to 13/06/2022G)	13/12/1443H (Corresponding to 12/07/2022G)	General Organization for Social Insurance	Subscription number 110003129
Wages Protection System Compliance Certificate***	The Company's commitment to the controls of the wages protection program	Saudi Arabian Amiantit Company	20042205000809	14/10/1443H (Corresponding to 15/05/ 2022G)	14/12/1443H (Corresponding to 13/07/2022G)	Ministry of Human Resources and Social Development	Entity No. 4- 7934
Saudization certificate****	To indicate that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Arabian Amiantit Company	20002204001513	02/09/1443H (Corresponding to 03/04/2022G)	04/12/1443H (Corresponding to 03/07/2022G)	Ministry of Human Resources and Social Development	File No.: 4-7934

License type	Purpose	License holder	License number	Issue/Renewal Date	Expiry date	Issuer	Notes
Municipality license	Business activity license	Saudi Arabian Amiantit Company	21073	19/07/1439H (Corresponding to 05/04/2018G)	22/06/1440H (Corresponding to 27/02/2019G)	Ministry of Municipal and Rural Affairs and Housing ***** East Dammam Municipality	The Company reported that it is being renewed
Safety certificate	The Company's commitment to the safety conditions of civil defense	Saudi Arabian Amiantit Company	40-000199059-2	21/11/1440H (Corresponding to 24/07/2019G)	21/11/1441H (Corresponding to 12/07/2020G)	General Directorate of Civil Defense	The Company reported that work is underway to renew the license

Source: The Company

* The title of **"General Authority for Zakat and Income Tax"** has been amended to become **"Zakat, Tax and Customs Authority"**

** The title of "Ministry of Municipal and Rural Affairs" has been modified to become **"Ministry of Municipal and Rural Affairs and Housing"**.

*** Compliance certificate that is valid for a maximum period of one month and is renewable electronically upon request

**** Compliance certificate that is valid for a maximum of three months and is electronically renewable upon request.

***** The members of the tax group are:

1. Bondstrand Co., Ltd. Factory
2. Saudi Amicon Company Ltd. (The name of this Company has changed from the Factory of Fiberglass Pipes and Ductile Iron Pipes Ltd. to the current name in accordance with the contract certified by the Notary Public No. 391394687 dated 05/09/1439H).
3. Saudi Arabian Amiantit Management Company Ltd.
4. Saudi Arabian Concrete Products Co. Ltd.
5. Amiantit Rubber Industry Co., Ltd.
6. Amiantit Fiberglass Manufacturing Co., Ltd.
7. Infrastructure Engineering Contracting Company
8. Global Infrastructure Management and Operation Co., Ltd.
9. Saudi Ameron Company Ltd.
10. Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.

9-2-2 Company Branches and Points of Sale

- Article Five (5) of the Company's Articles of Association stipulates that the company may establish branches, offices or agencies for it inside or outside the Kingdom of Saudi Arabia by a decision of the board of directors or by a decision of the chairman of the board or his representative.
- As of the date of publishing the prospectus, the Company has (6) branches inside the Kingdom of Saudi Arabia

Table (71) List of Branches:

SN	Branch name	Parent company	Registry number	Location	Activity	Issue date	Expiry date	Branch manager	Chamber of Commerce subscription
1	Saudi Arabian Amiantit Company	Saudi Arabian Amiantit Company Public Shareholding	4030006691	Jeddah	Marketing of the company's products	25/11/1390H (Corresponding to 23/01/1971G)	29/05/1445H (Corresponding to 13/12/2023G)	Thamer bin Salman bin Ali Al-Muatham	7011543472
2	Amiantit Factory Production of Epoxy Pipes	Saudi Arabian Amiantit Company Public Shareholding	2050042140	Dammam	Manufacture of tubes, pipes, hollow shapes, pipe fittings or tubes, manufacture of semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and fittings ... etc.), pipe manufacture, manufacture of pipes, hoses, plastic tubes, fittings and fittings, ordinary metal articles Non-ferrous, including (wires, pipes, tubes, powders, papers, sheets...etc)	04/12/1423H (Corresponding to 05/02/2003G)	01/12/1444H (Corresponding to 19/06/2023G)	Thamer bin Salman bin Ali Al-Muatham	6372

SN	Branch name	Parent company	Registry number	Location	Activity	Issue date	Expiry date	Branch manager	Chamber of Commerce subscription
3	Saudi Arabian Amiantit Company for Manufacturing Plastic Products	Saudi Arabian Amiantit Company Public Shareholding	2050041516	Dammam	Manufacture of semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and their fittings...etc)	21/08/1423H (Corresponding to 27/10/2002G)	15/08/1445 H (Corresponding to 25/02/2024G)	Thamer bin Salman bin Ali Al-Muatham	1611
4	Branch of Saudi Arabian Amiantit Company for Construction, Building, Maintenance and Operation	Saudi Arabian Amiantit Company Public Shareholding	2050101638	Dammam	General construction of residential buildings, finishing of buildings	19/09/1435H (Corresponding to 16/07/2014G)	18/09/1445H (Corresponding to 28/03/2024G)	Thamer bin Salman bin Ali Al-Muatham	171380
5	Saudi Arabian Amiantit Company	Saudi Arabian Amiantit Company Public Shareholding	1010006234	Riyadh	Integrated office management services activities	10/04/1392H (Corresponding to 23/05/1972G)	29/05/1445H (Corresponding to 13/12/2023G)	Thamer bin Salman bin Ali Al-Muatham	101000002631
6	Amiantit Research and Development Center	Saudi Arabian Amiantit Company Public Shareholding	2052002451	Dhahran	Research and development in engineering and technology	08/05/1435H (Corresponding to 09/03/2014G)	07/05/1448H (Corresponding to 18/10/2026G)	Thamer bin Salman bin Ali Al-Muatham	-

Source: The Company

9-3 Subsidiaries

According to Article (4) of the Articles of Association, the Company may establish on its own companies with limited liability or joint stock, and it may also own shares and shares in other existing companies or merge with them. It has the right to participate with others in the establishment of joint stock or limited liability companies, after completing what is required by the regulations and instructions followed in this regard. The Company may also dispose of these shares or stakes, provided that this does not include mediation in their trading. As of the date of publication of this prospectus, the Company has ten (10) subsidiaries within the Kingdom of Saudi Arabia, and the following are details of the subsidiaries.

9-3-1 Amiantit Fiberglass Manufacturing Co. Ltd.:

- **Overview:**

The company was established in 1977G and was registered in the commercial registry in Dammam with the number (2050005268) on 25/10/1397H (Corresponding to 09/10/1977G), and was subsequently converted into a one-person company wholly owned by the Saudi Arabian Amiantit Company. The company manufactures water tanks, pipes, tanks and sewage manhole covers.

On 03/09/1443H (Corresponding to 04/04/2022G), the owner of the capital - the sole partner is called the term (the owner of the capital) - agreed to reduce the capital of the subsidiary company from one hundred and eighty million (180,000,000) riyals to (86,999,000) riyals, and that pursuant to the electronic amended Articles of Association No. (25167).

- **Capital:** The current capital of the company is (86,999,000) Saudi riyals divided into (86,999) cash shares of equal value, the value of each share is (1000) riyals distributed to the partners according to the following:

Table (72) Ownership Structure of the Subsidiary Shares (Amiantit Fiberglass Manufacturing Company Limited)

#	Partners	Number of shares	Value of share	Total	Percentage
1	Saudi Arabian Amiantit Company	86,999	1000	86,999,000	100%
	Total	86,999	1000	86,999,000	100%

Source: the company

- **Commercial activity:** The main activity of the Company is in accordance with Commercial Registration Certificate No. (2050005268) (manufacture of water tanks, pipes, tanks and sewage manhole covers)
- **Management:** The Company is managed by a board of directors consisting of five (5) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in Article (12) of the Company's Articles of Association.
- **Headquarters and Branches:** According to the commercial registration certificate, the Company's head office is located in the city of Dammam / Industrial Area, and the Company has the right to open branches inside or outside the Kingdom whenever the interest of the Company so requires and in accordance with a decision from the Company's management.

The table below shows the most prominent licenses obtained by the Company:

Table (73) Subsidiary Company Licensing Schedule (Amiantit Fiberglass Industry Limited)

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Amiantit Fiberglass Manufacturing Company Ltd	2050005268	25/10/1397H (Corresponding to 09/10/1977G)	29/05/1445H (Corresponding to 13/12/2023G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	-
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system The company falls under the (first class)	Amiantit Fiberglass Manufacturing Company Ltd	417	16/05/1443H (Corresponding to 20/12/2021G)	29/05/1445H (Corresponding to 13/12/2023G)	Chamber of Commerce and Industry in the Eastern Province	-
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Fiberglass Manufacturing Company Ltd	46814329	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription No. 110003145
Zakat certificate	To enable the Company to finalize all its transactions, including paying its final dues on contracts.	Amiantit Fiberglass Manufacturing Company Ltd	1020796613	27/10/1442H (Corresponding to 09/05/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Fiberglass Manufacturing Company Ltd	179295-12917725	10/11/1443H (Corresponding to 09/06/2022G)	11/02/1444H (Corresponding to 07/09/2022G)	Ministry of Human Resources and Social Development	File No. 4-3860

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Amiantit Fiberglass Manufacturing Company Ltd	Without	24/05/2022G	without	E-Services Department Ministry of Human Resources and Social Development	-
Wage Protection Certificate	In compliance with the Wage Protection System	Amiantit Fiberglass Manufacturing Company Ltd	20042205000801	14/10/1443H (Corresponding to 15/05/2022G)	16/12/1443H (Corresponding to 15/07/2022G)	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	-
Environmental permit to operate	Granting the facility an environmental license to operate an industrial facility	Amiantit Fiberglass Manufacturing Company Ltd	22614	21/09/1441H (Corresponding to 14/05/2020G)	21/09/1443H (Corresponding to 22/04/2022G)	General Authority of Meteorology and Environmental Protection	-
Municipal license*	License to practice commercial activity	Amiantit Fiberglass Manufacturing Company Ltd	-	-	-	Eastern Province Municipality - East Dammam Municipality	-
Safety Certificate*	The company's commitment to the safety conditions of civil defense	Amiantit Fiberglass Manufacturing Company Ltd	-	-	-	General Directorate of Civil Defense	-

Source: The Company

* Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months the project will be fully completed and licenses issued.

- The subsidiary company has three branches as follows:

9-3-1-1 Amiantit Fiberglass Manufacturing Company Branch

- The branch was registered in the Commercial Register under the number (2050106908) on 28/12/1436H (corresponding to 11/10/2015G) as a branch of the company in the city (Dammam - First Industrial Area - Tenth Street) for practicing the activity of (laying pipes of various types for electricity and communications and others) and the branch is managed by Mr. Thamer Salman Ali Al-Moatham.

Table (74) Table of licenses for the branch of Amiantit Company for the manufacture of fiberglass, Ltd..

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer
Commercial Register	Registration of the company in the register of commercial companies	Amiantit Fiberglass Manufacturing Company Branch	2050106908	28/12/1436H (Corresponding to 11/10/2015G)	02/12/1444H (Corresponding to 20/07/2023G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system The company falls under the (first class)	Amiantit Fiberglass Manufacturing Company Branch	185086	03/07/1442H (Corresponding to 15/02/2021G)	02/12/1444H (Corresponding to 20/07/2023G)	Chamber of Commerce and Industry in the Eastern Province
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Fiberglass Manufacturing Company Branch	20002204001520	02/09/1443H (Corresponding to 03/04/2022G)	04/12/1443H (Corresponding to 03/07/2022G)	Ministry of Human Resources and Social Development
Municipality*	License to practice commercial activity	Amiantit Fiberglass Manufacturing Company Branch	-	-	-	Eastern Province Municipality-East Dammam
Safety certificate	The company's commitment to the safety conditions of civil defense	Amiantit Fiberglass Manufacturing Company Branch	1-000589810-42	16/07/1443H (Corresponding to 17/02/2022G)	16/07/1444H (Corresponding to 07/02/2023G)	General Directorate of Civil Defense

Source: The Company

* Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months the project will be fully completed and licenses issued.

9-3-1-2 Amiantit Fiberglass Manufacturing Company Branch

- The branch was registered in the Commercial Register under the number (2050104272) on 01/03/1436H (Corresponding to 23/12/2014G) as a branch of the company in the city of (Dammam/ First Industrial City - 10th Street) to practice the activity of (manufacture of water tanks, pipes, tanks and sewage manhole covers). The branch is managed by Mr. Thamer Salman Ali Al-Moatham. The commercial registry of the branch expires on 29/02/1446H (Corresponding to 02/09/2024G)

Table (75) licenses for Amiantit Fiberglass Manufacturing Company Branch

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Amiantit Fiberglass Manufacturing Co. Factory	2050104272	01/03/1436H (Corresponding to 23/12/2014G)	29/02/1446H (Corresponding to 02/09/2024G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	-
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system The company falls under the (first class)	Amiantit Fiberglass Manufacturing Co. Factory	177867	03/08/1443H (Corresponding to 06/03/2022G)	29/02/1446H (Corresponding to 02/09/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Industrial license, national investment	company's commitment to the regulations of the Ministry of Energy, Industry and Mineral Resources	Amiantit Fiberglass Manufacturing Company Factory	1001007333	17/03/1441H (Corresponding to 14/11/2019G)	16/03/1444H (Corresponding to 12/10/2022G)	Ministry of Industry and Mineral Resources	-
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Fiberglass Manufacturing Company Ltd	46814358	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription number: 609670894

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Environmental permit to operate	Granting the facility an environmental license to operate an industrial facility	Amiantit Fiberglass Manufacturing Co. Factory	22614	21/09/1441H (Corresponding to 14/05/2020G)	21/09/1443H (Corresponding to 22/04/2022G)	General Authority of Meteorology and Environmental Protection	-
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Fiberglass Manufacturing Co. Factory	20002204001533	02/09/1443H (Corresponding to 03/04/2022G)	04/12/1443 (Corresponding to 03/07/2022G)	Ministry of Human Resources and Social Development	Subscription number 4-1982034
Safety Certificate*	The company's commitment to the safety conditions of civil defense	Amiantit Fiberglass Manufacturing Co. Factory	1-000589810-42	16/07/1443H (Corresponding to 17/02/2022G)	16/07/1444H (Corresponding to 07/02/2023G)	Ministry of Interior-General Directorate of Civil Defense	-

Source: The Company

9-3-1-3 Amiantit Fiberglass Factory

The branch was registered in the Commercial Register under the number (4030135751) on 05/08/1422H (Corresponding to 21/10/2001G) as a branch of the company in the city (Jeddah - south of Jeddah / Bahariya Street, property of the Arab Company for Building Materials Trading) in order to practice the activity of (manufacturing of pipes, hoses, plastic tubes, extensions and fittings - manufacturing water tanks). The branch is managed by Mr. Thamer Salman Ali Al-Moatham, and the commercial registry of the branch expires on 04/08/1445H (14/02/2024G).

Table (76) licenses for the branch of Amiantit Fiberglass Manufacturing Company

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies,	Amiantit Fiberglass Manufacturing Co. Factory	4030135751	05/08/1422H (Corresponding to 21/10/2001G)	04/08/1445H (Corresponding to 14/02/2024G)	Ministry of Commerce and Investment - Commercial Registry Office in Jeddah	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system. The company falls under the (first class)	Amiantit Fiberglass Manufacturing Co. Factory	81325	05/08/1422H (Corresponding to 21/10/2001G)	04/08/1445H (Corresponding to 14/02/2024G)	Chamber of Commerce and Industry in Jeddah	-
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Fiberglass Manufacturing Co. Factory	20002204001538	02/09/1443H (Corresponding to 03/04/2022G)	04/12/1443H (Corresponding to 03/07/2022G)	Ministry of Human Resources and Social Development	Subscription number 9-117318
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Fiberglass Manufacturing Co. Factory	46814466	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription number 100058022
National Industrial License	Company Compliance with Ministry of Energy, Industry and Mineral Resources Regulations	Amiantit Fiberglass Manufacturing Co. Factory	559	04/03/1440H (Corresponding to 12/11/2018G)	2/03/1443H (Corresponding to 08/10/2021G)	Ministry of Energy, Industry and Mineral Resources	Work is underway to renew the license
Environmental permit to operate	Granting the facility an environmental license to operate an industrial facility	Amiantit Fiberglass Manufacturing Co. Factory	-	-	-	The National Center for Environmental Compliance	The company reported that work is underway to renew the license

Source: The Company

9-3-2 Amiantit Rubber Industry Co., Ltd. Factory (ARIL)

- **Overview:**

The Company was established in 1977G and was registered in the commercial registry in Dammam with the number (2050004586) and the date of 20/02/1397H (corresponding to 09/02/1977G) and was subsequently converted into a one-person company wholly owned by the Saudi Arabian Amiantit Company. The Company manufactures synthetic rubber derived from oils in their primary forms.

- **Capital:** The current capital of the company is eight million seven hundred and fifty thousand (8,750,000) Saudi riyals divided into eight thousand seven hundred and fifty (8,750) cash shares of equal value; the value of each share is (1,000) riyals distributed to the partners as follows:

Table (77) Ownership Structure of Subsidiary Shares (Amiantit Rubber Industry Company Limited Factory)

#	Partners	Number of shares	Value of share	Total	Percentage
1	Saudi Arabian Amiantit Company	8,750	1,000	8,750,000	100%
Total		8,750	1,000	8,750,000	100%

Source: The Company

- **Commercial activity:** The main activity of the company according to Commercial Registration Certificate No. (2050004586) (manufacture of synthetic rubber derived from oils in its primary forms - manufacture of plates, bars and sheets)
- **Management:** The company is managed by a board of directors consisting of seven (7) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all directors are appointed by the company.
- **Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in the city of Dammam / Industrial Area - Dammam-Khobar Road, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

Table (78) Licenses of the Subsidiary Company (Amiantit Rubber Industry Limited (ARIL) Factory)

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Amiantit Rubber Industry Ltd. Co (ARIL)- One Person	2050004586	20/02/1397H (Corresponding to 09/02/1977G)	26/02/1444H (Corresponding to 22/09/2022G)	Ministry of Commerce branch in the Eastern Province	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system. The company falls under the (first class)	Amiantit Rubber Industry Co. Ltd (ARIL)	3600	22/04/1442H (Corresponding to 07/12/2020G)	26/02/1444H (Corresponding to 22/09/2022G)	Chamber of Commerce and Industry in the Eastern Province	-
Zakat certificate	To indicate that the company has submitted its annual declaration	Amiantit Rubber Industry Co. Ltd.	1020813403	12/11/1442H (Corresponding to 22/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Amiantit Rubber Industry Co. Ltd.	46814676	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription number 210077200
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Amiantit Rubber Industry Co. Ltd- Factory	129134-16441902	10/11/1443H (Corresponding to 09/06/2022G)	11/02/1444H (Corresponding to 07/09/2022G)	Ministry of Human Resources and Social Development	File No. 4-6945
Wage Protection Certificate	In compliance with the Wage Protection System	Amiantit Rubber Industry Co. Ltd- Factory	20042205000804	14/10/1443H (Corresponding to 15/05/2022G)	14/12/1443H (Corresponding to 13/07/2022G)	Ministry of Human Resources and Social Development - Labor Officer E-servicesI	-
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Amiantit Rubber Industry Co. Ltd- Factory	Without	24/05/2022G	without	E-Services Department Ministry of Human Resources and Social Development	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Industrial facility license	company's commitment to the regulations of the Ministry of Energy, Industry and Mineral Resources	Amiantit Rubber Industry Co. Ltd - Factory	11	30/03/1441G (Corresponding to 27/11/2019G)	29/03/1444H (Corresponding to 25/10/2022G)	Ministry of Industry and Mineral Resources	-
Environmental permit for operation	To approve the activity that production and manufacture of rubber belts are environmentally compliant	Amiantit Rubber Industry Co. Ltd - Factory	10724	26/04/1443H (Corresponding to 01/12/2021G)	20/04/1446H (Corresponding to 23/10/2024G)	National Center for Monitoring Environmental Compliance	-
Civil defense permit	The company's commitment to the safety conditions of civil defense	Amiantit Rubber Industry Co. Ltd	1-000592644-42	12/02/1443H (Corresponding to 19/09/2021G)	12/02/1444H (Corresponding to 08/09/2022G)	General Directorate of Civil Defense	-

Source: The Company

9-3-3 Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.

- Overview:**

The company was established in the year 1988G, and it was registered in the commercial registry in the city of Dammam with the number (2050017573) and the date of 08/06/1408H (Corresponding to 28/01/1988G), and was subsequently converted into a one-person company wholly owned by the Saudi Arabian Amiantit Company. The company is active in manufacturing tubes, pipes, hollow shapes, pipe fittings or tubess, manufacturing semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and fittings, etc.), manufacturing pipes, tubes and hollow shapes from iron and steel, manufacturing metal fasteners, including (bolts, pins, nuts and rings of all kinds).

- The Capital.** The Company's current capital is (86,915,000) riyals, divided into shares of equal value. It was distributed to the partners as follows:

Table (79) Ownership Structure of the Subsidiary Shares (Arabian Ductile Iron Pipes Manufacturing Co. Ltd.)

#	Partners	Total	Percentage
1	Saudi Arabian Amiantit Company	86,915,000	100%
Total		86,915,000	100%

Source: The Company

- **Commercial activity:** The main activity of the company according to Commercial Registration Certificate No. (2050017573) is (manufacture of tubes, pipes, hollow shapes, pipe fittings or tubes, manufacturing semi-finished products from plastics, including (plates, strips, sheets, tapes, pipes, hoses and their fittings... etc.), manufacture of pipes, tubes and hollow shapes of iron and steel, manufacture of metal fasteners, including (nails, staples, nuts and rings of all kinds)
- **Management:** The company is managed by a board of directors consisting of four (4) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all directors are appointed by the company.
- **Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in the city of Dammam / the second industrial area, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

Table (80) Licenses for the Subsidiary Company (Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.)

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	2050017573	08/06/1408H (Corresponding to 28/01/1988G)	29/05/1445H (Corresponding to 13/12/2023G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	-
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system The company falls under the (first class)	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	1395	03/08/1443H (Corresponding to 06/03/2022G)	29/05/1445H (Corresponding to 13/12/2023G)	Chamber of Commerce and Industry in the Eastern Province	-
Zakat certificate (Restricted)	To indicate that the company has submitted its annual declaration	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	1020798713	28/10/1442H (Corresponding to 09/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	46814633	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription number 200019512

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	20002204001525	02/09/1443H (Corresponding to 03/04/2022G)	04/12/1443H (Corresponding to 03/07/2022G)	Ministry of Human Resources and Social Development	File No. 4-1426765
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	Without	-	without	E-Services Department Ministry of Human Resources and Social Development	-

Source: The Company

- As at the date of preparing this report, the subsidiary company has two branches as follows:

9-3-3-1 Branch of the Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd.

- The branch was registered in the Commercial Registry under the number (2050106909) dated 28/12/1436H (Corresponding to 11/10/2015G) as a branch of the Company in the city of (Dammam - Second Industrial Area) for practicing the activity of laying pipes of all kinds for electricity, communications and others). The branch is managed by Mr. Thamer bin Salman Ali Al-Moatham.

Table (81) licenses for the branch of the Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer
Commercial Register	Registration of the company in the register of commercial companies	Branch of the Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd.	2050106909	28/12/1436H (Corresponding to 11/10/2015G)	02/12/1444H (Corresponding to 20/06/2023G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system	Branch of the Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd.	185087	03/07/1442H (Corresponding to 15/02/2021G)	02/12/1444H (Corresponding to 20/06/2023G)	Chamber of Commerce and Industry in the Eastern Province

Source: The Company

- The branch is located inside the factory in the second industrial city on a land owned by MODON, and accordingly the branch does not need an operating license and a civil defense license

9-3-3-2 Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd. Factory

- The branch was registered in the Commercial Register under the number (2050101313) dated 28/08/1435H Corresponding to 26/06/2014G) as a branch of the company in the city (Dammam - Second Industrial Area) for the practicing the activity of (manufacture of tubes, pipes and hollow shapes of iron and steel). The branch is managed by Mr. Thamer bin Salman Ali Al-Moatham

Table (82) Licenses for the Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	2050101313	28/08/1435H (Corresponding to 26/06/2014G)	27/08/1445H (Corresponding to 08/03/2024G)	Ministry of Commerce and Investment - Registry Office in Dammam	
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system The company falls under the (first class)	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory	177865	03/08/1443H (Corresponding to 06/03/2022G)	27/08/1445H (Corresponding to 08/03/2024G)	Chamber of Commerce and Industry in the Eastern Province	
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory	20002204001527	02/09/1443H (Corresponding to 03/04/2022G)	04/12/1443H (Corresponding to 03/07/2022G)	Ministry of Human Resources and Social Development	Subscription number 3-1428502
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory	46814488	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription number 511746884
Industrial license, National investment	Company's commitment with the regulations of the Ministry of Energy, Industry and Mineral Resources	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory	-	28/03/1441H (Corresponding to 25/11/2019G)	27/03/1444H (Corresponding to 23/10/2022G)	Ministry of Energy, Industry and Mineral Resources	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Operating license	To give permission to operate the facility	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory	-	19/03/1443H (Corresponding to 25/10/2021G)	22/09/1443H (Corresponding to 23/04/2022G)	Saudi Authority for Industrial Cities and Technology Zones	Expired
Environment license to operate*	Granting the facility an environmental approval to operate	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory	-	29/01/1438H (Corresponding to 30/10/2016G)	16/01/1440H (Corresponding to 26/09/2018G)	General Presidency of Meteorology and Environmental Protection	-

Source: The Company

* The company stated that work is underway to renew the environmental license, and an application numbered 1443/16732 has been submitted.

9-3-4 Bondstrand Co., Ltd. Factory

- Overview:**

The company was established in 1982G and was registered in the commercial registry in Dammam with the number (2050011976) and date 16/04/1402H (Corresponding to 11/02/1982G).

The company practices the activity of the manufacture of semi-finished products from plastics (slabs, sheets, tapes...) manufacturing tubes, pipes and hollow shapes of iron and steel, pipe fittings and pipes.

- Capital:** The company's current capital is twenty million (20,000,000) Saudi riyals divided into twenty thousand (20,000) cash shares of equal value, the value of each share is (1,000) riyals distributed among the partners as follows:

Table (83) Ownership Structure of Subsidiary Shares (Bondstrand Factory Limited)

#	Partners	Number of shares	Value of share	Total	Percentage
1	Saudi Arabian Amiantit Company	12000	1,000	12,000,000	60%
2	Ameron BV (Netherlands)	8000	1,000	8,000,000	40%
Total		20,000	1,000	20,000,000	100%

Source: The Company

- **Commercial activity:** The main activity of the company, according to Commercial Registration Certificate No. (2050011976), is (manufacture of semi-finished products from plastics, including (slabs, sheets, tapes...) manufacturing pipes, hoses, plastic tubes, fittings and fittings, pipe manufacturing, ordinary metal products non-ferrous including (wires, pipe tubes, powders, papers, sheets), manufacture of tubes, tubes, hollow shapes, pipe fittings or tubes)
- **Management:** The company is managed by a board of directors consisting of (5) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all directors are appointed by the company.
- **Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in the city of Dammam, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies	Bondstrand Co., Ltd. Factory	2050011976	16/04/1402H (Corresponding to 11/02/1982G)	26/02/1444H (Corresponding to 22/09/2022G)	Ministry of Commerce and Investment - Commercial Registry Office in Dammam	-
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system	Bondstrand Co., Ltd. Factory	869	23/04/1442H (Corresponding to 08/12/2020G)	26/02/1444H (Corresponding to 22/09/2022G)	Chamber of Commerce and Industry	-
A foreign investment license	In compliance with the General Investment Authority Regulation	Bondstrand Co., Ltd. Factory	1031037121	01/09/1417H (Corresponding to 10/01/1997G)	23/02/1444H (Corresponding to 20/09/2022G)	Ministry of Investment	-
Zakat certificate	To indicate that the company has submitted its annual declaration	Bondstrand Co., Ltd. Factory	1020765905	14/10/1442H (Corresponding to 26/05/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Bondstrand Co., Ltd. Factory	20002205002725	08/10/1443H (Corresponding to 09/05/2022G)	11/01/1444 H (Corresponding to 09/08/2022G)	Ministry of Human Resources and Social Development	-
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Bondstrand Co., Ltd. Factory	46814751	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription number 200003306
Company Structure Evaluation Certificate	Evaluating the company's entity according to Nitaqat program, which indicates that the company is in the (green) range	Bondstrand Co., Ltd. Factory	without	-	without	E-Services Department Ministry of Human Resources and Social Development	-
Civil defense license (safety)	In compliance with the civil defense system	Bondstrand Co., Ltd. Factory	1-000590057-42	15/10/1442H (Corresponding to 27/05/2021G)	15/10/1443H (Corresponding to 16/05/2022G)	General Directorate of Civil Defense	-
Industrial license, Joint investment	Company's commitment with the regulations of the Ministry of Energy, Industry and Mineral Resources	Bondstrand Co., Ltd. Factory	11	29/03/1441H (Corresponding to 26/11/2019G)	28/03/1444H (Corresponding to 24/10/2022G)	Ministry of Energy, Industry and Mineral Resources	-
Environmental permit for operation	The approval of the National Center for Environmental Control over the factory's activity from an environmental point of view.	Bondstrand Co., Ltd. Factory	25275	15/10/1442H (Corresponding to 27/10/2021G)	26/06/1445H (Corresponding to 08/01/2024G)	National Center for Monitoring Environmental Compliance	-

Source: The Company

9-3-5 International Infrastructure Management and Operation Company Ltd.

- **Overview:**

The company was established in 2012G as a limited liability company between the two partners, the Saudi Arabian Amiantit Company and the Amiantit Fiberglass Manufacturing Company Ltd. It was registered in the commercial registry in Dammam with the number (2050083715) dated 02/07/1433H (Corresponding to 23/05/2012G). The company is actively involved in constructing sewage stations and projects, sewage networks and pumps, operating sewage treatment networks and facilities, constructing stations and main lines to distribute water. Lay water lines between and within cities, construct new networks, and dispose of sewage water.

On 05/01/1442H (Corresponding to 24/08/2020G), Amiantit Fiberglass Manufacturing Company Ltd. decided to waive all of its (20,000) shares in the company, representing (20%) of the capital to the Saudi Arabian Amiantit Company, so the International Infrastructure Operation and Management Limited Co. becomes a one-person company owned (100%) by the Saudi Arabian Amiantit Company.

The company's current capital is (100,000,000) Saudi riyals divided into (100,000) shares of equal value, the value of each share is (1,000) riyals owned by the Saudi Arabian Amiantit Company as follows:

- **Capital:** The current capital of the company is one hundred million (100,000,000) Saudi riyals divided into one hundred thousand (100,000) cash shares of equal value, the value of each share (1,000) riyals distributed to the partners according to the following:

Table (84) Ownership Structure of Subsidiary Shares (International Infrastructure Management and Operation Company Limited)

#	Partners	Number of shares	Value of share	Total	Percentage
1	Saudi Arabian Amiantit Company	100,000	1,000	100,000,000	100%
	Total	100,000	-	100,000,000	100%

Source: The Company

- **Commercial activity:** The main activity of the company according to Commercial Registration Certificate No. (2050083715) is (construction of sewage stations and projects, sewage networks and pumps, operation of sewage treatment networks and facilities, construction of stations and main lines for water distribution, extensions of water lines between and within cities and the establishment of new networks and sewage water disposal.)
- **Management:** The company is managed by a board of directors consisting of six (6) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all managers are appointed by the company.
- **Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in Dammam / First Industrial City - Dammam-Khobar Expressway, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	International Infrastructure Management and Operation Company Limited	2050083715	02/07/1433H (Corresponding to 23/05/2012G)	09/10/1445H (Corresponding to 18/04/2024G)	Ministry of Commerce branch in the Eastern Province	-
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system. The company falls under the (first class)	International Infrastructure Management and Operation Company Limited	150100	03/08/1443H (Corresponding to 06/03/2022G)	09/10/1445H (Corresponding to 18/04/2024G)	Chamber of Commerce and Industry in the Eastern Province	-
Zakat certificate	To enable the Company to finalize all its transactions, including paying its final dues on contracts.	International Infrastructure Management and Operation Company Limited	1020003423	01/06/1443H (Corresponding to 04/01/2022G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	International Infrastructure Management and Operation Company Limited	46814855	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription number 505585941
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	International Infrastructure Management and Operation Company Limited	139348-12548474	13/07/1443H (Corresponding to 09/06/2022G)	11/02/1444H (Corresponding to 07/09/2022G)	Ministry of Human Resources and Social Development	File No: 4-98309
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	International Infrastructure Management and Operation Company Limited	Without	-	without	E-Services Department Ministry of Human Resources and Social Development	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Wage Protection Certificate	In compliance with the Wage Protection System	International Infrastructure Management and Operation Company Limited	20042206001116	14/11/1443H (Corresponding to 13/06/2022G)	14/01/1444H (Corresponding to 12/08/2022G)	Ministry of Human Resources and Social Development	-
Municipal license*	License to practice commercial activity	International Infrastructure Management and Operation Company Limited	-	-	-	Eastern Province Municipality - East Dammam Municipality	-
Civil defense license*	The company's commitment to the safety conditions of civil defense	International Infrastructure Management and Operation Company Limited	-	-	-	General Directorate of Civil Defense	The company reported that work is underway to obtain the license

Source: The Company

* Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months the project will be fully completed, and licenses issued.

9-3-6 Engineering Infrastructure Contracting Company Ltd.

- **Overview:**

The company was established in 2014 G and was registered in the commercial registry in Dammam with the number (2050097629) and the date of 26/03/1435H (Corresponding to 27/01/2014G). The company works in irrigation projects, sewage disposal, sewage treatment, laying water lines between and within cities, and the construction and maintenance of new networks.

- **Capital:** The current capital of the company is five hundred thousand (500,000) Saudi riyals divided into five hundred (500) cash shares of equal value; the value of each share is (1,000) riyals distributed among the partners according to the following:

Table (85) Ownership Structure of Shares of Subsidiary (Infrastructure Engineering Contracting Company Limited)

#	Partners	Number of shares	Value of share	Total	Percentage
1	Saudi Arabian Amiantit Company	500	1,000	500,000	100%
Total		500	-	500,000	100%

Source: The Company

- **Commercial activity:** The main activity of the company in accordance with Commercial Registration Certificate No. (2050097629) (operating sewage treatment networks and facilities, laying oil and gas pipelines, extensions of water lines between and within cities, establishing and maintaining new networks, irrigation projects, sewage disposal, treatment waste water, extensions of water lines between and within cities, construction of new networks and their maintenance, construction and repair of stations and main lines for water distribution.)
- **Management:** The company is managed by a board of directors consisting of five (5) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all directors are appointed by the company.
- **Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in Dammam / First Industrial City - 10th Street, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Engineering Infrastructure Engineering Contracting Company Ltd.	2050097629	26/03/1435H (Corresponding to 27/01/2014G)	25/03/1445H (Corresponding to 10/10/2023G)	Ministry of Commerce branch in the Eastern Province	-
Chamber of Commerce and Industry membership certificate	In compliance with the provisions of the commercial registry system	Engineering Infrastructure Engineering Contracting Company Ltd.	109911	12/03/1440H (Corresponding to 20/11/2018G)	25/03/1445H (Corresponding to 10/10/2023G)	Chamber of Commerce and Industry	-
Zakat certificate	To indicate that the company is registered in VAT system	Engineering Infrastructure Engineering Contracting Company Ltd.	10211116020	12/04/1443H (Corresponding to 17/11/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Contractors classification certificate	to indicate that the facility is among the contractors	Engineering Infrastructure Engineering Contracting Company Ltd.	18306	21/08/1439H (Corresponding to 07/05/2018G)	21/08/1443H (Corresponding to 24/03/2022G)	Ministry of Municipal and Rural Affairs	Expired
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Engineering Infrastructure Engineering Contracting Company Ltd.	46819639	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription number 508131496
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Engineering Infrastructure Engineering Contracting Company Ltd.	200022050022732	08/10/1443H (Corresponding to 09/05/2022G)	11/01/1444H (Corresponding to 09/08/2022G)	Ministry of Human Resources and Social Development	File No. 4-109518
Wage Protection Certificate	In compliance with the Wage Protection System	Engineering Infrastructure Engineering Contracting Company Ltd.	20042205000807	14/10/1443H (Corresponding to 15/05/2022G)	14/12/1443H (Corresponding to 13/07/2022G)	Ministry of Human Resources and Social Development	-
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (platinum) range.	Engineering Infrastructure Engineering Contracting Company Ltd.	without	-	Without	E-Services Department Ministry of Human Resources and Social Development	-
Municipal license *	License to practice commercial activity	Engineering Infrastructure Engineering Contracting Company Ltd.	-	-	-	Eastern Province Municipality - East Dammam Municipality	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Civil Defense License *	The company's commitment to the safety conditions of civil defense	Engineering Infrastructure Engineering Contracting Company Ltd.	-	-	-	General Directorate of Civil Defense	The company reported that work is underway to obtain the license
Contractors Classification Certificate	The company's commitment to the requirements of the Ministry of Municipal and Rural Affairs	Engineering Infrastructure Engineering Contracting Company Ltd.	18306	21/08/1439H (Corresponding to 07/05/2018G)	21/08/1443H (Corresponding to 24/03/2022G)	Ministry of Municipal and Rural Affairs	Expired

Source: The Company

* Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months the project will be fully completed and licenses issued.

- As on the date of preparing this report, the subsidiary company (Engineering Infrastructure Contracting Company Ltd.) has two branches as follows:

9-3-6-1 Engineering Infrastructure Contracting Company Limited Branch (One Person Company)

The branch was registered in the commercial registry under the number (2050139169), dated 17/03/1442H (Corresponding to 03/11/2020G) as a branch of the company in the city (8212-Tenth Industrial Area 334) for practicing wholesale activity of construction, building and civil engineering machinery and equipment, sale, wholesale of ground service equipment and its spare parts, wholesale of metal and iron pipes, retail of metal and iron pipes, retail sale of water tanks, including (fiberglass tanks and their accessories). The branch is managed by Mr. Thamer bin Salman Ali Al-Moatham).

9-3-6-2 Engineering Infrastructure Contracting Company Limited Branch (One Person Company)

The branch was registered in the Commercial Register under the number (4030292938) on 20/04/1438H (Corresponding to 18/01/2017G) as a branch of the company in the city (Jeddah, Jeddah Gate, King Abdullah Road) for the activity of operating sewage treatment networks and facilities. Laying oil and gas pipelines, extensions of water lines between and within cities, construction and maintenance of new networks, construction and repair of sewage stations and projects, sewage networks and pumps. The branch is managed by Mr. Sulaiman Abdulaziz Al-Tuwajiri.

The company decided to cancel the commercial register because it was not needed, and as of the date of publication of this prospectus, the cancellation certificate was not seen.

9-3-7 Saudi Amicon Company Ltd.

- **Overview:**

The company was established in the year 2002G, and it was registered in the commercial registry in Dammam with the number (2050039735) dated 24/10/1422H (corresponding to 08/01/2002G). The company is active in the manufacture of semi-finished products from plastics (including plates, strips, sheets, tapes...) manufacturing tubes, pipes and hollow shapes of iron and steel and manufacturing fasteners....

- **Capital:** The current capital of the company is fifteen million (15,000,000) Saudi riyals divided into fifteen thousand (15,000) cash share of equal value, the value of each share (1,000) riyals distributed to the partners according to the following:

Table (86) Ownership Structure of Subsidiary Shares (Saudi Amicon Company Limited)

#	Partners	Number of shares	Value of share	Total	Percentage
1	Saudi Arabian Amiantit Company	14,990	1,000	14,990,000	99,93%
2	Mr. Franc Heinz	10	1,000	10.000	0,07%
Total		15,000	-	15,000,000	100%

Source: The Company

- **Commercial activity:** The main activity of the company, according to Commercial Registration Certificate No. (2050039735), is (manufacture of semi-finished products from plastics, including (slabs, sheets, tapes...) manufacturing tubes, pipes, and hollow shapes of iron and steel, and manufacturing metal fasteners, including (bolts, staples, nuts and rings of all kinds), manufacture of taps, valves, valves and similar devices)
- **Management:** The company is managed by a board of directors consisting of four (4) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all directors are appointed by the company.
- **Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in the second industrial city of Dammam, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the subsidiary:

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Saudi Amicon Company Limited	2050039735	24/10/1422H (Corresponding to 08/01/2002G)	23/10/1444H (Corresponding to 13/05/2023G)	Ministry of Commerce branch in the Eastern Province	-
Chamber of Commerce and Industry membership certificate	In compliance with the commercial registry system	Saudi Amicon Company Limited	1766	10/11/1443H (Corresponding to 09/06/2022G)	23/10/1443H (Corresponding to 13/05/2023G)	Chamber of Commerce and Industry	-
Zakat certificate	To indicate that the company is registered in VAT system	Saudi Amicon Company Limited	1020772131	21/10/1442H (Corresponding to 02/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Amicon Company Limited	20002205002748	08/10/1443H (Corresponding to 09/05/2022G)	11/01/1444H (Corresponding to 09/08/2022G)	Ministry of Human Resources and Social Development E-services	File No. 4-1433680
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Amicon Company Limited	46820042	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	Subscription number 200096770
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Saudi Amicon Company Limited	without	-	without	E-Services Department Ministry of Human Resources and Social Development	-
Wage Protection Certificate	In compliance with the Wage Protection System	Saudi Amicon Company Limited	20042205000820	14/11/1443H (Corresponding to 15/05/2022G)	14/12/1444H (Corresponding to 12/08/2022G)	Ministry of Human Resources and Social Development	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
A foreign investment license	In compliance with the General Investment Authority Regulation	Saudi Amicon Company Limited	12103381274859	21/12/1438H (Corresponding to 12/09/2017G)	13/12/1443H (Corresponding to 13/07/2022G)	Ministry of Investment	-
Licensing an industrial facility (joint investment)	In compliance with the regulations of the Ministry of Industry and Mineral Resources to practice iron and steel foundry industry activity	Saudi Amicon Company Limited	433102116692	16/06/1443H (Corresponding to 19/01/2022G)	26/06/1444H (Corresponding to 09/01/2023G)	Ministry of Industry, Wealth and Minerals	-
Operating license	to give permission to operate the facility	Saudi Amicon Company Limited	5941443826024748	26/08/1443H (Corresponding to 29/03/2022G)	07/09/1444H (Corresponding to 29/03/2023G)	Saudi Authority for Industrial Cities and Technology Zones	-
Environmental license to operate	in compliance with environmental regulations	Saudi Amicon Company Limited	18172	08/06/1440H (Corresponding to 13/02/2019G)	12/06/1442H (Corresponding to 25/01/2021G)	The General Authority for Meteorology and Environmental Protection	The company stated that work is underway to renew the license

Source: The Company

9-3-8 Saudi Arabian Amiantit Management Company Ltd.

- **Overview:**

The company was established in the year 2015G, and it was registered in the commercial registry in the city of Dammam with the number (2050105945) dated 17/08/1436H (Corresponding to 04/06/2015G). The company is actively involved in project management and senior management consulting services, including general management, financial management, marketing management, production and marketing management, human resources management and public relations management.

- **Capital:** The current capital of the company is ten million (10,000) Saudi riyals divided into ten (10) cash shares of equal value, the value of each share is (1,000) riyals distributed among the partners as follows:

Table (87) Ownership Structure of Subsidiary Shares (Saudi Arabian Amiantit Management Company Limited)

#	Partners	Number of shares	Value of share	Total	Percentage
1	Saudi Arabian Amiantit Company	10	1,000	10,000	100%
Total		10	-	10,000	100%

Source: The Company

- **Commercial activity:** The main activity of the company is in accordance with Commercial Registration Certificate No. (2050105945) (activities of integrated administrative services for offices)
- **Management:** The company is managed by a board of directors consisting of three (3) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's founding contract, knowing that all directors are appointed by the company.
- **Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in the first industrial city of Dammam, and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the subsidiary:

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Saudi Arabian Amiantit Management Company Ltd.	2050105945	17/08/1436H (Corresponding to 04/06/2015G)	16/08/1446H (Corresponding to 15/02/2025G)	Branch of Ministry of Commerce in the Eastern Province	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Chamber of Commerce and Industry membership certificate (second class)	In compliance with the provisions of the commercial registry system The company falls under the (first class)	Saudi Arabian Amiantit Management Company Ltd.	177866	16/05/1443H (Corresponding to 10/12/2021G)	16/08/1446H (Corresponding to 15/02/2025G)	Chamber of Commerce and Industry in Dammam	-
Zakat certificate	To indicate that the company is registered in VAT system	Saudi Arabian Amiantit Management Company Ltd.	1020787808	29/10/1442H (Corresponding to 10/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired
Saudization certificate	Indicating that the Company is committed to the required Saudization percentage according to the Nitaqat program	Saudi Arabian Amiantit Management Company Ltd.	881887-14547650	10/11/1443H (Corresponding to 09/06/2022G)	11/02/1444H (Corresponding to 07/09/2022G)	E-service Human Resources and Social Development	Expired
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi Arabian Amiantit Management Company Ltd.	46203122	14/10/1443H (Corresponding to 15/05/2022G)	14/11/1443H (Corresponding to 13/06/2022G)	General Organization for Social Insurance	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Company Structure Evaluation Certificate	Evaluation of the company's structure according to the Nitaqat program, which indicates that the company is in the (green) range.	Saudi Arabian Amiantit Management Company Ltd.	without	-	without	E-Services Department Ministry of Human Resources and Social Development	-
Wage Protection Certificate	In compliance with the Wage Protection System	Saudi Arabian Amiantit Management Company Ltd.	20042206001113	14/11/1443H (Corresponding to 13/06/2022G)	14/01/1444H (Corresponding to 12/08/2022G)	Ministry of Human Resources and Social Development	-
Municipal license *	License to practice commercial activity	Saudi Arabian Amiantit Management Company Ltd.	-	-	-	Eastern Province Municipality - East Dammam Municipality	-
Civil Defense License *	The company's commitment to the safety conditions of civil defense	Saudi Arabian Amiantit Management Company Ltd.	-	-	-	General Directorate of Civil Defense	The company reported that work is underway to obtain the license

Source: The Company

* Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months the project will be fully completed and licenses issued.

9-3-9 Arabia Company for Trading Building Materials and Industrial Equipment Ltd.

- **Overview:**

The company was established in 1982G, and it was registered in the commercial registry in Dammam with the number (2050008853) and the date of 03/12/1402H (Corresponding to 12/09/1982G). The company is active in managing and leasing owned or leased properties (non-residential), leasing construction and building equipment with operator, purchase and sale of land and real estate and its subdivision, off-plan sales activities, sale and installation of machinery and factory equipment.

- **Capital:** The company's current capital is two million (2,000,000) Saudi riyals, divided into cash shares of equal

Table (88) Ownership Structure of Subsidiary Company Shares (Arabia Building Materials and Industrial Equipment Trading Co. Ltd.):

#	Partners	Number of shares	Value of share	Total	Percentage
1	Saudi Arabian Amiantit Company	2,000	1,000	2,000,000	100%
Total		2,000	-	2,000,000	100%

Source: The Company

- **Commercial activity:** The main activity of the company according to Commercial Registration Certificate No. (2050008853) is (management and leasing of owned or leased properties (non-residential), leasing of construction and building equipment with an operator, buying and selling of land and real estate and its division and off-plan sales activities, sale and installation of machinery and factory equipment)
- **Management:** The company is managed by a board of directors consisting of five (5) directors appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all directors are appointed by the company.
- **Headquarters and branches:** According to the commercial registration certificate, the company's head office is located in Dammam / First Industrial City - Dammam-Khobar Road. the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the subsidiary:

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	2050008853	03/12/1402H (Corresponding to 12/09/1982G)	29/05/1445H (Corresponding to 13/12/2023G)	Branch of Ministry of Commerce in the Eastern Province	-
Chamber of Commerce and Industry membership certificate (first class)	In compliance with the provisions of the commercial registry system	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	3669	16/05/1443H (Corresponding to 20/12/2021G)	29/05/1445H (Corresponding to 13/12/2023G)	Chamber of Commerce and Industry in Dammam	-
Zakat certificate	To indicate that the company has submitted its zakat returns	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	1020741144	27/09/1442H (Corresponding to 09/05/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	46814798	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 07/07/2022G)	General Organization for Social Insurance	Subscription number 537278218 A facility that is not subject to the provisions of the system because there is no employment*
Municipal license**	License to practice commercial activity	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	-	-	-	Eastern Province Municipality - East Dammam Municipality	-
Civil Defense License*	The company's commitment to the safety conditions of civil defense	Arabia Building Materials and Industrial Equipment Trading Co. Ltd.	-	-	-	General Directorate of Civil Defense	The company reported that work is underway to obtain the license

Source: The Company

*This facility does not require a certificate of commitment to the wage protection system and a Saudization certificate for the absence of employment.

** Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months, the project will be fully completed and licenses issued.

9-3-10 PWT Saudi Arabia

- **Overview:**

The company was established in 2012G as a limited liability company, and it was registered in the commercial register in Dammam with the number (2050080446) dated 24/02/1433H (Corresponding to 18/01/2012G). The company's activities were specified according to the commercial register by establishing, operating and maintaining plants for purification and treatment of drinking and waste water, treatment of waste, pollution and solid pollutants, and the establishment, operation and maintenance of electrical technical systems and low and medium voltage automated systems under the license of the General Investment Authority No. (1220321112115) dated 11/11/1432H (Corresponding to 09/10/2011G).

- **Capital:** The current capital of the company is five hundred thousand (500,000) Saudi riyals divided into five hundred (500) cash shares of equal value, the value of each share is (1,000) riyals distributed to the partners according to the following:

Table (89) Ownership Structure of Subsidiary Shares (PWT Saudi Company)

#	Partners	Number of shares	Value of share	Total	Percentage
1	PWT WASSER- UND ABWASSERTECHNIK GMBH (BWT)	255	1,000	255,000	51%
2	International infrastructure management and operation company	245	1,000	245,000	49%
	Total	500	-	500,000	100%

Source: The Company

- **Commercial activity:** The main activity of the company in accordance with Commercial Registration Certificate No. (2050080446) (construction, operation and maintenance of drinking water and waste water purification and treatment plants, waste treatment, pollution and solid polluting materials, construction, operation and maintenance of electrical technical systems and low and medium voltage automated systems.
- **Management:** The company is managed by a board of directors consisting of five (5) managers appointed by the partners by an independent decision. The board of directors has the powers stipulated in the company's articles of association, knowing that all managers are appointed by the Company.
- **Headquarters and branches:** According to the commercial registry certificate, the company's head office is located in Dammam / First Industrial City - and the company has the right to open branches inside or outside the Kingdom whenever the interest of the company so requires and in accordance with a decision from the company's management.

The table below shows the most prominent licenses obtained by the company:

Table (90) Subsidiary Company Licensing Schedule (Saudi PWT Company)

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Commercial Register	Registration of the company in the register of commercial companies.	Saudi PWT Company	2050080446	24/02/1433H (Corresponding to 18/01/2012G)	23/02/1435H (Corresponding to 26/12/2013G)	Ministry of Commerce - Commercial Registry Office in Dammam	The company reported that work is underway to renew the register
Chamber of Commerce and Industry membership certificate (___ class)	In compliance with the provisions of the commercial registry system	Saudi PWT Company	-	-	-	Chamber of Commerce and Industry	The company reported that work is underway to renew the license
Zakat certificate	To indicate that the company has been registered in VAT	Saudi PWT Company	1040720245	16/09/1442H (Corresponding to 28/04/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Zakat, Tax and Customs Authority	Expired
Social Insurance Certificate	The Company's commitment to the regulations of the General Organization for Social Insurance	Saudi PWT Company	46814880	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	General Organization for Social Insurance	A facility not subject to the provisions of the system because there is no labors ** Subscription number 504823547
Municipal license**	License to practice commercial activity	Saudi PWT Company	-	-	-	Eastern Province Municipality - East Dammam Municipality	-

License type	Purpose	License holder	License number	Issue/renewal date	Expiry date	Issuer	Note
Civil defense license	The company's commitment to the safety conditions of civil defense	Saudi PWT Company	-	-	-	General Directorate of Civil Defense	The company reported that work is underway to obtain the license

Source: The Company

* This facility does not require a certificate of commitment to the wage protection system and a Saudization certificate as it has no employees.

** Since the facility is located on unplanned land, and the competent authorities have stipulated a development work for this land, after which the municipality and civil defense licenses will be issued. A large part of the project has been completed and within the next seven months, the project will be fully completed and licenses issued.

9-3-11 Companies (within the Kingdom) owned directly or indirectly by Amiantit Company by (50%) or less of the shares:

No.	Company	Activity	State of Incorporation	Subsidiary capital	Currency	Amiantit's share %
1	International Water Distribution Company	Water Distribution	Saudi Arabia / Jeddah	146,000,000	SAR	50
2	East Gas Company Ltd	Gas Distribution	Saudi Arabia / Dammam	80,000,000	SAR	13

Source: The Company

9-3-12 Subsidiaries (outside the Kingdom) owned directly or indirectly by Amiantit Company in full or by majority of shares (more than 50%):

The Company has a number of subsidiaries established outside the Kingdom of Saudi Arabia and owned by Amiantit Company in full or by the majority of the shares as follows:

No.	Company	Activity	State of Incorporation	Subsidiary Capital	Currency	Amiantit's share %
1	Amiantit Holding Company Limited	Holding company	Kingdom of Bahrain - Manama	32,000,000	USD	100%
2	Ductile Technology Company Limited (DCTC)	Buying, selling and renting real estate	Kingdom of Bahrain - Manama	20,000	Bahrain Dinar	100%
3	Aquamando Co., Ltd.	Water management	Germany	3,000,000	Euro	100%
4	BWTP Wasser & Wasser Technik GmbH	Establishment, management and maintenance of water and wastewater purification plants	Germany	3,000,000	Euro	100%
5	Amiantit Malta Holding Limited	Holding company	Malta	49,025,000	Euro	100%
6	Emtec Astana Pipe Company	Pipe industry	Kazakhstan	403,000,000	Tangi - Kazakhstan	51%
7	Emtec Switzerland	Holding	Switzerland	10,500,000	Swiss Franc	100%
8	Flotite Engineering	Consulting and technology	Germany	30,000	Euro	100%
9	BWSU WO OO - Turkmenistan	water management	Turkmenistan	250,000	USD	100%
10	John Hansen	water management	Germany	311,888	Euro	100%

No.	Company	Activity	State of Incorporation	Subsidiary Capital	Currency	Amiantit's share %
11	Flotite for Export IS	sale and trade	Germany	1,000,000	Norwegian krone	100%
12	BWT Arabia Company	Establishment, management and maintenance of water and wastewater purification plants	Germany	-	Euro	100%

Source: The Company

9-3-13 Companies (outside the Kingdom) that are directly or indirectly owned by Amiantit by (50%) or less of the shares:

No.	Company	Activity	Country of establishment	Subsidiary capital	Currency	Amiantit's share %
1	Amitech Algeria Company	Pipes Manufacturing	Algeria	262,769,000	Algerian Dinars	50%
2	Amiantit Qatar Ltd. Co. (Acap) Ltd.	Pipes Manufacturing	Qatar	27,200,000	Qatar Riyal	40%
3	Sar Plast	Pipes Manufacturing	Switzerland	1,550,000	Euro	23.7%
4	Amitech Libya Co.	Pipes Manufacturing	Libya	1,000,000	Libyan dinars	40%
5	SarPlast Qatar Co. Ltd.	Pipes Manufacturing	Qatar	200,000	Qatar Riyal	20.4%
6	Subur Industrial Company Vikart AS	Pipes Manufacturing	Turkey	48,306,000	Turkish Liras	20%
7	Subur Gap Industrial Company Vikart AS	Pipes Manufacturing	Turkey	21,700,000	Turkish Liras	16%

No.	Company	Activity	Country of establishment	Subsidiary capital	Currency	Amiantit's share %
8	Amitech Pipe Systems	Pipes Trading	Romania	327,620	Romanian lei	50%
9	Amitech Pipes Romania (under liquidation)	under liquidation	Romania	116,000	Romanian lei	50%
10	Ambello Holdings Co. GMBH	Pipe manufacturing	Austria	5,950,000	Euro	50%
11	Industrial Initiative SPI	Pipe manufacturing	Italy	3,700,000	Euro	4.48%

Source: The Company

9-3-14 Companies whose activities have been suspended

During the previous years, the company liquidated and closed some of its subsidiaries and sold its shares in other companies, according to the following details:

- On 20/02/2019G, the group's management decided to stop the activities of the Saudi Arabian Ameron Company Ltd. and the Saudi Arabian Concrete Products Company Ltd. (SACOP), due to the cessation of demand for the products of those companies and the liquidation is still being worked on.
- During the year 2019, the group liquidated the Romanian-based Amitech Pipe Systems Company, which is 100% owned by Subur, and Amiantit Company owns 20% of Subur Company, and its liquidation resulted in a loss of 793 Saudi riyals.
- During the year 2020G, the group officially liquidated the German-based John Hansen Company, which is 100% owned by the group, and its liquidation resulted in a loss of 1.5 million Saudi riyals. The revenues of John Hansen Company represented (0.00%) of the total group revenues for the years 2018G, 2019G and 2020G and the nine-month period ending on September 30, 2021G.
- During the year 2020, the group sold its stake in Amensos SA, based in Morocco, a company owned by 15% of the group, and its liquidation resulted in a loss of 2.8 million Saudi riyals.
- During the year 2020G, the company sold its stakes owned by 50% and 49% in Amiantit Fiberglass Company Egypt and Ameron Egypt Company, respectively, and this resulted in actual realized losses in the amount of 15.7 million Saudi riyals.
- On 23/11/2020, the company sold its 50% owned stake in Amitac Morocco, which resulted in a net profit of (12.4) million Saudi riyals.

- During 2021G, the group formally liquidated the Norway-based Flotite Export ES, a 100% owned subsidiary of the group. The liquidation resulted in a loss of 48.8 thousand Saudi riyals. The revenues of Flotite Export Co. represented (0.00%) of the total group revenues for the years 2018G, 2019G and 2020G and the nine-month period ending on September 30, 2021G


9-4 Continuing obligations imposed by Government agencies on the Company being the “Licensee”)

In addition to the licenses and certificates mentioned in the table above, the company obtained the necessary licenses to practice in accordance with the regulations in force in the Kingdom and the instructions issued by the competent regulatory authorities, which obligate the license holder to comply with some essential requirements in order to maintain the license, as follows:

9-4-1 Continuing obligations as required by the Ministry of Commerce

Parent Company “Saudi Arabian Amiantit Company”

- The Company is committed to the commercial registry system in terms of registration with the Commercial Registry Department in the city of Dammam, where the main headquarters is under Certificate No. (2050002103) dated 17/03/1388H (corresponding to 14/06/1968G), which expires on 29/05/1445H (corresponding to 13/12/2023G).
- The Company is committed to the commercial registry system in terms of obtaining a membership certificate of the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) under Certificate No. (457) dated 16/05/1443H (corresponding to 20/12/2021G) stating that the Company has been subscribed in the Chamber since 12 /02/1424H (Corresponding to 14/04/2003G) and it expires on 29/05/1445H (Corresponding to 13/12/2023G).
- The Company is also committed to completing the procedures for establishing its branches and is committed to the commercial registry system in terms of registration with the Commercial Registry Department and the issuance of membership certificates for its branches in the Chambers of Commerce and Industry, (for more details about the Company’s branches and points of sale, please see sub-paragraph 4 “Company Branches”).
- The Company is also committed to the Companies Law in terms of adopting the Company’s articles of association in line with the amendments made to the system, and it was approved by the Corporate Governance Department (Ministry of Commerce on 28/04/1441H (Corresponding to 25/12/2019G) based on the approval of shareholders in the (Extraordinary) General Assembly meeting on 09/01/1441H (Corresponding to 08/09/2019G). In order to complete the process of amending the Articles of Association in line with the Companies Law, the (Extraordinary) General Assembly held on 16/04/1442H (Corresponding to 01/12/2020G) to amend the other articles of the statute, which are: Article (28) related to inviting assemblies, Article (39) related to the committee’s reports, Article (43) related to financial documents and Article (44) related to dividends distribution. Note that the present copy of the articles of association has been approved by the Joint Services Department (Ministry of Commerce) on 10/08/1443H (Corresponding to 13/03/2022G), based on the approval of the (Extraordinary) General Assembly on 26/07/1443H (Corresponding to 27/02/2022G). The Company is also committed to the requirements of the Capital Market Authority and the Saudi Tadawul Company (Tadawul), in terms of downloading a copy of the articles of association on the Tadawul website on the Company’s page.

- The Company is committed to Article (129) of the Companies Law in terms of setting aside (10%) annually from the net profits to form the statutory reserve. The value of the statutory reserve set aside amounted to one hundred and thirty-two million one hundred and seventy-five thousand six hundred and eighty-seven (132,175,687) Saudi riyals as on 31/12/2020G. In accordance with Article (130) of the Companies Law, which allows the Company to use the statutory reserve to cover the Company's losses. The Board of Directors took on 14/08/1442H (Corresponding to 27/03/2021G) a decision to use the said statutory reserve to extinguish part of the Company's accumulated losses, amounting Two hundred five million four hundred and ninety-eight thousand seven hundred and ninety-nine (205,498,799) Saudi riyals. The Company's accumulated losses became seventy-three million three hundred twenty-three thousand one hundred and twelve (73,323,112) Saudi riyals, representing (22.91%) of the Company's capital. As on 30/09/2021G, the statutory reserve balance amounted to zero riyals.
- The Company has a logo  that was registered as a trademark under category (37) with the Ministry of Commerce under Certificate No. (143308990) dated 19/07/1434H (Corresponding to 29/05/2013G), which expires on 28/07/1453H (Corresponding to 14/11/2031G).

Saudi Subsidiaries

- The subsidiaries of the Saudi Arabian Amiantit Company and their branches are committed to the commercial registry system in terms of registration with the Commercial Registry Department in the cities where their headquarters are located. They are also committed to the commercial registry system in terms of obtaining a membership certificate of the Chamber of Commerce and Industry in the region where the headquarters are located. The following table shows the compliance of the subsidiaries with the requirements of the commercial registry.

Table (91) certificates of commercial registers and chambers of commerce and industry

SN	Subsidiary Name	Commercial registration certificate number	Date of Issue	Expiry Date	Issuer	Membership of the Chamber of Commerce and Industry
International Company for Infrastructure Management and Operation Ltd.						
1	International Company for Infrastructure Management and Operation Ltd.	2050083715	02/07/1433H (Corresponding to 23/05/2012G)	09/10/1445H (Corresponding to 18/04/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, according to the subscription certificate in Chamber of Commerce and Industry in the Eastern Province (Alsharqia Chamber) in the first class with number (150100) dated 03/08/1443H (Corresponding to 06/03/2022G). The certificate states that this company has been subscribed to the Chamber since 06/07/1433H (Corresponding to 07/027/2022G) and is valid until 09/10/1443H (Corresponding to 10/05/2022G).

SN	Subsidiary Name	Commercial registration certificate number	Date of Issue	Expiry Date	Issuer	Membership of the Chamber of Commerce and Industry
Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. (One Person Company)						
2	Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd. (one person company)	2050017573	08/06/1408H (Corresponding to 28/01/1988G)	29/05/1445H (Corresponding to 13/12/2023G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, according to the certificate of subscription in the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first degree with the number (1395) dated 03/08/1443H (Corresponding to 06/03/2022G) . The certificate states that this company has been subscribed to the Chamber since 21/06/1408H (Corresponding to 09/02/1988G) and is valid until 29/05/1445H (Corresponding to 13/12/2023G).
Branch	Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd.	2050106909	28/12/1436H (Corresponding to 11/11/2015G)	02/12/1444H (Corresponding to 20/06/2023G)	Ministry of Commerce - Commercial Registry Office in Dammam is	Committed, according to the subscription certificate in Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (185087) and the date of 03/07/1442H (Corresponding to 15/02/2021G). The certificate states that this company has been subscribed to the Chamber since 01/01/1437H (Corresponding to 14/10/2015G) and is valid until 12/02/1444H (Corresponding to 20/06/2023G).
Branch	Factory of the Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd.	2050101313	28/08/1435H (Corresponding to 26/06/2014G)	27/08/1445H (Corresponding to 08/03/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, according to the subscription certificate In the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (177865) and the date of 03/08/1443H (Corresponding to 06/03/2022G). The certificate states that this company has been subscribed to the Chamber since 29/08/1436H (Corresponding to 16/06/2015G) and is valid until 27/08/1445H (Corresponding to 08/03/2024G).

SN	Subsidiary Name	Commercial registration certificate number	Date of Issue	Expiry Date	Issuer	Membership of the Chamber of Commerce and Industry
Arab Building Materials and Industrial Equipment Trading Company Ltd.						
3	Arab Building Materials and Industrial Equipment Trading Company Ltd.	2050008853	03/12/1402H (Corresponding to 21/09/1982G)	29/05/1445H (Corresponding to 13/12/2023G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, according to a certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) In the first class with the number (3669) dated 16/05/1443H (Corresponding to 20/12/2021G). The certificate states that this company has been subscribed to the Chamber since 07/09/1408H (Corresponding to 23/04/1988G) and is valid until 29/05/1445H (Corresponding to 13/12/2023G).
Engineering Infrastructure Contracting Company Ltd.						
4.	Engineering Infrastructure Contracting Company Limited (one person company)	2050097629	26/03/1435H (Corresponding to 27/01/2014G)	25/03/1445H (Corresponding to 10/10/2023G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, pursuant to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the second class with the number (109911) dated 12/03/1440H (Corresponding to 20/11/ 2018G) and it is valid until the date of 25/03/1445H (Corresponding to 10/10/2023G).
Branch	Engineering Infrastructure Contracting Company Limited (one person company)	2050139169	17/03/1442H (Corresponding to 03/11/2020G)	17/03/1444H (Corresponding to 13/10/2022G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, pursuant to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the second class with number (150100) dated 03/08/1443H (Ccorresponding to 06/03/2022G) and is valid until 09/10/1443H (Ccorresponding to 10/05/2022G).

SN	Subsidiary Name	Commercial registration certificate number	Date of Issue	Expiry Date	Issuer	Membership of the Chamber of Commerce and Industry
Saudi Arabian Amiantit Management Company Ltd.						
5.	Saudi Arabian Amiantit Management Company Ltd.	2050105945	17/08/1436H (Corresponding to 04/06/2015G)	16/08/1446H (Corresponding to 15/02/2025G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, pursuant to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the second class with number (177866) dated 16/05/1443H (Corresponding to 20/12/2021G). The certificate states that this company has been subscribed to the Chamber since 29/08/1436H (Corresponding to 16/06/2015G) and is valid until 16/08/1446H (Corresponding to 15/02/2025G).
Amiantit Fiberglass Manufacturing Co. Ltd. (One Person Company)						
	Amiantit Fiberglass Manufacturing Co. Ltd. (One Person Company)	2050005268	25/10/1397H (Corresponding to 09/10/1977G)	29/05/1445H (Corresponding to 13/12/2023G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, pursuant to certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (417) dated 16/05/1443H (Corresponding to 20/12/2021G). The certificate states that this company has been subscribed to the Chamber since 25/12/1407H (Corresponding to 20/08/1987G) and is valid until 29/05/1445H (Corresponding to 13/12/2023G).
Branch	Factory of Amiantit Fiberglass Manufacturing Company	4030135751	05/08/1422H (Corresponding to 18/03/2021G)	04/08/1445H (Corresponding to 14/02/2024G)	Ministry of Commerce - Commercial Registry Office in Jeddah	Committed, pursuant to the subscription certificate in the Jeddah Chamber of the first class with the number (81325) dated 01/04/1440H (Ccorresponding to 08/12/2018G) and it is valid until 04/08 /1445H (Ccorresponding to 14/02/2024G).

SN	Subsidiary Name	Commercial registration certificate number	Date of Issue	Expiry Date	Issuer	Membership of the Chamber of Commerce and Industry
Branch	Amiantit Fiberglass Manufacturing Company Ltd.	2050104272	01/03/1436H (Corresponding to 23/12/2014G)	29/02/1446H (Corresponding to 02/09/2024G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, pursuant to the subscription certificate in the Chamber of Commerce Industrial area in the Eastern Province (Asharqia Chamber) in the first class with the number (177867) dated 03/08/1443H (Corresponding to 09/10/2021G). The certificate states that this company has been subscribed to the Chamber since 29/08/1436H (Corresponding to 16/06/2015G). It is valid until 29/02/1446H (Corresponding to 02/09/2024G).
Branch	Amiantit Fiberglass Manufacturing Company Ltd.	2050106908	28/12/1436H (Corresponding to 11/10/2015G)	02/12/1444H (Corresponding to 20/06/2023G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, according to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (185086) dated 03/07/1442H (Corresponding to 15/02/2021G). The certificate states that this company has been subscribed to the Chamber since 01/01/1437H (Corresponding to 14/10/2015G) and is valid until 02/12/1444H (Corresponding to 20/06/2023G).
Amicon Saudi Company Ltd						
6.	Amicon Saudi Company Ltd.	2050039735	24/10/1422H (Corresponding to 08/01/2002G)	23/10/1443H (Corresponding to 24/05/2022G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, according to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (1766) dated 20/10/1439H (Corresponding to 04/07/2018G). The certificate states that this company has been subscribed to the Chamber for this year and it is valid until 23/10/1443H (Corresponding to 24/05/2022G).

SN	Subsidiary Name	Commercial registration certificate number	Date of Issue	Expiry Date	Issuer	Membership of the Chamber of Commerce and Industry
Amiantit Rubber Industry Co., Ltd. Factory (One Person Company)						
7.	Amiantit Rubber Industry Co., Ltd. Factory (One Person Company)	2050004586	20/02/1397H (Corresponding to 02/09/1977G)	26/02/1444H (Corresponding to 22/09/2022G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, pursuant to the certificate of subscription to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with the number (3600) dated 15/07/1443H (Corresponding to 16/02/2022G). The certificate states that this company has been subscribed to the Chamber since 17/08/1418H (Corresponding to 17/12/1997G) and is valid until the date of 26/02/1444H (Corresponding to 22/09/2022G).
Bondstrand Co., Ltd. Factory						
8.	Bondstrand Co., Ltd. Factory	20500011976	16/04/1402H (Corresponding to 11/02/1982G)	26/02/1444H (Corresponding to 22/09/2022G)	Ministry of Commerce - Commercial Registry Office in Dammam	Committed, pursuant to the subscription certificate to the Chamber of Commerce and Industry in the Eastern Province (Asharqia Chamber) in the first class with No. (869) dated 23/04/1442H (Corresponding to 08/12/2020G). The certificate states that this company has been subscribed to the Chamber since 12/08/1408H (Corresponding to 30/03/1988G). It is valid until 26/02/1444H (Corresponding to 22/09/2022G).

Source: The Company

- The subsidiaries have logos that have been registered as a trademark under the categories of their products and services, according to certificates of registration with the Ministry of Commerce. For more details about trademarks, please refer to section No. (9-9) "**Legal Information**" subparagraph (9) of this prospectus.

Except for what was referred to above and what was mentioned in Section (2) "**Risk Factors**" of this Prospectus, the Company and its subsidiaries are in compliance with the requirements of the Ministry of Commerce.

9-4-2 Continuing obligations according to the requirements of the Zakat, Tax and Customs Authority

9-4-2-1 Parent Company "Saudi Arabian Amiantit Company"

- The Company, like other registered establishments and companies operating in the Kingdom, is obliged to submit its zakat and tax returns within (120) days from the end of the fiscal year for the purpose of renewing the certificate issued by the Zakat, Tax and Customs Authority. The Company was registered as a taxpayer under the distinguished tax number (3004342592). The Company submitted its zakat return for the fiscal year ending on December 31, 2020G and obtained a zakat certificate from the Zakat, Tax and Customs Authority with the number (1110886397) dated 08/01/1442H (Corresponding to 16/08/2021G) and it is valid until 29/09/1443H (Corresponding to 30/04/2022G). It should be noted that the value of Zakat paid to the Zakat, Tax and Customs Authority during the fiscal year ending on December 31, 2020G, amounted to (2,755,000) riyals, and the amount of (17,132,000) Saudi riyals paid for the fiscal year ending on December 31, 2021G.
- The Company is committed to the value-added tax system and its implementing regulations, and it is registered with the Zakat, Tax and Customs Authority on 11/03/1439H (Corresponding to 29/11/2017G) under the tax number (300434259210003)
- The Company has a certificate of registration of a tax group in the value added tax represented by the taxpayer, the Saudi Arabian Amiantit Company, under the tax number (300434259210003). The tax group includes the following subsidiaries:
 - Bondstrand Company Limited Factory
 - Amicon Saudi Company Ltd. (The name of this company has been changed from the Factory of Fiberglass Pipes and Ductile Iron Pipes Ltd. to the current name in accordance with the contract certified by the notary public No. (391394687) and dated 05/09/1439H (Corresponding to 22/12/2018G).
 - Saudi Arabian Amiantit Management Company Ltd.
 - Saudi Arabian Concrete Products Company
 - Amiantit Rubber Industry Co., Ltd
 - Amiantit Fiberglass Manufacturing Co., Ltd.
 - Infrastructure Engineering Contracting Company
 - International Company for Infrastructure Management and Operation Ltd.
 - Ameron Saudi Arabia Co. Ltd.
 - Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.

The Company and its subsidiaries in the Kingdom of Saudi Arabia submit their zakat returns on a consolidated basis. The Company received the final zakat assessments from the Zakat, Tax and Customs Authority for the years 2015G to 2018G. The claimed differences amounted to about two hundred and thirty-two million nine hundred thousand (232,900,000) Saudi riyals, of which the Company paid one million (1,000,000) Saudi riyals and submitted an objection to the Zakat Authority. The objection was then escalated to the General Secretariat of Tax Committees for the years from 2015G to 2018G. On 18/10/1443H (Corresponding to 19/05/2022G), the decisions of the Committee for Adjudication of Tax Violations and Disputes were issued regarding the objection submitted to the zakat assessment for the years 2015G to 2018G. The committee decided to cancel some of the decisions of the Zakat Authority and amend others with regard to the aforementioned assessments. Accordingly, total amount of the Company's objection approved by the committee was about (150) million riyals, bearing in mind that the parties to the lawsuit have the right to appeal the decisions issued above within (30) thirty days from the day following the date specified for its receipt on 08/11/1443H (Corresponding to 07/06/2022G), so that it becomes final and enforceable after the expiry of this period in the event that the objection is not submitted. Note that the Company maintains a provision covering the amounts against which the objection has not been

accepted. On 13/04/1443H (Corresponding to 18/11/2021G), the Company submitted an objection to the zakat assessments for the years 2019G and 2020G, and on 13/01/2022G, the response was received by the Zakat, Tax and Customs Authority, rejecting the objection request for the two years. Accordingly, the objection was escalated to the General Secretariat of the Tax Committees on 31/01/2022G. As at the date of publishing this prospectus, there was no response from the Zakat Authority to the objections submitted.

9-4-2-2 Saudi subsidiaries

The subsidiaries have complied with the system of the Zakat, Tax and Customs Authority and are registered as a taxpayer and have submitted their zakat returns for the period ending on 31/12/2020G, and obtained zakat certificates to enable them to complete all their transactions, including disbursing their final dues on contracts, according to the following table:

Table (92) Zakat Certificates for Subsidiaries

No.	Name of the subsidiary company (the taxpayer)	Zakat certificate number	TIN	Issue Date	Expiry Date	Note
1.	Amiantit Fiberglass Manufacturing Company Ltd.	1020796613	3004480379	27/10/1442H (Corresponding to 08/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Includes three branches
2.	Amicon Saudi Co. Ltd.	1020772131	3004417244	21/10/1442H (Corresponding to 02/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
3.	Saudi Arabian Ductile Pipe Manufacturing Co. Ltd.	1020798713	300549466	28/10/1442H (Corresponding to 09/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Includes two branches
4.	Arab Building Materials and Industrial Equipment Trading Company Ltd.	1020741144	3102903604	27/09/1442H (Corresponding to 09/05/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
5.	Amiantit Rubber Industry Co., Ltd. Factory	1020813403	3004553488	12/11/1442H (Corresponding to 22/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-

No.	Name of the subsidiary company (the taxpayer)	Zakat certificate number	Distinguished Number	Issue Date	Expiry Date	Note
6.	Engineering Infrastructure Contracting Company Ltd.	1021116020	3010735873	12/04/1443H (Corresponding to 17/11/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	Includes two branches
7.	BWT Arabia Company	1040722297	3008528765	17/09/1442H (Corresponding to 29/04/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
8.	Saudi BWT Company	1040720245	3005155529	16/09/1442H (Corresponding to 28/04/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
9.	Saudi Arabian Amiantit Management Company Ltd.	1020787808	3100021769	29/10/1442H (Corresponding to 10/06/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-
10.	Bondstrand Factory Ltd	1020765905	3004417035	14/10/1442H (Corresponding to 26/05/2021G)	29/09/1443H (Corresponding to 30/04/2022G)	-

Source: The Company

Except for what was referred to above and what was mentioned in Section(2) **“Risk Factors”** of this Prospectus, the Company and its subsidiaries are in compliance with the requirements of the Zakat, Tax and Customs Authority.

9-4-3 Continuing obligations as required by the Ministry of Human Resources and Social Development

9-4-3-1 Parent Company “Saudi Arabian Amiantit Company”

- A file has been opened for the Saudi Arabian Amiantit Company with the Ministry of Human Resources and Social Development (Labor Office) No. (7934-4) according to the Saudization certificate obtained from the Labor Office.

As on the date of publication of this prospectus, the Company benefits from the electronic services of the Ministry. The Saudization certificate has been issued with the number (20002204001513) dated 02/09/1443H (Corresponding to 03/04/2022G) to indicate that the Company is committed to the required Saudization percentage according to the Nitaqat program. The Saudization rate reached (43.48%), and it is classified as a (small-class-B) establishment within the wholesale and retail activity, and it is within the platinum range.

- The table below shows the number of employees of the Company:

Table (93) Number of Saudi and non-Saudi employees of the parent company

Authority	Reference	Number of Saudi workers	Number of non-Saudi workers	Wage	Total	Date of Issue	
	Saudi Arabian Amiantit Company (subscription number 110003129)	4	4	-	8	17/10/1443H (Corresponding to 18/05/2022G)	
General Organization for Social Insurance Social Insurance (GOSI)	GOSI certificate	Branch of Saudi Arabian Amiantit Company for Construction, Building, Maintenance and Operation (subscription number 509180024)					17/10/1443H (Corresponding to 18/05/2022G)
		6	10	-	16		
		Amiantit Plastic Products Manufacturing Company (subscription number 500571551)					14/11/1443H (Corresponding to 13/06/2022G)
		-	3	-	3		
	Amiantit factory for the production of epoxy pipes (subscription number 507105890)	1	-	-	1	17/10/1443H (Corresponding to 17/05/2022G)	

Authority	Reference	Number of Saudi workers	Number of non-Saudi workers	Wage	Total	Date of Issue	
Labor Office	Parent company	8	13	-	21	May 2022G	
	Saudi Arabian Amiantit Company Branch - Riyadh	1	-	-	1		
	Saudi Arabian Amiantit Company Branch - Jeddah	-	-	-	-		
	Saudi Arabian Amiantit Company for Construction, Building, Maintenance and Operation\	63	78	81	222		
Jawazat	Parent Company		7	-		14/10/1443H (Corresponding to 15/05/2022G)	
	Company branch factory of "Saudi Arabian Amiantit Company for the manufacture of plastic products"		18	-			
	Company branch "Saudi Arabian Amiantit Company for Construction, Building, Maintenance and Operation"	N/A	78	-	-		
	Company branch "Amiantit Factory for the production of epoxy pipes"		18	-			
The Company	Payroll	The company and its subsidiaries	329	754	-	1083	-

Source: The Company

There is a mismatch in the number of workers registered under the name of the Company and its branches, according to the data of the various government agencies.

- The Company is also committed to issuing Saudization certificates for its branches in compliance with the requirements of the Ministry of Human Resources and Social Development, as shown in the following table:

Table (94) Saudization certificate table

Branch name	Certificate number	Issue date	Expiry date	File number
Saudi Arabian Amiantit Company Branch (Jeddah)	20002202021132	16/07/1443H (Corresponding to 17/02/2022G)	16/10/1443H (Corresponding to 17/05/2022G)	9-15242
Amiantit factory for the production of epoxy pipes	20002205002737	08/10/1443H (Corresponding to 09/05/2022G)	11/01/1444H (Corresponding to 09/08/2022G)	4-33801
Saudi Arabian Amiantit Company for the manufacture of plastic products	20002204001518	02/09/1443H (Corresponding to 03/04/2022G)	04/12/1443H (Corresponding to 03/07/2022G)	4-33514
Branch of Saudi Arabian Amiantit Construction, Building and Maintenance Company	2000205002745	08/10/1443H (Corresponding to 09/05/2022G)	11/01/1444H (Corresponding to 09/08/2022G)	4-1259405
Saudi Arabian Amiantit Company Branch	20002202021153	16/07/1443H (Corresponding to 17/02/2022G)	16/10/1443H (Corresponding to 17/05/2022G)	1-76706

Source: The Company

- The Company has a recruitment number (7014779628) as indicated in the commercial register.
- The Company has an internal work regulation approved by the Ministry of Human Resources and Social Development (Labor Office) No. (4593) and dated 23/09/1435H (Corresponding to 24/03/2014G).
- The Company is committed to documenting the employment contracts of its employees electronically, as the commitment rate reached (98%) as in February 2022G, according to a report issued by the Madad platform on 05/03/2022G.

- The Company is also committed to the wage protection system and the regular raising of the wages of its employees, according to a report issued by the Madad platform on 05/03/2022G, as the commitment rate reached (97%) as in February 2022G. Accordingly, the Ministry of Human Resources and Social Development granted it a certificate of commitment to the wage protection system with the number (20042205000809) dated 14/10/1443H (Corresponding to 15/05/2022G), and it is valid until 14/12/1443H (Corresponding to 13/07/2022G).

9-4-3-3 Saudi subsidiaries

- International Company for Infrastructure Management and Operation Limited No. (2050083715).**

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) with the number (4-98309) according to the Saudization certificate issued to it with the number (139348-12548474) and the date of 10/11/1443H (Corresponding to 09/06/2022G), to state that the Company is committed to the required Saudization percentage according to the Nitaqat program. The Saudization percentage has reached (100%), and it is classified as (very small, aggregated entities) class (A), within the activity (very small aggregated entities), and it is within the high green range.

The table below shows the number of employees of the International Company for Infrastructure Management and Operation Ltd.

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Outsourcing Labor	Issue Date
GOSI	GOSI Certificate	1	0	-	1	07/10/1443H (Corresponding to 08/05/2022G)
Labor Office	Nitaqat Certificate	1	0	-	1	May 2022G
Jawazat	Muqem	0	0	-	0	-
The Company	Payroll sheet	1	0	-	1	Jan 2022G

Source: The Company

- Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. (One Person Company) No. (2050017573)**

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) under number (4-98309) in accordance with the Saudization certificate issued to it with the number (20002204001525) dated 02/09/1443H (Corresponding to 03/04/2022G) to state that the company is committed to the required Saudization percentage according to the Nitaqat program. The Saudization rate has reached (100%), and it is classified as a medium category (C) establishment within industries activity, and it falls within the (green) range.

The table below shows the number of employees of the Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd.

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Rented Labor	Issue Date
	GOSI Subscription Certificate (200019512)	5	3	-	8	10/11/1443H (Corresponding to 09/06/2022G)
GOSI	GOSI Subscription /Factory (Certificate No. 511746884)	14	55	-	69	09/06/2022G
Labor Officer	Company's nitaqat certificate	1	-	-	1	May 2022G
	Factory's nitaqat certificate	109	284	-	393	
Jawazat	Muqem / Factory	-	284	-	284	15/05/2022G
The Company	Payroll sheet	79	150	-	229	May 2022G

Source: The Company

- **Arab Company for Trading Building Materials and Industrial Equipment Ltd.**

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) with the number (1816569-4), and according to a report issued by (Madad), the Company does not have any employment.

- **Engineering Infrastructure Contracting Company Limited (One Person Company) No. (2050097629)**

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) under number (109518-4) according to the Saudization certificate issued to it with the number (200022050027733) dated 08/10/1443H (Corresponding to 09/05/2022G) to state that the Company is committed to the required Saudization percentage according to the Nitaqat program. The percentage of Saudization reached (29.89%), and it is classified as a medium facility (class A) within the activity (operation and maintenance) and it is located within the high green range.

The table below shows the number of employees of the Engineering Infrastructure Contracting Company Ltd. (one person company)

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Rented Labor	Issue Date
GOSI	GOSI Certificate	17	60	-	77	10/11/1443H (Corresponding to 09/06/2022G)
Labor Office	Nitaqat Certificate	17	64	8	89	May 2022G
Jawazat	Muqem		59		59	15/05/2022G
The Company	Payroll sheet	17	58	-	75	May 2022G

Source: The Company

• **Saudi Arabian Amiantit Management Company Limited No. (2050105945)**

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) under number (1264934-4) according to the Saudization certificate issued to it with the number (881887-14547650) and dated 10/11/1443H (Corresponding to 09/06/2022G) to state that the Company is committed to the required Saudization percentage according to the Nitaqat program. The percentage of Saudization reached (42.86%), and it is classified as a small establishment category (B) within the activity (integrated office administrative services activities) and it falls within the high green range

The table below shows the number of employees of the Saudi Arabian Amiantit Management Company Ltd.

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Rented Labor	Issue Date
GOSI	GOSI Certificate	3	4	7		14/10/1443H (Corresponding to 15/05/2022G)
Labor Office	Nitaqat Certificate	3	4	7	-	As of 06/03/2022G
Jawazat	Muqem	-	4	4	-	As of 06/03/2022G
The Company	Payroll sheet	3	4	7	-	As of 06/03/2022G

Source: The Company

• **Amiantit Fiberglass Manufacturing Company Limited (One Person Company) No. (2050005268)**

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) under number (3860-4) according to the Saudization certificate issued to it with the number (12917725-179295) and dated 10/11/1443H (Corresponding to 09/06/2022G), to state that the Company is committed to the required Saudization percentage according to the Nitaqat program. The percentage of Saudization reached (31.61%), and it is classified as a small establishment category (B), within the activity of (industries), and it falls within the (high green) range.

The table below shows the number of employees of Amiantit Fiberglass Manufacturing Company Ltd. (one person company)

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Rented Labor	Issue Date
	GOSI Certificate/ the Company (110003145)	4	5	-	9	
GOSI	GOSI Certificate/ the Factory- Dammam (609670894)	1	4	-	5	10/11/1443H (Corresponding to 09/06/2022G)
	GOSI Certificate/ the Factory- Dammam (100058022)	3	10	-	13	
Labor Office	Nitaqat certificate	49	160	11	220	May 2022G
	Parent company		14	-	14	16/05/2022G
	Amiantit Fiberglass Manufacturing Co. Ltd. Factory - Dammam		93	-	93	15/05/2022G
Jawazat	Muqeem		37	-	37	15/05/2022G
	Branch of Amiantit Fiberglass Manufacturing Co. Ltd.		16	-	16	15/05/2022G
	Amiantit Fiberglass Manufacturing Co. Factory					
The Company	Payroll sheet	76	156	156	232	May 2022G

Source: The Company

- **Saudi Arabian Ameron Company Ltd (2050006330)**

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) with the number (1950657-4) according to a report issued by the (Madad) platform. The Company has no registered workers.

- **Amicon Saudi Company Limited No. (2050039735)**

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) with the number (4-1433680) according to the Saudization certificate issued to it with the number (20002205002748) and dated 08/10/1443H (Corresponding to 09/05/2022G) to state that the Company is committed to the required percentage of Saudization according to the Nitaqat program. The percentage of Saudization has reached (0%), and it is classified as a medium-sized facility, category (C), within the activity of (industries), and it falls within the green range.

The table below shows the number of employees of Amicon Saudi Company Ltd.

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Rented Labor	Issue Date
GOSI	GOSI Certificate	0	0	0	0	17/10/1443H (Corresponding to 18/05/2022G)
Labor Office	Nitaqat Certificate	-	2	2	-	May 2022G
Jawazat	Muqem	-	2	2	-	May 2022G

Source: The Company

- **Factory of Amiantit Rubber Industry Co. Ltd. (one person company) No. (2050004586)**

A file has been opened for this subsidiary company with the Ministry of Human Resources and Social Development (Labor Office) with the number (4-6945) according to the Saudization certificate issued to it with the number (20002203000770) and dated 28/07/1443H (Corresponding to 01/03/2022G) to state that the Company is committed to the required percentage of Saudization according to the Nitaqat program. The rate of Saudization reached (28.57%), and it is classified as a small category (B) facility within the activity of mines, energy and services, and it falls within the low green range.

The table below shows the number of employees of Amiantit Rubber Industry Co. Ltd. (one person company)

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Rented Labor	Issue Date
GOSI	GOSI Certificate	5	16	21	-	07/10/1443H (Corresponding to 08/05/2022G)
Labor Office	Nitaqat Certificate	5	15	20	-	May 2022G
Jawazat	Muqem		16	15	-	May 2022G
The Company	Payroll sheet	6	17	23	-	May 2022G

Source: The Company

• **Bondstrand Company Limited Factory No. (2050011976)**

A file for this subsidiary company has been opened with the Ministry of Human Resources and Social Development (Labor Office) with the number (7811-4) according to the Saudization certificate issued to it with the number (20002205002725) and dated 08/10/1443H (Corresponding to 09/05/2022G) to state that the Company is committed to the required percentage of Saudization according to the Nitaqat program. The Saudization rate reached (31.53%), and it is classified as a medium-sized facility, category (B) within the activity of (industries), and it falls within the high green range.

The table below shows the number of employees of Bondstrand Company Ltd.:

Authority	Reference	Number of Saudi Workers	Number of Non-Saudi Workers	Total	Rented Labor	Issue Date
GOSI	GOSI Certificate	40	107	147	-	08/10/1443H (Corresponding to 09/05/2022G)
Labor Office	Nitaqat Certificate	40	104	144	-	May 2022G
Jawazat	Muqem		105	105	-	15/05/2022G
The Company	Payroll sheet	41	106	147	-	May 2022G

Source: The Company

Except for what was referred to above and what was mentioned in Section(2) "**Risk Factors**" of this Prospectus, the Company and its subsidiaries are in compliance with the requirements of the Ministry of Human Resources and Social Development.

9-4-4 Continuing obligations according to the requirements of the General Organization for Social Insurance

9-4-4-1 Parent Company "Saudi Arabian Amiantit Company"

The Company has opened a file with the General Organization for Social Insurance under the subscription number (110003129), and it has subscribed to the pension and occupational hazards branches for Saudi contributors, and for non-Saudis it has subscribed to the occupational hazards branch, according to the Social Insurance Certificate No. (46897360) dated 14/11/1443H. (Corresponding to 13/06/2022G). The total number of people registered in the social insurance system reached (8) workers, including (4) Saudi workers and (4) non-Saudi workers. The value of the contributions paid for the year 2020G amounted to (3,231,592.64) Saudi riyals, and the due amount was (641,000) riyals as on December 31, 2021G.

- **Unemployment System (SANID):**

It is a system aimed at social solidarity issued by the General Organization for Social Insurance, and aims to insure against unemployment and protect (Saudi) contributors who lost their jobs due to circumstances beyond their control, and as a remedy for the deteriorating social conditions of unemployed persons and as compensation for unemployment. It was issued by Royal Decree No. (M/18) dated 12/03/1435H (Corresponding to 14/01/2014G) approving the unemployment insurance system "**Sanid System**". According to this system, the employer pays (1%) per month of the salary and the contributor pays (1%) as well. Compensation is paid between two thousand (2,000) and nine thousand (9,000) Saudi riyals. Compensation is disbursed at the rate of (60%) of the average monthly wages for the last two years for each month of the first three months, with a maximum limit of nine thousand (9,000) Saudi riyals for the amount of compensation, and at a rate of (50%) of this average for each month over that. This program is obligatory for all companies, and they must register all Saudi contributors in the Pension Branch and bear the percentage stipulated in the system. Failure to comply and violation of any provision of the unemployment insurance system and the regulations, exposes the employer to a fine not exceeding ten thousand (10,000) riyals. Saudi Arabia, and this limit shall be doubled in the event of repetition. The fine shall be multiplied by the number of participating workers in respect of whom the employer committed one or more violations. According to the insurance certificate, the Company is committed to the provisions of the system in terms of registering Saudi workers in the pension branch.

After the spread of the Corona pandemic and in order to mitigate the effects of the pandemic on private sector companies, a generous royal order was issued to support Saudi workers in private sector facilities affected by the repercussions of the emerging Corona virus through the unemployment insurance system (Sanid), and in accordance with the Royal order to extend the support period for an additional three (3) months. The support is provided for a maximum percentage of (70%) of Saudi workers in the establishments most affected by the pandemic, and a maximum of (50%) of Saudi workers in the least affected establishments to achieve full benefit from the initiatives announced since the beginning of the pandemic.

The Company reported that the Company and its subsidiaries have benefited from the Sanid system during the Corona pandemic

9-4-4-2 Saudi subsidiaries

Subsidiaries have obtained subscription certificates with the General Organization for Social Insurance, as shown in the following table:

Table (95) subscription certificates with the General Organization for Social Insurance for subsidiary companies

Company English Name	Company Foreign Name	Subscription number	Commercial registration number	Certificate number	Issue Date	Expiry date	Number of Saudi workers	Number of Non-Saudi workers	Total number of workers
Amiantit Fiberglass Industry Co., Ltd.	AFIL Damm	110003145	2050005268	46814329	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	4	5	9
Branch of Amiantit Fiberglass Manufacturing Co., Ltd.	AFIL JED	100058022	4030135751	46814466	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	3	10	13
Amicon Saudi Co. Ltd.	AMICON	200096770	2050039735	46820042	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	0	0	0
Amiantit factory for the production of epoxy pipes	AMIPOX	507105890	2050042140	46897106	14/11/1443H (Corresponding to 13/06/2022G)	13/12/1443H (Corresponding to 12/08/2022G)	1	0	1
International Infrastructure Management and Operation Co. Ltd.	AMIWATER	505585941	2050083715	46814855	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	1	0	1
Amiantit Company for the manufacture of plastic products	AMPLAS	500571551	2050002103	46897255	14/11/1443H (Corresponding to 13/06/2022G)	13/12/1443H (Corresponding to 12/08/2022G)	0	3	3
Saudi Arabian Amiantit Company Branch	APPSCO	100068834	2050002103	46897289	14/11/1443H (Corresponding to 13/06/2022G)	13/12/1443H (Corresponding to 12/08/2022G)	0	0	0

Company English Name	Company Foreign Name	Subscription number	Commercial registration number	Certificate number	Issue Date	Expiry date	Number of Saudi workers	Number of Non-Saudi workers	Total number of workers
Arab Building Materials and Equipment Trading Company	ARAB TRADING	537278218	2050008853	46814798	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	0	0	0
Amiantit Rubber Industry Co., Ltd.	ARIL	210077200	2050004586	46814676	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	5	16	21
Saudi Arabian Ameron Company Limited is a one-person company	ASAL - DMM	574490170	2050006330	46885172	14/11/1443H (Corresponding to 13/06/2022G)	13/12/1443H (Corresponding to 12/08/2022G)	0	0	0
Amiantit Technical Services Branch of Saudi Arabian Amiantit Company	ATS	501361011	2050048098	46897161	14/11/1443H (Corresponding to 13/06/2022G)	13/12/1443H (Corresponding to 12/08/2022G)	0	0	0
Bondstrand Co., Ltd.	BSL	200003306	2050011976	46814751	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	40	107	147
Engineering Infrastructure Contracting Company Ltd.	ISECC	508131496	2050097629	46819639	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	17	60	77
BWT Saudi Company	PWT	504823547	2050080446	46814880	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	0	0	0
BWT Arabia Company	PWT2	506951917	2050092426	46897141	14/11/1443H (Corresponding to 13/06/2022G)	13/12/1443H (Corresponding to 12/08/2022G)	0	0	0
Saudi Arabian Concrete Products Company	SACOP	110092709	4030015025	46897429	14/11/1443H (Corresponding to 13/06/2022G)	13/12/1443H (Corresponding to 12/08/2022G)	0	0	0

Company English Name	Company Foreign Name	Subscription number	Commercial registration number	Certificate number	Issue Date	Expiry date	Number of Saudi workers	Number of Non-Saudi workers	Total number of workers
Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory	SADIP - F	511746884	2050101313	46814488	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	14	55	69
Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	SADIP	200019512	2050017573	46814633	10/11/1443H (Corresponding to 09/06/2022G)	09/12/1443H (Corresponding to 08/07/2022G)	5	3	8

Source: The Company

Except for what was referred to above and what was mentioned in Section(2) “**Risk Factors**” of this Prospectus, the Company and its subsidiaries are committed to the requirements of the General Organization for Social Insurance.

9-4-5 Continuing obligations as per requirements of the Capital Market Authority

- The Authority obliges listed companies to abide by the rules of offering securities, continuing obligations, and special instructions issued by the Authority, especially the obligation to periodically disclose material and financial developments and the report of the Board of Directors. According to the Continuing Obligations Guide for Listed Companies, the annual financial results announced on the (Tadawul) website must be derived from the audited financial statements approved by the Company’s external auditor appointed by the Assembly and approved by the Board of Directors. The Company must also provide a statement of all the reasons and influences for the change in the financial results for the current fiscal year with the comparison period, so that the reasons include all items of the financial results announcement.
- The Authority also obligated the companies listed in the financial market to disclose the stages of their compliance with the transition to international accounting standards. On 30/05/1438H (Corresponding to 27/02/2017G), the Company announced its commitment to this requirement on Tadawul website.
- The Company obtained the authority’s approval to adopt a motivational program for employees by allocating shares during a period extending from 2012G to 2015G. The number of shares that were allocated to employees amounted to two million five hundred fifteen thousand six hundred and ninety-one (2,515,691) shares. Five hundred and sixty-four thousand three hundred and nine (564,309) shares were distributed during the year 2015G. The remaining shares are currently (48,353 shares), and there is no motivational active plan as of the date of publication of this prospectus.
- The Authority also obligated the companies listed in the financial market to follow the regulations of instructions regarding announcements of joint stock companies whose shares are listed in the financial market issued by the Authority’s Board Resolution No. (1-199-2006) dated 18/07/1427H (Corresponding to 12/08/2006G) and amended by virtue of Resolution No. (1-104-2019) dated 02/01/1441H (Corresponding to 30/09/2019G)

- The Authority has obligated the companies listed in the financial market to appoint their representatives to the Capital Market Authority for all purposes related to the application of the Capital Market Authority system and its implementing regulations. The Company has committed to this, as the Board of Directors appointed Dr. Muhammad bin Saud Al-Badr (Board Member), Mr. Firas bin Ghasab Al-Harbi (CEO) and Mr. Waleed Muhammad Abu Kishk (General Manager for Legal Affairs and Compliance) to represent the Company at the Authority for all System related purposes.
- The Authority also obligated the listed companies, in application of the conditions contained in the regulations and regulatory procedures issued in implementation of the Companies Law for Listed Joint Stock Companies (the third version), issued by the Authority's Board pursuant to Resolution No. (8-127-2016) dated 16/01/1438H (Corresponding to 17/10/2016G) Based on the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H, as amended by the Authority's Board Resolution No. (3-57-2019) and dated 15/09/1440H (Corresponding to 20/05/2019G), disclosure in the report of the Board of Directors, a comprehensive statement of all the Board members received during the financial year in terms of remuneration, expense allowance and other financial and in-kind benefits paid to each member of the Board of Directors in return for any work or executive, technical, administrative or advisory positions.

The Company has committed to disclose the compensation and attendance allowance obtained by the members of the Board of Directors, which amounted to eighty-one thousand (81,000) for independent members and one hundred and sixty-two thousand (162,000) Saudi riyals for non-executive members for the year 2021G.

- Note that on 23/01/1438H (Corresponding to 24/10/2016G), the Authority's Board Resolution No. (1-130-2016) was issued to amend the procedures and instructions for companies listed in the market whose accumulated losses amounted to (50%) or more of their capital in light of the new companies' system, whose name has been modified to become "**Procedures and instructions for Companies Listed in the Market whose Accumulated Losses Amounted to (20%) or more of their Capital**", as amended by the decision of the Board of the Capital Market Authority No. (1-77-2018) and dated 05/11/1439H (Corresponding to 18/07/2018G). which stipulates that if the Company's accumulated losses amount to (20%) or more of its capital, the Company must announce this event immediately. Article Five (5) specified the procedures and instructions for companies with shares listed in the market, and whose accumulated losses amounted to (50%) or more of the capital, as follows:
 1. Disclose to the public immediately and without delay an independent announcement when its accumulated losses reach (50%) or more of the capital, provided that the announcement includes the amount of accumulated losses and their percentage of the capital, and the main reasons that led to these losses, with reference in the announcement that it will be apply these procedures and instructions to them. If the disclosure required in accordance with this paragraph coincides with the announcement of the initial or annual financial results, the Company shall be exempted from disclosing a separate announcement if it included it in the announcement of the initial or annual financial results.
 2. The market adds a mark next to the Company's name on the market's website, symbolizing that the Company's accumulated losses have reached (50%) of its capital immediately upon the issuance of the announcement referred to in paragraph (1) above of this article.
 3. Subject to the provisions of Article one hundred fifty (150) of the Companies Law, the Company must, after its announcement that its accumulated losses reached (50%) or more of its capital, announce the following:
 - The date of the last day on which the board of directors can invite the (extraordinary) general assembly to meet, and the last day of the (extraordinary) general assembly to address the accumulated losses.
 - The board of directors' recommendation to the (extraordinary) general assembly regarding its accumulated losses as soon as it is issued, either by increasing or decreasing the Company's capital, or dissolving the Company before the term specified in its articles of association.

- The date of the last day to complete the subscription process for the capital increase to address the accumulated losses, as applicable.
- These procedures also refer to the requirements of Article (150) of the Companies Law, which states that if the Company's accumulated losses amount to 50% or more of its capital, at any time during the fiscal year, any company official or auditor shall, as soon as he becomes aware of this, inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors shall immediately inform the members of the Board of that, and the Board of Directors - within fifteen days of becoming aware of this - shall invite the Extraordinary General Assembly to meet within forty-five days from the date of his knowledge of the losses; to decide either to increase or reduce the Company's capital - in accordance with the provisions of the law - to the extent that the percentage of losses drops to less than half of the paid-up capital, or to dissolve the Company before the term specified in the Company's articles of association. The Company is considered dissolved by force of law if the extraordinary general assembly did not meet within the specified period, or if it met and was unable to issue a decision in the matter, or if it decided to increase the capital in accordance with the conditions prescribed in this article and the subscription for all the capital increase was not completed within ninety days from the date of issuance of the Assembly's decision to increase.
- On 29/03/1443H (Corresponding to 04/11/2021G), the Saudi Arabian Amiantit Company announced that its accumulated losses had reached (69.11%) of the capital. The Company has set 30/05/1443H (Corresponding to 03/01/2022 G) as the last day for the Board of Directors to call the Extraordinary General Assembly for a meeting, according to what is stated in Article (150) of the Companies Law, and the date of 02/10/1443H (Corresponding to 03/05/ 2022G) as the last day of the extraordinary general assembly to address the accumulated losses according to what is stated in Article (150) of the Companies Law.
- On 17/04/1443H (Corresponding to 22/11/2021G), the Board of Directors decided to restructure the Company's capital to extinguish the accumulated losses and recommend to the extraordinary general assembly to reduce the Company's capital from three hundred and twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, by canceling twenty-two million one hundred thousand (22,100,000) shares of the Company's shares, and then increasing the capital to three hundred and twenty million (320,000,000) Saudi riyals to support the working capital.
- On 26/06/1443H (Corresponding to 29/01/2022G), the Board of Directors recommended the amendment of its previous recommendation issued on 18/04/1443H (corresponding to 23/11/2021G) regarding reducing the Company's capital and then increasing it. The Board of Directors has recommended reducing the Company's capital by two hundred and twenty-one million (221,000,000) Saudi riyals, which represents (69.06%) of the Company's capital, and then increasing the Company's capital by offering rights shares at a value of three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyal.
- On 11/07/1443H (Corresponding to 12/02/2022G), the Board of Directors decided to separate the submission of the capital reduction file from the capital increase file through rights shares. The reason for this is due to the accumulated losses reaching (69.06%) of the capital, and the near expiry of the deadline granted to the listed joint-stock companies regarding the suspension of some provisions of the articles of the Companies Law, including Article (150) of the Companies Law based on the Royal Decree No. (15016) dated 16/03/1442H (Corresponding to 02/11/2020G).
- On (Corresponding to 17/02/2022G), the Capital Market Authority approved the Company's request to reduce its capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi riyals, and thus reduce the number of shares from thirty-two million (32,000,000) share to nine million nine hundred thousand (9,900,000) shares. Note that this approval is conditional on the approval of the Company's extraordinary general assembly and the completion of the relevant regulatory procedures and requirements.

The Extraordinary General Assembly, held on 26/07/1443H (Corresponding to 27/02/2022 G), agreed to reduce the Company's capital to ninety-nine million (99,000,000) Saudi riyals by canceling twenty-two million one hundred thousand (22,100,000) shares of the Company's shares. One (1) share will be reduced for every (1.447) approximately (with a nominal value of 10 Saudi riyals per share) of the Company's shares.

- As for the Corporate Governance Regulations, the table below includes a summary of the most important provisions of the Corporate Governance Regulations and the Company's commitment to it:

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
9/b	The Board shall establish a clear policy for the distribution of dividends to achieve the interests of the shareholders and the Company as per the Company's bylaw.	Board of Directors	Compliant - Approved by the resolution of the Board of Directors on 09/08/1442H (Corresponding to 01/04/2021G), and was approved by the General Assembly on 14/09/1442H (Corresponding to 26/04/2021G)
8/a	Make a copy of the mentioned information available in the Company's head office and its website.	Board of Directors	Non-compliant
5/12 and 54	Forming an Audit Committee	Shareholders General Assembly	Compliant - Appointed by the General Assembly held on 05/09/1441H (Corresponding to 28/04/2020G)
54/c	The Company's General Assembly shall, upon a recommendation of the Board, issue a regulation for the audit committee which shall include the rules and procedures for the activities and duties of the committee, the rules for selecting its members, the means of their nomination, the term of their membership, their remunerations, and the mechanism of appointing temporary members in case a seat in the committee becomes vacant.	General Assembly of Shareholders	Compliant - The regulation was approved by the General Assembly held on 05/09/1441H (Corresponding to 28/04/2020G)

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
6/12	Approval of the financial statements for the year 2021G	General Assembly of Shareholders	Compliant- The financial statements for the fiscal year 2021G were approved by the General Assembly held on 01/11/1443H (Corresponding to 31/05/2022G)
7/12	Approval of the annual report of the Board of Directors for the year 2021	General Assembly of Shareholders	Compliant- The report of the Board of Directors for the fiscal year 2021G was approved by the Ordinary General Assembly held on 01/11/1443H (Corresponding to 31/05/2022G)
12/9 and 81	Appointing the company's auditors, determining their remuneration, reappointing and changing them, and approving their reports.	General Assembly of Shareholders	Compliant - the Auditor's report for the fiscal year 2021G was approved, and the auditor was voted on to appoint an auditor (Al Kharashi & Co., Certified Public Accountants, the auditor of the company from among the candidates based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the (second and third) quarters and the annual for the fiscal year 2022G, and for the first quarter of the fiscal year 2023G, and its fees were determined by the General Assembly held on 01/11/1443H (Corresponding to 31/05/2022G)
13/d	Publishing the announcement for the date, place and agenda of the general assembly meeting at least twenty-one days before the date on the company's website.	Board of Directors	Compliant

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
14/c	The shareholders shall be allowed through the Company's website and the Exchange's website, when the invitation for the convention of the General Assembly is published, to obtain the information related to the items of the General Assembly's agenda, particularly the reports of the Board and the external auditor, the financial statements and the audit committee's Report	Board of Directors	Compliant - there is a link on the company's website that allows shareholders to view the company's information

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
22/2	<p>setting rules and procedures for internal control and generally overseeing them, including: a. developing a written policy to remedy actual and potential conflicts of interest scenarios for each of the Board members, the Executive Management, and the shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties; b. ensuring the integrity of the financial and accounting rules, including rules relating to the preparation of financial reports; c. ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may encounter and creating an environment which is aware of the culture of risk management at the Company level and disclosing such risks transparently to the Stakeholders and parties related to the Company ; and d. reviewing the effectiveness of the Company's internal control procedures on an annual basis.</p>	Board of Directors	Compliant - The conflict of interest regulation was approved by the Board of Directors on 19/08/1442H (Corresponding to 01/04/2021G)
22/3	<p>setting forth specific and explicit policies, standards and procedures for membership in the Board, without prejudice to the mandatory provisions of these Regulations, and implementing them following approval by the General Assembly</p>	General Assembly of Shareholders	Compliant - The Regulations were approved by the Board of Directors on 19/08/1442H (Corresponding to 01/04/2021G)

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
22/4	<p>developing a written policy that regulates the relationship with Stakeholders pursuant to the provisions of the Governance Regulations; It shall cover, in particular, the following:</p> <ul style="list-style-type: none"> mechanisms for compensating stakeholders in the event of a violation of their rights recognized by regulations and protected by contracts; a mechanisms for settling complaints or disputes that may arise between the company and stakeholders; and appropriate mechanisms to establish good relations with customers and suppliers, and to maintain the confidentiality of information related to them 	Board of Directors	Compliant - The Regulations were approved by the Board of Directors on 19/08/1442H (Corresponding to 01/04/2021G(
22/5	<p>setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to shareholders and Stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures;</p>	Board of Directors	Compliant - The Regulations were approved by the Board of Directors on 19/08/1442H (Corresponding to 01/04/2021G(

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
22/13,50,60, 60/a and 64	forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the names of the members and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members	Board of Directors	Compliant - There are three main committees (Audit Committee - Nomination and Remuneration Committee - Executive Committee - Investment Committee) that were formed by the Board of Directors on 13/05/1442H (Corresponding to 28/12/2020G)
23/1	Approve and develop internal policies in respect of the Company's business, including specifying the duties, competencies and responsibilities assigned to the various organisational levels;	Board of Directors	NA
23/2	Approving a written and detailed policy that identifies the powers delegated to the Executive Management, a matrix stating these powers, means of implementation and the period of delegation\ The Board may request the Executive Management to submit periodic reports in respect of its exercise of such delegated powers	Board of Directors	NA
25	Appointment of the CEO	Board of Directors	Compliant - The CEO was appointed by the Board of Directors on 26/07/1443H (Corresponding to 27/02/2022G)
26/5	Laying down the organizational and functional structures of the company and submitting them to the Board of Directors for approval.	Board of Directors	Compliant - The organizational structure of the company was reviewed - The organizational structure was approved by the Board of Directors on 01/03/2022

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
26/10	Suggesting a policy and types of remuneration to be granted to employees, such as fixed remuneration, performance-related remuneration, and remuneration in the form of shares.	Board of Directors	There is a program for granting shares to the company's employees
43	The Board shall develop an explicit and written policy to deal with actual and potential conflicts of interest situations which may affect the performance of Board members, the Executive Management or any other employees of the Company when dealing with the Company or other Stakeholders. This policy shall include the following in particular:	Board of Directors	Compliant - the regulation was approved by the Board of Directors on 25/03/1443H (Corresponding to 31/10/2021G)
55/b/4 and 74	Appointing the director of the internal audit unit or department or the internal auditor and proposing his remuneration.	Board of Directors	Compliant
60/b and 64/b	The Company's General Assembly, as per the Board recommendation, issues a regulation for the remuneration committee including its procedure, duties and rules for selecting its members, how to nominate them, the term of their membership, their remuneration, and the mechanism for temporarily appointing its members in the event that one of the committee's seats becomes vacant.	General Assembly of shareholders	Compliant - the regulation was approved by the general assembly held on 14/09/1442H (Corresponding to 26/04/2021G)

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
61/1	The Remuneration and Nominations Committee shall prepare a clear policy for the remuneration of the members of the Board of Directors and its committees and the Executive Management, and present such policy to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclosing and ensuring the implementation of such policy;	General Assembly of Shareholders	Compliant- referred to in Board Regulations
65/3	Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and occupying executive management positions.	Remuneration and Nomination Committee	Compliant - the regulation was approved by the General Assembly on 14/09/1442H (Corresponding to 26/04/2021G)
68	Publishing the announcement of candidacy for membership of the Board of Directors on the company's website.	Board of Directors	Compliant
84	Policies or procedures that stakeholders follow in submitting their complaints or reporting violating practices	Board of Directors	Compliant
86	A policy for professional conduct and ethical values	Board of Directors	Complaint- there is a policy approved by the board on 19/08/1442H (Corresponding to 01/04/2021G)
89	written policies, procedures and supervisory rules related to disclosure pursuant to the disclosure requirements provided for in the Companies Law and the Capital Market Law	Board of Directors	Compliant

Article of the Corporate Governance Regulations	Details	Responsible Body	Comment
91/b	Publishing the report of the Audit Committee on the website of the company	-	Non-compliant
94	Corporate governance rules that do not conflict with the mandatory provisions	Board of Directors	Compliant - There is a governance regulation approved by the Board of Directors on 19/08/1442H (Corresponding to 01/04/2021G)

Noting that violating any of the rules and procedures, or failing to implement them, exposes the Company to accountability by the Capital Market Authority, which may take any or all of the following, namely:

1. Giving a warning to the Company.
2. Obligating the Company to take the necessary steps to avoid the occurrence of the violation, or to take the necessary corrective steps to address the consequences of the violation.
3. Imposing a fine of no more than five million (5,000,000) Saudi riyals for each violation committed by the Company.

During the previous years, the Company was subjected to some penalties and fines, as follows:

1. On 11/12/2018G, the Authority issued a decision imposing a fine of twenty thousand (20,000) Saudi riyals for violating paragraph (a) of Article (61) of the Rules for Offering Securities and Continuing Obligations and subparagraph (5) of Paragraph (A). From the general instructions of the instructions for companies' advertisements, for having disclosed incorrect information in their announcement published on the website of the stock market company "**Tadawul**" on 05/08/2018G regarding its initial financial results for the period ending on 30/06/2018G.
2. On 20/11/1440H (Corresponding to 23/07/2019G), the Authority issued a decision imposing a fine of ten thousand (10,000) Saudi riyals for violating paragraph (b) of Article (46) of the Capital Market Law and the Authority's Circular No. (Sad/18/5977/5/7) and dated 10/01/1440H (Corresponding to 20/09/2018G), due to the failure to provide the Authority with information related to the financial year ending on 31/12/2018G within the specified period.

Except for what was referred to above and what was mentioned in Section (2) "**Risk Factors**" of this Prospectus, the Company and its subsidiaries are in compliance with the requirements of the Capital Market Authority.

9-4-6 Ongoing obligations as required by the Ministry of Municipal and Rural Affairs and Housing (“**Ministry of Municipalities**”)

9-4-6-1 Parent Company “Saudi Arabian Amiantit Company”

- A municipal license should be obtained for administrative offices and industrial facilities (factories, warehouses, warehouses, etc.) so that the Company can operate them, bearing in mind that the municipality or the secretariat requires the following documents: A copy of the commercial register - a copy of (the articles of association) - a copy of the lease contract - A copy of the building permit for the building, facility, shop, warehouse or store in which it was rented - A copy of the real estate office license and a photocopy of the building from a distance, including the plate (with a copy of the plate invoice and the registration of the Company’s trademark ownership to be used on the facade) in addition to a license of the Civil Defense.
- As for the Company’s branches, subsidiaries and branches located in sites leased from the Saudi Authority for Industrial Cities and Technology Zones (Modon), in order to carry out its industrial activities, they are not bound by the requirements of the Ministry of Municipal and Rural Affairs and Housing and are subject to the requirements of the Saudi Authority for Industrial Cities and Technology Zones. Accordingly, sites located outside Modon are bound by the requirements of the Ministry of Municipal and Rural Affairs and Housing.
- The head office of the Company has a municipal license number (21073) issued by the Ministry of Municipal and Rural Affairs - Municipality of East Dammam, dated 19/07/1439H (Corresponding to 05/04/2018G) and it expired on 22/06/1440H (Corresponding to 27/02/2019G). Also, the safety certificate that the Company obtained for its head office with the number (40-000199059-2), dated 21/11/1440H (Corresponding to 24/07/2019G), expired on 21/11/1441H (Corresponding to 12/07/2020G).
- The branch of the Company, the branch of the Saudi Arabian Amiantit Company, has a safety certificate numbered (43-000839743-1) issued by the Ministry of Interior, the General Directorate of Civil Defense, dated 23/05/1443H (Corresponding to 27/12/2021G) and expires on 23/05/1444H (Corresponding to 17/12/2022G).
- None of the remaining branches of the Company have municipal licenses or safety certificates. If the Company is unable to renew the municipal license for its head office and obtain municipal licenses for its branches, the Company will be in violation of the municipal regulations, which will expose it to the penalties stipulated in the regulation of fines and penalties for municipal violations issued on 05/02/1442H (Corresponding to 22/09/2020G). This may extend to closing the site (the branch), which may negatively affect the Company’s operations, results of operations and financial condition. Note that the Company’s branch office in Riyadh is located in an (endowment) real estate and therefore is not obligated to issue an electronic rental contract.
- Also, in the event that the Company does not comply with renewing the safety certificate that it has obtained for its head office and issuing safety certificates for its branches, the company is thus considered in violation, which will expose it to the penalties and fines stipulated in Article (30) of the Civil Defense Law, which states that “the violator of any provision of this system, its regulations, or the decisions issued pursuant thereto, shall be imprisoned for a period not exceeding six months, or a fine not exceeding 30 thousand riyals, or both. The penalty may also amount to an order to close the site rented from the company, which will negatively and materially affect the company’s business, financial condition, results of operations and future prospects.
- On 16/05/1438H (Corresponding to 13/02/2017G), Cabinet Resolution No. (292) was issued on 16/05/1438H (Corresponding to 13/02/2017G), which states that a lease contract that is not registered in the electronic network is not considered a valid and productive contract. Because of its administrative and judicial effects, and since the electronic network for rent services was launched in cooperation between the Ministries of Justice and Housing (currently the Ministry of Municipal and Rural Affairs and Housing) on 17/05/1439H (Corresponding to

03/02/2018G), and a circular was issued by the Ministry of Justice approving the application of this to all Contracts concluded after 05/05/1440H (Corresponding to 11/01/2019G), all companies are obligated to register all lease contracts on the Ejar platform. Bearing in mind that the electronic lease contract is an executive document and the two parties can request its implementation directly, even if by force, through the implementation courts, without the need to file a lawsuit in the event that any of the parties breaches its essential obligations arising from the contract. As on the date of publishing this prospectus, the company is not obligated to register contracts on the Ejar platform, but it will register all contracts after the completion of the land planning work and the issuance of municipal licenses.

9-4-6-2 Saudi subsidiaries

- The subsidiaries do not comply with the requirements of the Ministry of Municipal and Rural Affairs and Housing in terms of obtaining municipal licenses and safety certificates, with the exception of the following subsidiaries:
 1. Amiantit Rubber Industry Co., Ltd., which was issued a safety certificate with the number (42-000592644-1) dated 12/02/1443H (Corresponding to 19/09/2021G) and valid until 12/02/1444H (Corresponding to 08/09/2022G).
 2. The factory of Bondstrand Company Ltd., which was issued a safety certificate with the number (42-000590057-1) dated 15/10/1442H (Corresponding to 27/05/2021G) and valid until 15/10/1443H (Corresponding to 16/05/2022G).
 3. With regard to the “**Saudi Arabian Ductile Iron Pipes Manufacturing Company Limited**” factory, which is the subsidiary company’s branch, the “**Saudi Arabian Ductile Iron Pipes Manufacturing Company Limited**” and the subsidiary company “**Saudi Amicon Company Limited**”, they are located in sites leased from the Saudi Authority for Industrial Cities and Technology Zones (Modon), and therefore the requirements for obtaining municipal licenses and safety certificates do not apply to them.
 4. Concerning the “**Amiantit Fiberglass Manufacturing Company Factory Ltd.**”, which was issued a safety certificate with the number (42-000589810-1) and dated 16/07/1443H (Corresponding to 17/02/2022G) and it is valid until the date of 16/07/1444H (Corresponding to 07/02/2023G).

Except for what was referred to above and what was mentioned in Section (2) “**Risk Factors**” of this Prospectus, the Company and its subsidiaries are in compliance with the requirements of the Ministry of Municipal and Rural Affairs and Housing.

9-4-7 Continuing obligations according to the requirements of the Ministry of Industry and Mineral Resources

The branch of the parent company “**Amiantit Factory for the Production of Epoxy Pipes**” and a number of subsidiary companies have industrial licenses issued by the Ministry of Industry and Mineral Resources, as shown in the following table:

Table (96) Industrial licensing

License holder	Number of license	Issue date	Expiry date	Note
Amiantit Factory for the Production of Epoxy Pipes, Branch of " Saudi Arabian Amiantit Company "	431110119099	10/11/1443H (Corresponding to 09/06/2022G)	04/01/1449H (Corresponding to 08/07/2027G)	National Investment
" Amiantit Fiberglass Manufacturing Company Factory ", a branch of the subsidiary " Amiantit Fiberglass Manufacturing Company Ltd. "	1001007333	17/03/1441H (Corresponding to 14/11/2019G)	16/03/1441H (Corresponding to 12/10/2022G)	National Investment
Amiantit Rubber Industry Co., Ltd. Factory, a subsidiary of the Saudi Arabian Ductile Iron Pipes Industry Co., Ltd.	11	30/03/1441H (Corresponding to 27/11/2019G)	29/03/1444H (Corresponding to 25/10/2022G)	National Investment
Subsidiary " Bondstrand Company Limited Factory "	1031037121	01/09/1417H (Corresponding to 10/01/1997G)	23/02/1444H (Corresponding to 20/09/2022G)	Foreign Investment
Subsidiary " Bondstrand Company Limited Factory "	11	29/03/1441H (Corresponding to 26/11/2019G)	28/03/1444H (Corresponding to 24/10/2022G)	Joint Investment
Subsidiary " Saudi Amicon Company Limited "	433102116692	16/06/1443H (Corresponding to 19/01/2022G)	26/06/1444H (Corresponding to 09/01/2023G)	Joint Investment
Saudi Arabian Amiantit Company for the manufacture of plastic products	431110119096	10/11/1443H (Corresponding to 09/06/2022G)	04/01/1449H (Corresponding to 09/06/2024G)	National Investment

Source: The Company

- With regard to continuing obligations according to the requirements of the Ministry of Industry and Mineral Resources, the Ministry obliges the licensees to abide by the following conditions in order to maintain the license:
 1. Compliance with the articles of the Unified Industrial Organization Law (System) of the GCC countries and its executive regulations.
 2. Not to make any expansion or modification of the products before obtaining the approval of the Ministry.
 3. Commitment to update factory data every six months through the Ministry's website.
 4. The compliance of the products with the approved specifications and standards or the specifications adopted by the Saudi Standards and Metrology Organization.

5. Compliance with the articles of the general environment system and its executive regulations to preserve the environment from pollution.
6. Compliance with the regulations, instructions and bylaws of safety, industrial security and public health.
7. The accounts of the industrial project should be organized in accordance with the accounting principles and the legal rules in force, and that the Ministry must be provided with a balance sheet certified by a chartered accountant for each fiscal year.
8. Not to abuse the benefits granted to the project.
9. Provide the Ministry with complete and correct data on the project it requires.
10. Allow the Ministry's employees to enter the industrial project, view records, documents and accounts, monitor the production process and other project activities.
11. It is not permissible to establish an industrial project, expand it, develop it, change its products, or merge it with an industrial project.

With the exception of the subsidiary company Amiantit Fiberglass Manufacturing Co., Ltd., the company and its subsidiaries are in compliance with the requirements of the Ministry of Industry and Mineral Resources.

Except for what was referred to above and what was mentioned in Section (2) "**Risk Factors**" of this Prospectus, the Company and its subsidiaries are in compliance with the requirements of the Ministry of Industry and Mineral Resources.

9-4-8 Continuing obligations as per the requirements of the Saudi Authority for Industrial Cities and Technology Zones ("**MODON**")

The "**Saudi Arabian Ductile Iron Pipes Manufacturing Company Limited**" factory, the subsidiary company's branch, the "**Saudi Arabian Ductile Iron Pipes Manufacturing Company Ltd.**" and the subsidiary company "Saudi Amicon Company Limited" have operating licenses issued by the Saudi Authority for Industrial Cities and Technology Zones, as shown in the following table:

Table (97) Operating licenses

Permit holder	Permit No.	Issue date	Expiry date	Contract No.
" Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory " branch of the subsidiary " Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. "	5941443319020860	19/03/1443H (Corresponding to 25/10/2021G)	22/09/1443H (Corresponding to 23/04/2022G)	-
Subsidiary company " Saudi Amicon Company Ltd. "	5941443826024748	26/08/1443H (Corresponding to 29/03/2022G)	07/09/1444H (Corresponding to 29/03/2023G)	-

Source: The Company

- MODON obliges the licensing authorities to abide by the following conditions in order to maintain the granted licenses:

1. The license gives permission to operate the facility and that the licensee to operate this facility is the real operator according to its legal entity, licenses and records. The owner of the facility is not entitled to assign **the** operation and license or any part of it to others.
2. The licensee is obligated to abide by the conditions and obligations and all the laws, regulations, conditions and instructions issued by MODON. The applicable laws and regulations in force in the Kingdom of Saudi Arabia shall be referred to in respect of which there is no regulation of MODON.
3. The licensee is obligated to renew this license within a period not exceeding (15) days after its expiry.
4. Contracting with an authority approved by the Civil Defense to carry out periodic maintenance of fire and safety systems.
5. Ensure the effectiveness of the firefighting and safety control system and its link to a main control panel.
6. Conformance of the firefighting system to the approved plans of the factory.
7. Ensure that emergency exits are sufficient and conform to specifications.
8. Apply safety requirements during storage and transportation of dangerous chemicals and gases.

Except for what was referred to above and what was mentioned in Section No. (2) "**Risk Factors**" of this Prospectus, the Company and its subsidiaries are committed to the requirements of the Saudi Authority for Industrial Cities and Technology Zones..

9-4-9 Continuing obligations according to the requirements of the National Center for Monitoring Environmental Compliance*

The licensed activities of the company or its branches or subsidiaries may have a negative impact on the environment. Therefore, the company and its subsidiaries must comply with the following requirements and standards:

1. Comply with the standards, requirements and standards issued by the General Authority of Meteorology and Environmental Protection and submit an environmental compliance report every six months to the Authority and keep a copy of it in the company's environmental record.
 2. Allow technicians and specialists to enter the facility at any time.
 3. In the event of any change or modification to the activity, functions of the facility, quality of raw materials or production, or when making any expansion or addition to the project without informing the Meteorological Authority in advance, the environmental approval shall be considered null.
 4. The Meteorological Authority must be notified in advance of the desire to use or retrieve any industrial waste within the manufacturing process, and inform the Authority's specialists about the technology and method used in this regard.
 5. The General Authority of Meteorology and Environmental Protection has the right to cancel the license in the event that the facility does not comply with the general environment system and the environmental requirements and standards.
 6. The approval of the Meteorological Authority is specific to a specific site. In the event of changing the site, an environmental approval for the new site is required.
 7. Disposal of waste by contracting with one of the competent authorities and attaching the completion documents showing the amount of waste and recording it in the environmental record.
 8. Obliging workers to abide by occupational health and safety requirements.
 9. Approval of the relevant authorities on the site to carry out the activity
- Some branches of the company and some subsidiaries have environmental permits to operate, issued by the National Center for Monitoring Environmental Compliance, according to the following table:

Table (98) Environmental Permits for Operation

Permit holder	Permit No.	Location	Type of activity	Issue date	Expiry date
Company branch "Amiantit Factory for the production of epoxy pipes"	22485	First Industrial - Dammam	Manufacture of glass and glass products	29/10/1443H (Corresponding to 30/05/2022G)	18/09/1446H (Corresponding to 18/03/2025G)
Company branch "Saudi Arabian Amiantit Company for the manufacture of plastic products"	1442015751	First Industrial - Dammam	Manufacture of plastic products	06/07/1442H (Corresponding to 18/02/2021G)	05/07/1444H (Corresponding to 27/01/2023G)
Subsidiary company "Amiantit Rubber Industry Company Limited Factory"	10724	First Industrial - Dammam	Manufacture of rubber products	26/04/1443H (Corresponding to 01/12/2021G)	20/04/1446H (Corresponding to 23/10/2024G)
Amiantit Fiberglass Industry Co., Ltd. Factory	22614	-	-	21/09/1441H (Corresponding to 14/05/2020G)	21/09/1443H (Corresponding to 22/04/2022G)
Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory"	59Sh/3402	Second Industrial - Dammam	Iron-steel casting	29/01/1438H (Corresponding to 30/10/2016G)	16/01/1440H (Corresponding to 26/09/2018G)
Subsidiary "Bondstrand Company Limited Factory"	25275	First Industrial - Dammam	Manufacture of glass and glass products	15/10/1442H (Corresponding to 27/05/2021G)	26/06/1445H (Corresponding to 08/01/2024G)
Subsidiary Company "Saudi Amicon Company Limited"	18172	Second Industrial - Dammam	Iron and steel casting	08/06/1440H (Corresponding to 13/02/2019G)	12/06/1442H (Corresponding to 25/01/2021G)

Source: The Company

*After reviewing what was submitted by His Excellency the Minister of Environment, Water and Agriculture, and after reviewing the recommendation prepared in the Council of Economic and Development Affairs No. (10-31/40/d) and dated 16/06/1440H (Corresponding to 21/02/2019G), the Council of Ministers decided in its session held on 19/07/1440H (Corresponding to 26/03/2019G), the following:

1. Establishing the National Center for Meteorology, the National Center for the Development of Vegetation Cover and Combating Desertification, the National Center for Monitoring Environmental Compliance, and the National Center for the Development of Wildlife, in accordance with their regulations, and the plan for establishing national centers affiliated with the environment sector.
 2. Cancel the General Authority of Meteorology and Environmental Protection and the Saudi Wildlife Authority, provided that they continue to carry out their work until the centers referred to above exercise their powers, in accordance with the relevant provisions contained in their establishment plan.
- With the exception of the factory branch of Amiantit Company for Manufacturing Fiberglass, the company and its subsidiaries are committed to the requirements of the National Center for Monitoring Environmental Compliance. Note that the expired permits are under renewal.

Except for what was referred to above and what was mentioned in Section(2) “**Risk Factors**” of this Prospectus, the Company and its subsidiaries are in compliance with the requirements of the National Center on Environmental Compliance.

9-5 Summary of Major Contract

9-5-1 Contracts and Transactions with Related Parties

According to the statement of the company’s management, the financial statements and the minutes of the general assemblies of the shareholders that were reviewed, the company does not have any transactions and contracts with related parties such as members of the board of directors, shareholders, senior executives and their relatives.

During the year 2020G and 2021G, the company made some transactions with the group’s subsidiaries, which are sales and purchases as follows:

Transactions with subsidiaries for the fiscal year ending on December 31, 2020G							
Party	Nature of Transactions	Balance at the beginning of the period Debit (credit)	Additions	(payment) or (impairment)	Transfer of loan to investment	Translation of currency differences	Balance at the end of the period Debit (credit)
Amiantit Qatar Company Limited	commercial and financial	1,804	4,121	(5,703)	-	-	222
SarPlast Qatar Ltd.	commercial and financial	914	-	(914)	-	-	0
AMETECH Morocco	Financial	719	-	(719)	-	-	0
Amentos Company	Commercial	0	2,244	(2,244)	-	-	0
AMETEC and IBS Romania	Financial	3,621	-	(3,490)	-	(131)	0
Sub and secondary gap	Commercial	257	-	(128)	-	-	128
Embello Spain Company	commercial and financial	0	-	-	-	-	0

Transactions with subsidiaries for the fiscal year ending on December 31, 2020G							
Party	Nature of Transactions	Balance at the beginning of the period Debit (credit)	Additions	(payment) or (impairment)	Transfer of loan to investment	Translation of currency differences	Balance at the end of the period Debit (credit)
Embello Germany	commercial and financial	39	167	-	-	(9)	197
Embello IS Technology Company	commercial	1,325	-	-	-	-	1,325
East Gas Company	commercial	0	1,300	(1,300)	-	-	0
International Water Distribution Company Limited (Tawzea)	commercial	0	4,000	(4,000)	-	-	0
Amiantit Fiberglass Company in Egypt	commercial and financial	5,653	-	(5,653)	-	-	0
AMETEC Algeria Company	commercial and financial	2,070	-	-	-	-	2,070
AMETEC Libya	commercial and financial	7,775	-	-	-	-	7,775
Total		24,175	11,832	(24,151)		(140)	11,717

Transactions with subsidiaries 31 December 2021							
Party	Nature of Transactions	Balance at the beginning of the period Debit (credit)	Additions	(payment) or (impairment)	Transfer of loan to investment	Translation of currency differences	Balance at the end of the period Debit (credit)
Amiantit Qatar Company Limited	commercial and financial	222	11	-	-	-	497
Subur and Subur Gab	commercial	128	-	-	-	-	128
Embello company Germany	commercial and financial	197	-	-	-	(7)	185
Embello IS Technology Company	commercial	1,325	233	-	-	-	11,114
International Water Distribution Company Limited (Tawzea)	commercial	0	60	-	-	-	62
AMETEC Algeria Company	commercial and financial	2,070	-	-	-	-	-
Total		11,717.00	304.00	-	-	(7.00)	11,986

Source: The Company

9-5-2 Lease Contracts

The company has entered into a number of (18) lease contracts in its capacity as a lessee and a lessor, which is (consisting of administrative offices or lands). Most of these contracts are traditional lease contracts (that is, stipulate the amount of rent paid by the tenant to the company) and are renewable, and are considered void if the tenant is late in paying the rent and the tenant is not entitled to sub-rent the property without taking the written consent of the landlord. The method of using the leased property or the activity may not be changed without the consent of the lessor. The following is a list of lease contracts and their most important details:

Table (99): List of valid and renewed lease contracts that the company signed as a lessor

#	Contract date	Lessor	Lessee	Location	Type of leased property	Rental Value (SR)	Contract term	Notes
1	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Amiantit Fiberglass Manufacturing Co., Ltd.	-	Area: 701.04 m2	56,083.2	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	-
2	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Branch of Amiantit Fiberglass Manufacturing Co., Ltd.	-	Area: 811.84 m2	64,947.2	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	-
3	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Amiantit Rubber Industry Factory	-	Area: 5742.64 m2	459,411.2	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	-
4	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Bondstrand Co., Ltd. Factory	-	Area: 4,599.12 m2	367,929.6	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	-
5	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Amiantit factory for manufacturing fiberglass	-	Area: 8907.82 m2	712,625.6	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	-
6	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Engineering Infrastructure Contracting Company Ltd.	-	Area: 750.22 m2	60,017.6	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	-
7	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Amiantit factory for production of epoxy pipes	-	Area: 11,123.92 m2	889,913.6	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	-
8	06/05/1441H (Corresponding to 01/01/2020G)	Saudi Arabian Amiantit Company	Saudi Arabian Amiantit Company Amiantit Factory Plastic Products Industry	-	Area: 2,283.33 m2	182,666.4	Expires on 20/10/1456H (Corresponding to 31/12/2034G)	-

Source: The Company

Table (100): List of valid and renewed lease contracts signed by the company as a lessee

#	Contract date	Lessor	Lessee	Location	Type of leased property	Rental Value (SR)	Contract term	Notes
1	06/02/1418H (Corresponding to 12/06/1997G)	Dammam City Municipality	Saudi Arabian Amiantit Company	-	Expansion of the company's offices	30,000	Twenty years	-
2	30/09/1443H (Corresponding to 01/05/2022G)	Afaq Al Omran Development Co. Ltd.	Saudi Arabian Amiantit Company	Riyadh	- office (5) area: 380 m2	The annual rent value is 280,000 riyals - the total contract value is (966,000)	3 years as of 01/05/2022G	Electronically certified contract
3	18/02/1442H (Corresponding to 22/09/2020G)	Industrial Cities Authority (MODON)	Saudi Arabian Ductile Iron Pipes Factory - SADIP	Dammam	Industrial land	722,124 per year	ends on date 17/02/1453H (Corresponding to 07/06/2031G)	-
4	06/05/1441H (Corresponding to 01/01/2020G)	** Abdullah Al-Jadhahai Transportation Est	Amiantit Fiberglass Industry Co., Ltd.	-	Land area of 35,000 m2	210,000	ends on date 07/06/1444H (Corresponding to 31/12/2021G)	-
5	16/08/1434H (Corresponding to 25/06/2013G)	** Abdullah Al-Jadhahai Transportation Est	- Amiantit Fiberglass Industry Co., Ltd.	-	Warehouse area of 5,000 m2	350,000	ends on date 25/11/1443H (Corresponding to 24/06/2022G)	-
6	08/11/1441H (Corresponding to 29/06/2020G)	Saudi Authority for Industrial Cities and Technology Zones (MODON)	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	Second Dammam	Residence - with an area of (12,474) m2	498,960	ends on date 08/11/1443H (Corresponding to 07/06/2022G)	-
7	22/07/1439H (Corresponding to 08/04/2018G)	Saudi Authority for Industrial Cities and Technology Zones (MODON)	Amicon Saudi Co. Ltd.	Second Dammam	industrial land with an area of (12,453) m2	49,812	21/07/1452H (Corresponding to 17/11/2030G)	-

#	Contract date	Lessor	Lessee	Location	Type of leased premises	Rental Value (SR)	Contract term	Notes
8	18/02/1442H (Corresponding to 05/10/2020G)	Saudi Authority for Industrial Cities and Technology Zones (MODON)	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd. Factory	Second Dammam	Industrial land with an area of (180,531) m2	722,124 annually	ends on date 17/02/1453H (Corresponding to 08/06/2031G)	-
9	22/12/1429H (Corresponding to 20/12/2008G)	Dhahran Valley Technology Company	Saudi Arabian Amiantit Company	Plot No. (11)	Area: 6,970 m2	365,925	06/06/1445H (Corresponding to 19/12/2023G)	The contract was initially concluded with King Fahd University of Petroleum and Minerals, which assigned the property to the lessor
10	22/12/1429H (Corresponding to 20/12/2008G)	King Fahd University of Petroleum and Minerals	Saudi Arabian Amiantit Company	King Abdullah Bin Abdulaziz Industrial Research Complex	Piece of land with an area of (7,250) m2	362,500	-	The lease has been transferred to Dhahran Valley Technology Company

Source: The Company

It is worth mentioning that Cabinet Resolution No. (292) dated 16/05/1438H, which includes not considering the lease contract that is not registered in the electronic network a valid contract that produces its administrative and judicial effects, and since the electronic network for rental services was launched in cooperation between the Ministries of Justice and Housing on the date of 17/05/1439H, the Ministry of Justice issued a circular approving the application of this to all contracts concluded after on 05/05/1440H. Note that the electronic lease contract is an executive document and the two parties can request its implementation directly, even if by force, through the enforcement courts, without the need to file a lawsuit in the event that either party breaches its essential obligations arising from the contract. As at the date of publishing this prospectus, not all of the above lease contracts have been registered in accordance with the requirements of the circular of His Excellency the Minister of Justice.

* For lease contracts concluded for real estate located in industrial cities, these contracts are documented through the E-Modon platform instead of the (Ejar) platform.

** As for the lease contracts concluded with Abdullah Al Jadhah Transport Corporation, the land is located on Damman-Riyadh Road and is under development.

9-5-3 Loans and facilities

The company and its subsidiaries have a number of loan and credit facilities agreements to support its activities and projects, according to the following detail:

Table (101): Loans and Credit Facilities - Subsidiary Company (Saudi Arabian Amiantit Company)

Financier	Expiry date of providing the facilities	Credit limit (SAR)	Amounts used*	Amounts paid* (SAR)	Payment dates (SAR) Notes	Notes
Bank Albilad *	31/12/2031G	268,000,000	268,000,000	0	30/12/2021G	-
Alinma Bank **	31/12/2031G	525,000,000	523,964,000	0	30/12/2022G	-
Saudi National Bank ***	31/12/2031G	330,109,000	316,664,000	0	30/09/2022G	-

Source: The Company as on 30/11/2021G

* The most important financial and operational pledges and securities granted by the company in favor of the funded entity under the agreement include the following:

- No amendment or addition to the terms of this agreement is accepted except after the two parties agree on this in writing and after obtaining the approval of the Shariah Board of the bank.
- The bank has the right, for the reasons it deems, according to its absolute discretion, to extend the validity period of this agreement to a later date, and the customer is obligated to sign all the required documents and provide guarantees that it may request. It is also entitled to reduce the facilities or cancel the agreement, provided that it informs the customer of any decision it takes in writing
- Any change in the legal form of the customer or partners, activity, capacity, capacity, or otherwise, will not affect in any way the continued enforcement of this contract and the bank's entitlement to all its obligations.
- **Breach:** all obligations become due and payable immediately without the need for any legal action in the event: (without limitation)
 - The client's procrastination in paying any of his obligations or pledges.
 - Breach of the insurances and guarantees provided to the bank by taking any action that might affect their value.
 - Violating any rights or obligations towards third parties in a manner that the Bank may consider, at its absolute discretion, to have a negative impact on the financial condition of the customer.
 - Dissolution, liquidation or sale of the existing legal entity of the client's business, cessation of its activity, change of its legal entity, withdrawal or death of a partner

Obligations of the company (client):

- Providing the bank with all information related to the financial position of its activities, as well as any change in the financial position, such as the occurrence of something that has a negative impact on its ability to meet.
- The customer undertakes, throughout the validity period, not to use the facilities granted to him except for the purpose for which it was granted and in a manner that does not conflict with the provisions of Islamic Sharia.

- Paying any obligations or debts owed by him to the bank on the due dates without warning or warning.
- Notifying the bank of any potential change in the legal form before making this change. If the bank accepts to continue with the customer in the new legal form, it submits all the necessary documents within (15) days of making this required change and signing all contracts and additional documents with the bank to continue the relationship.

Documents and guarantees required and viewed:

- The customer undertakes to provide additional services when the value of the offered guarantees falls below the limit required by the bank.

A fine and payment guarantee in the name of the Saudi Ductile Iron Pipes Manufacturing Company, Amiantit Fiberglass Pipes Manufacturing Company Ltd. and Bondstrand Factory Ltd.

** The most important financial and operational pledges and Securities granted by the company in favor of the funded entity under the agreement include the following:

The most important securities:

- A fine and performance bond from Amiantit Fiberglass Manufacturing Co., Ltd., one person, the Saudi Arabian Ductile Iron Pipes Manufacturing Co., Ltd., one person, and Bondstrand Co. Ltd. Factory, at an amount of SAR252,300,000.
- Reciprocal guarantee between the Saudi Amiantit Company for the facilities used by the subsidiaries.
- Waiver of project dues and purchase orders previously approved by the bank in favor of Alinma Bank and confirmation of the waiver by the contracting parties.
- Not to dispose of the company's land in Jeddah without obtaining the bank's prior approval.

Most notable undertakings:

- The customer undertakes to inform the major banks and obtain prior approval before reaching a final agreement to sell part or all of the ownership interests in any of the existing or future investments in a manner that does not conflict with the procedures in force by the Capital Market Authority.
- Using the facilities granted for the purpose for which they were granted.
- Notify the bank of any possible change in its legal form or ownership percentage, prior to making the change.
- Among the cases of breach:
 - Failure to pay any due amounts stipulated in the financing agreement and its appendices that are compatible with the provisions of Islamic Sharia, which have been due for thirty days.
 - Failure to abide by the stipulated commitments and conditions 60 days after their occurrence.
 - Any fundamental change in the activity or operations, or the difference between the actual financial performance compared to the submitted business plan, or in the ownership or management of the client and its subsidiaries, which affects the client's ability to meet his obligations to the bank.

*** The most important financial and operational pledges and securities granted by the company in favor of the funding entity under the agreement include the following:

The most important securities:

- Concessions in favor of the conciliation of the first party for the entitlements of projects executed by the second party.
- A joint fine and performance guarantee from the Saudi Arabian Company for the Manufacture of Ductile Iron Pipes covering 110% of the total facilities.

- A joint fine and performance guarantee from Bondstrand Factory Co., Ltd. covering 110% of the total facilities.
- A joint fine and performance guarantee from Amiantit Fiberglass Manufacturing Co., Ltd. covering 110% of the total facilities.

Most notable undertakings:

- The customer undertakes to submit an independent operational report confirming the technical sufficiency and productivity of all machines and equipment.
- Providing the bank with the financial statements of a client at the end of each financial year or during it.
- Providing the bank with all information related to the financial position.
- Changing the legal entity of the company is considered a breach case of the agreement.

Table (102): Loans and Credit Facilities - Subsidiary Company (Amiantit Fiberglass Manufacturing Company Limited (AFIL):

Financier	Type of loan	Amount of the facilities (SAR'000)	Amounts used	Date of agreement	Expiry date of agreement	Note Amounts (in thousands SR)
Bank Aljazira (Margin facility)	Facilities	1,928	1,928 100%	24/01/2007G	23/01/2022G	After extension
Banque Saudi Fransi (Margin facility)	Facilities	56,764	56,764 100%	21/03/2012G	23/01/2022G	After extension
Gulf International Bank	Facilities	992	992 100%	27/08/2018G	26/08/2020G	-
National Bank	Facilities	55,000	49,374 100%	27/08/2019G	27/08/2020G	-
SABB Bank (Margin facility)	Facilities	425	425 100%	06/01/2020G	31/12/2039G	After extension
Samba Bank	Facilities	21,500	21,500 100%	23/06/2020G	23/07/2021G	Fully repaid and an amount of 6,450 deducted to pay off the entire debt

Financier	Type of loan	Amount of the facilities (SAR'000)	Amounts used	Date of agreement	Expiry date of agreement	Note Amounts (in thousands SR)
Alawwal Bank (Margin facility)	Facilities	11,913	11,913 100%	26/12/2017G	23/12/2021G	-
Total		148,522	142,896			

Source: The Company

Table (103): Loans and Credit Facilities - Subsidiary Company (Saudi Arabian Ductile Iron Pipes Manufacturing Company Limited (SADIP):

Financier	Type of the loan	Amount of the facilities (SAR'000)	Amounts used	Date of agreement	Expiry date of agreement	Note
Tunisian Kuwaiti Bank Margin Facility (LG)	Facilities	2,012	2,012 100%	07/12/2020G	07/12/2021G	-
Gulf International Bank	Facilities	2,731	2,386 87%	27/08/2017G	22/09/2020G	-
National Bank	Facilities	167,500	162,760 93%	27/08/2019G	27/08/2020G	-
Samba Cash Margin	Facilities	421,091	421,091 100%	23/06/2020G	31/07/2021G	After extension
Saudi Investment Bank Margin Facility (LG)	Facilities	300,000	300,000 100%	17/02/2021G	31/12/2022G	After extension
Total		893,334	888,258			

Source: The Company

Table (104): Loans and Credit Facilities - Subsidiary Company (Bondstrand Company Limited (BSL):

Financier	Type of the loan	Amount of the facilities (SAR'000)	Amounts used	Date of agreement	Expiry date of agreement	Note
National Bank	Facilities	20,000	20,000 100%	27/08/2019G	27/08/2020G	-
SABB LG Facility	Facilities	322,000	322,000 100%	06/10/2020G	31/12/2039G	-
Total	-	342,000	342,000	-	-	-

Source: The Company

9-5-4 Substantive Contracts of the Company, its Branches and Subsidiaries

Table (105): Contracts related to the Company's activities and its subsidiaries

Contract type	First party	Second party	Contract subject	Contract date	Contract term	Contract Value*	Notes
Waste transportation and disposal contract	Saudi Arabian Pipe Industry Company	Abrarak Industrial Services Corporation	The second party cleans the general and industrial waste belonging to the first party	09/05/1443H (Corresponding to 13/12/2021G)	Two Gregorian years	-	-
Elevator maintenance contract	Saudi Arabian Amiantit Company	Schindler Olayan Elevators Co. Ltd.	The second party carries out periodic maintenance work for factory equipment	-	The contract ends after renewal on 25/02/1446H (Corresponding to 31/08/2024G)	SR 14,800 annually	Renewed
Maintenance contract	Saudi Electronic Trading and Contracting Co. Ltd	Saudi Arabian Amiantit Company	The first party provides maintenance services to the second party	08/06/1441H (Corresponding to 02/02/2020G)	Two years	-	-

Contract type	First party	Second party	Contract subject	Contract date	Contract term	Contract Value*	Notes
pest control agreement	Saudi Arabian Amiantit Company	The branch of the Arab Sakan Company for Agriculture and Pest Control	-	07/10/1440H (Corresponding to 10/07/2019G)	The contract has been renewed and expires on 12/12/1443H (Corresponding to 11/07/2022G)	-	-
Contract for the provision of private civil security services	Saudi Arabian Amiantit Company	Murjan Al Sharq Group for Civil Security Guards	The second party provides security services to the first party	10/01/1443H (Corresponding to 18/08/2021G)	Three years	As per the schedule in the contract	-
Equipment rental contract	Saudi Arabian Amiantit Company	Mohammed Mubarak Al-Qahtani Foundation	The second party leases the equipment stipulated in the contract to the first party	27/05/1435H (Corresponding to 31/03/2014G)	The contract has been renewed and ends on 08/09/1444H (Corresponding to 30/03/2023G)	-	-
Catering services contract	Saudi Arabian Amiantit Company	Nesma Trading Company Ltd.	The second party provides catering services to the first party	03/09/1442H (Corresponding to 15/04/2021G)	Contract ends on 28/09/1444H (Corresponding to 19/04/2023G)	As per the schedule in the contract	renewed
Male nurses contract	Saudi Arabian Amiantit Company	Ram Dammam Medical Company	The second party shall provide nurses for the first party	16/06/1443H (Corresponding to 20/01/2022G)	26/06/1444H (Corresponding to 19/01/2023G)	-	-
pest control agreement	Saudi Arabian Amiantit Company	Ajyal Al Rafaa General Contracting Est	The second party provides pest control services to the first party	29/02/1439H (Corresponding to 16/11/2017G)	Ends on 01/05/1444H (Corresponding to 15/11/2023G)	-	-

Contract type	First party	Second party	Contract subject	Contract date	Contract term	Contract Value*	Notes
Security service contract	Murjan Al Sharq Group for Civil Security Guards	Amiantit Fiberglass Manufacturing Company (AFIL)	The first party shall secure the necessary manpower from honest, trained and qualified men to the second party	02/09/1443H (Corresponding to 04/04/2022G)	Ends on 12/09/1444H (Corresponding to 03/04/2023G)	SR (12,600)	-
Waste transportation and disposal contract	Saudi Arabian Amiantit Company	Ataa Al Sharqiah Contracting Est	The second party cleans the waste and hazardous industrial waste for the benefit of the first party	26/05/1441H (Corresponding to 21/01/2020G)	Ends on 27/06/1444H (Corresponding to 20/01/2023G)	-	-
service contract	Saudi Arabian Amiantit Company	Atmar General Contracting Company	-	19/04/1443H (Corresponding to 24/11/2021G)	22/01/1444H (Corresponding to 20/08/2022G)	-	-
Safety and fire system maintenance contract and issuance of a certificate of competency	Saudi Arabian Amiantit Company	Arab Circles Safety Group	The second party examines and tests the existing systems of the first party	10/07/1441H (Corresponding to 05/03/2020G)	Ends on 08/08/1444H (Corresponding to 28/02/2023G)	-	-
Subscription contract for the electronic filling system (Wai)	Aldrees Petroleum Services Company	Saudi Arabian Amiantit Company	The first party carries out electronic filling to supply the cars of the second party with fuel	02/08/1442H (Corresponding to 15/02/2021G)	Unspecified	-	-
Waste transportation and disposal contract	Amicon Saudi Co. Ltd.	Abrarak Industrial Services Corporation	The second party cleans the waste and industrial waste for the benefit of the first party	09/05/1443H (Corresponding to 13/11/2021G)	Two Gregorian years	-	-

Contract type	First party	Second party	Contract subject	Contract date	Contract term	Contract Value*	Notes
Transportation contract	Saudi Arabian Amiantit Company	Abdullah Al-Jadhai Foundation	The second party transfers the products of the first party to customer sites	18/10/1441H (Corresponding to 10/06/2020G)	Renewed to 09/07/1444H (Corresponding to 31/01/2023G)	-	-
Transportation contract	Saudi Arabian Amiantit Company	Ashams Al-arbaeen General Contracting Est	The second party transfers the products of the first party to customer sites	18/10/1441H (Corresponding to 10/06/2020G)	Ends on 11/11/1443H (Corresponding to 10/06/2022G)	-	-
customs clearance contract	Saudi Arabian Amiantit Company	Saeed Abdullah Al-Ahmari Trading Est	The second party performs customs clearance services for the benefit of the first party	09/10/1441H (Corresponding to 01/06/2020G)	Ends on 11/11/1443H (Corresponding to 10/06/2022G)	-	-
transportation contract	Saudi Arabian Amiantit Company	Issa Al Adwani Transportation Est	The second party performs customs clearance services for the benefit of the first party	16/01/1443H (Corresponding to 24/08/2021G)	Gregorian year	-	-
transportation contract	Saudi Arabian Amiantit Company	Hizam Sultan Al Ajmi Transportation Est	The second party transfers the products of the first party to customer sites	23/09/1442H (Corresponding to 05/05/2021G)	Ends on 10/11/1443H (Corresponding to 09/06/2022G)	-	-

Contract type	First party	Second party	Contract subject	Contract date	Contract term	Contract Value*	Notes
transportation contract	Saudi Arabian Amiantit Company	Hassan Ahmed Al Hashem Transportation Est	The second party transfers the products of the first party to customer sites	18/10/1441H (Corresponding to 10/06/2020G)	Ends on 11/11/1443H (Corresponding to 10/06/2022G)	-	-
transportation contract	Saudi Arabian Amiantit Company	Batal Al-Qahtani & Partner Co. Ltd.	The second party transfers the products of the first party to customer sites	18/10/1441H (Corresponding to 10/06/2020G)	The contract has been renewed and ends on 09/07/1444H (Corresponding to 31/01/2023G)	-	-
transportation contract	Saudi Arabian Amiantit Company	Irtikaz Transportation Corporation	The second party transfers the products of the first party to customer sites	18/10/1441H (Corresponding to 10/06/2020G)	The contract has been renewed and ends on 09/07/1444H (Corresponding to 31/01/2023G)	-	-
transportation contract	Saudi Arabian Amiantit Company	person trading company	The second party transfers the products of the first party to customer sites	19/10/1442H (Corresponding to 10/06/2021G)	09/07/1444H (Corresponding to 31/01/2023G)	-	-

* Contract value is determined according to the quantity and region

9-5-5 Sales Contracts

Table (106): Contracts related to the company's activity

Contract type	First party (seller)	Second party (buyer)	Contract subject	Contract date	Contract value*	Notes
Sale contract	LA FONTE COMMERCE sa	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	sell iron pipes	04/10/1441H (Corresponding to 27/04/2020G)	According to the appendix attached to the contract	-

Contract type	First party (seller)	Second party (buyer)	Contract subject	Contract date	Contract value	Notes
Sale contract	LA FONTE COMMERCE sa	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	sell iron pipes	23/06/1442H (Corresponding to 05/02/2021G)	According to the appendix attached to the contract	-
Sale contract	LA FONTE COMMERCE sa	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	sell iron pipes	23/06/1442H (Corresponding to 05/02/2021G)	According to the appendix attached to the contract	-
Sale contract	LA FONTE COMMERCE sa	Saudi Arabian Ductile Iron Pipes Manufacturing Co. Ltd.	sell iron pipes	23/06/1442H (Corresponding to 05/02/2021G)	According to the appendix attached to the contract	-

* Contract value is determined according to the quantity and region

Contracts for the sale of shares in the company are as follows:

Table (107): Contracts for selling shares in the company

Contract type	First party	Second party	Contract subject	Contract date	Contract term	Contract value	Notes
Contract for the sale of shares in AMITAC Company in Morocco	Saudi Arabian Amiantit Company (Seller)	Amitac Company in Morocco (The buyer)	The first party sells its shares in the Amitac company in Morocco, which represents (50%) of the shares	19/03/1442H (Corresponding to 05/11/2020G)	-	2,700,000 Euro	-
Contract of sale of shares in a company FINTECH INTERNATIONAL LTD	Saudi Arabian Amiantit Company (seller)	FINTECH INTERNATIONAL LTD	The first party sells its shares in the company FINTECH INTERNATIONAL LTD	25/03/1443H (Corresponding to 31/10/2021G)	-	400,000\$	-

Source: The Company

9-5-6 Service Contracts

The Company and its subsidiaries have entered into an advisory and financial services agreement as follows:

Table (108) Consulting and Financial Services Contracts

Contract type	First party (seller)	Second party (buyer)	Contract subject	Contract date	Contract value	Notes
Fee Agreement	Abdullah bin Mohammed Al-Dosary Law Firm and Legal Consultations	Saudi Arabian Amiantit Company	The first party performs the tasks of defending his client in lawsuits filed before the judicial authorities	01/08/1442H (Corresponding to 14/03/2021G)	The value of the fees (1,100,000) Saudi riyals	-
Fee Agreement	Abdullah bin Mohammed Al-Dossary Law Firm and Legal Consultations	Saudi Arabian Amiantit Company	The first party files a lawsuit claiming attorney fees in favor of the second party, with a number of (24) cases	01/08/1442H (Corresponding to 14/03/2021G)	(50%) of the amount awarded	-
Legal Services Agreement for Collection	Meem Faa Alef Law Firm and Legal Consultations	Saudi Arabian Amiantit Company	The first party undertakes all legal, judicial and executive procedures to claim the provisions of the judicial sums acquired for the final	20/10/1442H (Corresponding to 01/06/2021G)	-	-
Letter of Appointment of Auditor	Al Kharashi & Co. Chartered Accountants Saudi Arabian Amiantit Group	Saudi Arabian Amiantit Group	The first party reviews the financial statements for the year ending on December 31, 2021G	20/10/1442H (Corresponding to 30/06/2021G)	-	-

Source: The Company

9-6 Memoranda of Understanding

The Saudi Arabian Amiantit Company has not signed any memorandums of understanding with any of the parties other than the company's articles of association, and no memoranda of understanding regarding a possible future participation with third parties other than what is mentioned in the memorandum of association, except for what is mentioned in the table below:

Table (109): Memorandum of Understanding table

Name of the memorandum	First Party	Second Party	subject of the memorandum	date of the memorandum	value of the memorandum	Notes
Memorandum of Understanding to support local content	The National Water Company	The Saudi Arabian Ductile Iron Pipes Manufacturing Company	The memorandum aims to develop local content in the water sector through joint cooperation between the two parties	2021G	-	memorandum period is one Gregorian year, automatically renewed for similar periods.

Source: The Company

9-7 Company Properties

The following is an overview of the properties and locations owned by the company and its subsidiaries:

Table (110) Properties owned by the Saudi Arabian Amiantit Company and its subsidiaries

Land/Plan-No.	Deed No.	Date	Location	Area	Owner	Issuer	Notes
Plot No. 1 Layout 2782	3/44105	16/01/1425H (Corresponding to 27/03/2004G)	Riyadh / Khurais Road Kilo 32 and 706 east of Riyadh	30.952.95 m2	Saudi Arabian Amiantit Company (SAAC) - direct	-	-
Plot No. 2 Layout No. 2097	510122029409	12/07/1435H (Corresponding to 11/05/2014G)	Industrial District/ Riyadh	600 m2	Amiantit Fiberglass Manufacturing Co., Ltd. (AFIL) indirect	-	-

Land/Plan-No.	Deed No.	Date	Location	Area	Owner	Issuer	Notes
62/c	1/32	10/08/1427H (Corresponding to 03/09/2006G)	Jubail / west farms	5000 m2	Amiantit Fiberglass Manufacturing Co., Ltd. (AFIL) indirect	-	-
42	67	11/01/1401H (Corresponding to 19/11/1980G)	Al-Melissa south of Jeddah	500,000 m2	Arab Building Materials and Equipment Trading Company industrial (indirect) AL ARABIA FOR TRADE	-	-
Plot No. 1	330108017988	05/08/1437H (Corresponding to 12/05/2016G)	First Industrial in Dammam	137,990 m2	Saudi Arabian Amiantit Company Dammam (SAAC) direct	-	-
Plot No. 2	-	05/08/1437H (Corresponding to 12/05/2016G)	First Industrial in Dammam	213.728.54 m2	Saudi Arabian Amiantit Company Dammam (SAAC) direct	-	-

Source: The Company

Except for the above properties, there are no properties registered in the name of the company and its subsidiaries.

9-8 Litigation

As on the date of publication of this prospectus, the company's management stated that the company and its subsidiaries are not a party to any lawsuit, cases, complaints, claim, arbitration, administrative procedures or investigations that exist or are likely to be instituted, that would have, collectively or individually, a material impact on the Company's business or financial Condition. The company's management was not aware of the existence of any current or potential substantial judicial disputes or facts that could create, collectively or individually, an imminent risk related to a fundamental dispute, until the date of preparing this prospectus, except for the following:

Table (111) Cases filed by the company (Saudi Arabian Amiantit Company) and its subsidiaries in its capacity as the plaintiff:

No.	Plaintiff	Defendant	Merits	Date of the institution	Balance	Current Status	Provisions	Assuming Court	Next Session	Content of the Provision
1	Saudi Arabian Amiantit Company	Yanbu Electric Power Project Company Ltd.	Financial Claim	28/07/2019G	242,778	Under consideration	NA	Riyadh Commercial Court	31/12/2021G	NA
2	Saudi Arabian Amiantit Company	Bin Sammar Contracting Company	Financial Claim	27/07/2017G	35,979,990	Financial organization	primary judgment	Jeddah Commercial Court	NA	scheduled
3	Saudi Arabian Amiantit Company	Al-Buraiqa General Trading and Contracting Est	Financial Claim	03/06/2020G	580,600	-	definitive verdict	Najran General Court	NA	Mandatory
4	Saudi Arabian Amiantit Company	Al-Hatan First Trading Est	Financial Claim	12/11/2019G	566,926	Under implementation resolution 46	definitive verdict	Abha Commercial Court	06/01/2022G	Mandatory
5	Saudi Arabian Amiantit Company	Mohammed Saeed Mobti Al Azbi Trading Est	Financial Claim	21/10/2019G	521,638	Under implementation resolution 46	final verdict	Abha Commercial Court	16/06/2022G	Mandatory
6	Saudi Arabian Amiantit Company	Masarat Al Omran General Contracting Est	Financial Claim	10/03/2020G	182,400	Under implementation resolution 46	final verdict	Abha Commercial Court	NA	Mandatory
7	Saudi Arabian Amiantit Company	Al-Thara Taiba Trading and Contracting Co. Ltd.	Financial Claim	15/05/2012G	27,274,753	Under implementation resolution 46	final verdict	Madinah Commercial Court	NA	Mandatory
8	Saudi Arabian Amiantit Company	Sawaed Makkah Contracting Company	Financial Claim	23/10/2019G	429,223	Under implementation resolution 46	final verdict	Makkah Commercial Court	NA	Mandatory
9	Saudi Arabian Amiantit Company	Al Awalat Company for Industry and Construction Ltd.	Financial Claim	27/10/2019G	5,785,989	Resolution 46 has been lifted by schedule	final verdict	Riyadh Commercial Court	NA	Mandatory

No.	Plaintiff	Defendant	Merits	Date of the institution	Balance	Current Status	Provisions	Assuming Court	Next Session	Content of the Provision
10	Saudi Arabian Amiantit Company	Aamal Al Namal Contracting Company	Financial Claim	01/08/2016G	650,035	Under implementation	final verdict resolution 46	Riyadh Commercial Court	NA	Mandatory
11	Saudi Arabian Amiantit Company	Al Thanadi Contracting Est	Financial Claim	19/01/2016G	1,747,475	Under implementation	final verdict resolution 46	Riyadh Commercial Court	NA	Mandatory
12	Saudi Arabian Amiantit Company	Attia Mohammed Awad Al Zahrani Contracting Est	Financial Claim	02/01/2017G	189,096	Resolution 46 has been lifted by schedule	final verdict	Albaha General Court	NA	Mandatory
13	Saudi Arabian Amiantit Company	The Ninth China Railway Group Co., Ltd.	Financial Claim	12/11/2019G	291,843	Under implementation	final verdict resolution 46	Jizan General Court	NA	Mandatory
14	Saudi Arabian Amiantit Company	Gulf Birds Contracting Est	Financial Claim	27/10/2018G	1,627,766	Under implementation	final verdict resolution 46	Riyadh Commercial Court	NA	Mandatory
15	Saudi Arabian Amiantit Company	Al Suwaih Trading, Agriculture and Contracting Company	Financial Claim	07/08/2017G	28,659,018	Under implementation	final verdict resolution 46	Riyadh Commercial Court	NA	Mandatory
16	Saudi Arabian Amiantit Company	Al Madaen Contracting Co. Ltd.	Financial Claim	09/02/2014G	4,917,001	Under implementation	final verdict resolution 46	Madinah Commercial Court	NA	Mandatory
17	Saudi Arabian Amiantit Company	Saudi Dingo Contracting Company	Financial Claim	20/07/2018G	362,646	Under implementation	final verdict resolution 46	Riyadh Commercial Court	NA	Mandatory
18	Saudi Arabian Amiantit Company	Nama Al Omran General Contracting Est	Financial Claim	24/04/2016G	3,728,135	Under implementation	final verdict resolution 46	Abha Commercial Court	NA	Mandatory
19	Saudi Arabian Amiantit Company	Al-Baz National Contracting Est	Financial Claim	02/01/2011G	104,560	Under implementation	final verdict resolution 46	Riyadh Commercial Court	NA	Mandatory

No.	Plaintiff	Defendant	Merits	Date of the institution	Balance	Current Status	Provisions	Assuming Court	Next Session	Content of the Provision
20	Saudi Arabian Amiantit Company	Comoros Contracting Est	Financial Claim	24/03/2019G	2,210,750	financial regulation	final verdict	Riyadh Commercial Court	NA	Mandatory
21	Saudi Arabian Amiantit Company	Qutoof Kingdom Trading and Contracting Company	Financial Claim	30/11/2017G	258,000	Under implementation	deed resolution 46	Riyadh Execution Court	NA	Mandatory
22	Saudi Arabian Amiantit Company	Thalab Mohammed Al Subaie Contracting Company	Financial Claim	05/10/2016G	1,200,000	Under implementation	final verdict resolution 46	Riyadh Execution Court	NA	Mandatory
23	Saudi Arabian Amiantit Company	Al-Madar Al-Rafie General Contracting Est	Financial Claim	14/01/2018G	2,705,685	Under implementation	final verdict resolution 46	Abha Execution Court	NA	Mandatory
24	Saudi Arabian Amiantit Company	Al Harbi Trading and Contracting Company	Financial Claim	18/07/2019G	6,203,813	financial regulation	final verdict	Riyadh commercial court	NA	Mandatory
25	Saudi Arabian Amiantit Company	Arabian Gulf Contracting and Maintenance Company	Financial Claim	03/06/2016G	594,000	Under implementation	final verdict resolution 46	Riyadh commercial court	NA	Mandatory
26	Saudi Arabian Amiantit Company	Saudi Oger Co. Ltd.	Financial Claim	20/07/2017G	539,801	Under implementation	final verdict resolution 46	Riyadh commercial court	NA	Mandatory
27	Saudi Arabian Amiantit Company	Consolidated Star Contracting Company	Financial Claim	05/01/2017G	500,000	Under implementation	final verdict resolution 46	Riyadh commercial court	NA	Mandatory
28	Saudi Arabian Amiantit Company	Links Technology Contracting Company	Financial Claim	04/03/2021G	2,427,690	Under implementation	final verdict resolution 46	Riyadh commercial court	NA	Mandatory
29	Saudi Arabian Amiantit Company	Links Technology Contracting Company	Financial Claim	10/02/2018G	1,591,980	Under implementation	final verdict resolution 46	Riyadh Execution Court	NA	Mandatory

No.	Plaintiff	Defendant	Merits	Date of the institution	Balance	Current Status	Provisions	Assuming Court	Next Session	Content of the Provision
30	Saudi Arabian Amiantit Company	Universe era contracting est	Financial Claim	07/05/2018G	388,710	Under implementation	final verdict resolution 46	Madinah commercial court	NA	Mandatory
31	Saudi Arabian Amiantit Company	Saud Mansour Al Subaie Contracting Est	Financial Claim	03/01/2018G	388,710	financial regulation	final verdict	Riyadh commercial court	NA	Mandatory
32	Saudi Arabian Amiantit Company	International Contracting Complex Contracting Company	Financial Claim	21/04/2018G	1,984,877	Resolution 46 has been lifted	final verdict by schedule	Riyadh commercial court	NA	Mandatory
33	Saudi Arabian Amiantit Company	Abdullah Al Mughayer Contracting Est	Financial Claim	16/05/2016G	668,757	Under implementation	final verdict resolution 46	Riyadh commercial court	NA	Mandatory
34	Saudi Arabian Amiantit Company	Abdulaziz Al-Kanaan Contracting Est	Financial Claim	03/07/2016G	3,242,291	Under implementation	final verdict resolution 46	Buraidah General Court	NA	Mandatory
35	Saudi Arabian Amiantit Company	Ghazai Dhaifallah Al-Harbi General Contracting Est	Financial Claim	06/11/2017G	300,000	Under implementation	Dishonored check resolution 46	Execution Court in Al-Rass Governorate	NA	Mandatory
36	Saudi Arabian Amiantit Company	Bemco Contracting Company	Financial Claim	01/06/2020G	9,745,084	Awaiting receipt of the appeal judgment	definitive verdict	Jeddah commercial court	NA	Mandatory
37	Saudi Arabian Amiantit Company	Petroleum, Chemical and Mining Company	Financial Claim	07/06/2020G	32,386,978	Under implementation	Notes to order resolution 46	Dammam Execution Court	NA	Mandatory
38	Saudi Arabian Amiantit Company	Petroleum, Chemical and Mining Company	Financial Claim	07/06/2020G	20,346,848	Under implementation	definitive verdict resolution 46	Jeddah commercial court	NA	Mandatory
39	Saudi Arabian Amiantit Company	Huta Marine Works Co., Ltd.	Financial Claim	16/11/2021G	1,575,162	under appeal	primary judgment	Jeddah commercial court	27/12/2021G	Dismiss the case

No.	Plaintiff	Defendant	Merits	Date of the institution	Balance	Current Status	Provisions	Assuming Court	Next Session	Content of the Provision
40	Saudi Arabian Amiantit Company	Huta Marine Works Co., Ltd.	Financial Claim	08/11/2018G	7,428,165	Under implementation resolution 46	definitive verdict	Jeddah commercial court	NA	Mandatory
41	Saudi Arabian Amiantit Company	Mohammed Ali Al Swailem Trading Company	Financial Claim	01/06/2020G	2,589,292	Under implementation resolution 46	Notes to order	Dammam Execution Court	NA	Mandatory
42	Saudi Arabian Amiantit Company	Useful Pipes Trading Company (Osman Saqr)	Financial Claim	10/02/2019G	1,919,084	Under implementation resolution 46	Note to order	Dammam Execution Court	NA	Mandatory
43	Saudi Arabian Amiantit Company	Roa'a Executing Company	Financial Claim	31/05/2020G	2,206,461	Under implementation resolution 46	definitive verdict	Jeddah commercial court	NA	Mandatory
44	Saudi Arabian Amiantit Company	Kinda Generations General Contracting Est	Financial Claim	29/01/2019G	1,984,627	Under implementation resolution 46	Notes to order	Dammam Execution Court	NA	Mandatory
45	Saudi Arabian Amiantit Company	Awtad Al-Janoub Foundation	Financial Claim	01/01/2018G	1,805,022	Under implementation resolution 46	Notes to order	Dammam Execution Court	NA	Mandatory
46	Saudi Arabian Amiantit Company	Civil and Mechanical Projects Company "Simco"	Financial Claim	12/03/2017G	967,792	Under implementation resolution 46	Notes to order	Jeddah Execution Court	NA	Mandatory
47	Saudi Arabian Amiantit Company	The National Company for Water Treatment and Pollution (AMCO Saudi Arabia)	Financial Claim	18/10/2018G	795,230	Under implementation resolution 46	definitive verdict	Jeddah commercial court	NA	Mandatory
48	Saudi Arabian Amiantit Company	Summit Path Contracting Est	Financial Claim	17/09/2019G	742,740	Under implementation resolution 46	Notes to order	Riyadh Execution Court	NA	Mandatory
49	Saudi Arabian Amiantit Company	Obaid Ali Al Salami Contracting Establishment Branch	Financial Claim	08/01/2018G	720,060	financial regulation	definitive verdict	Riyadh commercial court	NA	Mandatory

No.	Plaintiff	Defendant	Merits	Date of the institution	Balance	Current Status	Provisions	Assuming Court	Next Session	Content of the Provision
50	Saudi Arabian Amiantit Company	cadres home group	Financial Claim	06/02/2020G	474,774	Under implementation resolution 46	definitive verdict	Dammam commercial court	NA	Mandatory
51	Saudi Arabian Amiantit Company	Construction and Contracting Company (Konar)	Financial Claim	01/05/2020G	396,006	Under implementation resolution 46	definitive verdict	Abha commercial court	NA	Mandatory
52	Saudi Arabian Amiantit Company	Bin Debes Trading and Contracting Co. Ltd.	Financial Claim	06/01/2020G	186,365	Under implementation resolution 46	Notes to order	Jeddah Execution Court	NA	Mandatory
53	Saudi Arabian Amiantit Company	Saudi Technip Company	Financial Claim	09/04/2018G	250,381	Under implementation resolution 46	definitive verdict	Dammam commercial court	NA	Mandatory
54	Saudi Arabian Amiantit Company	Pipe Extension and Equipment Factory Company	Financial Claim	22/10/2019G	211,825	Under implementation resolution 46	definitive verdict	Dammam commercial court	NA	Mandatory
55	Saudi Arabian Amiantit Company	Khaled Al-Saeed Foundation	Financial Claim	12/09/2019G	93,970	Under implementation resolution 46	Notes to order	Dammam execution court	NA	Mandatory
56	Saudi Arabian Amiantit Company	High Experience Contracting Est	Financial Claim	17/02/2020G	2,589,587	Under implementation resolution 46	Notes to order	Dammam execution court	NA	Mandatory
57	Saudi Arabian Amiantit Company	Al-Madoudi & Partners Contracting & Services Co. Ltd.	Financial Claim	03/04/2019G	968,409	Under implementation resolution 46	definitive verdict	Jeddah Execution Court	NA	Mandatory
58	Saudi Arabian Amiantit Company	Modern Arab Construction Co. Ltd.	Financial Claim	03/08/2020G	468,963	Under implementation resolution 46	definitive verdict	Dammam commercial court	NA	Mandatory
59	Saudi Arabian Amiantit Company	Roads Support Corporation for General Contracting	Financial Claim	03/09/2020G	1,906,016	Under implementation resolution 46	Notes to order	Dammam execution court	NA	Mandatory

No.	Plaintiff	Defendant	Merits	Date of the institution	Balance	Current Status	Provisions	Assuming Court	Next Session	Content of the Provision
60	Saudi Arabian Amiantit Company	Al Sharqiah Trading and Contracting Company	Financial Claim	29/08/2019G	3,248,086	The financial proposal was approved by the court for financial regulation	Notes to order	Dammam execution court	NA	Mandatory
61	Saudi Arabian Amiantit Company	Azmeel Contracting Company	Financial Claim	15/03/2020G	10,139,493	The financial proposal was approved by the court for financial regulation	-	Dammam commercial court	NA	Mandatory
62	Saudi Arabian Amiantit Company	accreditation foundation	Financial Claim	07/08/2018G	3,019,442	Under implementation resolution 46	Notes to order	Madinah execution court	NA	Mandatory
63	Saudi Arabian Amiantit Company	MRO TRADING COMPANY	Financial Claim	08/10/2020G	122,728	Under implementation resolution 46	definitive verdict	Dammam commercial court	NA	Mandatory
64	Saudi Arabian Amiantit Company	Abdulaziz Fahad Al-Hareish	Financial Claim	21/01/2020G	1,055,614	Timed out under a scheduling agreement	Minutes of settlement deed	Dammam execution court	NA	Conciliation under a scheduling agreement
65	Saudi Arabian Amiantit Company	SAS General Contracting Company	Financial Claim	25/05/2016G	200,000	Timed out under a scheduling agreement	Notes to order	Al-khobar execution court	NA	Mandatory
66	Saudi Arabian Amiantit Company	FBS International General Trading and Contracting Company.	Financial Claim	24/04/2016G	36,548,102	An appellate judgment has been issued and is being executed against the defendant	definitive verdict	Kuwait	NA	Mandatory FBS Co.
67	Saudi Arabian Amiantit Company	Yahya Omar Abdel Muti	Financial Claim	11/03/2014G	32,543,739	Under implementation resolution 46	definitive verdict	Makkah Administrative Court of Appeal	NA	Mandatory
68	Saudi Arabian Amiantit Company	Ali Al Aswad Group Holding Company for Trading and Contracting Ltd.	Financial Claim	16/06/2016G	29,480,822	Under implementation resolution 46	definitive verdict	Jeddah Administrative Court	NA	Mandatory

No.	Plaintiff	Defendant	Merits	Date of the institution	Balance	Current Status	Provisions	Assuming Court	Next Session	Content of the Provision
69	Saudi Arabian Amiantit Company	Hussein Abdul Latif Foundation	Financial Claim	16/06/2016G	25,000,000	Under implementation resolution 46	definitive verdict	Madinah Administrative Court	NA	Mandatory
70	Saudi Arabian Amiantit Company	facilities development	Financial Claim	31/05/2021G	597,090	Under implementation resolution 46	definitive verdict	Jeddah commercial court	NA	Mandatory
71	Saudi Arabian Amiantit Company	United symbol company	Financial Claim	24/05/2021G	203,387	Under implementation resolution 46	definitive verdict	Riyadh commercial court	NA	Mandatory
72	Saudi Arabian Amiantit Company	Abdullah Al-Khudari and Sons Company	Financial Claim	21/01/2020G	926,239	financial regulation	Awaiting the financial regulation proposal for a vote	-	NA	Mandatory
73	Saudi Arabian Amiantit Company	Al Khafji Civil Construction	Financial Claim	14/01/2013G	1,908,404	Under implementation resolution 46	definitive verdict	Dammam Administrative Court	NA	Mandatory
74	Saudi Arabian Amiantit Company	Al Kass International Company	Financial Claim	02/05/2021G	548,903	Under implementation resolution 46	Notes to order	Dammam execution court	NA	Mandatory
75	Saudi Arabian Amiantit Company	Haider Saleh Al Haider & Partner Company	Financial Claim	14/07/2021G	1,200,576	Under implementation resolution 46	Notes to order	Ras tanoura execution court	NA	Mandatory
76	Saudi Arabian Amiantit Company	Mechanical Services World Company	Financial Claim	15/11/2021G	388,953	Under implementation resolution 46	Notes to order	Dammam execution court	NA	Mandatory
77	Saudi Arabian Amiantit Company	Royfad Munawer Al-Saedi Contracting	Financial Claim	04/02/2021G	462,914	Under implementation resolution 46	Notes to order	Dammam execution court	NA	Mandatory
78	Saudi Arabian Amiantit Company	Saudi Thermo Company	Financial Claim	15/12/2021G	1,577,760	pleading	Foreseeable	Dubai Court	NA	Mandatory

No.	Plaintiff	Defendant	Merits	Date of the institution	Balance	Current Status	Provisions	Assuming Court	Next Session	Content of the Provision
79	Saudi Arabian Amiantit Company	Fruitful Towers Foundation	Financial Claim	19/03/2019G	1,272,894	Under implementation resolution 46	Notes to order	Madinah execution court	NA	Mandatory
80	Saudi Arabian Amiantit Company	Advanced Industrial Company	Financial Claim	10/03/2019G	1,250,000	Under implementation resolution 46	Notes to order	Dammam execution court	NA	Mandatory
81	Saudi Arabian Amiantit Company	Macroeconomics Group Foundation	Financial Claim	02/07/2015G	599,014	Under implementation resolution 46	Cheques	Riyadh Commercial Court	NA	Mandatory
82	Saudi Arabian Amiantit Company	Karmali Contracting Company Ltd.	Financial Claim	15/11/2015G	3,701,871	Under implementation resolution 46	definitive verdict	Jeddah commercial court	NA	Mandatory
83	Saudi Arabian Amiantit Company	Modern configuration of buildings	Financial Claim	14/09/2017G	2,874,645	Under implementation resolution 46	Notes to order	Jeddah execution court	NA	Mandatory
84	Saudi Arabian Amiantit Company	World Forum for Trading and Contracting	Financial Claim	31/12/2018G	400,000	Under implementation resolution 46	definitive verdict	Makkah commercial court	NA	Mandatory
Total amounts claimed								401,675,797		

Source: A report from the company's attorney

Table (112): Cases against the company (Saudi Arabian Amiantit Company) and its subsidiaries as a defendant

SR	Plaintiff	Defendant	Content of judgment	Next session	Court examining the case	Judgment	Case value	Case date	Subject of the case
1	Sedr Services Company Branch	Saudi Arabian Amiantit Company	Mandatory	NA	Jeddah commercial court	definitive verdict	54,000	18/03/2020G	Financial Claim
2	Gulf Chemicals and Oils Company	Saudi Arabian Amiantit Company	Mandatory	NA	Dammam commercial court	definitive verdict-scheduling	1,356,306.43	16/08/2020G	Financial Claim
3	Abdul Rahman Al Mofawz Contracting Est	Saudi Arabian Amiantit Company	final verdict	NA	Riyadh commercial court	definitive verdict	1,000,000	27/06/2020G	Financial Claim/ Sale Value
4	Saad Aqel Al-Harbi Foundation v. Amiantit Company	Saudi Arabian Amiantit Company	dismiss the case	-	Dammam commercial court	primary judgment	241,162	18/05/1443H	Financial Claim
5	Daoud Saad Salman Eid	Infrastructure Engineering Contracting Company	Pleading	-	Dammam commercial court	Pleading	548,147	10/11/2021G	Financial Claim
6	path company	Arab Company for the manufacture of ductile iron pipes Ltd.	pleading	-	Dammam commercial court	Pleading	4,673,363	13/01/1443H	Financial Claim
7	Economic Homes Company	Saudi Arabian Amiantit Company	dismiss the case formally-	-	Dammam commercial court	primary judgment	50,000	23/01/2022G	Financial Claim
8	Industrial Resin Chemicals Company	Amiantit Fiberglass Manufacturing Co., Ltd. factory	Mandatory	-	Dammam commercial court	primary judgment-scheduling	8,284,381	21/09/1442H	Financial Claim
9	Factory of Saleh and Abdulaziz Aba Hussein Chemical Industry Company	Amiantit Fiberglass Manufacturing Co., Ltd. factory	Mandatory	-	Dammam commercial court	final judgment-scheduling	4,139,704	30/11/2022G	Financial Claim

SR	Plaintiff	Defendant	Content of judgment	Next session	Court examining the case	Judgment	Case value	Case date	Subject of the case
10	industrial screening company	Amiantit Fiberglass Manufacturing Co., Ltd.	Under processing	-	Consensual platform	Still in the negotiation stage	445,900	17/03/2022G	Financial Claim
11	Tamris Contracting Company	Infrastructure Engineering Contracting Company	Mandatory	-	Consensual platform	Final judgement	57,858.66	15/04/2021G	Financial Claim
12	Khaled Hassan Ibrahim Hassan	Saudi Arabian Amiantit Company	pleading	-	Labor court	primary judgment	37,000	01/02/2022G	Basic claim amount 1,343,000 riyals
13	Heirs of the shareholder Abdullah Al-Bassam	Saudi Arabian Amiantit Company	Pleading	-	Dammam commercial court	-	2,013,149	17/03/2022G	-
14	Ali Abdulmohsen Al-Shayeb	Saudi Arabian Amiantit Company	pleading	-	Dammam commercial court	-	227,164	17/05/2022G	-
15	Saudi Company for Manpower Solutions	Saudi Arabian Amiantit Company	Dismiss case	-	Dammam commercial court	-	238,319	23/03/2022G	Financial Claim
16	Middle East Company	Saudi Arabian Ameron Company	Pleading	-	Dammam commercial court	-	13,963.14	16/05/2022G	Financial Claim
17	Eastern Ajras Foundation	Saudi Arabian Amiantit Company	pleading	-	Dammam commercial court	-	471,047	03/06/2022G	Financial Claim
Total							23,851,464		

Source: A report from the Company's attorney



9-9 Trademarks

The company has trademarks that have been registered with the Ministry of Commerce (Trademarks Department*) in the name of the subsidiaries. This will enable the company and its subsidiaries to put its name and logo on the external facade of the building or offices occupied by the company, as it has registered the trademark and granted it the necessary legal protection in accordance with the trademark system.

The company (Amiantit Company for Industry of Saudi Arabia) has a trademark registered under the number (1441/90) on 19/07/1434H (Corresponding to 29/05/2013G). The protection of the trademark under this certificate ends on 29/07/1443H (Corresponding to 02/03/2022 G) and falls under Category No. (37) and it specialized in (construction services of buildings, roads, bridges, dams, painting and plumbing works, repair and maintenance, installation and assembly services, rental services for building tools and materials).

As for the subsidiaries, they own trademarks that fall under category No. (17) and are specialized in (rubber, gatabracha, gum, asbestos, mica, products made from these materials and not included in other categories, extruded plastics for use in manufacturing, packaging, filling and insulation materials, flexible tubes and pipes). Non-metallic, and Category No. (6) which specializes in (non-precious metals and their mixtures, metal building materials, metal mobile buildings, metal materials for railways, non-electrical wires and ropes of non-precious metals, blacksmithing articles, small metal hardware, pipes, metal tubes, safes for safekeeping cash, documents and valuables, products made of non-precious metals not included in other classes, ores of metals, ordinary nails, related to the manufacture of locks, and category No. (19) which specializes in (construction services for buildings, roads, bridges, dams, painting and plumbing works And repair and maintenance, installation and assembly services, rental services for building tools and materials, and category No. (42) which specializes in (scientific and technical services, research and design services related thereto, industrial analysis and research services, equipment design and development services computer programs.

Table (113) Trademarks. The Company and its subsidiaries

Brand Name Shape	Certificate Number	Owning Company	Date of Registration	Category	Protection Starting Date	Protection Ending Date
	143308990	Saudi Arabian Amiantit Company	19/07/1434H (Corresponding to 29/05/2013G)	37*	29/07/1443H (Corresponding to 02/03/2022G)	28/07/1453H (Corresponding to 13/11/2031G)
	1437015504	Amiantit Rubber Industry Co., Ltd.	13/10/1437H (Corresponding to 18/07/2016G)	17**	07/07/1437H (Corresponding to 14/04/2016G)	06/07/1447H (Corresponding to 26/12/ 2025G)
	1437014818	Saudi Arabian Ductile Iron Pipe Manufacturing Co. Ltd.	29/06/1437H (Corresponding to 07/04/2016G)	6***	29/06/1437H (Corresponding to 07/04/2016G)	20/10/1447H (Corresponding to 08/04/2026G)
	1437015995	Saudi Arabian Concrete Products Company (SACOP)	28/10/1437H (Corresponding to 02/08/2016G)	19****	13/07/1437H (Corresponding to 20/04/2016G)	12/07/1447H (Corresponding to 01/01/2026G)

Brand Name Shape	Certificate Number	Owning Company	Date of Registration	Category	Protection Starting Date	Protection Ending Date
	1438021148	Amicon Saudi Co. Ltd.	13/09/1438H (Corresponding to 08/06/2017G)	6	13/09/1438H (Corresponding to 08/06/2017G)	19/09/1448H (Corresponding to 19/02/ 2027G)
	1437001827	Infrastructure Engineering Contracting Company	26/01/1437H (Corresponding to 11/08/2015G)	42*****	23/01/1437H (Corresponding to 05/11/2015G)	25/01/1447H (Corresponding to 20/07/2025G)
	1442001269	Bondstrand Co., Ltd. Factory	06/05/1442H (Corresponding to 21/09/2020G)	17	07/01/1442H (Corresponding to 26/08/2020G)	06/01/1452H (Corresponding to 09/05/2030G)
	143309190	Amiantit Fiberglass Manufacturing Company Ltd.	19/07/1434H (Corresponding to 29/05/2013G)	17	07/08/1443H (Corresponding to 10/03/2022G)	06/08/1453H (Corresponding to 22/11/2031G)
	143308988	Saudi Arabia Amiantit Company's Factory for Manufacturing Plastic Products (AmPlas)	19/07/1434H (Corresponding to 29/05/2013G)	17	29/07/1443H (Corresponding to 02/03/2022G)	28/07/1453H (Corresponding to 14/11/2031G)
	143308993	Amiantit Epoxy Pipes Factory	19/07/1434H (Corresponding to 29/05/2013G)	17	29/07/1443H (Corresponding to 03/03/2022G)	28/07/1453H (Corresponding to 14/11/2031G)
	143309181	BWT Saudi Company	19/07/1434H (Corresponding to 29/05/2013G)	37	07/08/1443H (Corresponding to 10/03/2022G)	06/08/1453H (Corresponding to 21/11/2031G)
	1437001826	Thamer bin Sulaiman bin Ali Al-Mothem	26/01/1437H (Corresponding to 08/11/2015G)	37	23/01/1437H (Corresponding to 05/11/2015G)	25/01/1447H (Corresponding to 20/07/2025G)
	1437015744	Saudi Arabian Ameron Co. Ltd.	20/10/1437H (Corresponding to 25/07/2016G)	19	11/07/1437H (Corresponding to 18/04/2016G)	10/07/1447H (Corresponding to 30/12/2025G)

Source: Company

* The authority to register trademarks has been transferred to the Saudi Authority for Intellectual Property

The Company is committed to registering its website www.amiantit.com.sa with the Communications and Information Technology Commission - Saudi Network Information Center, and accordingly, the Company has secured its protection and prevented its unlawful use by others, who may resort to adding only one phrase (.sa), according to a certificate issued by (Hawsbah Company for Information Technology) on 15/12/1999G, which expires On 30/12/2022G.

9-10 Insurance

Saudi Arabian Amiantit Company and its subsidiaries have a number of insurance policies to cover against certain risks and to preserve its assets and properties, including the following:

- **Health insurance**

1. The Company has signed a health insurance contract for its employees and their families with Bupa Arabia for Cooperative Insurance, a company licensed to operate in the Kingdom, under contract No. (29601600). This policy covers health care through a network of service providers appointed by the Company, provided that the case is covered by insurance. The coverage includes all employees who are actually on the job and are eligible for insurance as of the effective date of the policy. As for workers who join the Company at a later time, they are considered eligible for insurance from the date of their joining the work. The Council of Cooperative Health Insurance and the committee formed by a decision of the Chairman of the Board to consider violations of the provisions of the Cooperative Health Insurance Law are competent to settle all disputes arising of or related to this policy, in accordance with Clause (14) of the said Law.
2. A certificate issued by Bupa stating that the Saudi Arabian Amiantit Company is benefiting from the medical insurance program offered by the insurance company, under Contract No. (29601600) for a period extending from 01/01/2022G up to 30/12/2022G, was reviewed.

- **Company property insurance:**

1. The Company has an insurance policy against all risks signed with the Saudi Arabian Cooperative Insurance Company (SAICO) under the number (P/102/22/1003/2022/101/10) and it includes the parent Company and subsidiaries. This policy is effective as of 01/03/2022G until 28/02/2023G, which includes material damage to all property owned by the Group. The insurance value amounted to (2,419,503.91) Saudi riyals.

- **Compulsory cars insurance:**

1. An insurance policy for vehicles owned by the parent Company with Alinma Tokio Marine Company, a company licensed to operate in the Kingdom, was reviewed under a vehicle insurance policy No. P/10312/31/13101/2022/00071) and is valid from 01/03/2022G until 28/02/2023G. The coverage extends to compensating the insured company for loss or damage to the insured vehicle and the spare parts installed in it. The insurance value amounted to (10,000,000) riyals, and it includes (62) vehicles.
2. A motor insurance policy owned by the subsidiary company Amiantit Fiberglass Manufacturing Co., Ltd. with Alinma Tokio Marine Company, a company licensed to operate in the Kingdom, was reviewed under a motor insurance policy No. (P/10312/31/13101/2022/00069), which is valid from 01/03/2022G until 28/02/2023G. The coverage extends to compensating the insured company for loss or damage to the insured vehicles and their spare parts. The insurance value amounted to (10,000,000) riyals, and it covers (17) vehicles.
3. A motor insurance policy owned by the subsidiary company Saudi Arabian Ductile Iron Pipes Manufacturing Company with Alinma Tokio Marine Company, a company licensed to operate in the Kingdom, was viewed under a vehicle insurance policy No. (P/10312/31/13101/2022/000070). It is valid from 01/03/2022G until the date of 28/02/2023G. The coverage extends to compensating the insured company for loss or damage to the insured vehicles and spare parts installed in them. The value of the insurance amounted to (10,000,000) riyals, and it covers (7) vehicles.

4. A motor insurance policy owned by the subsidiary company, Engineering Infrastructure Contracting Co., Ltd. with Alinma Tokio Marine Company, a company licensed to operate in the Kingdom under the motor insurance policy No. (P/10312/31/13101/2022/00072), which is Valid from 01/03/2022G until 28/02/2023G. The coverage extends to compensating the insured company for loss or damage to the insured vehicles and their spare parts. The insurance value amounted to (10,000,000) riyals, and it covers (12) vehicles.

9-11 The material information that has changed since the Authority's approval of the last share issue prospectus

Following is a summary of the most important information that has changed since the Authority's approval of the last share prospectus, which was issued on 01/10/2020G:

- **Articles of Association:** Some articles of the Articles of Association have been amended several times in accordance with the decisions of the Extraordinary General Assembly.
- **Capital:** As stated in sub-paragraph (9-1-2) "**Company's Incorporation and Milestones of its Capital Development**" in this section, the Company's capital has been modified several times according to the following:
 - Reducing the Company's capital from three hundred and forty-four million five hundred and seventeen thousand (344,517,000) Saudi riyals to two hundred million (200,000,000) Saudi Riyals, at a reduction rate of (41.95%).
 - Increasing the Company's capital from two hundred million (200,000,000) Saudi Riyals to three hundred and twenty million (320,000,000) riyals through the offering of rights issues of twelve million (12,000,000) new ordinary shares.
 - Reducing the Company's capital from three hundred twenty million (320,000,000) Saudi riyals to ninety-nine million (99,000,000) Saudi Riyals, at a reduction rate of (69.06%) by canceling twenty-two million one hundred thousand (22,100,000) shares of the Company's shares, and the reason for this is due to extinguishing (99.93%) of the Company's accumulated losses.

The Company has obtained prior approval from the Capital Market Authority on all changes that occurred in the Company's capital.

- **Accumulated losses:** the increase in the Company's accumulated losses, which amounted to (221,146,000) Riyals, which represents (69.11) percent of the Company's capital as on 30/09/2021, and announcing the application of the provisions of Article (150) of the Companies Law and the Procedures and Instructions for Companies listed on the Exchange whose accumulated losses amounted to 20% or more of its capital, and based on the decision of the (Extraordinary) general assembly of shareholders to reduce the capital from (320) million riyals to (99) million riyals, the Company's accumulated losses decreased from (50%) of the capital to become (34,585,000) riyals, which represents (34.93%) of the Company's capital after the reduction as on 27/02/2022G.
- **Senior management:** making some amendments, the most important of which is the appointment of a new CEO (Firas bin Ghassab Al-Harbi) from 01/03/2022G and a new financial manager (Asghar Yousef Sarghoura).
- **Board of Directors:** Election of members of the Board of Directors for a new term starting on 01/01/2021G for a period of three years.

- **Structuring some of international investments:** The Company restructured some of its investments in the international sector, where all its direct shares in Amitech Morocco, which is engaged in the manufacture of fiberglass pipes, amounting to 1,094,999 shares, which represents 50% of the capital- selling its entire stake in Amensos Company Amensos Company, which works in Pipes trading and accessories, amounting 1,000,000 shares and representing 15% of the capital of that company. During 2021, the Group formally liquidated Norway-based Flotite Export ES, a 100% owned subsidiary of the Group. The liquidation resulted in a loss of 48.8 thousand Saudi riyals. The revenues of Flotite for Export represented (0.00%) of the total Group revenues for the years 2018G, 2019G and 2020G and the nine-month period ending on September 30, 2021G.
- **Governance:** Approval of the Shareholders General Assembly to update the Governance Regulations. The members of the committees emanating from the Board of Directors were also appointed for a new term ending on 31/12/2023G.
- **Loans and credit facilities:** The Company has repaid all its loans with some banks and rescheduled loans and facilities with other banks.
- **Statutory Reserve:** Using the entire statutory reserve, which amounted to (132,175,687) Riyals by the end of the year 2020G, to offset the Company's accumulated losses.
- **Using the Rights issue proceeds of 2020G:** There was no deviation or change from what was mentioned in the prospectus of the rights issue offering issued on 01/10/2020G.

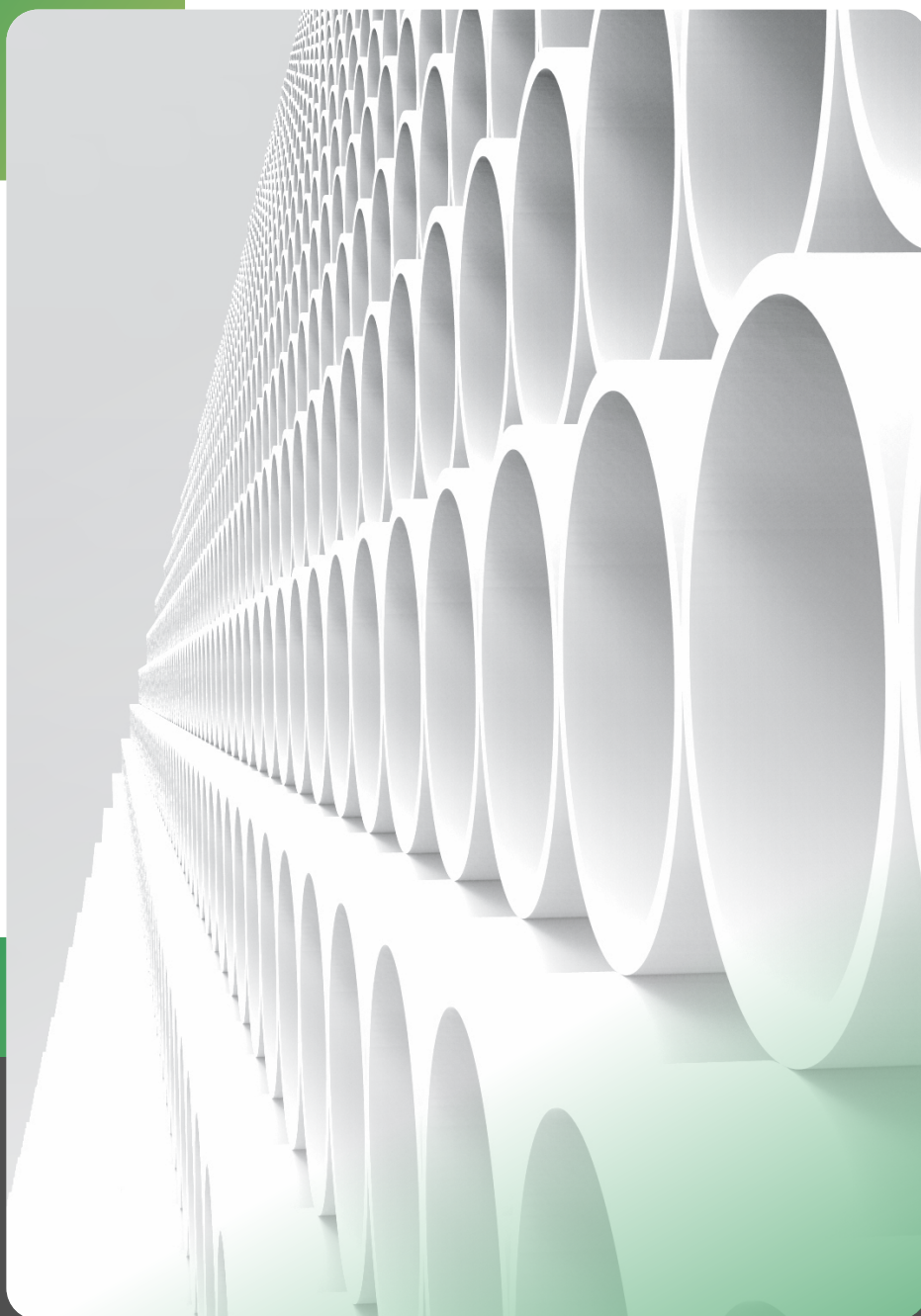
9-12 Declarations of Board Members Relating to Legal Information

In addition to the other declarations referred to in this Prospectus, the members of the Board of Directors acknowledge That:

- a. The Rights Issue does not violate the relevant laws and regulations in the Kingdom of Saudi Arabia.
- b. The Rights Issue does not prejudice any of the contracts or agreements to which the Company is a party.
- c. All material legal information related to the Company and its subsidiaries has been disclosed in the prospectus.
- d. With the exception of what is mentioned in sub-paragraph (9-8) "**Litigation**" of this Prospectus, the Company and its subsidiaries are not subject to any lawsuits or legal procedures that, individually or as a whole, may materially affect the business of the Company and its subsidiaries or their financial condition.
- e. The Rights Issue does not violate the relevant laws and regulations in the Kingdom of Saudi Arabia
- f. The members of the Company's Board of Directors are not subject to any lawsuits or legal procedures that, individually or in the aggregate, may materially affect the business of the Company and its subsidiaries or their financial condition.
- g. The Company continues to comply with the requirements of the Ministry of Commerce until the date of this Prospectus, and it also undertakes to continue to comply with them.
- h. The Company continues to comply with the requirements of the Zakat, Tax and Customs Authority until the date of this Prospectus, and it pledges to continue to comply with them.
- i. The Company continues to comply with the requirements of the Ministry of Human Resources and Social Development until the date of this Prospectus, and it also undertakes to continue to comply with them.
- j. The Company continues to comply with the requirements of the Law, regulations and instructions of the Capital Market Authority and the Saudi Stock Exchange (Tadawul) until the date of this Prospectus, and pledges to continue to comply with them.
- k. The Company continues to comply with the requirements of the Law, regulations and instructions of the General Organization for Social Insurance until the date of this Prospectus, and pledges to continue to comply with them.

- l. The Company continues to comply with the requirements of the Law, regulations and instructions of the Ministry of Municipal and Rural Affairs and Housing ("**Ministry of Municipalities**") until the date of this **Prospectus, and** pledges to continue to comply with them.
- m. The Company continues to comply with the requirements of the Law, regulations and instructions of the Ministry of Industry and Mineral Resources until the date of this Prospectus, and pledges to continue to comply with them.
- n. The Company continues to comply with the requirements of the Law, regulations and instructions of the Saudi Authority for Industrial Cities and Technology Zones ("**Modon**") until the date of this Prospectus and pledges to continue to comply with them.
- o. The Company continues to comply with the requirements of the Law, regulations, and instructions of the National Center for Environmental Compliance Control until the date of this Prospectus, and pledges to continue to comply with them.

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10.

Underwriters

10- Underwriters

10-1 Underwriters

Wasatah Capital Company (Wasatah Capital)

Riyadh - Olaya Main Street
 PO Box 50315, Riyadh 11523
 Kingdom Saudi Arabia
 Tel: +966 11 4944067
 Fax: +966 11 4944205
 Website: www.wasatah.com.sa
 E-mail: info@wasatah.com.sa



Nomw Financial for capital Consultations (Nomw Capital)

Office Homes - Building No. 2163 Unit No. 98
 Riyadh - Al-Ma'athar District North - Al-Oruba Road
 PO Box 92350, Riyadh 11653
 Kingdom Saudi Arabia
 Tel: +966 11 4944266
 Fax: +966 11 4944266
 Website: www.nomwcapital.com.sa
 E-mail: info@nomwcapital.com.sa

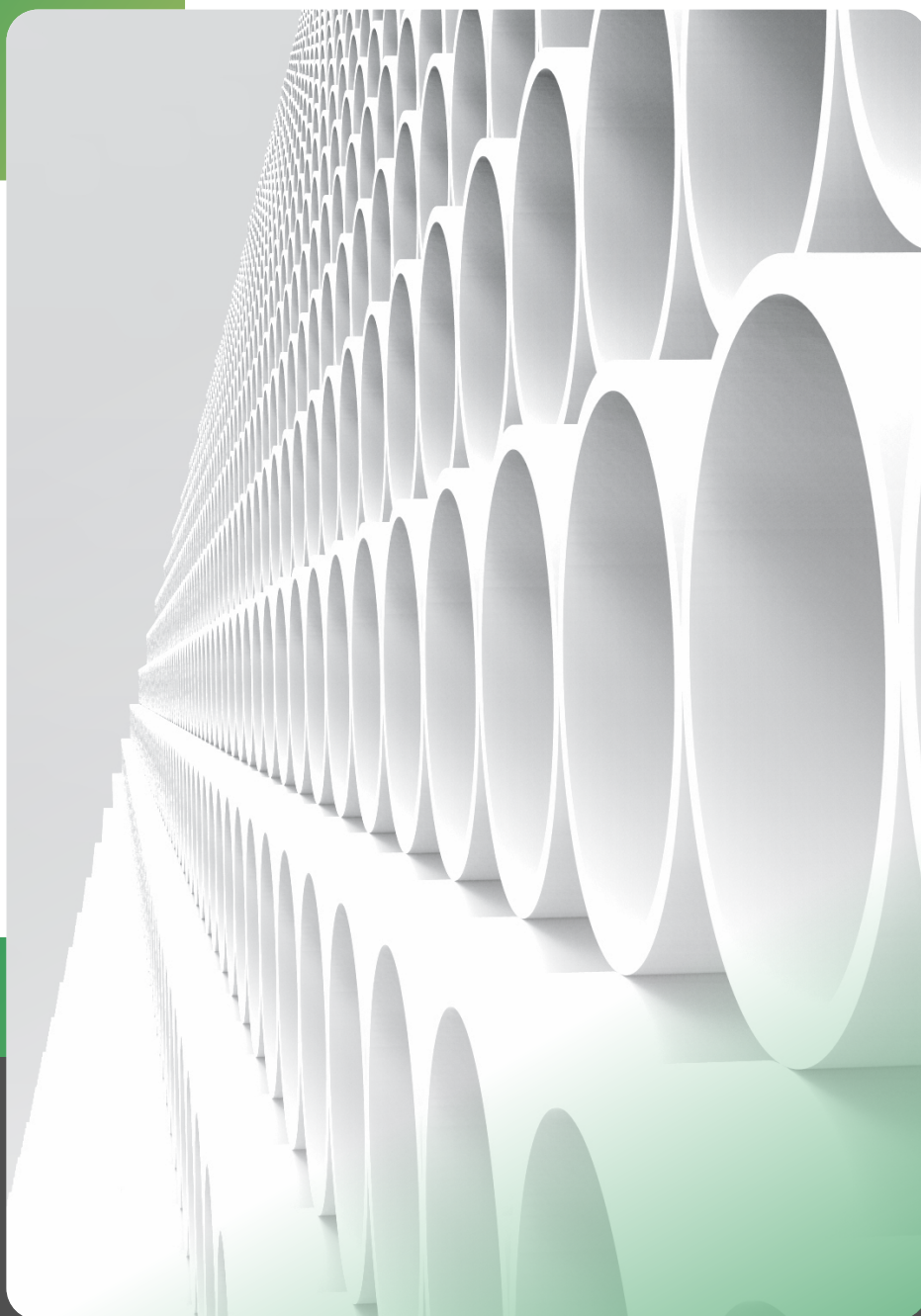


10-2 Summary of the Underwriting Agreement

According to the terms and conditions of the Underwriting Agreement

1. The Company undertakes to the Underwriter that, on the date of the allotment, it will issue and allocate to the Underwriter all the Right Issue Shares pledged to be underwritten in this Offering, which the Eligible Shareholders have not subscribed to, at the Offering Price.
2. The Underwriter undertakes to the Company that on the date of the allotment, it will purchase all the shares it pledged to underwrite in this Offering, which the Eligible Shareholders did not subscribe to, at the Offering Price.
3. The Underwriter shall receive a specific financial consideration in return for his undertaking to underwrite, which will be paid from the Offering Proceeds.
4. The Underwriter's obligation to purchase all of the remaining shares is subject to provisions relating to the termination of the Agreement such as the occurrence of any force majeure as defined in the Agreement, or failure to meet a number of preconditions in connection with the Subscription.
5. The company will provide a number of securities, representations and undertakings to the Underwriter.

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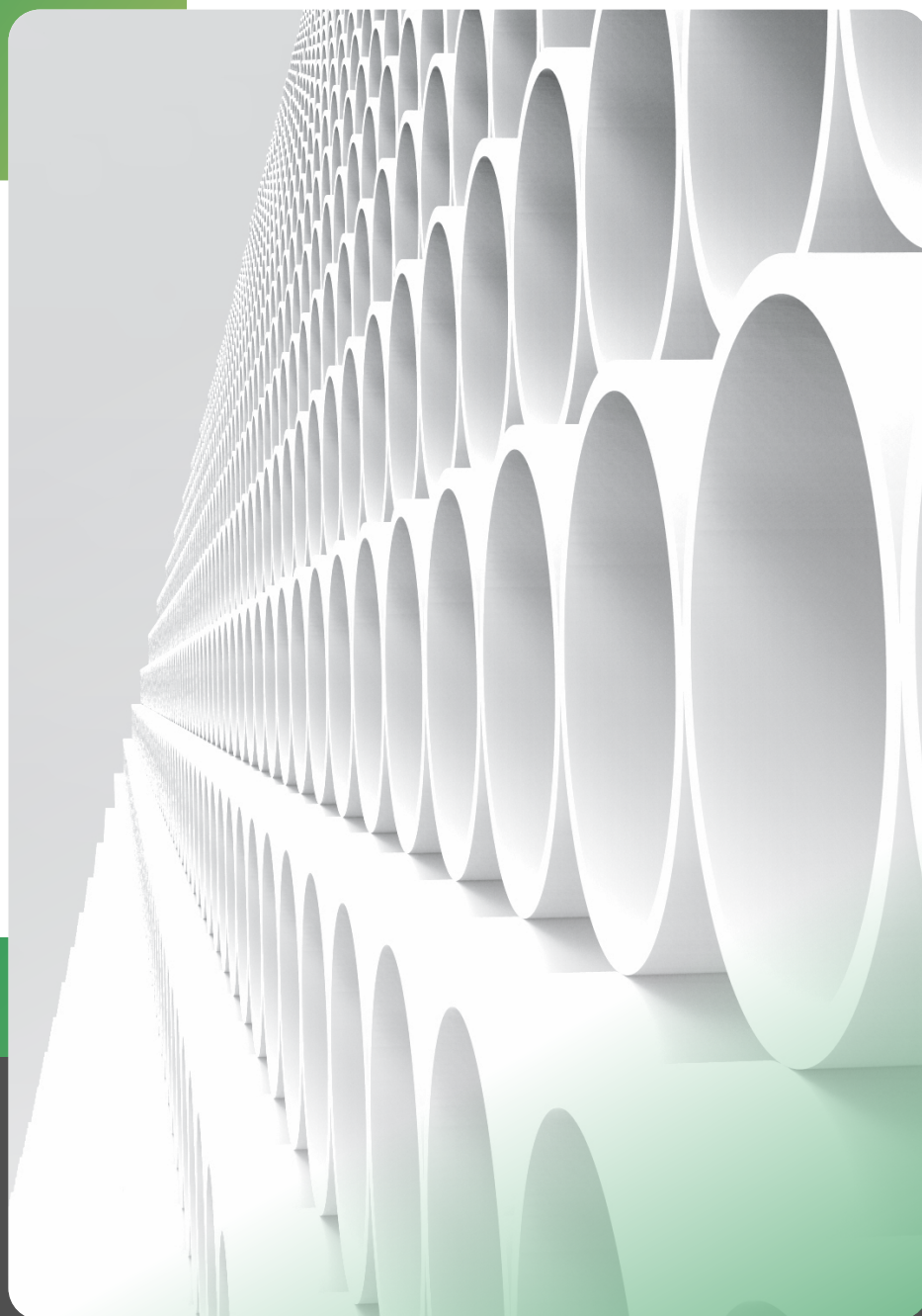
11.

Exemptions

11- Exemptions

The Company has not obtained any exceptions from any requirements from the Authority in connection with the Offering.

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12.

Subscriptions Terms and Conditions

12- Subscriptions Terms and Conditions

The Company has filed an application for the registration and offering of the new shares to the CMA and to the Saudi Tadawul Company (Tadawul) for listing the new shares. All the requirements were fulfilled in accordance with the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules.

All Eligible Shareholders and holders of acquired Rights must read the subscription terms and conditions carefully before electronic subscription, submission of the subscription application through a Broker, or filling out the Rump Offering application form. The submission of the subscription application or signing and delivery of the Rump Offering Subscription Application form constitutes acceptance of the mentioned terms and conditions.

12-1 The Offering

Under this Prospectus, thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares will be offered - through A Rights Issue - at a price representing 350% of the Company's capital before the capital increase, at an offer price of (10) ten Saudi Riyals per share, a nominal value of (10) ten Saudi riyals, with a total Offering value of three hundred and forty-six million five hundred thousand (346,500,000) Riyals, and one share will be issued for every 3.5 shares owned, in order to increase the Company's capital from ninety-nine million (99,000,000) Saudi Riyals to four hundred and five Forty million five hundred thousand (445,500,000) Saudi Riyals.

12-2 How to Apply for Subscription to the Rights (New Shares)

The Registered Shareholders and those wishing to subscribe to the Rights shall submit the subscription application during the Offering Period through the investment portfolio on trading platforms through which sale and purchase orders are entered, in addition to the possibility of subscribing through any other means provided by the Broker and shares Custodian in the Kingdom during the Offering Period. If there is a Rump Offering Period, Subscription Application Forms can also be submitted during such a period by Institutional Investors for any Rump Shares only.

By subscribing, the subscriber:

- Agrees to subscribe for the Company's shares in the number of such shares specified in the Subscription Application Form.
- Declares that they have read the Prospectus and understood all of its contents.
- Accepts the Company's Bylaws and the terms mentioned in the Prospectus.
- Declares that it has not subscribed for the same shares under this offering and the Company has the right to reject all of their applications if it is proven that they submitted more than one application.
- Accepts the number of shares allocated thereto and all other subscription instructions and terms mentioned in the Prospectus and the Subscription Application Form.
- Warrants not to cancel or amend the Subscription Application Form after submitting it to the Broker

12-3 Subscription Application

The Registered Shareholders wishing to exercise their full right and subscribe to all entitled Rights shall subscribe through the investment portfolio on trading platforms through which sale and purchase orders are entered, or through any other means provided by the Broker and shares Custodian.

The number of shares entitled to an Eligible Person will be calculated based on the number of Rights held thereby. The subscription monies that the subscriber must pay are calculated by multiplying the number of existing Rights owned prior to closing of the Subscription Period by ten (10) Saudi Riyals.

12-4 Trading Period, Subscription Period and Rump Offering Period

The Eligible Shareholders wishing to subscribe to the Rights shall submit the subscription application during the Subscription Period, which begins on **/**/1443H (Corresponding to **/**/****G) and ends on **/**/****H (Corresponding to **/**/****G).

The Extraordinary General Assembly held on **/**/****G (Corresponding to **/**/****G) approved the Board of Directors' recommendation to increase the Company's capital through a Rights Issue. Under this Prospectus, Thirty-four million six hundred and fifty thousand (34,650,000) ordinary shares will be offered for subscription in the Rights Issue, representing (350%) of the Company's share capital prior to the Offering, at an Offer Price of ten (10) Saudi riyals per share, and nominal value of ten (10) Saudi Riyals per share, with a total Offering value of Three hundred and forty-six million five hundred thousand (346,500,000) Saudi Riyals. The new shares will be issued with at (1) share for each Right to shareholders. Subscription to the rights offered to the shareholders registered in the Company's shareholders register as of the close of the second trading day following the date of the EGM on **/**/****H (Corresponding to **/**/****G), and for eligible persons who have purchased the Rights during the Trading Period, including registered shareholders who have purchased additional Rights in addition to the Rights they already own.

If Eligible Persons have not exercised the Rights by the end of the Offering Period, the Rump shares resulting from non-exercise or sale of those Rights will be offered to Institutional Investors in the Rump Offering Period.

Registered Shareholders will be able to trade the Rights deposited in their portfolios via the Saudi Tadawul Company (Tadawul). These Rights are considered to be the acquired right of all shareholders registered in the Company's shareholders register as of the close of the second trading day following the date of the EGM on capital increase. Each Right grants its holder eligibility to subscribe for one new share at the Offer Price. The Rights will be deposited after the EGM. The Rights will appear in the portfolios of the Registered Shareholders under a new symbol specifying the Rights Issue. Then, Registered Shareholders will be informed of the deposit of the Rights in their portfolios.

1. The schedule for the sequence and details of the Offering process of the rights shares will be as follows:

1. **Eligibility Date:** End of trading on the day of the EGM on **/**/****H (Corresponding to **/**/****G).
2. **Trading and Subscription Phase:** Trading and Subscription period begins three (3) working days after approval of the Extraordinary General Assembly, including the approval of the capital increase, on the day of **/**/****H day (Corresponding to **/**/****G) provided that the trading period ends on **/**/****H (Corresponding to **/**/****G) and the subscription period continues until the end of **/**/****H (Corresponding to **/**/****G).

- 3. The Rump Offering Period:** it starts from 10:00 a.m. on ****/**/****H (Corresponding to **/**/****G)** until the following day at 5:00 p.m. on ****/**/****H (Corresponding to **/**/****G)**. During this period, the remaining shares will be offered to a number of Institutional Investors (“**Investment Institutions**”), provided that such Investment Institutions shall submit offers to purchase the Rump shares. The Rump shares shall be allocated to Institutional Investors with the highest offer first, then to the next one, provided that the allocation of those shares to Institutional Investors submitting the same offer will be on pro-rata basis. Fractional shares shall be added to the Rump shares and treated in the same way. The subscription price of the new unsubscribed shares for this period will be offered at the Offer Price, as the minimum price. In case the sale price of such shares is higher than the Offer Price, the difference (if any) shall be distributed as compensation to the Rights holders who did not exercise their rights in the subscription in proportion to their respective rights.
- 4. Final Allocation of Shares:** Shares will be allocated to each investor based on the number of Rights properly and fully exercised by them. As for those entitled to fractional shares, fractional shares will be collected and offered to Institutional Investors during the Rump offering period. The total Offer Price of the Rump shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump Shares and fractional shares, without any charges or deductions, (in excess of Offer Price) shall be distributed to the Eligible Persons no later than ****/**/****H (Corresponding to **/**/****G)**.
- 5. Trading of the New Shares on the Exchange:** Trading in the new shares will start on Tadawul upon the completion of all procedures relating to the registration, and allocation of the new shares. Provided that the time period between the end of subscription for the rights and the deposit of shares in the shareholders’ portfolios is 9 working days.

The Company applied to the CMA to register and offer the new shares, and the Company has also applied to the Saudi Tadawul Company (Tadawul) to accept its listing.

12-5 Allocations and Refund

The Company and the Lead Manager will open an Escrow Account in which the proceeds will be deposited.

Rights issue shares shall be allocated to the Eligible Persons based upon the number of Rights that they properly and fully exercised. As for Shareholders entitled to fractional shares, these shall be accrued and offered to Institutional Investors during the Rump Offering Period. The total offer price of the of Rump shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump shares and fractional shares (in excess of offer price) shall be distributed to the Eligible Persons not later than ****/**/****H (Corresponding to **/**/****G)**. In the event that shares remain unsubscribed after that, the underwriters will purchase those new remaining shares and they will be allocated to him.

Final notice for the number of shares allocated to each Eligible Person without any charges or withholdings by the Lead Manager is expected to take place by depositing the shares into the accounts of subscribers. Eligible Persons shall contact the Broker through which the application is submitted for further information. The results of the allocation will be announced no later than ****/**/****H (Corresponding to **/**/****G)**.

Oversubscriptions (remaining proceeds from the Offering process exceeding the Offering Price) (if any), will be refunded to the Eligible Persons who have not exercised their right to subscribe in whole or in part to the new shares, if any, without any deductions, no later than ****/**/****H (Corresponding to **/**/****G)**. The amounts will be deposited in the bank accounts of the eligible persons who did not exercise their right to subscribe for the new shares and those entitled to the fractions.

12-6 Supplementary Prospectus

The Company must submit to the Authority a Supplementary Prospectus, in accordance with the requirements of the rules on the Offering of Securities and Continuing Obligations, if the Company becomes aware at any time after the date of the publication of this Prospectus and before the completion of the Offering of any of the following:

- The existence of a significant change in material matters mentioned in this Prospectus.
- Any important issues have emerged that should have been included in this Prospects.

The investor who subscribed for the New Shares prior to the publication of the Supplementary Prospectus may cancel or amend his subscription for these shares before the end of the Offering Period.

12-7 Suspension or cancellation of the Offering

The Financial Market Authority may at any time issue a decision to suspend the Offering if it deems that the Offering may result in a breach of the Capital Market Law, its Implementing Regulations, or the market rules, or if the Offering is cancelled if the Extraordinary General Assembly does not approve any of the details of the Offering.

FAQs about the Rights Issue

What is a Rights Issue?

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

To whom Rights are granted?

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

When are the Rights deposited?

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

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

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

How many Rights can be acquired by a Registered Shareholder?

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

What is the Rights Issue eligibility factor?

It is the ratio that permits the Registered Shareholders to know how many Rights they are entitled to in relation to the Shares that they already owned on the second trading day after the EGM. This factor is calculated by dividing the number of new shares by the number of the current shares of the Company. Therefore, the eligibility factor is approximately (3.5) right for each one (1) share owned by the registered shareholder on the Eligibility Date. Accordingly, if a registered shareholder owns one thousand (1,000) shares on the Eligibility Date, he/she will be allocated three thousand and five hundred (3500) rights in exchange for the shares he/she owns.

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

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

What is the Right value upon commencement of trading?

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

Who is the Registered Shareholder?

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

Can Registered Shareholders subscribe for additional shares?

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

Is it possible for a Registered Shareholder to lose his eligibility to subscribe even if he has the right to attend the EGM and vote on increasing the capital through a Rights Issue?

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

How does the subscription take place?

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

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

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

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

The Rights will be deposited in the same portfolio where the shares of the Company connected to the Rights are deposited, for example if a shareholder owns one thousand (1000) shares in the company as follows: eight hundred: (800) shares in portfolio (a) and (200) shares in portfolio (b), then the total Rights which will be deposited (3,500) three thousand and five hundred Rights as each share is eligible for approximately (3.5) Right. Therefore, two thousand eight hundred (2800) Rights will be deposited in portfolio (a) and seven hundred (700) Rights will be deposited in portfolio (b).

Are share certificate holders allowed to subscribe and trade?

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

Are additional Rights purchasers entitled to trade them once again?

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

Is it possible to sell a part of these Rights?

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

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

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

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

No, that is not possible. After the expiry of the Trading Period, holder of the Rights may only exercise the right to subscribe for the Rights or not. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio.

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

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

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

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

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

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

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

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

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

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

What are Trading and Subscription periods?

Trading in and Subscription to the Rights shall commence at the same time after (3) three working days from the approval of the extraordinary general assembly, which includes the approval of the capital increase, until the end of trading on the sixth day, while Subscription shall continue until the ninth day, as stated in the Prospectus and the Company's issued announcements.

Is it possible to subscribe during the weekend?

No, that is not possible.

Can non-registered shareholders on the day of the EGM subscribe for the Rights?

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

Additional Assistance

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

For more information on the terms and conditions of the subscription, please see Section (12) "**Subscription Terms and Conditions**" and the rest of the information contained in this Prospectus.

12-8 Decisions and approvals according to which shares will be offered

The Company's Board of Directors recommended in its resolution dated 26/06/1443H (corresponding to 29/01/2022G) to increase the Company's capital by offering rights shares with a value of three hundred and forty-six million five hundred (346,500,000) Saudi riyals in order to achieve the strategic direction and raise the financial solvency of the Group through restructuring the Group and implementing a business plan focusing on its main activities.

On ****/**/****H (Corresponding to **/**/****G)**, the Company's Extraordinary General Assembly agreed to increase the Company's capital through the issuance of rights issue shares ("**Offering**"). The Offering consists of thirty-four million six hundred and fifty thousand (46,650,000) new ordinary shares at an Offer Price of (10) ten Saudi riyals per share, and a nominal value of (10) ten Saudi riyals in order to increase the Company's capital from ninety-nine million (99,000,000) riyals Saudi to three hundred twenty million (320,000,000) Saudi riyals.

The Saudi Stock Exchange (Tadawul) approved the application for listing the new shares on 27/08/1443H (Corresponding to 30/03/2022G). It was also approved to publish this Prospectus and all supporting documents requested by the Authority on the date of its announcement on the Authority's website on 07/05/1444H (Corresponding to 01/12/2022G).

12-9 Miscellaneous items

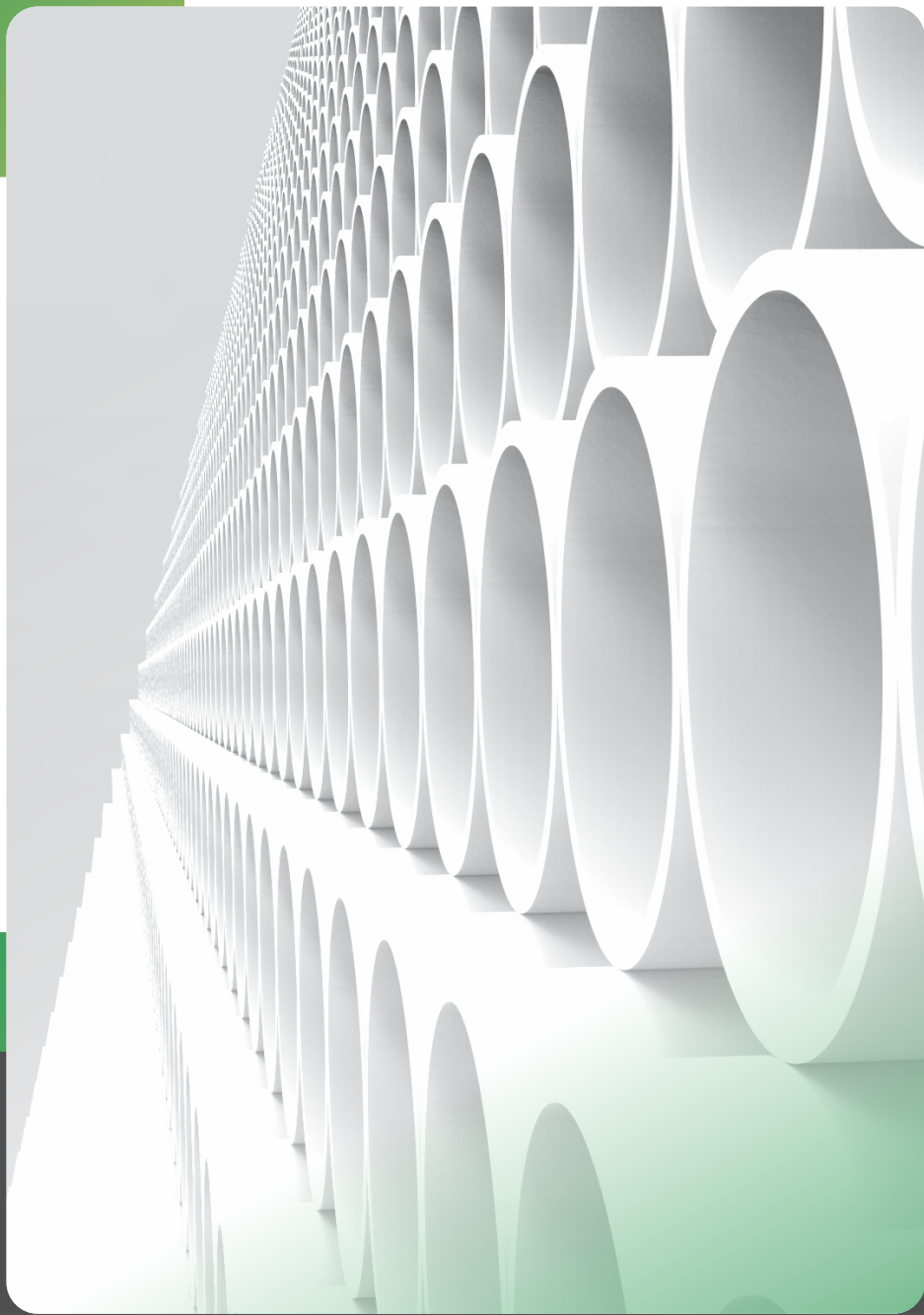
The Subscription Application Form and all related terms, conditions and covenants hereof shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators, and heirs; provided that, except as specifically contemplated herein. Neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.

These instructions, clauses, and any receipt of subscription application forms or contracts arising therefrom shall be subject to the Kingdom's regulations and shall be construed in accordance with them. This Prospectus may be distributed in both Arabic and English, and in the event of a conflict between the Arabic text and the English text, the Arabic text of the Prospectus shall prevail.

12-10 Statement of any arrangements in place to prevent disposal of certain shares

There are no arrangements in place to prevent disposal of any shares.

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13.

Change in share price due to capital Increase

13- Change in share price due to capital Increase

The Company's Board of Directors, in its meeting held on 26/06/1443H (Corresponding to 29/01/2022G), recommended after reducing the capital from three hundred twenty million (320,000,000) to ninety-nine million (99,000,000) Saudi riyals, increasing the Company's capital from ninety-nine One million (99,000,000) to four hundred and forty-five million and five hundred thousand (445,500,000) Saudi riyals, by offering rights issue shares with a value of three hundred and forty-six million and five hundred thousand (346,500,000) Saudi riyals, after obtaining all necessary regulatory approvals and the approval of the Extraordinary General Assembly.

The closing price of the Company's share on the day of the Extraordinary General Assembly, which includes approval of the capital increase, is (**) Saudi riyals, and it is expected to reach (**) Saudi riyals at the opening of the next day, and the change represents a decrease of (**)%. In the event that any of the shareholders registered in the Company's shareholders register at the Depository Center fails to subscribe at the end of the second trading day following the date of the Extraordinary General Assembly meeting that includes the approval of the capital increase, this will lead to a decrease in their ownership percentage in the Company.

Method of calculating the company's share price as a result of the capital increase is as follows:

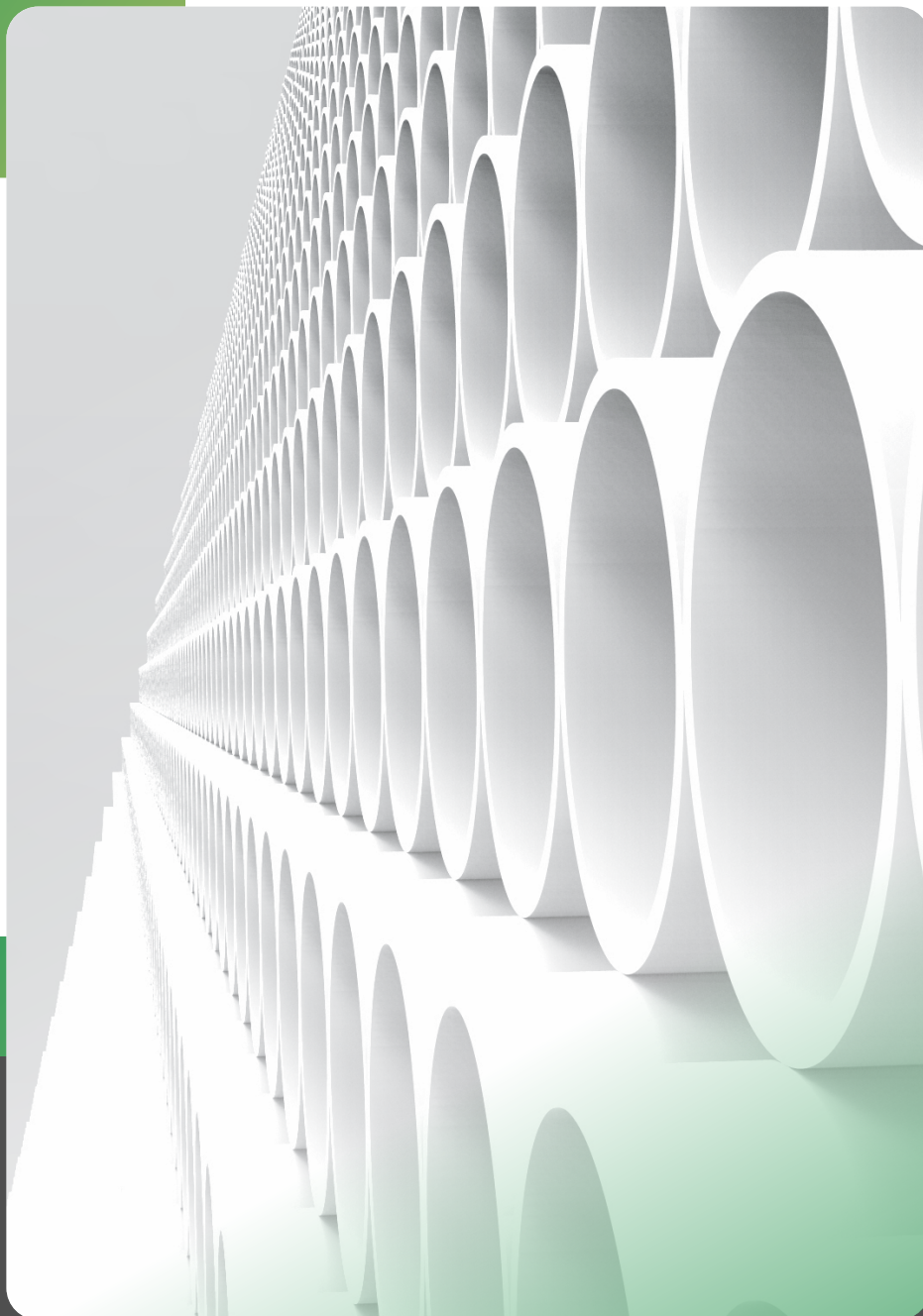
First: Calculating the market value of the Company at closing on the day of the Extraordinary General Assembly, which includes the approval of the capital increase

Number of shares at the end of the day of the Extraordinary General Assembly including the approval of the capital increase x closing price of the Company's shares on the day of the Extraordinary General Assembly including the approval of the capital increase = market value of the Company at the close of trading on the day of the Extraordinary General Assembly including the approval on raising capital.

Second: Calculating the share price in the opening day of the day following the day of the Extraordinary General Assembly, which includes the approval of the capital increase

(Market value of the Company at the close of trading on the day of the Extraordinary General Assembly that includes approval of the capital increase + the value of the Rights Issue shares) / (the number of the Company's shares at the end of the day of the Extraordinary General Assembly that includes approval of the capital increase + the number of new shares offered for subscription) = the expected share price at the opening day of the day following the day of the Extraordinary General Assembly that includes approval of the capital increase.

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14.

Covenants relating to the Subscription

14- Covenants relating to the Subscription

14-1 Overview of the Subscription Application and the Covenants

It is possible to subscribe using trading platforms or through any other means provided by the Broker to the investors. The new shares will be subscribed to in one stage, according to the following:

1. During this period, all Registered Shareholders and New Investors will be allowed to subscribe to the New Shares.
2. The Registered Shareholder will be entitled to subscribe directly to the number of his / her shares during the Subscription Period. If the Registered Shareholder buys new Rights, the Registered Shareholder will be able to subscribe to them by the end of the settlement period (two working days).
3. New investors will be entitled to subscribe to the new shares immediately after settling the rights purchase (two working days).
4. Subscription will be available electronically through investment portfolios in the trading platforms and applications, through which the sale and purchase of orders are entered, as well as through other channels and means provided by the Broker. Only approval is given to subscribe to the number of entitled New Shares according to the Rights existing in the investment portfolio.

Each Right entitles its holder to subscribe to one new share at the Offer Price. Subscriber to the new shares declares the following:

- His/her acceptance of all the subscription terms and conditions stated in this Prospectus.
- That he/she has read this Prospectus and all its contents carefully and understood its content.
- His/her acceptance of the Company By-Laws.
- He/she is committed not to cancel or amend the subscription application after its submission

14-2 Allocation Process

Rights issue shares shall be allocated to the Eligible Persons based upon the number of Rights that they properly and fully exercised. As for Shareholders entitled to fractional shares, these shall be accrued and offered to Institutional Investors during the Rump Offering Period. The total offer price of the of Rump shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump shares and fractional shares (in excess of offer price) shall be distributed to the Eligible Persons not later than ****/**/****H (Corresponding to ****/**/****G**)**. In the event that shares remain unsubscribed to, such shares will be purchased by and allocated to the underwriter.

Eligible Persons should contact the Broker through which they were subscribed to obtain any additional information. The results of the allocation will be announced no later than on ****/**/****H (Corresponding to ****/**/****G**)**.

14-3 Saudi Stock Exchange (Tadawul)

Tadawul system was established in 2001G as an alternative system for the electronic securities information system. The electronic stock trading started in the Kingdom in 1990G. The trading process is carried out through an integrated electronic system from the execution of the transaction to the settlement. Trading is conducted on each business day, from Sunday to Thursday, at one go from 10 A.M. until 3:00 P.M, during which orders are executed. Beyond such times, orders are permitted to be inserted, amended, and cancelled from 9:30 a.m. until 10 a.m.

The transactions are executed through automatic order matching, and orders are received and prioritized according to the price. In general, market orders are executed first, which are the orders that have the best prices, followed by fixed-price orders, and in the event that several orders are entered at the same price, they are executed according to the timing of the entry.

The Tadawul system distributes a comprehensive range of information through different channels, most notably the Tadawul website, where up-to date market information is provided immediately to information providers such as Reuters. Transactions are automatically settled within two business days (T + 2).

The Company must disclose all decisions, material, and important information through Tadawul. Tadawul is responsible for monitoring the market in order to ensure fairness of trading and efficiency of market operations.

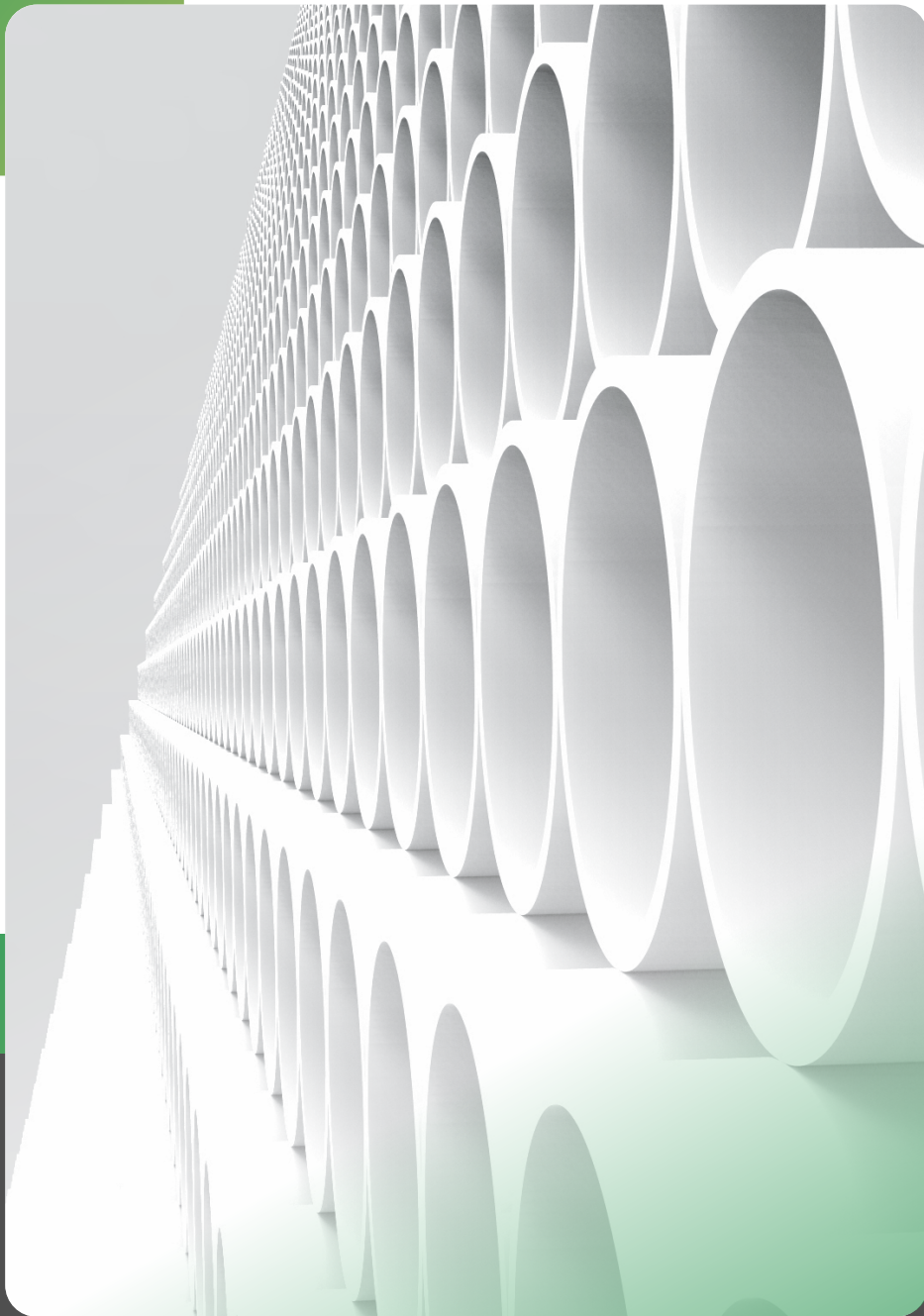
14-4 Trading of the Company shares on the Saudi Stock

An application has been submitted to CMA to register and list the Rights on the Saudi Stock Exchange and a request has been submitted to the Saudi Stock Exchange (Tadawul) for their listing. This Prospectus has been approved and all requirements have been met.

Registration and the commencement of trading in the Rights in the Saudi Stock Exchange are expected after the final allocation of the Offering Shares is completed and will be announced on Tadawul website. The dates mentioned in this Prospectus are tentative and may be changed with the approval of CMA.

Although the existing shares are listed on the Saudi Stock Exchange and the Company's Shares are listed on Saudi Stock Exchange (Tadawul), the new shares can only be traded after the final allocation of shares has been approved and deposited in the subscribers' portfolios. Trading in the new shares is strictly prohibited before the allocation is approved.

Subscribers and bidders in the Rump Offering who engage in prohibited trading activities shall bear full liability for them and the Company shall not be liable in such a case.



15.

Documents Available for Inspection

15- Documents Available for Inspection

The following documents will be available for inspection at the Company's head office located in Dammam, pn the Industrial City, PO Box 3361, Dammam 32234, Kingdom of Saudi Arabia, during official working days from Sunday to Thursday, during official working hours (from 7:00 A.M until 4:00 P.M), starting from the first working day after the date of the invitation after the date of the invitation to convene Extraordinary General Assembly, provided that this period is not less than 14 days before the date of the Extraordinary General Assembly. These documents will remain available for inspection until the end of the offering:

15-1 Documents related to incorporation and Articles of Association:

- Commercial Registration.
- Company Bylaws.
- Articles of Association

15-2 Approvals related to the Offering:

- Board of Directors 'decision recommending the increase of capital.
- Capital Market Authority's approval on the Offering of Rights.
- Approval of the Saudi Tadawul Company (Tadawul) to list the rights issue shares.

15-3 Reports, letters, and documents:

- Underwriters Agreement and the Lead Manager Agreement.
- Written consents by the Financial Advisor, Lead Manager, Underwriters, Legal Advisor and Auditors to use their names, logos and statements in the Prospectus.
- Written consents by the Auditors to use their name and logo within the Prospectus.



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