



BINDAWOOD HOLDING COMPANY SUPPLEMENTARY PROSPECTUS

This Supplementary Prospectus (“**Supplementary Prospectus**”) is a supplement to, and must be read in conjunction with the Red Herring Prospectus dated 09/11/1441H (corresponding to 30 June 2020G) (the “**Red Herring Prospectus**”) issued by BinDawood Holding Company (the “**Company**”) in connection with the offering of twenty two million eight hundred and sixty thousand (22,860,000) ordinary shares representing 20.0% of the Company’s issued share capital (the “**Offering**”).

Financial Advisors, Coordinators, Bookrunners and Underwriters



J.P.Morgan

Senior Bookrunner,
Coordinator and Underwriter



Lead Manager, Coordinator,
Bookrunner and Lead Underwriter



Receiving Banks



Important Notice:

This Supplementary Prospectus includes information submitted as part of the application for registration and offer of securities given in compliance with the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority (“CMA”) and the application for listing securities in accordance with the requirements of the Listing Rules of the Saudi Stock Exchange. The Directors of the Company, whose names appear on page [v] of the Red Herring Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained this Supplementary Prospectus and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Saudi Stock Exchange (“Tadawul”) do not take any responsibility for the contents of this Supplementary Prospectus, do not make any representations 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 Supplementary Prospectus.

For purposes of the Offering in the Kingdom of Saudi Arabia, (i) this Supplementary Prospectus is an unofficial English translation of the official Arabic Supplementary Prospectus and is provided for information purposes only and (ii) the Arabic Supplementary Prospectus published on the CMA’s website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two versions.

This Supplementary Prospectus is dated 14/02/1442H (corresponding to 1 October 2020G).

بن داود
Bin DAWOOD
HOLDING القابضة



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WHITE & CASE

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**Note:**

All the above-mentioned Advisors and Independent Auditor have given and have not withdrawn their written consent, until the date hereof, to the publication of their names, logos and statements attributed to them in the context in which they appear in this Supplementary Prospectus, and do not themselves, their employees, or any of their relatives have any shareholding or interest of any kind in the Company or any of its Subsidiaries as at the date of this Supplementary Prospectus.

1. THE COMPANY

BinDawood Holding Company is a joint stock company established under commercial registration no. 4031063470 dated 16/08/1432H (corresponding to 17 July 2011G) pursuant to ministerial resolution no. Q/266, dated 12/08/1438H (corresponding to 8 May 2017G). The current share capital of the Company is one billion one hundred and forty three million Saudi Riyals (SAR 1,143,000,000) divided into one hundred and fourteen million three hundred thousand (114,300,000) ordinary shares with a fully paid-up nominal value of ten Saudi Riyals (SAR 10) per share. The Company's registered Head Office according to its commercial register is located at Alaziziya, Main Road, Makkah.

2. DIRECTORS' DECLARATIONS

The Directors whose names appear on page (v) of the Red Herring Prospectus hereby acknowledge and confirm the following:

- save as disclosed in this Supplementary Prospectus, no significant change in material matters disclosed in the Red Herring Prospectus or additional significant matters have arisen; and
- that this Supplementary Prospectus was presented to the CMA and issued on 14/02/1442H (corresponding to 1 October 2020G), and that it supplements the Red Herring Prospectus issued by the Company dated 09/11/1441H (corresponding to 30 June 2020G) and published on the CMA's website on 12/01/1442H (corresponding to 31 August 2020G).

3. NOTICES

The Company, the Selling Shareholders and the Joint Financial Advisors draw the attention of the recipients of this Supplementary Prospectus to the importance of considering and abiding by all of the terms and restrictions relating to the Offering set forth in the Red Herring Prospectus.

This Supplementary Prospectus should be read in conjunction with the Red Herring Prospectus and prior to making an investment decision, each recipient of this Supplementary Prospectus is responsible for obtaining independent professional advice (in the case of investors in the Kingdom, from a CMA licensed financial advisor) in relation to the Offering. Each recipient of this Supplementary Prospectus must rely on its own examination of the Company and the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Offer Shares.

It should also be noted that Participating Parties who submitted applications to subscribe to the Offer Shares prior to the publication of this Supplementary Prospectus may cancel or amend their application to subscribe to said shares before the end of the Offering Period, in accordance with Paragraph (d) of Article (32) of the Rules on the Offer of Securities and Continuing Obligations.

Defined terms used in this Supplementary Prospectus shall have the same meaning ascribed to them in the Red Herring Prospectus. Such terms are defined in Section 1 ("**Definitions and Abbreviations**") of the Red Herring Prospectus. This Supplementary Prospectus may not be distributed and the Offer Shares may not be sold to any person other than the Participating Parties and/or Individual Investors described in the Red Herring Prospectus.

4. REASONS FOR THE ISSUANCE OF THIS SUPPLEMENTARY PROSPECTUS

In accordance with Article 32 of the OSCOs, an issuer must submit a supplementary prospectus to the CMA if at any time after the prospectus has been published, and prior to the completion of the Offering, an issuer becomes aware that:

- 1- there has been a significant change in material matters contained in the prospectus; or
- 2- significant matters have become known which would have been required to be included in the prospectus.

The Company has become aware of additional significant matters that it considers need disclosing as shown in this Supplementary Prospectus.

5. AMENDMENTS TO CERTAIN INFORMATION IN THE RED HERRING PROSPECTUS

Table 1-3 (“Expected Offering Timetable”) of the Red Herring Prospectus is amended to read as follows:

Table (1-3): Expected Offering Timetable

Expected Offering Timetable	Date
Amendment or cancellation Period for Participating Parties’ orders in the event any Participating Parties elect to amend or cancel their orders and the completion of the Book-Building Period	Resuming on 14/02/1442H (corresponding to 01/10/2020G) and ending on 18/02/1442H (corresponding to 05/10/2020G)
Submission Period for Individual Investors	Starting from on 21/02/1442H (corresponding to 08/10/2020G) and ending on 25/02/1442H (corresponding to 12/10/2020G)
Deadline for submission of Subscription Forms by Participating Parties based on the initial allocation of Offer Shares	20/02/1442H (corresponding to 07/10/2020G)
Deadline for submission of Retail Subscription Forms and payment of the subscription monies by Individual Investors	25/02/1442H (corresponding to 12/10/2020G)
Deadline for payment of subscription money by Participating Parties based on their initially allocated Offer Shares	25/02/1442H (corresponding to 12/10/2020G)
Announcement of final Offer Shares allotment	28/02/1442H (corresponding to 15/10/2020G)
Refund of excess subscription monies (if any)	03/03/1442H (corresponding to 20/10/2020G) at the latest.
Expected trading commencement date for the Shares	Trading of the Offer Shares on the Exchange is expected to commence after all relevant legal requirements and procedures have been fulfilled. Trading will be announced in local newspapers and on the Tadawul website (www.tadawul.com.sa).

Note 1: Participating Parties that have not previously participated in the Book-Building process cannot submit an application.

Note 2: The above timetable and dates therein are indicative. Actual dates will be communicated through announcements appearing in national daily newspapers, on the Tadawul website (www.tadawul.com.sa), the Company’s website (www.bindawoodholding.com) and the websites of the Financial Advisors (www.goldmansachs.com/worldwide/saudi-arabia/ and www.jpmorgansaudiarabia.com) and the website of the Lead Manager (www.alahlicapital.com).

6. RELATED PARTY TRANSACTIONS

From 2 July 2020G to 20 September 2020G, the Company (directly and through its Subsidiaries) advanced funds to Amwaj Real Estate Company Ltd. (“**Amwaj**”) and AlQimma Hotels Company Ltd. (“**AlQimma**”) (both Related Parties), whereby board members Abdulrazzag Dawood BinDawood, Abdulkhalik Dawood BinDawood, and Khalid Dawood BinDawood hold an indirect ownership stake in these two companies). These two companies used these funds to pay off short-term loans granted to them mainly with the aim of financing Amwaj’s purchase of a property leased by the Company, namely its branch in the Heraa district of Jeddah (for more details about this lease agreement, please refer to Table 12-36 (“**Store Lease Agreements entered by BDSS for Stores it operates**”) of the Red Herring Prospectus), in addition to Amwaj and AlQimma’s payment of other obligations, including, but not limited to, the development of other real estate projects; provided that both Amwaj and AlQimma would repay the full amount to the Company during September 2020G.

The Company advanced Amwaj and AlQimma the sums of SAR 176.8 million and SAR 106.6 million, respectively, and, as at 20 September 2020G, the total amount of said advances was SAR 283.4 million. The funds were accounted for in the accounting records of the Company as “due from related parties”. All amounts were repaid to the Company on 21 and 22 September 2020G, and as of 22 September 2020G, and since that date (including the date of this Supplementary Prospectus), there is no outstanding balance. Further, as of 30 June 2020G, there is no outstanding non-contractual (which do not constitute obligations from or to the Company, in exchange for, among other things, service agreements, lease agreements or commercial agreements) related party balance, as per the reviewed financials. As of 29 September 2020 (following the repayment of the SAR 283.4 million), based on management estimates, the contractual amount due from related parties balance is SAR 1.6 million, and the due to related parties balance is SAR 18.0 million (respectively SAR 2.4 million and SAR 16.3 million as of H1-2020).

The Executive Committee (comprised of the members whose names are listed in Table 5-5 (“**Executive Committee Members**”) of the Red Herring Prospectus) authorized each transfer of funds to Amwaj and AlQimma and authorized the Chairman of the Board of Directors to carry out bank transfers, overlooking applicable Companies’ Law and corporate governance requirements as well as the Company’s internal policy which would have required the approval of the Audit Committee. The funds were accounted for in the accounting records of the Company as “due from related parties”.

During the independent auditors’ process of issuing the comfort letter, said incidents were brought to the attention of the Audit Committee, the Board of Directors and the CMA. A Board Meeting was then called to discuss the matter and take corrective measures, with a determination made to submit this Supplemental Prospectus to the CMA.

In addition to ensuring that Company governance procedures and controls are duly implemented and abided by so as to ensure the absolute prohibition of any transfers, payments or transactions that are not conducted in accordance with the governance policies and procedures adopted by the Company and all applicable laws and governance regulations, the Audit Committee and Board of Directors resolved on 24 September 2020G to take all corrective measures to ensure that such events are not repeated in the future and certain additional measures to enhance controls and governance, including the following:

- Expand the role of the Company’s third party internal audit service provider (PwC) (having been appointed for the period from 2 February 2020G until 2 February 2021G), to review undertaken Related Party transactions and recommend corrective measures (if necessary), in addition to any actions that were previously taken to prevent the recurrence of any similar contraventions to governance policies in the future. This workstream is projected to be concluded within 30 days from the aforementioned Board decision.
- Within 30 days from the aforementioned Board decision, appoint a Head of Internal Audit possessing competency and qualification in the field, to work alongside PwC who are currently appointed to provide internal audit services to the Company.
- Ascertain that all Related Party transactions entered into by the Company must be entered into in accordance with the Company’s internal control framework and the applicable laws and regulations for approving any such transactions, and the Audit Committee’s unanimous approval must be obtained prior to undertaking any payments to Related Parties. Said procedure shall include entering into new transactions with Related Parties.
- Monthly reconciliation of Related Party balances and monthly movements in Related Party accounts to be shared with the Audit Committee and Board of Directors commencing in Q3 2020G.
- Provide additional training to the members of the Board and the committees, as well as to all C-level Management, on the Company’s Corporate Governance Manual, as well as the CMA rules and regulations by the Company’s external legal counsel (Abdulaziz Al Ajlan and Partners, lawyers and legal advisors) within 60 days from the aforementioned Board decision.

Additional measures to enhance controls and governance

- Recompose the Executive Committee as of the date of issuance of this Supplementary Prospectus, and amend Table 5-5 (“**Executive Committee Members**”) of the Red Herring Prospectus as follows:

Table (5-5): Executive Committee Members*

	Name	Title
1	Abdulrazzag Dawood BinDawood	Chairman
2	Abdulkhaliq Dawood BinDawood	Member
3	Walid Michel Majdalani	Member
4	Nitin Khanna	Member

** For more details on the biographies of Executive Committee members, please refer to Section 5-1-3 (“**Biographies of the Members and Secretary of the Board**”) of the Red Herring Prospectus.*

Source: Company information.

- Implement limits to the authority of the Executive Committee pursuant to which any transfer or series of connected transfers, payments or transactions (i.e. relating to the same business purpose) with a value in excess of SAR 100,000,000 per annum would require Board approval.

In considering the above, investors’ attention is also drawn to Sections 2.1.10 (“**Risks associated with the Company’s Related Party Transactions**”), 2.1.29 (“**The Company’s implementation of a newly adopted Corporate Governance Manual**”) and 2.1.30 (“**Management’s insufficient experience in managing a publicly listed company**”) of the Red Herring Prospectus, which should be read in light of the disclosures made above in Section 6 of this Supplementary Prospectus.

Wherever stated in the Red Herring Prospectus, all relevant disclosures, statements and declarations shall be read in conjunction with this Supplementary Prospectus and shall be deemed amended in accordance with the disclosures contained in this Supplementary Prospectus. In particular, the statements included in Sections 5.6 (“**Conflict of Interest**”), 11 (“**Declarations**”), and 12.7 (“**Transactions and Contracts with Related Parties**”) of the Red Herring Prospectus shall be deemed amended and supplemented in accordance with the disclosures made in this Supplementary Prospectus.

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