



الشركة السعودية للأسماك  
SAUDI FISHERIES COMPANY

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SAUDI FISHERIES COMPANY

## **Annual report for the fiscal year ended December 31, 2023**

## Foundation

The Saudi Fish Company was established in 1401 AH (1981 AD) as a Saudi joint stock company by Royal Decree No. M/7 and 09/05/1401 AH corresponding to 1981/03/16 AD. The State contributes 40% of its capital through the ownership of the Saudi Agricultural Investment Company Salk, a listed joint stock company established in accordance with the provisions of the companies' regulations and regulations.

## Activities

The activities of the Saudi Fishing Company are to fish and exploit the living water resources in the Kingdom's waters and in regional and international waters within the limits of the laws and regulations in this regard. They are also to be manufactured and marketed domestically and abroad, as permitted by the Kingdom's regulations. They include the provision of cooked seafood, shrimp cultivation, the packing, conservation and canning of fish and shrimp, the fishing and marketing of ornamental fish, the wholesale and retail trade in fish, shrimp and other marine products, shrimp fodder, and cleaning materials. The company carries out its activities in accordance with the regulations in force and after obtaining the necessary licenses from the competent authorities.

## Capital

The company's authorized and paid-up capital is SAR 400,000,000 divided into 40,000,000 shares, with a face value of SR 10.

## Vision

The company should be a successful economic enterprise that achieves the goals of investors and maximizes their wealth, maintain its leading position in the marine products sector, contribute to the achievement of food security goals and bases, and improve the pattern of consumption of healthy foods.



## Message and Task

To contribute actively and concretely to promoting and supporting initiatives to improve food security in Saudi Arabia primarily and to raise the level of consumption of seafood through the provision of a variety of high-value, high-quality marine products to the highest global standards to ensure the full satisfaction of our customers and to achieve our long-term vision.

## Goals

- Integration with the Kingdom Vision 2030 and Vision Realization Programs, mainly in terms of developing marine resource investments, food security and improving quality of life.
- The building of a successful and positive economic entity in the sectors in which it operates and deals.
- Achieve an appropriate level of growth in the return on investment of our shareholders coupled with balanced growth in property rights.
- Optimize and develop the business model to match external variables and internal capabilities of the company.
- Strengthen and utilize expertise to achieve positive growth in the marine wealth investment sector locally and regionally.
- The conclusion of internal and external alliances at the level of the sectors in which we work with successful local, regional and international institutions to transfer successful experience and exchange technical expertise in all fields.



## 1- Results of the company's business

### 1.a Sales by product

The company's sales in 2023 amounted to SR 52,208,079 up 7% from the previous year 2022. Shrimp sales accounted for 70% of the company's total sales, followed by fish sales at 29% of the total sales, while meal sales and other sales accounted for 8%. The following table shows an analysis of activity by products sold for 2023 compared to 2022 results:

Activity analytics by product	2022 AD	Rate	2023 AD	Rate
Fish sales	15,306,766	31%	11,533,982	22%
shrimp sales	24,381,795	50%	36,302,183	70%
Sales of Manufactures and Other	9,126,954	19%	4,371,914	8%
<b>Total</b>	<b>48,815,516</b>	<b>100%</b>	<b>52,208,079</b>	<b>100%</b>

### 1.b Sales by activity type

Wholesale and retail sales accounted for 77%, 23% respectively of the company's total sales while there is no sales of boats in the current year due to their leasing. The following table shows the distribution of sales by sales channels for 2023 compared to 2022 results:

Activity analysis by sales methods	2022 AD	Rate	2023 AD	Rate
Retail sales	23,293,234	48%	12,112,228	23%
Wholesale sales	23,381,908	48%	40,095,852	77%
Boat sales	2,140,374	4%	–	–
<b>Total</b>	<b>48,815,516</b>	<b>100%</b>	<b>52,208,079</b>	<b>100%</b>



### 1.c. Sales by geographical region

The company's sales were SAR 52,208,079 in 2023, with the western region accounting for the company's highest sales at 42% of total sales, with sales in the eastern, central and southern regions as well as foreign sales at 6%, 38%, 14%, respectively, as shown in the following table:

Sales analytics by region	2022 AD	Rate	2023 AD	Rate
Eastern Region	5,765,505.44	12%	3,352,502	6%
Central Region	19,611,275.28	40%	19,684,841	38%
Western Region	10,482,748.09	21%	21,997,983	42%
Southern Region	12,956,287.19	27%	7,172,753	14%
<b>Total</b>	<b>48,815,516</b>	<b>100%</b>	<b>52,208,079</b>	<b>100%</b>

### 1.d Comparative analysis

A comparative analysis of the company's business results for 2023 and 2022 shows a 7% rise in the company's sales, accompanied by a 107% drop in total profit. As for sales and distribution expenses, these expenses decreased by 9%, with a 11% decrease in administrative and public expenditures. The operational loss increased by 4%, as shown in the following table:

Item	2022 AD	2023 AD	Changes	change ratio
Income	48,815,516	52,208,079	3,392,563	7%
Revenue cost	(70,079,447)	(96,170,406)	26,090,959	37%
Total Profit	(21,263,931)	(43,962,327)	22,698,396	107%
Sales and distribution expenses	(22,186,059)	(20,099,595)	2,086,464	-9%
public and administrative expenses	(22,694,467)	(20,193,543)	2,500,924	-11%
operational loss	(58,639,047)	(79,429,190)	20,790,143	35%



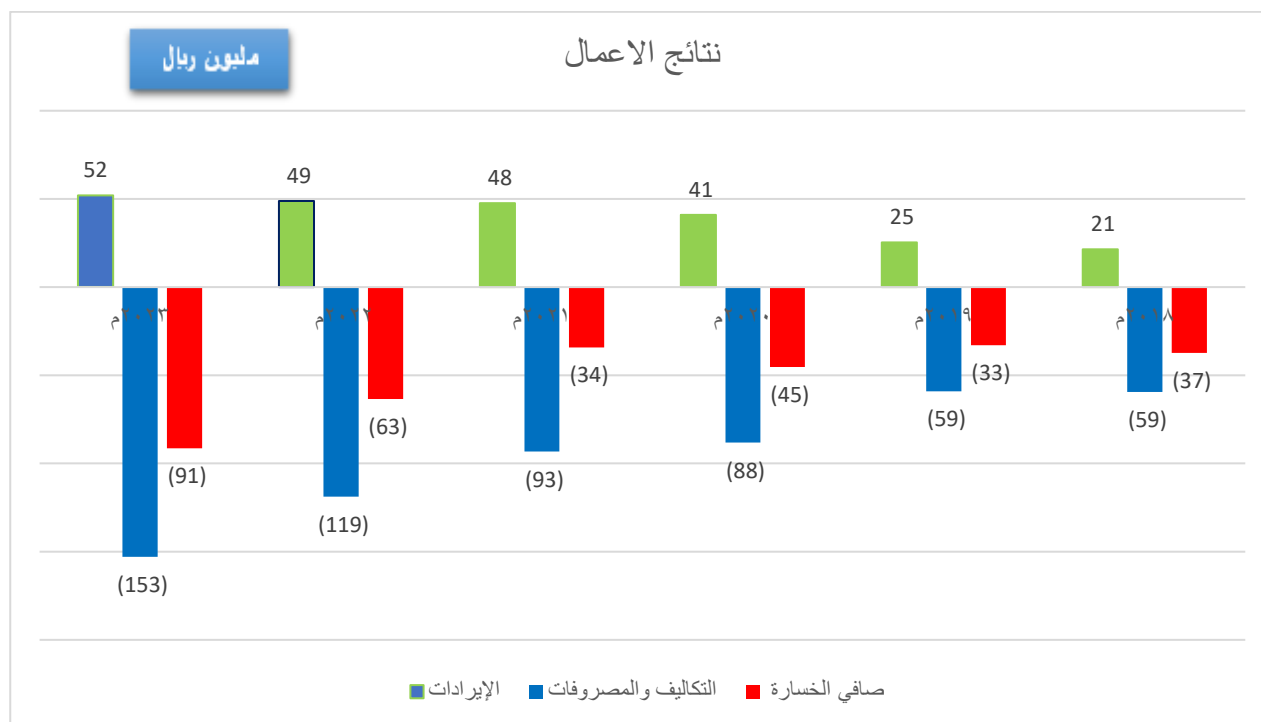
### 1.e. Five-year results

The following table shows the company's business results for the 2019-2023 financial period.

Item	2023 AD	2022 AD	2021 AD	2020 AD	2019 AD
Income	52,208,079	48,815,516	47,586,405	40,947,697	25,330,413
Costs and expenses	(153,070,417)	(118,868,051)	(96,636,694)	(88,173,173)	(59,148,728)
Net loss	(100,862,338)	(70,052,535)	(49,050,284)	(47,225,476)	(33,818,315)
Before other revenue					
Net loss (Saudi Riyal)	(91,438,411)	(63,389,796)	(34,184,824)	(45,213,899)	(33,029,460)

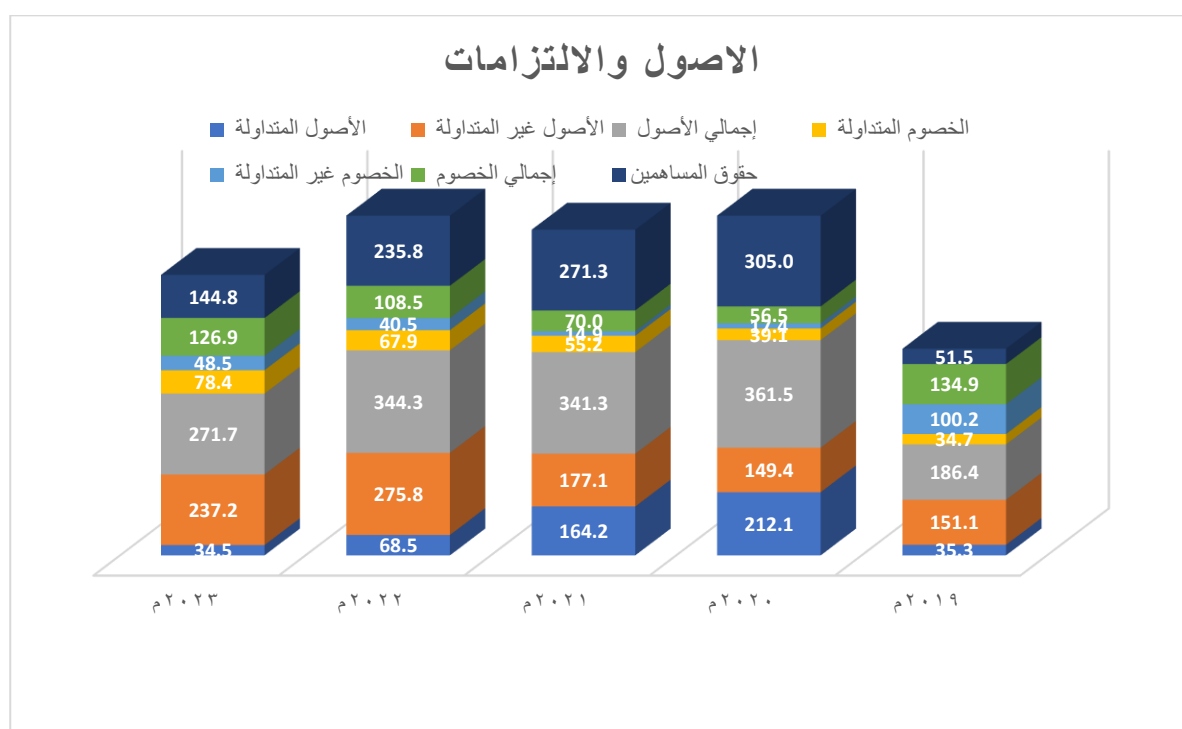
### 1-A comparative analysis of the company's five-year assets and liabilities

The following table shows the total assets of the company decreased from 334 million Saudi Riyals in 2022 to 271 million Saudi Riyals in 2023. The total liabilities of the company increased from 108 million Saudi Riyals in 2022 to 126 million Saudi Riyals in 2023 as follows:





Statement	2023 AD	2022 AD	2021 AD	2020 AD	2019 AD
<b>Current assets</b>	34,533,088	68,453,794	164,230,131	212,134,747	35,283,993
<b>Non-current assets</b>	237,207,180	275,802,691	177,067,318	149,401,394	151,129,580
<b>Total assets</b>	<b>271,740,268</b>	<b>344,256,485</b>	<b>341,297,449</b>	<b>361,536,141</b>	<b>186,413,573</b>
<b>Current liabilities</b>	78,399,332	67,912,112	55,156,258	39,104,908	34,708,653
<b>Non-current liabilities</b>	48,547,917	40,543,736	14,872,115	17,410,014	100,200,783
<b>Total liabilities</b>	<b>126,947,247</b>	<b>108,455,848</b>	<b>70,028,373</b>	<b>56,514,922</b>	<b>134,909,436</b>
<b>Shareholder rights</b>	<b>144,793,019</b>	<b>235,800,637</b>	<b>271,269,076</b>	<b>305,021,219</b>	<b>51,504,137</b>





## 1.G Loans and credit facilities

Donor name	Origin and Additions of Loan	Loan duration	Paid during the year	Loan balance	total indebtedness
<b>Agricultural Development Fund</b>	10,010,880	9 years	0	3,304,320	4,471,307
<b>Al-Rajhi Bank</b>	39,812,321	4 years	0	39,812,321	39,812,321
<b>Bank of Bahrain</b>	10,000,000	One year	10,000,000	0	0

### 1.h. Outstanding and reimbursable regular payments

The following table shows the regular payments due to the Saudi Arabian Fish Company until the end of fiscal year 2023

Item	Paid during the year	Due during the year He didn't pay	Brief description
<b>Zakat</b>		2,588,279	The amount due is the zakat assessed for the year in accordance with the provisions and rules of the zakat duty.
<b>VAT</b>	734,731	734,731	Repayment or loading on year in accordance with VAT provisions and rules
<b>General Organization for Social Insurance</b>	1,942,091	102,927	Remuneration or a charge per year in accordance with the provisions of the labor law
<b>Customs duty</b>			Repaid or disbursed in accordance with the provisions of the customs system
<b>Renewal of residency, work permits and other fees</b>	2,321,447		Any visa or passport fees paid or charged to the Year based on the relevant regulations



## **2- The Company's sectors, projects and investments**

### **2. A. Aquaculture - Hareida (Aseer region)**

The company is one of the first companies working in this field in the Kingdom of Saudi Arabia. It established a shrimp farm in Hareida province on the Red Sea coast in 1991 on a 7.5 million square meter land leased from the Ministry of Environment, and Water and Agriculture. The urban farm is composed of the basic components supporting the production of shrimp. It also includes shrimp hatcheries with a production capacity of 500 million yaraqah. It still needs comprehensive maintenance and modernization of the equipment and systems for the period for which the technology of shrimp hatcheries has reached to comply with the requirements of the Ministry of Environment, Water and Agriculture. In the first stage, 1081 hectare equipped with a production capacity of 170 hectares, with a capacity of 150 hectares, with a productive capacity of 110 hectares. That's 5,000 tons a year, where I started.

Over the past three years, the farm has not recorded any viral infections or diseases, thanks to God, and thanks to civil works carried out in the past period of lining the benthic organisms that cause diseases, as well as the Karab Funs project, which limited the entry of displaced persons to the project, with the application of the highest biosecurity standards in agricultural practices, and under the supervision of the company's biosecurity team, in cooperation with the Ministry of Environment, Water, and Agriculture, which we were able to maintain the safety of the project

### **2.b Floating cages project (Asir region)**

During 2023, floating cages were started with the issuance of permits (operational environment), and the company purchased a number of brownfish fingers where harvesting began. During the experimental production processes, the project's technical team completed the renovation and maintenance of the farm's infrastructure. During 2023, the company conducted studies to expand by adding two farms in addition the first farm. The environmental permit construction permits for the two farms were issued during the year for the purpose of expansion work, which includes the northern and southern farms with 32 cages and a production capacity of 6,000 tons per year. The sites were ready to begin



construction work during the construction permit period, and mothers were and collected for the purpose of expansion by introducing new types in support of expansion plans. The three hatchery is now ready to be built and .

### **2.c. Aquarium - Qatif**

The farm was established in 1990 in the province of Qatif (Anak) and is devoted to the production of freshwater fish (tilapia) with a production capacity of 140 tons per year, which can be developed up to 300 tons per year. Located on an area of 50,000 square meters, the farm has 14 concrete basins and 28 sandbanks, with hatcheries, incubators, support facilities for farming, and an integrated fish feeding system. Work on the farm has been suspended since 2012 due to the futility of cultivating tilapia due to the cheapness of imported fish, as well as problems with the ministry's export license due to problems with the flow of water to neighboring farms. There was no maintenance or upgrade of equipment and assets in the farm causing varying damage to these assets.

### **2.d Aquaculture Project Land - Depth (Asir Region)**

Asir is located 100km north of Hareida Farm. It is leased 13.3 million square meters from the Ministry of Environment, Water, and Agriculture. A feasibility study for the project was conducted in the past, and permits were obtained to grow shrimp with a capacity of 5,767 tons, but the project was not implemented

### **2.E. Fodder factory**

Located within the perimeter of the farm, the Haridah Fodder Factory aims to produce feed to supply the company's shrimp, fish and farms with the necessary fodder and to put the surplus on sale to the local market, from which it intended to produce 96,000 tons of fodder per year. Some equipment and for the operation were purchased, and during 2022, the company signed a memorandum of understanding with the National Aquaculture Group (NAQA) to discuss future cooperation on special animal feed in and shrimp, and to examine all possible options for cooperation in this field.



### 3- Supply chain management for the year

Supply chain management is one of the most important departments, playing an important role in success and supporting all other departments by raising efficiency, improving quality, and lowering costs, which will contribute to market competitiveness.

Supply chain management is also working to reduce the differential ratio between supply and demand to reduce overhead costs by studying past data and current market situation and includes the following processes: (planning - sources, procurement - receiving, processing and packaging - storage - transport and distribution).

#### 3.a. Refrigerated warehouses

In addition to the actual operational capacity of the warehouses in all regions with a capacity of 300 tons, two cold storage in Jizan with an actual capacity of 240 tons has been equipped and operated, making the total ready capacity of the storage 540

#### 3.b Transport fleet

The company owns 30 cars divided into 28 vehicles that serve the departments and activities related to the company's business, in addition to 2 refrigerated vehicles. Added to its fleet is a long-term rental contract for 18 vehicles to transport and deliver refrigerated and frozen goods (fresh and frozen fish) from auctions, factories and warehouses in its branches to Points of sale and distribution between warehouses, stores and customers.

### 4- Land

#### 4.a. Land of the administrative building - Jeddah:

Land on which the company's branch was established, located in the governorate of Jeddah, 10 kilometers along the Mecca road and its area (11,000 square meters). It was transferred from the Ministry of the Environment, Water and Agriculture to the company by virtue of Instrument No. (317902001529) and of 11/02/1444, on the basis of Honorable Order No. (41355) and of 10/0/9/1433 A.H., approving the emptying of that land to the company, provided that it is registered in the State's share of the company's capital. The land is among the random areas that were demolished. A request for compensation has been submitted to the Jeddah Municipality, and the compensation procedure is being followed up.



#### **4.b. Land of the administrative building - Riyadh:**

Located in the Al-Malaz neighborhood, northeast of the Ministry of Finance buildings in Riyadh, the company has its headquarters space (6,264 square meters) in the Ministry of Environment, Water and Agriculture's plot of land in the Al-Malaz neighborhood in Riyadh. Sam Karim's Order No. (41355), dated 10/09/1433 AH, approving the emptying of that land to the company, was issued to be recorded as part of the State's share of the company's capital. The land was emptied for the company by Instrument No. 317901000456 and Date 07/05/1442 AH.

#### **4-C: Land of Dammam:**

The 71,794 square-meter land was leased from the State Railways Corporation and the company's building, factory and warehouses were built on it. The company later purchased it from the State Railways Corporation on January 25, 2012 for 39,245,982 riyals, but the purchase was later rejected by the State Property Authority because the sale violated the railway protection regime, in addition to violating the high orders not to grant, sell, or dispose of government land and only to lease. All required documents were submitted to the General Organization of Railways and a check was received for SR 24,381,455.60 representing the company's dues after deducting the General Authority for Zakat and Accumulated Income's dues of SR 11,322,322, in addition to deducting SR 165,000 for warehouse rent. The company has submitted the required documents to recover the remaining SR 3,377,204, and is following up on this matter.

#### **4-D Land of Khobar**

The land was leased on a 15-year contract effective 01/12/2005 and ended on 30/11/2020 with an annual amount of 55,000 SAR to an investor who erected a commercial building, and on 1/4/2021 it was rented for five years with an annual amount of 250,000 SAR, and the land is held in the Agricultural Development Fund in exchange for an expansion loan of the shrimp farm in Hareda.



#### **4-E Land of Abu Arish**

The company's space land in Jizan Province was purchased for 3,135,794 riyals with an area of 132,000 square meters. Some of the land has been deducted and part of it has been included in housing plans by the Jazan District Secretariat. Work is under way to correct and update the instrument and to claim the deducted portion of the Secretariat and the Ministry of Transport.

#### **4-And the land of Onaiza**

The company owns space in the city of Unaizah - Al Qassim district, with an area of 4,980 square meters. The last assessment was on 07/15/2020.

#### **5- The commercial sector**

The company operates in the retail and wholesale sectors, where the company currently operates a number of 6 fresh, cooked fish shops two areas in Saudi Arabia. Sales declined in 2023 by 47% from 2022 due to the closure of a number of non-remunerative stores. The company has made plans to rectify the financial situation of the shops, improve the efficiency of operating and attract new customers while preserving our permanent customers.

In 2023, the wholesale sector also achieved a nearly 60% increase in revenues from 2022 , targeting expanded customer base through the development of a number of sales channels that ensure easy access for consumers company.

#### **6- Quality**

The company's quality policy revolves around the provision of high-quality, safe products to all of our valued customers by applying the highest quality standards to ensure the quality of operational processes, including procurement, supply, storage, transportation, manufacturing, and sales in all channels. Quality management is committed to implementing global standards to ensure the safety and quality of goods. The company's quality and safety policy is implemented in accordance with the following criteria:

- ISO 9001: 2000 Quality management - Global Quality Management System.
- ISO22000: 2005 Food safety management - Global Food Safety System.
- Saudi General Authority for Food and Drug.
- Saudi Specifications and Measures Authority (SASO)
- HACCP systems Recommended by the Food and Drug Administration (FDA)

ISO certification has also been upgraded to the latest version:ISO22000:2018 - FSMS - Requirement for any organization in the food chain

## 7- Strategic directions

- Basic maintenance of the aquaculture farm in Hareida (shrimp farming sector).
- Maintenance and completion of the installation of floating cages at the aquaculture farm in Hareida and their operation in fish farming
- Work on developing existing products and services to achieve a higher market share, while developing systems for monitoring and controlling sales and branches, and improving margins by diversifying procurement sources.
- The expansion of the wholesale sector vertically in the areas currently covered parallel to the horizontal expansion of geographical coverage, mainly in the wholesale sector and secondary fragmentation to serve areas where the trademark is not available.
- Operation of factories for value-added products by attribution or partnership with others, locally and internationally, and operation of self-supporting sorting, cleaning and packing laboratories for the commercial sector.
- Completion of the maintenance and modernization of refrigerated warehouses, modernization of the transport fleet and expansion of geographical coverage of the logistics sector.



## 8- Composition of the Board of Directors and Company Committees

### 8.a Composition and classification of members

The company is managed by a nine-member board of directors, elected by the regular General Assembly of shareholders by the cumulative voting method.

The Governing Council for the session ended 24/10/2023

SN	Name	Attribute	Membership classification	Nature of membership
1	Mr. Abdul-Rahman bin Saud Al-Uwais	Chairman of the Board	non-executive	Actor (Salk)
2	Eng. Abd El-Aziz Bin Hamad Al-Awid	Vice-Chairman of the Board	non-executive	Personal capacity
3	Mr. Bakr ibn Abd al-Rahman al-Muhanna	board member	non-executive	Actor (Salk)
4	Eng. Samir Ben Mahmoud Haddad	board member	independent	Personal capacity
5	Eng. Abdul Majeed bin Abdul Muhsin Al Shaikh	board member	independent	Personal capacity
6	Eng M. Mazen Bin Abdul-Sattar Al-Alami	board member	independent	Personal capacity
7	Mr. Mansour bin Abdulaziz Al-Saghir	board member	non-executive	Personal capacity
8	Mr. Haitham Bin Mohammed Al-Gosaibi	board member	non-executive	Personal capacity
9	Mr. Khaled Abdul-Qader Al-Kaif	board member	non-executive	Personal capacity

The Governing Council of the new session on 25/10/2023

SN	Name	Attribute	Membership classification
1	Mr. Abdul-Rahman bin Saud Al-Uwais	Chairman of the Board	non-executive
2	Mr. Mansour bin Abdulaziz Al-Saghir	Vice-Chairman of the Board	non-executive
3	Eng. Abdul Majeed bin Abdul Muhsin Al Shaikh	board member	independent
4	Mr. Ahmad ibn Rashid Al Balaa	board member	non-executive
5	Eng. Said bin Abdullah Al-Muayzer	board member	independent
6	Mr. Abdul-Ilah ibn Muhammad al-Wabel	board member	independent
7	Mr. Khaled Abdul-Qader Al-Kaif	board member	independent



## **8.b. Formation of company committees**

**For the session ended on 10/24/2023**

### **Nominations and Awards Committee**

The Nomination and Remuneration Committee shall be composed of three members of the Board of Directors:

- Eng. Abdul Majid bin Abdul Muhsin Al-Sheik (Chairman).
- Eng. Abdulaziz bin Hamad Al-Owaid (member).
- Eng. Mazin bin Abdul-Sattar Al-Alami (member).

### **Executive Committee**

The Executive Committee shall consist of (4) members of the Governing Council:

- Mr. Abdul Rahman bin Saud Al-Owais (Chairman).
- Eng. Abdulaziz bin Hamad Al-Owaid (member).
- Eng. Abdul Majid bin Abdul Mohsen Al-Sheik (member).
- Mr. Haytham bin Mohammed al-Gosaibi (member).

### **Review committee**

The Audit Committee shall consist of (3) members, (2) non-executive board members and (1) non-board members, including finance and accounting specialists:

- Mr. Mansour Abdulaziz Al-Saghir (Chairman of the Committee).
- Mr. Turki bin Abdul Mohsen al-Lahidi (member) from outside the council.
- Eng. Samir Ben Mahmoud Haddad (member).





### for the new session on 25/10/2023

#### Nominations and Awards Committee

The Nomination and Remuneration Committee shall be composed of three members of the Board of Directors:

- Eng. Abdul Majid bin Abdul Muhsin Al-Sheik (Chairman).
- Mr. Ahmed bin Rashid Al Balaa (member).
- Mr. Fahd bin Mohammed al-Driss (non-council member).

#### Executive Committee

The Executive Committee shall consist of (4) members of the Governing Council:

- Mr. Abdul Rahman bin Saud Al-Owais (Chairman).
- Mr. Ahmed Rashid Al-Balaa (member).
- Eng. Khaled Abdel Qader Al-Kef (member).
- Eng. Abdul Majid bin Abdul Mohsen Al-Sheik (member).
- Mr. Turki Hadeef Al-Otaibi (non-council member)

#### Review committee

The Audit Committee shall consist of (3) members, one non-executive member of the Governing Council and two non-Governing Council members, including finance and accounting specialists:

- Dr. Sulayman bin Abdulaziz Al-Tuwaijri (Chairman of the Committee from outside the Council).
- Eng. Said bin Abdullah Al-Muaidar (member).
- Mr. Ali bin Ayed al-Qahtani (non-council member).

### 8.c. Changes in the classification and nature of membership in the board of directors and committees of the company during 2023:

SN	Name	Nature of the change	Change Date
1.	Mr. Khaled Abdul-Qader Al-Kaif	Appointment to the Board of Directors	03/11/2023



## 9- Biographies of members of the Board of Directors, Company Committees and Chief Executives:

### 9- Members of the Governing Council

#### Mr. Abdulrahman bin Saud Al-Owais - Chairman

**Qualifications:** Master's degree in Business Administration from the University of Manchester, Graduate Management Degree from the University of Nevada.

**Current positions:** CEO, National Grain Supply Company

**Previous experience and functions:** Currently serves as chief executive of the National Grain Supply Company, Chairman of the Board of Directors of the National Grain Company, member of the Company for Water and Energy, III, and Minerva Australia, Chairman of the Nomination and Remuneration Committee of the Autumn Water and Energy Company, and as former Undersecretary at the Ministry of Finance, Adviser to the Chief Executive at Salk Company, Vice-President of the National Water Joint Services Company and Director-General of the Eastern Region of the Pasture Company

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
National Grain Board	Inside the Kingdom	joint stock company
Autumn Water and Power Company	Inside the Kingdom	joint stock company
Third Mills Company	Inside the Kingdom	joint stock company
Minerva Australia Company	Outside the Kingdom	joint stock company

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
-	-	-



### Mr. Mansour bin Abdulaziz Al-Saghir - Deputy Chairman

**Qualifications:** Master's degree (Executive Business Administration) from London Business School, London in 2010 and bachelor's degree in accounting from King Abdulaziz University, Jeddah in 1993

**Present posts:** Executive Chairman of the National Bank of Bahrain, Saudi Arabia.

**Previous experience and positions:** The Saudi Dutch Bank served as the Senior Director of Commercial Relations, Assistant Director-General at Samba Financial Group, then as Chief Division of the Saudi French Bank, Chief Corporate Banker at the National Commercial Bank, Regional Chairman of Corporate Banking at the Saudi British Bank and Director of Business Development.

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
Light Buildings Company - Seborks	Inside	closed joint-stock company
Southern Region Cement Company	Inside	listed partnership
United Nations Cooperative Insurance	Inside	listed partnership
Seif Company for Commercial Agents	Inside	closed joint-stock company

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
Symbiosis	Inside	listed partnership



### **Mr. Ahmed bin Rashid Al Balaa - Board Member**

**Qualifications:** Master's degree in Business Administration from King Abdulaziz University , Bachelor's degree in Agricultural Sciences King Saud University.

### **Current Jobs:**

**Previous experience and positions:** General Director of the Rasheed Al-Balaa Agricultural Projects Foundation, General Director of the Saudi Fish Breeding Company, General Director of the International Company for Agriculture, General Director of the Red Sea Shrimp Company, and Managing Director of the National Group Company for Aquaculture.

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
National Technology Group	Inside	Limited liability
National Aquaculture Group	Inside	Limited liability

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
Saudi Arabian Fish	Inside	Limited liability
Al-Rajhi International Investment Company for International Aquaculture	Inside	Limited liability
Al-Rajhi Agricultural Investment Infrastructure	Inside	Limited liability
Saudi Grain and Forage Holding Company	Inside	Limited liability

### **Eng. Abdul Majeed bin Abdul Mohsen Al Sheik - Board member**

**Qualifications:** He received a bachelor's degree in industrial engineering from King Fahd Petroleum and Minerals University in Dhahran in 2004, a master's degree in engineering management from Brunel University in London, United Kingdom in 2006, and a master's degree in business administration from MBA from Queens University in Kingston, Canada in 2010.

**Current positions:** Chief executive and board member of Myar Holding, as well as Deputy Chairman of Misr Al Khaleej Company for Elevators and Electrical Stairs, CEO of Gulf Elevators and Stairs Ltd., CEO of Vogue Saudi Elevators and Stairs Company, and CEO of Elevator Solutions Operating and Maintenance Company. In 2021, he was appointed Vice-Chairman of the Board of Directors of Jedaya Agricultural Company as well as Vice-Chairman of the Board of Directors of the Saudi Drip Irrigation Company, Vice-Chairman of the Board of Directors of Ajda Commercial Company and Vice-Chairman of the Board of Directors of Aklan Commercial Company.

**Previous experience and positions:** He has 17 years of practical experience in finance, preparing economic feasibility studies, financial and technical analysis, and studying markets for industrial projects through working with the Saudi Industrial Development Fund in credit management. He is included in the position until he reaches the position of director of the Credit Department, in addition to being a member of the Administrative Committee, the Lending Committee and the Loan Review Committee. He has also received several courses in management, leadership, financial and credit analysis from several universities and international institutes, in addition to being an associate engineer certified by the Saudi Commission of Engineers. He also founded the Ifada Company for Economic and Industrial Consulting, which provides advisory services, evaluates investment projects and opportunities, and manages projects for the industrial sector. He held the position of managing partner for three years.

Board members or directors of existing companies:



Company Name	In/out of the Kingdom	Legal entity
Miyar Holding Company	Inside	contribution
Misr Al-Khaleej Company for Electrical Elevators and Stairs	Outside	closed contribution
Gulf Elevators and Stairs Company Limited	Inside	Limited liability
Vogue Saudi Company for Elevators and Stairs	Inside	Limited liability
elevator solution company for operation and maintenance	Inside	Limited liability
Elevator Execution Innovation Company	Inside	One person
Jedaya Agricultural Company	Inside	closed contribution
Jedaya Fodder Company	Inside	Limited liability
Jedaya Investment Company	Inside	Limited liability
Developing Food Company	Inside	closed contribution
Misr Al-Khaleej Company for Modern Industries	Outside	closed contribution
Saudi Drip Irrigation Company	Inside	Limited liability
Rasa Company for Food Industries	Inside	Limited liability
Aklan Trading Company	Inside	Limited liability

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
Ifadeh Economic and Industrial Consulting Company	Inside	solidarity



**Mr. Khalid Abdul Qader al-Kef - Board member**

**Qualifications:** Master's degree in Business Administration from Kent University, Bachelor's degree in Business and Technology Administration.

**Current positions:** CEO, Golden Frog Plantations

**Previous experience and positions:** General Manager of Radwa Saudi Food Company, CEO of Arab Poultry Nation Company and General Manager of Mars Company.

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
Food of Rome Company	Inside	closed contribution

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
Helwani Brothers Company	Inside	listed contribution

### Eng. Saeed bin Abdullah Al-Muhaithir - Board Member

**Qualifications:** Master's degree in chemical engineering from Dalhousie University Halifax , Bachelor's degree in chemical engineering m from King Saud University.

**Current positions:** Board member, committees and consultations

**Previous experience and positions:** He worked in the Saudi Company for Advanced Industries, the director of the Department of Business Development, then the executive vice president for investment and business development, until he became the chief executive, and he also worked as a project manager in the Saudi Basic Industries Company (SABIC) and an industrial operations engineer - Araskwa

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
-	-	-

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
Al-Salam Aviation Industry Company	Inside	Limited liability
Deutsche Gulf Finance Company	Inside	closed contribution
Al-Obaikan Glass Company	Inside	listed contribution
Al-Obaikan IGC Company	Inside	Limited liability





### **Mr. Abdulelah bin Mohamed Al-Wabel - Board Member**

**Qualifications:** He holds a bachelor's degree in finance and investment from Imam Muhammad bin Saud University

**Current positions:** Risk analyst, Al-Rajhi Financial Company

### **Previous experiences and functions:**

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
-	-	-

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
-	-	-

**Eng. Abdulaziz bin Hamad Al Owaid - Vice-President of the Council for the session ended 24/10/2023**

**Qualifications:** He holds a Bachelor of Chemical Engineering from King Saud University in 1980.

**Current Jobs:** -

**Previous experience and positions:** He has extensive experience in the field of consulting, where he worked as a consultant at the Al-Durra Sugar Industry Company and the Advanced Materials Technology Company, and as a director of studies and project consultancy at the Saudi Industrial Development Fund.

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
Maan Hamad Al-Jasser Company	Inside	Limited liability

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
Al-Zamil Company for Chemical and Plastics Industries	Inside	Division of Zamil Group

**Mr . Bakr bin Abdulrahman Al-Muhanna - Member of the Board of Directors for the session ended 24/10/2023**

**Qualifications:** Bachelor's degree in management information systems, King Fahd University of Petroleum and Minerals, 2006.

**Present posts:** Director and Chief, Transport and Logistics Section, Public Investment Fund.

**Previous experience and positions:** He worked as an investment banker for Deutsche Bank in the fields of capital markets, mergers and acquisitions, and also served as head of investments in King Abdullah City for Atomic and Renewable Energy. He also served as assistant director of investments in the Saudi Arabian Industrial Investments Company.

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
National Gas and Industrialization Company	Inside	listed contribution
Education Development Holding Company	Inside	closed contribution
Saudi Agricultural and Livestock Production Company	Inside	closed contribution
Manerva Food Company	Outside	listed contribution
City Heritage Company	Inside	closed contribution
International Ports Company	Inside	closed contribution
Saudi Coffee Company	Inside	closed contribution
Red Sea Gate Station Company	Inside	closed contribution
Saudi Arabian Unified Purchase Company NOPCO	Inside	closed contribution

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
Flour Mills I, II, III and IV	Inside	closed contribution
Saudi Cruise Company	Inside	closed contribution

**Mr. Samir Ben Mahmoud Haddad - Member of the Board of Directors for the session ended 24/10/2023**

**Qualifications:** Bachelor's degree - Specialized in chemical and material engineering from King Abdul Aziz University in 1990.

**Current positions:** CEO, Rural Refinery Sugar Company.

**Previous experience and positions:** Worked as a research and development engineer at SABIC Research and Development Complex. He is an operations engineer at Saudi Aramco's Natural Gas Retail Plant and has worked in several managerial and leadership positions at Safoola Group. He was appointed Vice-President, then Chief Executive of the Industrial Sector at the Commercial Industrial Rapid Group (now World Textile) and Chairman of the Board of Millenium Rivers Atlanta, USA. He moved to the position of Executive Director of Operations and Investor Relations in the Industrial Valley-King Abdullah Economic City Reconstruction Company.

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
Abdul-Latif Industrial Investment Company	Inside	

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
Millenium Rivers USA	Outside	Rapid Response Group Company
Savola Sugar Group	Inside	listed partnership
Rapid Industrial Trade Group	Inside	listed partnership
King Abdullah Economic City reconstruction	Inside	listed partnership
Rif Sugar Refinery Company	Inside	closed contribution

**Mr. Haitham Bin Mohammed Al-Gosaibi - Member of the Board of Directors for the session ended 24/10/2023**

**Qualifications:** Bachelor of Science in Management, 1998, American University in Britain.

**Current positions:** Khalifa Al-Gosaibi Investment Company CEO

**Previous experience and positions:** He has extensive experience working as CEO of the Arabian Framkelite Industries Company, CEO of the Building Materials Chemicals Factory and VP of Khalifa Al Gosaibi Holding Company

Board members or directors of existing companies:

Company Name	In/out of the Kingdom	Legal entity
Khalifa Al-Gosaibi Investment Company	Inside	closed contribution
Saudi Sigma Company	Inside	Limited liability
Building Materials Chemical Plant	Inside	closed contribution
Al-Qusaibi Services Company	Inside	closed contribution
Building Materials Technology Company	Inside	Limited liability
Vermiculite Industries Company	Inside	closed contribution
Al-Qusaibi Oilfield Services Company	Inside	closed contribution

Board members or directors of previous companies:

Company Name	In/out of the Kingdom	Legal entity
Saudi Road Paint Company	Inside	Limited liability
National Company for the Production of Road Breaks	Inside	Limited liability

**Mr. Mazen bin Abdul Sattar Al-Ulaimi - Board Member for the term ending on 2023/10/24**

**Qualifications:** Bachelor's degree in Electrical Engineering from King Fahd University of Petroleum and Minerals in 1997, and Advanced Management from Harvard University in 1999.

**Current Positions:**

Experiences and Previous Positions: Worked as a Design and Maintenance Engineer at Saudi Aramco, Deputy Sales Manager for Saudi Cables Company, Deputy Director of the Western Region for Saudi Electricity Company, CEO of General Electric Saudi Energy, CEO of Attawheedi Contracting Company, Partner and Regional Manager for the Middle East at Black & Veatch Engineering Company, CEO of CAD Middle East Pharmaceutical Industries, and Board of Directors Advisor for Al Mashreq Pharmaceutical Industries Company.

Memberships in current company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
Mazen Al-Ulaimi Office for Engineering Consultations	Inside	Engineering Consultations
Saudi Fisheries Company	Outside	Management Consultations
Vision Arabia Company	Inside	Management Consultations

Memberships in previous company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
Middle East Energy Services Company	Inside	Limited Liability
Al Suwari Energy	Inside	Limited Liability
Dynamic Business Development Company	Inside	General Consultations

## 9- B. Committee Members from outside the Board of Directors:

### Dr. Suleiman bin Abdulaziz Al-Tuwaijri - Chairman of the Audit Committee

**Qualifications:** Holds a Ph.D. in Accounting

**Current Position:** CEO of National Agricultural Development Company (NADEC)

Experiences and Previous Positions: Served as CEO of Arabian Amiantit Company and its subsidiaries, General Manager of Al-Othman Agricultural and Vegetal Production Company (NADA), Director of Shared Services at Zajil Advanced Telecommunications Technology Company, Secretary-General of the Higher Education University Fund, Head of the Accounting Department at King Fahd University of Petroleum and Minerals.

Memberships in current company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
Walaa Cooperative Insurance Company	Inside	Listed Contribution
Amiantit Group of Companies	Inside	Listed Contribution

Memberships in previous company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
National Agricultural Development Company (NADEC)	Inside	Listed Contribution
Royal Investment Company	Inside	Closed Contribution
Takween Advanced Industries Company	Inside	Limited Liability
National Electricity Transmission Company	Inside	Limited Liability

## Mr. Ali bin Ayed Al-Qahtani - Member of the Audit Committee

**Qualifications:** Holds a Bachelor's degree in Business Administration and a Diploma in Media and Communication from the American University in Beirut. He is a Fellow of the American Institute of Certified Public Accountants, the Saudi Organization for Certified Public Accountants, the Institute of Internal Auditors, and a Specialist in Value Added Tax.

**Current Position:** Deputy Head of Internal Audit at Salic Company

**Experiences and Previous Positions:** Worked as Senior Manager of Internal Audit for Finance and Investment at Solutions by PSTC, Internal Audit Manager at Al Jazeera Bank, Finance Manager at the Public Investment Fund, Internal Auditor at Saudi Aramco, External Auditor at PwC, and External Auditor at Deloitte & Touche.

Memberships in current company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-

Memberships in previous company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-





**Mr. Fahad bin Mohammed Al-Durais - Member of the Nominations and Rewards Committee**

**Qualifications:** Bachelor's degree in English Language

**Current Position:** Head of Human Resources Services at Almarai Company

**Experiences and Previous Positions:** He has served for 17 years in various positions within Almarai Company, including roles in farming, manufacturing, distribution, and sales. He recently assumed the position of Head of Human Resources Services.

Memberships in current company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-

Memberships in previous company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-



**Mr. Turki bin Hadaif Al-Otaibi - Member of the Executive Committee**

**Qualifications:** Holds a Master's degree in Finance from King Saud University and a Bachelor's degree in Finance from the University of Illinois.

**Current Position:** Assistant Vice President, Salic Company

**Previous Experiences and Positions:** Worked as a supervisor at the Saudi Central Bank, financial analyst at Sanabil Investment Company, and head of alternative investments at Daraya Financial Company.

Company Name	Inside/Outside the Kingdom:	Legal Entity:
Naqwa Company - Monitoring Member	Al-Laith	Closed Contribution

Memberships in previous company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-



**Mr. Turki bin Abdulmohsen Al-Lahaid - Member of the Audit Committee for the term ending on 2023/10/24**

**Qualifications:** Holds a Bachelor's degree in Accounting from King Saud University and the Certified Public Accountant (CPA) certificate from the Saudi Organization for Certified Public Accountants (SOCPA).

**Current Positions: -**

**Experiences and Previous Positions:** He possesses extensive experience, having worked as an auditor at Ernst & Young, Chief Financial Officer of Al-Oyouni Investment and Contracting Company. He is also a partner at Al-Lahaid & Al-Yahya Certified Public Accountants.

Memberships in current company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-

Memberships in previous company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-



### 9- c. Executive Management

#### Mr. Awad Farouk Al-Dasuqi - Chief Executive Officer

**Qualifications:** Holds a Bachelor's degree in Accounting from Al-Ahliyya Amman University in 1999-2000 and is a member of the Australian Society of Certified Public Accountants.

**Current Position:** Chief Executive Officer

Experiences and Previous Positions: He has over 21 years of experience in the food and agricultural industries, holding various positions starting from the National Poultry Company, Delmonico American Company, Astra Food Group, and Arasco Group. He has also undergone numerous technical and managerial courses, as well as leadership development courses in Oman, Dubai, Monaco, and London.

Memberships in current company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-

Memberships in previous company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-



## Mr. Mahmoud Abdulhay Abu Aqeel - Acting Chief Financial Officer

### Qualifications:

**Current Position:** Acting Chief Financial Officer

### Experiences and Previous Positions:

Memberships in current company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-

Memberships in previous company boards or their directors:

Company Name	Inside/Outside the Kingdom:	Legal Entity:
-	-	-

## 10- Changes in Senior Executives during the year 2023

#	Name	Change Nature	Date
1	Mr. Awad Farouk Al-Dasuqi	Resignation from the CFO position	2023/02/14
2	Mr. Awad Farouk Al-Dasuqi	Appointment as CEO	2023/02/14
3	Mr. Mahmoud Abdulhay Abu Aqeel	Appointment as Acting CFO	2023/02/15



## 11- Details of Board of Directors and Committees Meetings

### 11- A- Board of Directors Meetings

The Board of Directors held (11) meetings during the year 2023 as follows:

For the term ending on 2023/10/24

#	Members	14	21	30	29	11	21
		February	March	May	August	September	September
1	Mr. Abdulrahman bin Saud Al-Owais	✓	✓	✓	✓	✓	✓
2	Mr. Abdulaziz bin Hamad Al-Owaid	✓	✓	✓	✓	✓	X
3	Mr. Bakr bin Abdulrahman Al-Muhanna	✓	✓	✓	✓	✓	✓
4	Mr. Sameer bin Mahmoud Haddad	✓	✓	✓	✓	X	✓
5	Mr. Khaled Abdulqader Al-Kaf	-	✓	✓	✓	X	X
6	Mr. Abdulmajeed bin Abdulmohsen Al Al-Sheikh	✓	✓	✓	✓	✓	✓
7	Mr. Mazen bin Abdul Sattar Al-Ulaimi	✓	✓	✓	✓	✓	✓
8	Mr. Mansour bin Abdulaziz Al-Sagheer	✓	✓	✓	✓	✓	✓
9	Mr. Haitham bin Mohammed Al-Qusaibi	✓	✓	✓	✓	✓	✓

For the new term starting on October 25, 2023:

#	Members	25	14	27	30	19
		October	November	November	November	December
1	Mr. Abdulrahman bin Saud Al-Owais	✓	✓	✓	✓	✓
2	Mr. Mansour bin Abdulaziz Al-Sagheer	✓	✓	✓	✓	✓
3	Mr. Abdulmajeed bin Abdulmohsen Al Al-Sheikh	✓	✓	X	✓	✓
4	Mr. Khaled Abdulqader Al-Kaf	X	✓	✓	✓	✓
5	Mr. Ahmed bin Rashid Al-Balagh	✓	✓	✓	✓	✓
6	Mr. Saeed bin Abdullah Al-Muaither	✓	✓	✓	✓	✓
7	Mr. Abdulilah bin Mohammed Al-Wabil	✓	✓	✓	✓	✓

## Audit Committee

For the term ending on 2023/10/24:

#	Members	23	14	20	27	22	12	14	28
		January	March	March	March	May	July	August	August
1	- Mr. Mansour bin Abdulaziz Al-Sagheer	✓	✓	✓	✓	✓	✓	✓	✓
2	- Mr. Turki bin Abdulmohsen Al-Lahaid	✓	✓	✓	✓	✓	✓	✓	✓
3	- Mr. Sameer bin Mahmoud Haddad	✓	✓	✓	✓	✓	✓	✓	✓

For the new term starting on October 25, 2023:

[illegible]



### Meetings of the Nominations and Rewards Committee

The Nominations and Rewards Committee held (4) meetings during the year 2023 as follows:

For the term ending on 2023/10/24:

#	Members	11	7	23
		January	January	August
1	- Mr. Abdulmajeed bin Abdulmohsen Al Al-Sheikh	✓	✓	✓
2	- Mr. Abdulaziz bin Hamad Al-Owaid	✓	✓	✓
3	- Mr. Mazen bin Abdul Sattar Al-Ulaimi	✓	✓	✓

For the new term starting on October 25, 2023:

#	Members	5
		December
1	- Mr. Abdulmajeed bin Abdulmohsen Al Al-Sheikh	✓
2	- Mr. Ahmed bin Rashid Al-Balagh	✓
3	- Mr. Fahad bin Mohammed Al-Durais	✓

### Executive Committee Meetings

The Executive Committee held (5) meetings during the year 2023 as follows:

For the term ending on 2023/10/24:

#	Members	8	9	24
		February	May	July
1	- Mr. Abdulrahman bin Saud Al-Owais	✓	✓	✓
2	- Mr. Abdulaziz bin Hamad Al-Owaid	✓	✓	✓
3	- Mr. Abdulmajeed bin Abdulmohsen Al Al-Sheikh	✓	✓	✓
4	- Mr. Haitham bin Mohammed Al-Qusaibi	✓	✓	✓

For the new term starting on October 25, 2023:

#	Members	12	26
		December	December
1	- Mr. Abdulrahman bin Saud Al-Owais	✓	✓
2	- Ahmed Rashid Al-Balaa	✓	✓
3	- Mr. Khaled Abdulqader Al-Kaf	X	X
4	- Mr. Abdulmajeed bin Abdulmohsen Al Al-Sheikh	✓	✓
5	- Mr. Turki Hadaif Al-Otaibi	✓	✓



## 12- Board of Directors and Committees Responsibilities

### 12-A Board of Directors

The primary responsibility of the board is to provide effective oversight of the company's operations in the best interest of its shareholders and to balance the interests of stakeholders such as the company's customers, employees, suppliers, and the community. The board is also responsible for reviewing and overseeing the development and implementation of strategies, as well as reviewing the selection, performance, and compensation of the CEO and senior executives, ensuring transparency in communication and disclosure of financial and non-financial information, including establishing effective audit processes. Some of the main duties and responsibilities of the board include:

- Setting company plans, policies, strategies, and key objectives and supervising their implementation and regular review.
- Ensuring the availability of necessary human and financial resources to achieve these objectives.
- Establishing systems and controls for internal control and overall supervision.
- Developing clear and specific policies, standards, and procedures for board membership, subject to the mandatory provisions of regulations and regulations, and implementing them after approval by the General Assembly.
- Developing written policies that regulate relationships with stakeholders.
- Developing policies and procedures to ensure that the company is bound by laws and regulations and complies with its obligations to disclose information essential to shareholders and stakeholders, and ensuring the executive management's compliance.
- Preparing the company's preliminary and annual financial statements and approving them before publication, overseeing the company's financial management and cash flows, and its financial and credit relationships with third parties. Proposing to the extraordinary general assembly what it deems appropriate regarding increasing or decreasing the company's capital, or the early dissolution of the company before the deadline specified in the company's articles of association or reporting its continuation.

- Proposing to the ordinary general assembly what it deems appropriate regarding the use of the company's contingency reserve if it is formed by the extraordinary general assembly and not allocated for a specific purpose, or the formation of additional financial reserves or allocations for the company, in addition to the method of distributing the company's net profits.
- Establishing effective communication channels to allow shareholders to regularly and continuously review various company activities or any significant developments.
- Establishing values and standards governing the company's operations.

Other tasks and authorities assigned to the Board and Committees according to the Companies Law, the Company's Articles of Association, and Governance Regulations

## **12 - B Audit Committee**

The Audit Committee is responsible for monitoring the company's activities, and for this purpose, it has the right to access its records and documents and request any clarification or explanation from the Board of Directors or the executive management. It may also request the Board of Directors to convene the General Assembly of the Company if the Board of Directors impedes its work or if the company suffers significant damage or losses. Among the main tasks of the committee are:

- Studying the company's preliminary and annual financial statements and related disclosures and presenting them to the Board of Directors. Providing technical opinion - at the request of the Board of Directors - on the fairness and clarity of the company's financial statements and the inclusion of information that allows shareholders to assess the company's financial position and performance.
- Studying any important or emerging issues contained in the financial reports.
- Investigating any issues raised by the company's CFO or those responsible for compliance duties or audit accountants.
- Verifying the accounting estimates in the material issues included in the financial reports.
- Studying the accounting policies adopted by the company and providing opinion and recommendation to the Board of Directors regarding them.

- Ensuring the preparation of financial reports in accordance with the generally accepted accounting principles in the Kingdom.
- Studying and reviewing the internal control and financial management systems and risk management in the company.
- Examining the company's efficiency in estimating significant risks it may face and the steps taken by the company to monitor and address these risks.
- Studying the annual audit plan for internal audit management and approving it. Monitoring the implementation of internal audit management of its assigned tasks and the extent to which internal audit management carries out its work in accordance with the approved annual plan.
- Studying internal audit reports and monitoring the implementation of corrective actions for the observations therein. Overseeing and supervising the performance and activities of internal audit in the company to ensure the availability of necessary resources and its effectiveness in performing its duties and tasks.
- Recommending to the Board of Directors the appointment of the Chief Internal Auditor and proposing his/her bonuses.
- Preparing a report on the opinion of the Audit Committee regarding the adequacy of the company's internal control system and its performance of other tasks within its scope. The Board of Directors shall deposit sufficient copies of this report with the company's headquarters at least ten days before the General Assembly meeting; to provide copies of it to any shareholder who wishes. The report shall be reviewed during the General Assembly meeting.
- Recommending to the Board of Directors the nomination of the auditors, their removal, determination of their fees, and evaluation of their performance, after verifying their independence and reviewing the scope of their work and the terms of their engagement.

Verifying the independence, objectivity, and fairness of the auditors, as well as the effectiveness of their work, taking into account relevant rules and standards.

Reviewing the audit plan and activities of the auditors, ensuring that they do not provide technical or managerial services beyond the scope of auditing, and expressing opinions on this matter.

Studying the auditors' report and their observations on the financial statements and monitoring the actions taken in response to them.

Discussing the auditors' observations collectively and ensuring their resolution with the company's management, and escalating to the Board of Directors if necessary.

Reviewing the findings of regulatory reports and ensuring that the company takes necessary actions in response to them.

Verifying the company's compliance with relevant laws, regulations, policies, and instructions. Reviewing contracts and transactions proposed to be conducted by the company with related parties, and providing opinions on them to the Board of Directors.

Elevating matters that require action to the Board of Directors and making recommendations for necessary actions, and submitting its reports to the Board of Directors.

## **12 - J Committee on Nominations and Compensation**

The key tasks and responsibilities of the Nominations and Compensation Committee include:

Developing policies and criteria for nomination to the Board and committees, in line with relevant regulations and laws issued by supervisory authorities overseeing the company's operations.

Developing, reviewing, and updating policies related to compensation and rewards for Board members, committees, and executive management, and making recommendations to the Board for approval by the General Assembly.

Clarifying the relationship between granted rewards and the applicable policy, and identifying any significant deviations from the policy and their reasons.

Regularly reviewing compensation policies and evaluating their effectiveness in achieving desired objectives.

Making recommendations to the Board regarding compensation for Board members, committees, and executives in accordance with approved policies.

Reviewing nominations for Board and committee membership and ensuring their alignment with relevant policies and regulations, and making recommendations to the Board.

Supervising the nomination process for Board and committee membership in coordination with the Board Secretariat, General Assembly, and relevant regulatory bodies.

Periodically evaluating the effectiveness of the Board and executive management structure according to criteria set by the committee and making recommendations for possible changes to the Board.

Reviewing the required skills and competencies for Board and committee membership and preparing a description of the qualifications and time commitment required for membership.

Preparing job descriptions for executive and non-executive members and independent directors and senior executives in the company.

The committee is responsible for providing information and reports on relevant topics within its scope to Board members upon request.

Establishing procedures for addressing vacancies in the Board or committee positions or senior executives in the company. Ensuring the existence of a suitable and clear compensation policy within the company to attract and retain qualified human resources, linked to performance and goals.

Ensuring the existence of a succession plan for senior executives in the company.

### **13-Board Members, Committees, and Executive Management Compensation**

The company pays bonuses, expenses, and session attendance allowances to board members and committees, based on the provisions of the Saudi Companies Law by the Ministry of Commerce and its executive regulations, the company's articles of association, the Capital Market Authority regulations and its executive regulations. Additionally, the company pays salaries, bonuses, and compensations to executive management according to the employment contracts concluded with them.

#### **Guidelines for Board and Committee Membership Bonuses**

- Bonuses should align with the company's strategic objectives, particularly to attract, retain, and motivate the management and board members, ensuring the sustainability of the company's objectives, and linking the variable portion of bonuses to long-term performance.
- Bonuses should be determined based on the job level, duties and responsibilities, qualifications, practical experience, skills, and performance level.
- Executive management bonuses should be consistent with the company's size, nature, and level of risk.
- Other companies' practices in determining bonuses should be considered, avoiding any unjustified increase in bonuses and compensations.
- The policy should aim to attract professional competencies, retain them, and motivate them without exaggeration.
- The policy should be coordinated with the Compensation and Nomination Committee for new appointments.
- Board member bonuses may vary to reflect the member's experience, expertise, assigned tasks, independence, the number of attended sessions, and other considerations.
- Granting shares in the company to board members and executive management, whether through a new issue or shares purchased by the company through a dedicated program, should comply with relevant regulations and laws.



- In all cases, the total compensation and benefits received by a board member should not exceed the limits set by the Companies Law, the company's articles of association, or any supplementary regulations. This includes allowances and bonuses received for committee memberships, or for any additional executive, technical, administrative, or advisory roles undertaken within the company, as well as any travel, accommodation, or housing expenses necessary for performing their duties in accordance with the regulations, decisions, and instructions applicable in the Kingdom issued by competent authorities.

### Board Members and Committees Bonuses

According to Article 17 of the company's Articles of Association, the bonus for board members can be a fixed amount, attendance allowances for sessions, in-kind benefits, or a certain percentage of net profits. It is permissible to combine two or more of these options, in addition to travel, accommodation, and housing expenses. The Ordinary General Assembly determines the amount of these bonuses, ensuring they are fair, motivating, and commensurate with the member's performance and the company's performance, while considering the relevant guidelines issued by the competent authority.

The Board of Directors' report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of all bonuses, attendance allowances, expense allowances, and other benefits received or entitled to be received by each board member during the fiscal year. It should also include a statement of any remuneration received by board members as employees or administrators, or for technical, administrative, or consultancy services. Additionally, it should include a statement of the number of board meetings and the number of meetings attended by each member.

### Board Members' Bonuses

- The bonus for board members may consist of a specific amount, attendance allowances, in-kind benefits, a certain percentage of net profits, or a combination of two or more of these benefits, within the limits set by the Companies Law or any complementary regulations. The following guidelines apply:
- The fixed annual bonus is set at 150,000 Saudi Riyals for the Chairman of the Board and 100,000 Saudi Riyals for each board member.
- When approving an annual bonus for board members based on a certain percentage of net profits, it shall be 10% of the company's net profits after deducting statutory and agreed reserves and distributing dividends to shareholders, not less than 5% of the paid-up capital.
- The attendance allowance for each board meeting is set at 3,000 Saudi Riyals per member, with the Board of Directors having the authority, upon recommendation from the Compensation and Nomination Committee, to adjust this allowance to a maximum of 5,000 Saudi Riyals per meeting.
- The bonus for independent board members should not be based directly or indirectly on the company's profitability.



- The entitlement to board members' bonuses should be proportional to the number of meetings attended by the member.
- The member's entitlement to the bonus should cover the period from their appointment to the board and according to the duration of their membership.
- The recommendation to distribute board members' bonuses for the ended fiscal year should be presented as a separate item in the Ordinary General Assembly, and board members are not allowed to vote on it.
- Board members' bonuses are disbursed directly after the Ordinary General Assembly approves the annual financial statements of the company.
- Attendance allowances for board meetings may be disbursed at the end of each calendar quarter.

### Committee Members' Bonuses

- Committee members' bonuses may consist of a fixed annual bonus, attendance allowances, or both, according to the following:
- The fixed annual bonus for the chairman of any committee is a specific amount set at 100,000 Saudi Riyals.
- The fixed annual bonus for any committee member is a specific amount set at 75,000 Saudi Riyals.
- The attendance allowance for each committee meeting is set at 3,000 Saudi Riyals per member, with the Board of Directors having the authority, upon recommendation from the Compensation and Nomination Committee, to adjust this allowance to a maximum of 5,000 Saudi Riyals per meeting.
- Annual fixed committee bonuses and attendance allowances may be disbursed at the end of each calendar quarter.
- The member's entitlement to the bonus should cover the period from their appointment to the committee and according to the duration of their membership.

### Compensation for Residence and Travel Expenses

- Non-resident members attending meetings or official duties are entitled to compensation for travel and accommodation expenses as follows:
- A business class ticket to the meeting location or official duty, or an equivalent compensation based on prevailing rates from the company's authorized travel agent on the date of the meeting or official duty.
- A daily allowance of 2,500 Saudi Riyals for accommodation expenses for each day of attending meetings or official duties within the Kingdom of Saudi Arabia, with an additional two days if outside the Kingdom.
- Members' entitlements for travel and accommodation expenses may be disbursed in advance before the start of the meeting or duty.
- Based on the above, the Board of Directors has determined the bonuses for the Board and



Committees for the year 2023 to be a specific amount of 150,000 Riyals for the Chairman of the Board and 100,000 Riyals for each member, in accordance with the above policy. These bonuses will be disbursed after approval by the company's General Assembly.

- Regarding attendance allowances for the Board and Committees, the amount of 3,000 Riyals per session has been specified, in addition to a bonus for committee membership of 100,000 Riyals for chairpersons and 75,000 Riyals for each member.

### Compensation for Executive Member

- The compensation for an executive member, if applicable, consists of an annual bonus (a fixed amount).
- Allowances for travel, accommodation, and housing expenses necessary for performing the assigned duties, as determined by the Board of Directors, in accordance with the regulations, decisions, and instructions applicable in the Kingdom issued by competent authorities.
- The compensation for the executive member, if applicable, is disbursed at the end of each calendar month.

### Executive Compensation

- The term "senior executives" includes the Chief Executive Officer and the Chief Financial Officer.
- The Board of Directors determines the types of bonuses to be granted to senior executives in the company, based on the recommendation of the Nomination and Compensation Committee, such as fixed bonuses, performance-linked bonuses, and incentive rewards, in a manner consistent with the regulations and organizational procedures issued under the Companies Law.
- The Nomination and Compensation Committee continuously reviews incentive plans for senior executives and submits recommendations to the Board of Directors for approval.
- The aim of these bonuses is to provide the necessary competitive environment to attract and retain qualified and competent employees and maintain the high level of skills required by the company.
- Therefore, the compensation received by the Chief Executive Officer and the Chief Financial Officer as senior executives includes a basic salary, housing allowance, and transportation allowance according to the contracts signed with them in accordance with labor laws. Additionally, the Chief Executive Officer receives a bonus and attendance allowance as a member of the executive committee.





### 13.a Remuneration of members of the Governing Council

The following table shows all the remuneration and compensation paid to the members of the board:

Member Name	Specific amount	Allowance for attendance at meetings of the Board	Total gross attendance allowance	Total	Expense allowance
<b>Independent members</b>					
<b>Independent members of the previous session</b>					
M. Samir Ben Mahmoud Haddad	81,421.00	15,000.00	24,000.00	120,301.36	32,971.10
M. Mazen bin Abdul-Sattar Al-Alami	81,421.00	18,000.00	9,000.00	108,421.00	14,075.80
<b>Independent members of the new and previous sessions</b>					
Eng. Abdul Majeed bin Abdul Mohsen Al Shaikh	100,000.00	30,000.00	27,000.00	157,000.00	6,049.00
<b>Independent members of the new cycle</b>					
Eng. Said bin Abdullah Al-Muayzer	18,579.00	15,000.00	30,000.00	63,579.00	7,472.60
Mr. Abdul-Ilah ibn Muhammad al-Wabel	18,579.00	15,000.00	—	33,579.00	3,632.50
<b>Total</b>					
<b>Non-executive members</b>					
<b>Non-executive members of the previous session</b>					
Mr. Bakr bin Abdul Rahman Al-Muhanna	81,421.00	18,000.00	—	99,421.00	—
Eng. Abd El-Aziz Bin Hamad Al-Owaid	81,421.00	15,000.00	18,000.00	114,421.00	—
Mr. Haitham bin Mohammed Al-Gosaibi	81,421.00	18,000.00	9,000.00	108,421.00	4,500.00
<b>Non-executive members of the new and previous session</b>					
Mr. Abdul-Rahman bin Saud Al-Uwais	150,000.00	33,000.00	15,000.00	198,000.00	3,498.00
Mr. Mansour Bin Abdulaziz Al-Saghir	100,000.00	33,000.00	24,000.00	157,000.00	5,987.95
Mr. Khaled Abdul-Qader Al-Kaif	80,874.00	21,000.00	—	101,874.00	6,200.00
<b>Non-executive members of the new cycle</b>					
Mr. Ahmad ibn Rashid al-Balaa	18,579.00	15,000.00	9,000.00	42,579.00	5,506.10
<b>Total</b>	893,716.00	246,000.00	165,000.00	1,304,716.00	89,893.05



### 13.b Remuneration of committee members

The following table shows all remuneration and compensation paid to committee members

committee members	fixed reward	Meeting attendance allowance	Total
	(except for meeting attendance)		
Nominations and Awards Committee			
Members of the Committee at the previous session			
Eng. Abdulaziz bin Hamad Al-Owaid	61,141.00	9,000.00	70,141.00
Eng. Mazen bin Abdul-Sattar Al-Alami	61,141.00	9,000.00	70,141.00
Members of the Committee at the new and previous sessions			
Eng. Abdul Majeed bin Abdul Mohsen Al Al Shaikh	100,000.00	12,000.00	112,000.00
Members of the Committee at the new session			
Mr. Ahmad ibn Rashid Al Balaa	13,859.00	3,000.00	16,859.00
Mr. Fahd Bin Mohammed Al-Driss	13,859.00	3,000.00	16,859.00
Total	250,000.00	36,000.00	286,000.00
Executive Committee			
Members of the Committee at the previous session			
Mr. Haitham bin Mohammed Al-Gosaibi	61,141.00	9,000.00	70,141.00
Eng. Abdulaziz bin Hamad Al-Owaid	61,141.00	9,000.00	70,141.00
Members of the Committee at the new and previous sessions			
Mr. Abdulrahman bin Saud Al-Owais	100,000.00	15,000.00	115,000.00
Eng. Abdul Majeed bin Abdul Mohsen Al Al Shaikh	75,000.00	15,000.00	90,000.00
Members of the Committee at the new session			
Mr. Ahmad Rashid Al-Balaa	13,859.00	6,000.00	19,859.00
Eng. Khaled Abdel Qader Al-Kef	13,859.00	—	13,859.00
Mr. Turki Hadeef Al-Otaibi	13,859.00	6,000.00	19,859.00
Total	338,859.00	60,000.00	398,859.00
review committee			
Members of the Committee at the previous session			
Mr. Mansour Abdel Aziz Al-Saghir	81,522.00	24,000.00	105,522.00
Mr. Turki bin Abdul-Mohsen Al-Laheed	61,141.00	24,000.00	85,141.00
Eng. Samir Ben Mahmoud Haddad	61,141.00	24,000.00	85,141.00
Members of the Committee at the new session			
Dr. Sulayman bin Abdulaziz Al-Tuwaijri	18,478.00	30,000.00	48,478.00
Eng. Said bin Abdullah Al-Muaidar	13,859.00	30,000.00	43,859.00
Mr. Ali bin Ayed al-Qahtani	13,859.00	30,000.00	43,859.00
Total	250,000.00	162,000.00	412,000.00

### 13-C Remuneration of senior executives

The following table shows all the remuneration and compensation paid to senior executives as follows

Senior Executives	Salaries	Allowances	Regular Bounces	Total
<b>Chief Executive Officer (CEO)</b>	<b>1,020,000</b>	<b>357,000</b>	<b>-</b>	<b>1,377,000</b>
<b>Chief Financial Officer (CFO)</b>	<b>348,000</b>	<b>121,800</b>	<b>174,000</b>	<b>643,800</b>
<b>Total</b>	<b>1,368,000</b>	<b>478,800</b>	<b>174,000</b>	<b>2,020,800</b>

### 13-D Deviation from Remuneration Policy

There is no deviation between the remuneration granted and the remuneration policy in place, whether for members of the Board of Directors and its committees or senior executive.

### 14- Shareholders' Rights

The company pays particular attention to the rights of its shareholders by including them in the company's articles of association and governance rules. These documents include the shareholders' rights stipulated by laws and regulations, including:

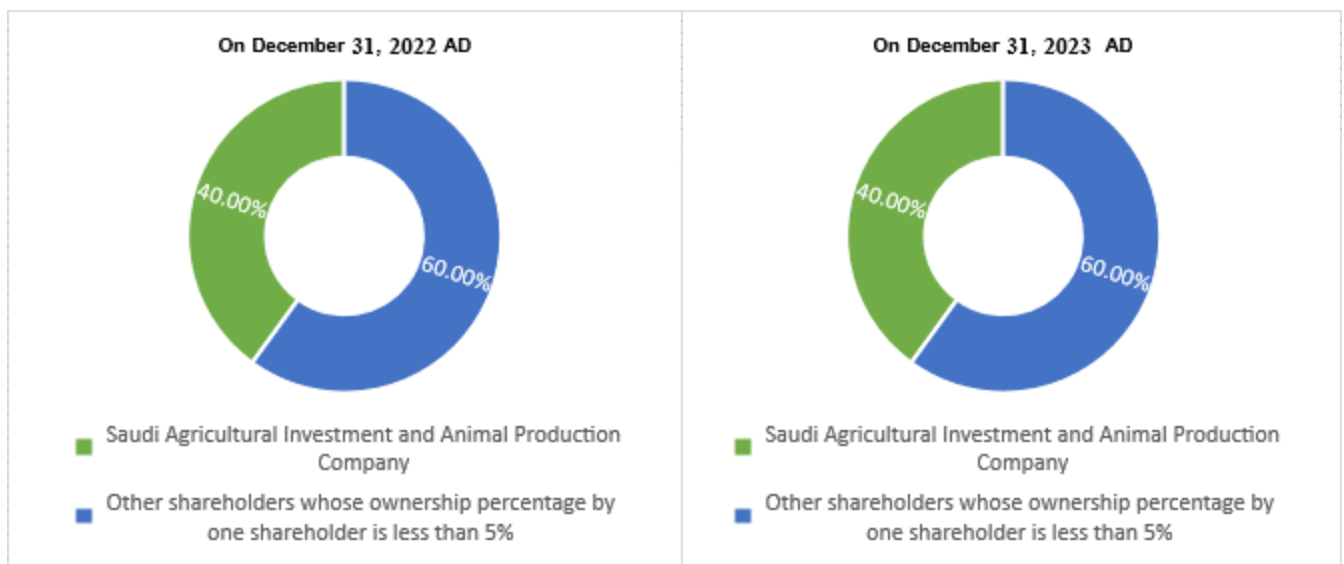
- The right to receive a share of the profits that are distributed.
- The right to receive a share of all the company's assets in the event of liquidation.
- The right to attend shareholders' meetings, participate in their deliberations, and vote on their decisions.
- The right to inquire and request to inspect the company's books and documents, including data and information related to the company's activities, operational and investment strategies, in a way that does not harm the company's interests or conflict with the Companies Law, the Capital Market Law, and their executive regulations.
- Monitoring the company's performance and the work of the Board of Directors.
- Dispose of their shares in accordance with the provisions of the Companies Law, the Capital Market Law, and their executive regulations.
- Holding the members of the Board of Directors accountable and filing a lawsuit against them, and challenging the invalidity of decisions of general and special shareholders' meetings according to the terms and restrictions contained in the Companies Law and the company's articles of association.



- Priority in subscribing to new shares issued for cash consideration, unless the extraordinary general assembly agrees to waive the preemptive right - if the company's articles of association provide for it - in accordance with Article 415 of the Companies' Law.
- Restricting its shares in the company's shareholder register.
- Requesting a copy of the company's articles of association and bylaws unless the company publishes them on its website.
- Nominating and electing members of the board of directors.

The company also seeks to communicate directly with its shareholders through general assembly meetings, publishing company announcements on the Saudi Stock Exchange (Tadawul) website, providing complete, clear, accurate and non-misleading information, and providing it in a timely manner, in addition to issuing the company's board of directors report, which provides the required disclosures in accordance with the Companies' Law, the Capital Market Law and their executive regulations and the necessary statements. The company also enables shareholders to communicate via the company's email to submit their inquiries and comments, in order to ensure that all shareholders exercise their legal rights and follow up on all necessary procedures for that.

#### 15 - Shareholder information:



#### 16- Shareholders' Meetings

The following table shows the shareholders' general meetings held during the year 2023 and the names of the board members who attended these meetings:

#	Members	20/06/2023	22/10/2023
1	Mr. Abdul Rahman bin Saud Al Owais	✓	✓
2	Eng. Abdul Aziz bin Hamad Al-Awaid	✓	✓
3	Mr. Bakr bin Abdul Rahman Al-Muhanna	✓	✓
4	Eng. Samir bin Mahmoud Haddad	✓	✓
5	Mr. Khaled Abdul Qader Al-Kaf	✓	×
6	Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	✓	✓
7	Eng. Mazen bin Abdul-Sattar Al-Alami	✓	✓
8	Mr. Mansour bin Abdulaziz Al-Saghir	✓	✓
9	Mr. Haitham bin Muhammad Al-Gosaibi	✓	✓

#### 17 - Register of shareholders

The following statement shows the number of company requests for the shareholders' register, the dates and reasons for those requests:

#	Date of Request	Reasons for Request
1	20/06/2023	To hold the general assembly
2	22/08/2023	Company procedures
3	22/10/2023	To hold the general assembly

#### 18 - Internal Control and Audit

##### 18-A Results of the Annual Review of the Effectiveness of the Company's Internal Control Procedures and the Audit Committee's Opinion on the Adequacy of the Company's Internal Control System.

The audit committee has reviewed the third-quarter financial statements for the year 2023 and recommended to the board of directors the adoption of the financial statements for that quarter. The financial statements were published in a timely manner before the end of the statutory deadline.

Regarding the annual financial statements for the year 2023, due to the delayed receipt of the financial statements and the auditor's report by the committee, the committee was unable to form a conclusive opinion on the company's financial position and whether it fairly reflects the company's status by the end of the statutory publication deadline. Therefore, the committee was unable to recommend the adoption of the annual financial statements. The committee coordinated and worked with the board of directors in this regard to enable the company to publish the annual financial statements before the specified deadline following the suspension of trading for one day (01/04/2024) in accordance with the relevant regulations.

In addition to the above, it is incumbent upon the audit committee to ensure the integrity of the financial reports and their compliance with recognized accounting standards, and then to submit its recommendations to the board of directors in this regard. However, since the committee was appointed at the end of October 2023, it was unable to fully oversee and assess the efficiency of the internal control and financial systems to express its absolute opinion in this regard. Furthermore, there was no specific internal auditor in the company at the time of the committee's appointment (and until the end of the financial year), which delayed the conduct of the required tasks.

#### 18-B Recommendation of the Audit Committee on the Need to Appoint an Internal Auditor in the Company:

There is no recommendation from the Audit Committee regarding the appointment of an internal auditor in the company.

#### 18-C Recommendations of the Audit Committee that Conflict with Decisions of the Board of Directors, or that the Board Refused to Accept Regarding the Appointment of the Company's Auditors, Their Dismissal and Determination of Their Fees and Performance Evaluation, or the Appointment of an Internal Auditor, the Justifications for Those Recommendations, and the Reasons for Not Accepting Them.

There are no recommendations from the Audit Committee that conflict with the decisions of the Board of Directors or that the Board refused to accept regarding the appointment of the company's auditors, their dismissal, and the determination of their fees and performance evaluation, or the appointment of an internal auditor. The Committee also did not make any recommendations regarding the dismissal of the company's auditors.

#### 19- Deviation from the Accounting Standards Adopted by the Saudi Organization for Certified Public Accountants:

There are no differences from the approved accounting standards by the Saudi Organization for Certified Public Accountants.

#### 20- Risks

The company's senior management in accordance with the policies followed in the company manages risks in the Saudi Fish Company. The company's management identifies, evaluates and hedges risks, estimates the extent of their occurrence and the effects that may result from them, and takes the necessary measures to reduce those risks. The following are the most prominent risks to which you are exposed:



## 20-A Credit risk

Credit risks arise when one party fails to fulfill a specific financial obligation to another party. The company may face credit risks in various temporary or permanent situations, including the presence of outstanding balances from customers, failure of other counterparties to fulfill their obligations to the company, and uncertainties about the ability of parties the company deals with to meet their obligations in the future. The company cannot guarantee the reliability of parties it deals with in fulfilling their obligations, nor can it accurately predict their future ability to comply. In the event of non-compliance by debtors in paying the company's dues, this will negatively and fundamentally impact the company, its financial position, and its operational results.

## 20-B Environmental risks

The changes in the components of the four main environmental elements (water, air, soil, and marine organisms) and the interactions between them, particularly in the field of aquaculture, constitute one of the environmental risks facing the company. This aspect can be managed by applying biosecurity standards, conducting continuous periodic inspections, and removing any side effects that may occur scientifically to avoid these variations. Viral diseases are among the most dangerous challenges facing fish and shrimp aquaculture projects, especially due to the lack of serums and vaccines for them. The aquaculture industry faces several health challenges due to diseases caused by viruses, bacteria, or parasites. One of these diseases is white spot disease, which affects shrimp crops. The best methods to reduce the risk of its occurrence involve adopting a preventive approach and using species of larvae with a strong immune system capable of defending themselves against these diseases.

## 20-C Market and competition risks

The company's management is committed to providing its products with the highest quality standards. Market and competitive risks involve the ability to offer high-quality products at competitive prices compared to other lower-quality products. This situation may affect the company's market share and lead to reduced sales.

## 20-D Legislative environment

The company's financial position and results may be negatively affected by decisions and changes in the legislative environment issued by relevant government authorities. Examples of these include decisions to increase energy prices, raise financial fees for licenses, and increase localization ratios.

## 20-E Risks of operating systems and information technology

The company relies on information technology systems to manage their business and facilities, which exposes the company to the risks of failure of these systems, such as system collapse, failure of protection systems, penetration of the company's systems, electronic viruses, human errors, natural disasters, fires, communication errors, or the lack of skilled labor necessary to operate these systems. And its management, if the company fails to maintain and develop its information technology systems, or if there are any malfunctions in its functions, or a major

malfunction or recurring failure occurs, this will negatively affect the company's business and its financial and operational results.

## 20 - F Strategic risks

The company's ability to increase its revenues and improve its profitability depends on the extent to which it effectively implements its business plans and successfully achieves its strategy, including, but not limited to, the implementation of its future projects. 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 efficiently and in a timely manner and to raise the efficiency of operating restaurants and stores that sell the company's products and market its products through smart applications, and its ability to maintain and operate its marine fleet efficiently. And operate its factories efficiently, maintain and operate its aquaculture farms and floating cages efficiently, as well as its ability to increase, train, motivate and manage its workforce.

Moreover, any business expansion plans that the Company intends to undertake in the future will be subject to the estimated costs and the specified implementation schedule, and the Company may need additional financing to accomplish any expansion plans, and if it is unable to implement the expansion plans according to the specified schedule and in accordance with The estimated costs of the project or in the event that the desired profitability is not achieved from these projects, which may be due to various reasons, including a change in the market situation at the time of implementing these projects or a defect in the feasibility study, this will negatively affect the competitive position of the company, and thus on the results of its business and profitability.

The company's ability to implement its current strategy is subject to various factors, some of which are beyond its control, and there are no guarantees that any disruption will occur on the farms or the spread of microbial diseases during the expansion process, or that the employees the company appoints or the systems, procedures and controls it adopts will be sufficient to support growth. And future expansion and successful achievement of its strategy. 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 its operations, financial position and future expectations.

## 20-G Liquidity risk

Liquidity risk is represented by the company's inability to meet its obligations related to financial liabilities as they fall due. The company's financial liabilities consist of loans, payables, and accrued expenses, and there is no guarantee that the company will be able to meet its obligations on due dates. Liquidity risk can also result from the inability to sell financial assets quickly and for an amount close to their fair value. The company does not guarantee that any emergency or sudden events will not occur that may require immediate liquidity, which would negatively affect the company's business and consequently the results of its operational and financial operations.



## 21- Dividend Policy

According to Article (38) of the company's articles of association, the company's net annual profits are distributed as follows:

1. The ordinary general meeting, when determining the share of shares in net profits, may decide to create reserves, to the extent that it achieves the company's interest or ensures the distribution of fixed dividends - as much as possible - to shareholders. The said meeting may also deduct from the net profits amounts to achieve social purposes for the company's employees.
2. The general assembly shall determine the percentage that should be distributed to shareholders from the net profits after deducting reserves, if any.
3. Subject to the provisions of Article (17) of this system and the provisions of the relevant systems and regulations, the general assembly shall determine the percentage of profits that are allocated to the board of directors as a reward.
4. The ordinary general meeting, based on the proposal of the board of directors, may take the appropriate decision regarding the remaining profits, provided that it does not conflict with the provisions of the relevant systems and regulations.
5. The board of directors may, after fulfilling the controls set by the competent authorities, distribute semi-annual and quarterly dividends during the fiscal year.
  - The amount of dividends per share is determined based on the recommendation of the Board of Directors.
  - The company's net annual profits, after deducting all general expenses and other costs, including legal zakat, provisions, and reserves, are distributed to ordinary shareholders.
  - If the statutory reserve in any year falls below thirty percent (30%) of the paid-up capital, the deduction must be resumed until the reserve reaches thirty percent (30%) of the capital.
  - The General Assembly of Shareholders, based on the recommendation of the Board, decides the form of distribution to shareholders, whether it is a cash distribution or free shares.
  - A shareholder is entitled to his share of the profits in accordance with the decision of the General Assembly of Shareholders issued in this regard. The decision shall specify the due date and the distribution date. The right to dividends shall be for the owners of the shares registered in the shareholder registers at the end of the specified due date.
  - The competent supervisory authority shall determine the maximum period within which the Board of Directors must implement the decision of the General Assembly regarding the distribution of dividends to shareholders.
  - The company may also distribute interim dividends to shareholders on a semi-annual or quarterly basis, in accordance with the following rules:

- The General Assembly of Shareholders shall authorize the Board to distribute interim dividends by a decision of the Assembly that is renewed annually.
- The company must be profitable and have regular profits.
- It must have reasonable liquidity and be able to reasonably predict its level of profits.
- The company must have distributable profits, according to the latest audited financial statements, sufficient to cover the proposed dividends, after deducting what has been distributed and capitalized from those profits after the date of these financial statements.
- The Board of Directors must include in its annual report submitted to the General Assembly of Shareholders the percentages of the profits distributed to shareholders during the different periods of the fiscal year, in addition to the percentage of the profits proposed to be distributed at the end of the fiscal year and the total of these profits.
- Disclosing and announcing the decision to distribute dividends on the website of the Saudi Stock Exchange (Tadawul) immediately after it is taken by the Board.

The company also did not disburse any quarterly, semi-annual or annual profits to shareholders, and the Board did not recommend any distributions during the year 2023 due to the lack of distributable profits.

#### 22- Evaluation of the performance of the Board of Directors and its committees:

Through the implementation of its tasks, the Nominations and Remuneration Committee has developed and implemented means to evaluate the members of the Board of Directors and the members of its various committees according to specific performance indicators. It also identifies the strengths and weaknesses of the Board and its committees. No external party was used for the evaluation in 2023.

#### 23- Statement of any arrangements or agreements under which a shareholder of the company has waived any rights to dividends:

No arrangements or agreements have been made under which a shareholder of the company has waived any rights to dividends.

#### 24- Statement of any arrangements or agreements under which a member of the company's Board of Directors or senior executives have waived any remuneration:

No arrangements or agreements have been made under which a member of the company's Board of Directors or senior executives have waived any compensation.

#### 25- Description of any transaction between the company and a related party and information relating to any transactions or contracts in which the company is a party, or in which a member of the company's Board of Directors or senior executives or any person related to any of them has an interest, including the names of the parties involved in the transactions or contracts, the nature of these transactions or contracts, their terms and conditions, their duration and their amount.



Company Name	Member Name	Nature of Transaction	Amount	Duration
National Bank of Bahrain	Mr.Mansour bin Abdulaziz Al-Saghir	Financing	10,000,000	One year
National Group for Financial Cultivation (NAQWA)	Ahmed Rashid Mohamed Al Bala	Credit Swap	100,000,000	Two years

Actions taken by the Board of Directors to keep its members – especially non-executive members – informed of shareholders' proposals and comments on the company and its performance:

The company did not receive any proposals or comments from shareholders during 2023 regarding the company and its performance, except for what was discussed in the meetings held during the year and the response to shareholders' inquiries and comments at the time and in the presence of the Board of Directors, or by reviewing the minutes of the meeting.

27- A statement of the value of any investments or reserves established for the benefit of the company's employees.

The Company does not have any investments or reserves established by the Company for the benefit of its employees.

28- Treasury shares held by the company and details of the uses of these shares:

The Company has no treasury shares held by the Company.

29- A description of any interest in the class of shares entitled to vote belonging to persons (other than members of the company's board of directors, senior executives and their relatives) who informed the company of those rights in accordance with Article Forty-Five of the Registration and Listing Rules, and any change in those rights during the last fiscal year:

The company did not receive any notification from shareholders under Article Forty-Five of the Registration and Listing Rules.

30- A description of the categories and numbers of any transferable debt instruments and any contractual securities, subscription rights memorandums, or similar rights issued or granted by the company during the fiscal year, with an explanation of any compensation the company received in return for that:

There are no categories and numbers of any convertible debt instruments, any contractual securities, subscription rights memorandums, or similar rights issued or granted by the company during the fiscal year, or any compensation the company received in return for that.

31. Description of any redemption, purchase, or cancellation by the company of any callable debt instruments, and the value of the remaining securities, with a distinction between listed securities purchased by the company and those purchased by its subsidiaries:

There is no redemption, purchase, or cancellation by the company of any callable debt instruments, and the value of the remaining securities.

32. Description of any conversion rights or subscriptions under convertible debt instruments, contractual financial instruments, subscription warrants, or similar rights issued or granted by the company:

There are no conversion rights or subscriptions under convertible debt instruments, contractual financial instruments, subscription warrants, or similar rights issued or granted by the company.

33. Auditors' reservations on the annual financial statements:

Qualified Opinion

As of December 31, 2023, the net book value of properties, machinery, and equipment, capital work in progress, and rights-of-use assets (referred to collectively as "assets") disclosed in the company's financial position amounted to SAR 112.45 million, SAR 26.56 million, and SAR 12.51 million, respectively. Due to a significant decrease in cash generated from sales of the fish and shrimp farm and other business operations, as well as the accumulated losses incurred by the company in the current and prior years, the company's management performed an impairment assessment on its assets as of December 31, 2023. This assessment involved comparing the book values of the assets to their recoverable amounts. Based on the company's management assessment, it was concluded that there is no need to recognize an additional impairment loss on its assets as of December 31, 2023. We have examined and tested the judgments, assumptions, and key estimations used by the company's management, including the appropriateness of the valuation methodologies. In our view, some key assumptions and sources of information or inputs used in determining the recoverable amount were not adequately supported. Had the company's management used assumptions and information sources supported with reasonable basis, some items in the accompanying financial statements and related disclosures could have been materially affected. The impact on the financial statements has not been determined.

As stated in Note 11 of the accompanying financial statements, the company's management was unable to access the fair value of the fish as of December 31, 2022, due to the lack of appropriate tools for inventory valuation. Therefore, it was presented at cost amounting to SAR 12.9 million as of that date. This represents a departure from the financial reporting framework requirements. We were unable to obtain relevant financial information related to the fair value of fish in the financial position as of December 31, 2022, and the change in fair value of fish in the statement of profit or loss and other comprehensive income for the years ended December 31, 2023, and 2022. Consequently, we were unable to perform the procedures we deemed necessary.

Material Uncertainty Related to Going Concern

We draw attention to Note 2-4 in the financial statements, which indicates that the company incurred a net loss of SAR 91.4 million during the year ended December 31, 2023, and its accumulated losses amounted to SAR 256 million as of that date, representing 64% of the company's capital. Additionally, as of December 31, 2023, the company's current liabilities exceeded its current assets by SAR 44 million. As stated in Note 2-4, these events and conditions indicate the existence of a material uncertainty regarding the company's ability to continue as a going concern. Our opinion has not been modified in respect of this matter.



34- Recommendation of the Board of Directors to change the auditors before the end of the period for which they were appointed:

The Board of Directors did not make any recommendation during 2023 to change the auditor.

35- Information relating to any businesses competing with the company or any of the branches of activity it carries on, or which are carried on or were carried on by any member of the Board of Directors.

Mr. Ahmed Rashid Al Bala serves as a board member of the National Group for Aquaculture (NAQWA). However, he is engaged in activities that compete with the company in aquaculture, fish, and shrimp production. This subscription will be presented to the assembly for approval.

The General Assembly approved on 30/05/2021 the participation of Board member Mr. Haitham bin Mohammed Al Gosaibi in a business competing with the company's business.

36- Statement of the number of shares owned by members of the Board of Directors and senior executives and their changes during 2023, and a description of any interest and contractual financial instruments and subscription rights held by members of the Board of Directors and senior executives and their relatives in shares or debt instruments of the company or any of its subsidiaries, and any change in that interest or those rights during the last financial year:

#### 36-a Board of Directors:

#	Name of Beneficiary	Beginning of Year		End of Year		Net Change	Percentage Change
		Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
1	Mr. Abdul Rahman bin Saud Al Owais	-	-	-	-	-	-
2	Mr. Mansour bin Abdulaziz Al-Saghir	4,000	-	4,000	-	-	-
3	Eng. Abdul Majeed bin Abdul Mohsen Al Sheikh	-	-	-	-	-	-
4	Mr. Ahmed bin Rashid Al-Balaa	-	-	-	-	-	-
5	Eng. Saeed bin Abdullah Al-Muaitheer	-	-	-	-	-	-
6	Mr. Abdul Ilah bin Muhammad Al-Wabel	-	-	15	-	-	-
7	Mr. Khaled Abdul Qader Al-Kaf	-	-	-	-	-	-
8	Eng. Abdul Aziz bin Hamad Al-Awaid	5	-	-	-	-	-
9	Mr. Bakr bin Abdul Rahman Al-Muhanna	-	-	-	-	-	-
10	Eng. Samir bin Mahmoud Haddad	-	-	-	-	-	-
11	Eng. Mazen bin Abdul-Sattar Al-Alami	-	-	-	-	-	-
12	Mr. Haitham bin Muhammad Al-Gosaibi	13,484	-	-	-	-	-

The board's tenure has come to an end

#### 36-B Senior Executives:

#	Name of Beneficiary	Beginning of Year		End of Year		Net Change	Percentage Change
		Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
1	Mr. Awad Farouk Al-Desouki	-	-	-	-	-	-
2	Mr. Mahmoud Abdel-Hay Abu Aqeel	-	-	-	-	-	-

There are no interests, contractual financial instruments, or subscription rights in the shares or debt instruments of the subsidiary company held by members of the Board of Directors, senior executives, and their relatives. There has been no change in such interests or rights during the last financial year.

37. Penalties, sanctions, precautionary measures, or precautionary restrictions imposed on the company by the Authority or by any supervisory, regulatory, or judicial body:

#	Penalty/Sanction/Precautionary Measure/Precaution Restriction	Reasons for the violation	The party that signed the violation	Ways to treat it and prevent it from occurring in the future
1	94,300	Public health violation	Municipality	The conditions in the shops have been corrected, and the officials have been instructed to avoid repeating the violations

38- Declarations of the following:

- 1) The account records were prepared correctly.
- 2) The internal control system was prepared on sound foundations and implemented effectively.
- 3) That there is no significant doubt about the company's ability to continue its activity.

39- Application of the provisions of the Corporate Governance Regulations:

The company applies all provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, except for the provisions stated below:

Article/Paragraph Number	Article/paragraph text:	Reasons for Non-Application
70	Formation of a Risk Management Committee	Guideline
85	Motivating employees	Guideline
87	Social responsibility	Guideline
88	Social work initiatives	Guideline
95	Formation of a Corporate Governance Committee	Guideline

----- End of the Board of Directors' Report -----