

Date 28 Shawwal 1445 AH

Corresponding to 07 May 2024 AD

Brothers / Shareholders of the Company Decent

**Subject / Notifying the Board of Directors to the General Assembly about the works and contracts between the company and the members of the Board of Directors with a statement of the interest of the members and a description of these works.**

Peace, mercy and blessings of God, and after:

With reference to Article No. (71) in the Saudi Companies Law regarding the business and contracts conducted by the company in which there is a direct or indirect interest of the member of the Board of Directors. During the year ended 31 December 2023, the Group conducted transactions, and the Group will conduct transactions during 2024, in which the direct or indirect interest of some members of the Board of Directors without any preferential privileges and on terms that do not differ from those conducted by the Group with ordinary commercial debtors and creditors within agreements authorized by the General Assembly of the Company, noting that these transactions were not conducted through competition (unless otherwise stated below). as follows:

1. The business and contracts concluded between the company and Abdul Mohsen Abdulaziz Alhokair Holding Group, in which the members of the Board of Directors have a direct interest , namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which are leases contracts for several hotels in various cities of the Kingdom without preferential conditions and benefits, noting that the transactions for the year 2023 amounted to (37,612,057) Saudi riyals.
2. The works and contracts concluded between the company and Abdul Mohsen Abdulaziz Alhokair Holding Group, in which the members of the Board of Directors have a direct interest , namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which are leases contracts for employee housing in the city of Riyadh without preferential conditions and benefits, noting that the transactions for the year 2023 amounted to (1,000,000) Saudi riyals.
3. The works and contracts concluded between the company and Abdul Mohsen Abdulaziz Alhokair Holding Group, in which the members of the Board of Directors have a direct interest , namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which are leases of buildings (exhibition, bone hangar building) in various cities of the Kingdom without preferential conditions and benefits, noting that the transactions for the year 2023 amounted to (1,250,000) Saudi riyals.
4. The works and contracts concluded between the company and Abdul Mohsen Abdulaziz Alhokair Holding Group, in which the members of the Board of Directors have a direct interest , namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is a lease contract for an entertainment center in Riyadh without preferential conditions and benefits, noting that the transactions for the year 2023 amounted to (4,500,000) Saudi riyals.
5. The works and contracts concluded between the company and Abdul Mohsen Abdulaziz Alhokair Holding Group, in which the members of the Board of Directors have a direct interest , namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is an administrative office lease contract in Riyadh without preferential conditions and benefits, noting that the transactions for the year 2023 amounted to (1,500,000) Saudi riyals.
6. The works and contracts concluded between the company and Abdul Mohsen Abdulaziz Alhokair Holding Group, in which the members of the Board of Directors have a direct interest , namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is an agreement, maintenance, operation and cleaning services without conditions and preferential benefits, noting that the transactions for the year 2023 amounted to (2,160,816) Saudi riyals.

7. The works and contracts that will take place for the year 2024 between the company and Abdul Mohsen Abdulaziz Alhokair Holding Group, in which the members of the Board of Directors have a direct interest , namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is the renewal of a hotel lease contract in the Eastern Province for a period of 8 years at 20% of revenues and a maximum annual rent amount of 3 million riyals for the year 2023, without preferential conditions and benefits.
8. The works and contracts that will take place for the year 2024 between the company and Abdul Mohsen Abdulaziz Alhokair Holding Group, in which the members of the Board of Directors have a direct interest , namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is the amendment of a hotel lease contract in the Eastern Province to a hotel management revenue contract for a period of 98 months at a value of 92 thousand riyals per month, without preferential conditions and benefits. Note that transactions during the 9 months of 2023 amounted to (828,000) Saudi riyals.
9. The business and contracts that will take place for the year 2024 between the company and Abdul Mohsen Abdulaziz Alhokair Holding Group, in which the members of the Board of Directors have a direct interest , namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is the amendment of a hotel lease contract in the southern region to a hotel management revenue contract for a period of 125 months at a value of 55,826 thousand riyals per month. Without preferential conditions and benefits, noting that transactions during 9 months of 2023 amounted to (502,434) Saudi riyals.
10. The business and contracts concluded between the company and Tanami Arabia Company Ltd. (in which Abdul Mohsen Holding Group Company owns 50%) and in which the members of the Board of Directors have an indirect interest, namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is a hotel lease contract and an administrative office without preferential conditions and benefits, noting that the transactions for the year 2023 amounted to ( 3,346,935) Saudi riyals.
11. The works and contracts concluded between the company and the Sami Abdul Mohsen Al-Hokair Foundation, in which the member of the Board of Directors, Mr. Sami Al-Hokair, has a direct interest, and the members of the Board of Directors have an indirect interest, namely Mr. Majid Al-Hokair and Mr. Bandar Al-Hokair, which is a lease contract for a building for employees housing without conditions or preferential benefits, noting that the transactions for the year 2023 amounted to (65,790) Saudi riyals.
12. The works and contracts concluded between the company and Tabuk Commercial and Entertainment Projects Company (owned by Abdul Mohsen Alhokair Holding Company and Abdul Mohsen Alhokair & Sons Company), in which the members of the Board of Directors have an indirect interest, namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is a Tabuk Commercial Center contract without preferential conditions and benefits, noting that the transactions for the year 2023 amounted to (2,500,000) Saudi riyals.
13. The works and contracts that will take place for the year 2024 between the company and Riyadh Plastic Factory Company (owned by Mr. Abdul Mohsen Al-Hokair and Cosmoplast Riyadh Company - of which Abdul Mohsen Abdulaziz Al-Hokair Holding Group Company owns 35%, and the members of the Board of Directors have an indirect interest, namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is a contract for the supply of plastics without conditions or preferential benefits. According to the quotations submitted competitively, noting that the transactions for the year 2023 amounted to (349,157) Saudi riyals.
14. The works and contracts concluded between the company and Riyadh Plastic Factory Company (owned by Mr. Abdul Mohsen Al-Hokair and Cosmoplast Riyadh Company - which Abdulmohsen Abdulaziz Al-Hokair Holding Group Company owns 35% -) and in which the members of the Board of Directors have an indirect interest, namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is a lease contract for 5 hangars in Al-Baraka warehouse in Riyadh without conditions or preferential benefits, noting that the transactions for the year 2023 amounted to (200,000) Saudi riyals.

15. The works and contracts that will take place for the year 2024 between the company and Majid Al-Hokair Press, in which the member of the Board of Directors, Mr. Majid Al-Hokair, has a direct interest, and the members of the Board of Directors have an indirect interest, namely Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is a contract for the supply of design and printing works without conditions or preferential benefits according to the quotations submitted competitively, noting that the transactions for the year 2023 amounted to (16,951) Saudi riyals.
16. The works and contracts concluded between the company and Mr. Musaed Al-Hokair, which the members of the Board of Directors, Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, have an indirect interest, which is an employee housing lease contract without conditions or preferential benefits, noting that the transactions for the year 2023 amounted to (1,046,250) Saudi riyals.
17. The works and contracts that will take place for the year 2024 between the company and Mr. Majid Abdul Mohsen Al-Hokair and the heirs of Khaled Al-Hokair (they are Bandar Khalid bin Abdul Mohsen Al-Hokair, Bader Khalid bin Abdul Mohsen Al-Hokair, and Ahmed Khalid bin Abdul Mohsen Al-Hokair) in which the members of the Board of Directors have a direct interest, namely Mr. Majid Al-Hokair and Mr. Bandar Al-Hokair and an indirect interest for the member of the Board of Directors, Mr. Sami Al-Hokair, which is an extension of the lease contract of a land on which a warehouse is built on Al-Kharj Road - Riyadh, without conditions and preferential benefits for a period of 10 years, noting that financial transactions for the year 2023 are free of charge.
18. The works and contracts that will take place for the year 2024 between the company and Al-Hokair Company for the manufacture of recreational games (owned by Mr. Abdul Mohsen Al-Hokair, Majid Al-Hokair and Sami Al-Hokair), in which the members of the Board of Directors have a direct interest, namely Mr. Majid Al-Hokair and Mr. Sami Al-Hokair, and the member of the Board of Directors, Mr. Bandar Al-Hokair, has an indirect interest, which is a maintenance contract for games without conditions and preferential benefits according to the quotations provided competitively. Note that there are no financial transactions during 2023.
19. The works and contracts that will take place for the year 2024 between the company and MENA Company for Education and Human Resources Development "Abdul Mohsen Alhokair Institute for Hotel Training" (owned by Abdul Mohsen Abdul Aziz Alhokair Holding Group and Abdul Mohsen Abdul Aziz Alhokair Company Ltd.), in which the members of the Board of Directors have an indirect interest, namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is a training agreement for employees and The group also offers hotel rooms to the institute's employees at prices traded in hotels without conditions or preferential benefits, noting that the transactions for the year 2023 amounted to (306,273) Saudi riyals.
20. The business and contracts concluded between the company and Half Moon Beach Company (in which Abdul Mohsen Abdul Aziz Alhokair Holding Group owns), in which the members of the Board of Directors have an indirect interest, namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is an investment and operation agreement for Half Moon Beach Hotel without conditions or preferential benefits, noting that the transactions for the year 2023 amounted to (4, SAR 389,802).
21. The business and contracts concluded between the company and Mr. Abdul Mohsen Alhokair, in which the members of the Board of Directors have an indirect interest, namely Mr. Majid Al-Hokair, Mr. Sami Al-Hokair and Mr. Bandar Al-Hokair, which is a management agreement for Mina Hotel and Mina Hotel Apartments - Dubai without preferential conditions and benefits as follows: (management fees 2% of total sales, management incentives 6% of total operating profit, and marketing and advertising fees 2% of room revenues), noting that the transactions for the year 2023 amounted to (2,244,222) Saudi Riyal.
22. The works and contracts concluded between the company and Hamat Holding Group Company and its subsidiaries, in which the member of the Board of Directors has an indirect interest, Mr. Amr El-Galal. They are leases for several entertainment centers in various regions of the Kingdom without conditions or preferential benefits. Note that the transactions for the year 2023 amounted to (10,416,000) Saudi riyals.

23. The works and contracts concluded between the company and ALARGAN Real Estate Investment Projects Company, in which the member of the Board of Directors, Mr. Iyad Al-Benyan, has an indirect interest. It is a recreational center lease contract without conditions or preferential benefits. Note that the transactions for the year 2023 amounted to (786,250) Saudi riyals.
24. The works and contracts that will take place for the year 2024 between the company and Mr. Faisal Al-Malik, in which the member of the Board of Directors, Mr. Faisal Al-Malik, has a direct interest, which is a lease contract for employees housing in Riyadh for a period of 5 years with an annual amount of (200,000) riyals without conditions or preferential benefits.

**Accept your happiness with my sincere greetings and appreciation.**



**Independent auditor's report to the shareholders of  
Abdulmohsen Al-Hokair Group for Tourism and Development Company  
(A Saudi Joint Stock Company)**

**Opinion**

We have audited the consolidated financial statements of **Abdulmohsen Al-Hokair Group for Tourism and Development Company** (the "Company") and its subsidiaries together (the group), which comprise of the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss, and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty relating to going concern**

We draw attention to Note 2 to the accompanying consolidated financial statements, which indicates that the Group incurred a net loss of Saudi Riyals 89.6 million for the year ended December 31, 2023 resulting in accumulated losses of Saudi Riyals 114.2 million as at December 31, 2023. In addition, the Group's current liabilities exceeded its current assets by Saudi Riyals 309.5 million as at December 31, 2023. The Group is mainly dependent on the successful execution of the Group's business plans to generate sufficient cash flows so as to enable it to both meet its obligations as they fall due and maintain the continuity of its operations without significant curtailment. As further described in Note 2, these conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other matter**

The consolidated financial statements for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion in their report dated to April 9, 2023.



**Independent auditor's report to the shareholders of  
Abdulmohsen Al-Hokair Group for Tourism and Development Company  
(A Saudi Joint Stock Company) - Continued**

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b><i>Key audit matter</i></b>	<b><i>How the matter was addressed in our audit</i></b>
<p><b>Impairment of property and equipment</b></p> <p>The consolidated financial statements of the Group for the year ended December 31, 2023, show property and equipment valued at SR 794.89 million. Management identified a decline in operating income and cash flows for certain assets, which triggered a review of their recoverable value. This review found that specific hotels and entertainment centers had a recoverable amount lower than their recorded value. Consequently, an impairment loss of SR 3.15 million was recognized for 2023.</p> <p>We considered the impairment of property and equipment as a key audit matter, as the impairment assessment involves a significant degree of management judgment involved in estimating the recoverable amounts. This estimate relies on assumptions such as projected revenue, costs, growth rates, and discount rates. The accuracy of these assumptions directly impacts the impairment loss amount.</p> <p>Refer to the consolidated financial statements note 3.5(n) for the significant accounting policy relating to impairment of non-current assets, note 4 for the significant accounting estimates, assumptions and judgements relating to impairment of non-financial assets, and note 6 for related disclosure.</p>	<p><b>We performed the following procedures:</b></p> <ul style="list-style-type: none"> <li>• Obtained managements assessments and the underlying key assumptions used in their calculations. Subsequently, we undertook the following procedures to assess the reasonableness of these assessments: <ul style="list-style-type: none"> <li>- Verified the accuracy and completeness of data used in impairment assessments through a thorough comparison with supporting documents.</li> <li>- Independently verified the mathematical calculations employed in the impairment assessments to confirm their accuracy and consistency.</li> </ul> </li> <li>• Assessed the adequacy and appropriateness of the Group's disclosure in respect of underlying assumptions, estimates used to determine impairment loss for respective CGU in the consolidated financial statements.</li> </ul>

**Independent auditor's report to the shareholders of  
Abdulmohsen Al-Hokair Group for Tourism and Development Company  
(A Saudi Joint Stock Company) - Continued**

**Other information**

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of management and Those Charged with Governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those Charged with Governance, in particular the Board of Directors for the Company are responsible for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



**Independent auditor's report to the shareholders of  
Abdulmohsen Al-Hokair Group for Tourism and Development Company  
(A Saudi Joint Stock Company) - Continued**

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.



**Independent auditor's report to the shareholders of  
Abdulmohsen Al-Hokair Group for Tourism and Development Company  
(A Saudi Joint Stock Company) – Continued**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For BDO Dr. Mohamed Al-Amri & Co.

Maher Al-Khatieb  
Certified Public Accountant  
Registration No. 514



Riyadh on 5 Shawwal 1445(H)  
Corresponding 14 April 2024 (G)

<b>Faisal bin Mohammed Al Malik</b>	Abdul Mohsen Al Hokair and Sons Holding Company	Investing and owning shares in companies working in the field of establishing and operating hotels and furnished apartments, after-market services for others, and import and export services for others.
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S#	NAME	THE COMPANY NAME	NATURE OF BUSINESS
1	<b>Sami Abdul Mohsen Alhokair</b>	Abdul Mohsen Al Hokair & Sons Holding Company	Investing and owning shares in companies engaged in the construction and operation of hotels, furnished apartments , post-marketing services for third parties and import and export services for others.
2		Real Estate Development and tourism company Toresco	Management and operation of leisure centers, establishment management and operation of hotels
3		Europmen company for tourism and hotel investment.	Managing amusement parks games and tourism promotion
4		Abdul Mohsen Abdulaziz Al Hokair Holding Company	Investing and owning shares in companies engaged in the construction and operation of hotels, furnished apartments , post-marketing services for third parties and import and export services for others.
5		Tanami Arabia Company Limited	Establishment, management, operation and maintenance of projects, commercial complexes and central markets, management, development and maintenance of real estate and residential and commercial complexes by selling or renting for the benefit of the company, import and export services, marketing to others, wholesale and retail trade in furniture, decoration, building materials,