



ANNUAL REPORT
of the Board of Directors

2023

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



فادم الحرمين الشريفين

سلمان بن عبدالعزيز آل سعود

حفظه الله



صاحب السمو الملكي الأمير

محمد بن سلمان بن عبدالعزيز آل سعود

حفظه الله

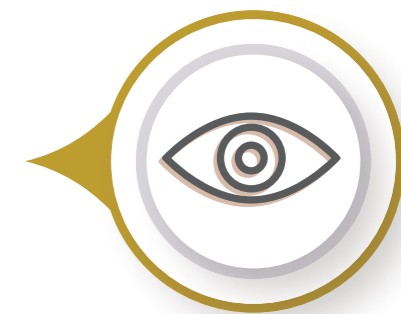
ولي العهد رئيس مجلس الوزراء ووزير الدفاع

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Company's vision



To be one of the major Saudi companies with a global reputation.

Company's Mission



Providing high-quality consumer products at competitive prices through a professional work team that meets the aspirations of consumers, customers and shareholders.

Chairman's statement

SALEM BIN SALEH BAAZEEM



The valued shareholders,
Praise be to Allah, Lord of the Worlds, and prayers and peace be upon the last Prophet and Messengers, our Master Mohammad, peace be upon him, and all his family and companions.

It gives me immense pleasure to present to the shareholders of BAAZEEM TRADING CO. the annual report of the Board of Directors for the fiscal year ending on 31 December 2023, including the financial results for this fiscal year, as well as full information on the activities and additions achieved during the year. This was done with the dedicated efforts of all the company employees.

I would like to thank our valued shareholders for their trust in the Chairman and Board of Directors, as well as to everyone who contributed to the success achieved, looking forward to further growth, progress and success in the coming years.





Introduction

The Chairman of the Board of Directors of BAAZEEM TRADING CO. would like to take this opportunity to present the Board's annual report to the shareholders regarding the company's performance for the year ended on **31/12/2023G**, which includes various information about the company's activities, its most important achievements, strategy and financial results, the Board of Directors and its various committees and other complementary information aimed at meeting the needs of shareholders.



Company's Main Activities



Wholesale of food and Beverages



Wholesale of plastic tools and materials (including bags)



Wholesale of cosmetics and soaps



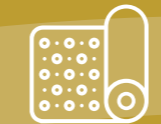
Wholesale of coffee and tea products



Wholesale of soap and detergents



General stores that include a collection of goods



Wholesale of primary plastics, rubber and synthetic fibers

Statement of the impact of each category on the volume of business and its contribution to the results of 2023G:

Category	Sales	Percentages
Trademarks owned by the Company (U-Do- Maog- Fid fad)	154,172,828	60%
Agency trademarks	102,932,756	40%
Net sales	257,105,584	100%

Business Results

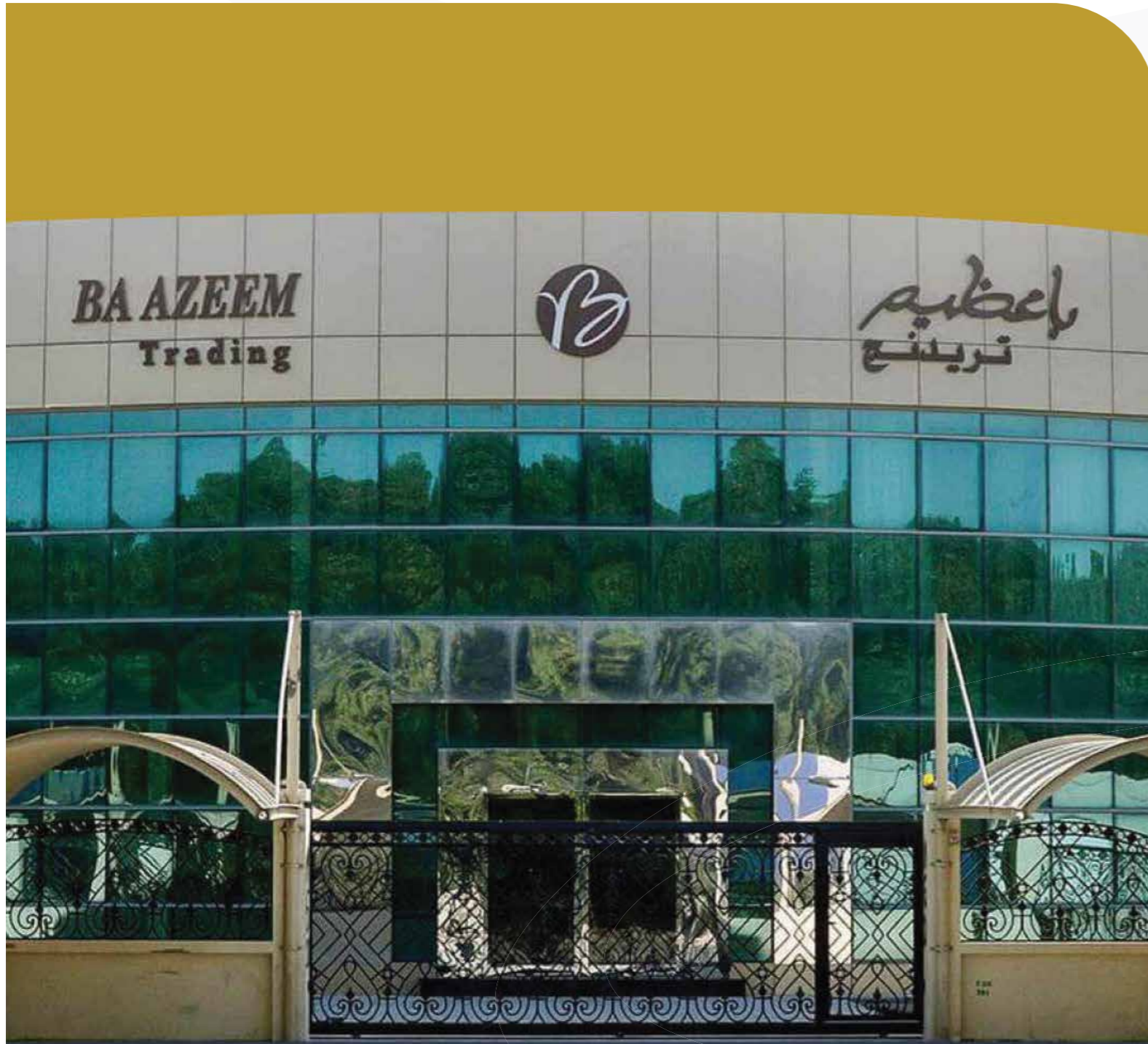
During the fiscal year 2023G, the company achieved total sales for the fiscal year 2023G, amounted to (257,105,584 riyals) compared to (263,353,491 riyals) for the fiscal year 2022G, with a decrease of - 2%. While the net profit for the year 2023 amounted to (21,650,725 riyals) compared to (21,775,621 riyals) for the fiscal year 2022, with a decrease of - 0.57% due to lack of sufficient stock as a result of the recent events taking place in the Red Sea region. While the total shareholders' equity for the fiscal year 2023G amounted to (194,054,774 Riyals) compared to (190,382,104 riyals) for the fiscal year 2022G, with a decrease of 2%, noting that there are no minority rights.

Subsidiaries

BAAZEEM TRADING ESTABLISHMENT incorporated in the State of Qatar, which is wholly owned by the company and registered in the name of the Chairman, Mr. Salem bin Saleh Baazeem, as an individual establishment, with a capital of (30,000) thirty thousand Qatari riyals. Its net sales for the year 2023G amounted to (11,919,641 riyals) with an increase of 6% for the fiscal year 2022G.



Our Trademarks





human resources

The achievements in 2023 were as follows:



The Human Resources Department continued implementing the development and training plan for the company's employees, whereby training was automated and approximately 60% of employees were trained.



Regarding Saudization, the company was able to increase the percentage to 39%.



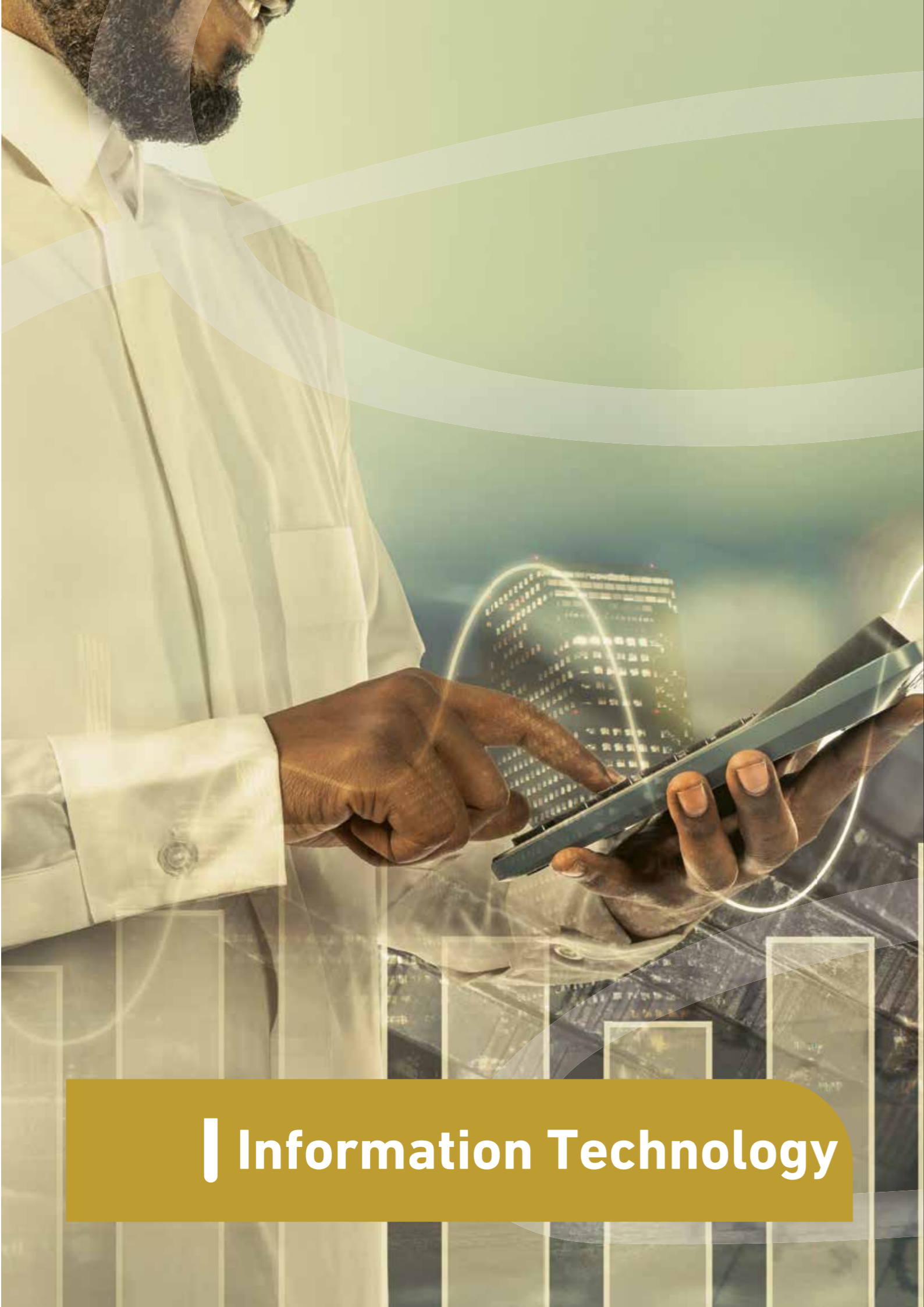
Regarding the job succession plan, the second line of leadership in human resources and procurement were qualified.



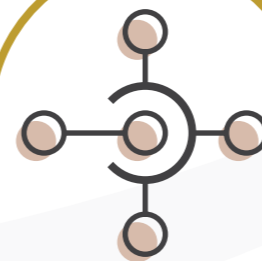
Regarding systems development, the Human Resources Department completed the review and approval of the Labor Regulations and it was approved by Labor Office, and the Investigation Procedures Manual was completed and approved by the company's lawyer, in addition to completing the Code of Conduct for employees.

Regarding the 2024 plan, the Human Resources Department aims to focus on the following:

- In line with the state's direction regarding training and developing professional cadres, 90% of employees will be trained on the required skills.
- Completing the updating the job grades and titles for employees.
- Increasing Saudization percentage and company classification from 39% to 45%.



Information Technology



The accounting software “Microsoft Business Central” was updated to the latest version and is planned to be implemented and rolled out in 2024.

01



The sales team mobile application “Sales Buzz” was also updated to the latest version, almost tested, and is planned to be implementation and rolled out.

02

Our goal in 2024 is to continue developing programs, applications, work systems to improve result quality, improve the information security system, and increase employee efficiency.

This will be through:

- Starting the second phase of developing “Microsoft Business Central” program.
- Developing the company's internal network infrastructure and linking all employees, which will help increase data and information security while easily sharing them among employees according to each employee's scope of work.
- Studying the optimal way to implement the new Power BI reporting system, which will help the company's employees in different departments easily obtain data and reports related to their scope of work, to help them make decisions quickly.

Industrial sector



The Industrial Department completed the expansion of the production field, as a new Italian packaging line was established inside the factory, which increased the factory's profits this year.

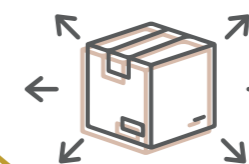
This year, we conducted feasibility studies for a foam production line and communicated with more than one supplier for these lines until we selected a company to establish a foam product manufacturing line in the first quarter of 2024, given its importance to our company, as it is one of the main categories on which our company relies for sales. This will have a greatly positive impact on the factory's profits.

In light of all this, our plan for 2024 is summarized in the following points:



Maintaining and continuing at full line capacity.

Expanding promotional product packaging and working to package of Baazeem's requirements.



Establishing the foam line in the first quarter of 2024, trial operation in the second quarter, and actual operation in the third quarter of the year, gaining technical expertise for the line's labor.

01. Names of Directors, Members of Committees and Executive Management, and their capacity:

A. Board of Directors

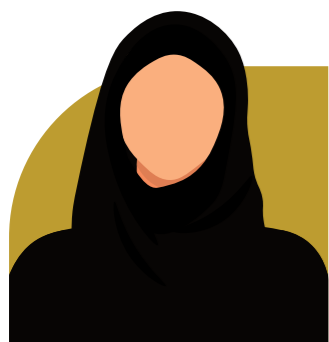


Salem Bin Saleh Baazeem

Current positions **Chairman of the board of directors**

Previous positions **Chairman of the board of directors**

Qualifications **Bachelor of Accounting**



Fawzya Bint Saleh Baazeem

Current positions **Deputy Chairman & Secretary of the Board of Directors**

Previous positions **Educational Supervisor**

Qualifications **Bachelor of English**



Ahmed Bin Saleh Baazeem

Current positions **Businessman**

Previous positions **Administrative Affairs Officer**

Qualifications **Intermediate Diploma**



Talaat Bin Zaki Bin Reda Hafez

Current positions **Economic Writer and banking expert**

Previous positions **Economic Writer and banking expert**

Qualifications **Master of Accounting**



Mohammed Bin Hamad Al Fares

Current positions **Kamco Invest Company CEO**

Previous positions **President of Private Banking and Wealth Management group, Bank ALJazira**

Qualifications **Master of Business Management (Financial Management)**

B. Members of Committees

Audit Committee

SR	Name	Current positions	Previous positions	Qualifications
1	Mohammed Bin Hamad Al Fares	<ul style="list-style-type: none"> Kamco Invest Company CEO Baazeem Board member Baazeem Audit Committee chairman 	President of Private Banking and Wealth Management group, Bank	Master of Business Management (Financial Management)
2	Fawzya Bint Saleh Baazeem	<ul style="list-style-type: none"> Deputy Chairman of the Board of Directors Secretary of the Board of Directors 	Educational Supervisor	Bachelor of English
3	Abdul Aziz Ahmed Al-Kabab	<ul style="list-style-type: none"> Chairman of the Board of Directors of Al-Tanmiyah Al-Oula Company for Educational and Health Services Member of the Audit Committee at Baazeem Company Chairman of the Board of Directors - Yaman-Djibouti Company Chairman of the Board of Directors Al-Mawarid Company for Educational and Health Services Vice Chairman of the Board of Directors of the Modern Pharmaceutical Company Vice Chairman of the Board of Directors - Broom Company for Fish and Marine Life Chairman of the Board of Trustees University of Science and Technology Board Member - Dar Al Salam Holding Group 	<ul style="list-style-type: none"> Chairman of the Board of Directors of Al-Tanmiyah Al-Oula Company for Educational and Health Services Member of the Audit Committee at Baazeem Company Chairman of the Board of Directors - Yaman-Djibouti Company Chairman of the Board of Directors - Al-Mawarid Company for Educational and Health Services Vice Chairman of the Board of Directors of the Modern Pharmaceutical Company Vice Chairman of the Board of Directors - Broom Company for Fish and Marine Life Chairman of the Board of Trustees University of Science and Technology Board Member - Dar Al Salam Holding Group 	PhD in Urban Planning

Remunerations and Nomination Committee

SR	Name	Current positions	Previous positions	Qualifications
1	Talaat Bin Zaki Bin Reda Hafez	<ul style="list-style-type: none"> Economic Writer and banking expert 	Economic Writer and banking expert	Master of Accounting
2	Fawzya Bint Saleh Baazeem	<ul style="list-style-type: none"> Deputy Chairman Board of Directors Secretary of the Board of Directors 	Educational Supervisor	Bachelor of English
3	Ahmed Bin Saleh Baazeem	Businessman	Administrative Affairs Officer	Intermediate Diploma

Executive Committee

SR	Name	Current positions	Previous positions	Qualifications
1	Salem Bin Saleh Baazeem	Chairman of the board of directors	Chairman of the board of directors	Bachelor of Accounting
2	Abdul Aziz Ahmed Al-Kabab	Chairman of the Board of Directors of Al-Tanmiyah Al-Oula Company for Educational and Health Services	Chairman of the Board of Directors of Al-Tanmiyah Al-Oula Company for Educational and Health Services	PhD in Urban Planning
3	Ali bin Musleh Al-Wakedy	Chief Executive Officer	Chief Executive Officer	<ul style="list-style-type: none"> Bachelor's degree in computer engineering Master of Business Management
4	Saleh bin Saleh Baazeem	Director of Sales	Director of Sales	Bachelor's degree in computer
5	Thamer bin Ahmed Baazeem	Behavioral Interventions Consultant and General Supervisor - Ministry of Municipal, Rural Affairs and Housing	Head of Marketing and Communication Sector - Islamic Development Bank	PhD in Marketing

C. Executive Management

SR	Name	Current positions	Previous positions	Qualifications
1	Ali bin Musleh Al-Wakedy	Chief Executive Officer	Chief Executive Officer	<ul style="list-style-type: none"> Bachelor's degree in computer engineering Master of Business Management
2	Muhammad Ali Muhammad Ali Salem	Head of Accounts	Deputy Head of Accounts	Bachelor of Commerce, Accounting Department
3	Saleh bin Saleh Baazeem	Director of Sales	Director of Sales	Bachelor's degree in computer
4	Ehab Abdel Mohsen Mohamed Rashad	Purchasing Manager	Purchasing Manager	Bachelor of Science
5	Ohood Abdel Aziz Al-Mashhadi	Director of Administrative Affairs	Supervisor Human Resources	Bachelor of Science - Human Resources Management



02. Measures taken by the Board of Directors to inform its members - especially non-executives - of the shareholders' proposals and observations regarding the company and its performance.

- The Board of Directors is keen on the members' attendance of the Company's General Assembly meetings to listen to the inquiries and suggestions of the esteemed shareholders and respond to them and document them in the minutes of the meetings.
- The Chairman and the Secretary of the Council communicate with all members of the Council through modern technologies such as e-mail and telephone meetings and discuss them during periodic meetings.





03. Names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of its current and previous boards of directors or of its manager.

SR	Name of the member	The names of the companies in which the member of the Board of Directors is a member of its current boards of directors or one of its directors	Inside/ outside the Kingdom	Legal entity (listed joint stock / unlisted joint stock / limited liability)
1	Salem Bin Saleh Baazeem	<ul style="list-style-type: none"> Yemen Bahrain Shamel Bank Al-Mawarid Company for Educational Services Steel company Brom Fish Company 	<ul style="list-style-type: none"> outside the Kingdom outside the Kingdom outside the Kingdom outside the Kingdom 	<ul style="list-style-type: none"> a closed joint stock company a closed joint stock company a closed joint stock company a closed joint stock company
2	Talaat Bin Zaki Bin Reda Hafez	None	None	None
3	Mohammed Bin Hamad Al Fares	<ul style="list-style-type: none"> Kingdom Hospital and specialized Clinics Dr. Mohammed bin Rashid Al Faqih Hospital 	<ul style="list-style-type: none"> Inside the Kingdom Inside the Kingdom 	<ul style="list-style-type: none"> a closed joint stock company a closed joint stock company

04. Composition of the board of directors and classifications of its members

SR	Name	Capacity (Executive- Non-executive- Independent)
1	Salem Bin Saleh Baazeem	Non-executive
2	Fawzya Bint Saleh Baazeem	Non-executive
3	Ahmed Bin Saleh Baazeem	Non-executive
4	Talaat Bin Zaki Bin Reda Hafez	Independent
5	Mohammed Bin Hamad Al Fares	Independent

05. Brief description of committees' competencies and duties:

Audit Committee:

the committee performs various and several tasks as follows:

1. Studying the financial statements before presenting them to the Board of Directors and express their opinion and recommendations on them.
2. Checking the accounting estimates regarding the fundamental issues mentioned in the financial reports.
3. Following-up the work of certified public accountants and approve any work outside the scope of the auditing work that he is carrying out.
4. Recommending to the Board of Directors the appointment of a director of the internal audit unit or department or the internal auditor.
5. Studying and reviewing the company's internal and financial control systems.
6. Controlling and supervising the performance and activities of the internal audit department and the management of the internal audit to verify the availability of resources and its effectiveness in performing the work and tasks entrusted to it.
7. Recommending to the Board of Directors the nomination and dismissal of auditors, determining their fees and evaluating their performance.
8. Raising issues, it deems necessary to take action on to the Board of Directors and present its recommendations with the actions to be taken.

SR	Name	Member's capacity	Number of Meetings (5) meetings				
			First meeting 07/02/2023	Second meeting 14/03/2023	Third meeting 16/05/2023	Fourth meeting 08/08/2023	Fifth meeting 06/11/2023
1	Mohammed Bin Hamad Al Fares	Head of Committee	✓	✓	✓	✓	✓
2	Fawzya Bint Saleh Baazeem	Member	✓	✓	✓	✓	✓
3	Abdul Aziz Ahmed Al-Kabab	Member	✓	✓	✓	✓	✓

✓ Attended ✗ Apologized

Nominations and Remunerations Committee

the committee performs various and several tasks, as follows:

1. Preparing a clear policy for the remuneration of the chairman and members of the board of directors, its committees and the executive management, provided that such policy should follow performance-related standards, disclose and verify the same.
2. Clarifying the relationship between the granted remunerations and the applicable remuneration policy, and indicate any material deviation from this policy.
Proposing clear policies and criteria for membership in the Board of Directors and Executive Management.
3. Directors and Executive Management.
4. Recommending to the Board of Directors the nomination and re-nomination of its members in accordance with the approved policies and standards.
5. Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and for occupying executive management positions.
6. Reviewing the structure of the Board of Directors, its affiliated committees, and the executive management, and making recommendations.
7. Verifying the independence of the independent members of the Board of Directors.

SR	Name	Member's capacity	Number of Meetings (1) meeting 14/03/2023
1	Talaat Bin Zaki Bin Reda Hafez	Head of Committee	☑
2	Fawzya Bint Saleh Baazeem	Member	☑
3	Ahmed Bin Saleh Baazeem	Member	☑

☑ Attended ☒ Apologized

Executive Committee

the committee performs various and several tasks, as follows:

1. The committee studies all issues referred to it by the Board of Directors or submitted to it by the Executive Management. Responding to projects or initiatives submitted by the Executive Management and providing the appropriate recommendations to the Board, in addition to following up the performance of the Executive Management for its roles entrusted to it in accordance with the plans approved by the Board of Directors.
2. Provide recommendations to Nominations and Remunerations Committee regarding changes made to the company's organizational structure and changes to job titles.

SR	Name	Member's capacity	Number of Meetings (5) meetings				
			First meeting 06/02/2023	Second meeting 11/03/2023	Third meeting 16/05/2023	Fourth meeting 07/08/2023	Fifth meeting 05/11/2023
1	Salem Bin Saleh Baazeem	Head of Committee	☑	☑	☑	☑	☑
2	Abdul Aziz Ahmed Al-Kabab	Member	☑	☑	☑	☑	☑
3	Ali bin Musleh Al-Wakedy	Member	☑	☑	☑	☑	☑
4	Saleh bin Salem Baazeem	Member	☑	☑	☑	☑	☑
5	Thamer bin Ahmed Baazeem	Member	☑	☑	☑	☑	☑

☑ Attended ☒ Apologized

06. Disclosure of the remunerations of the Board of Directors and Executive Management as stated in Article 90 of the Corporate Governance Regulation in accordance with provisions of Corporate Governance Regulations dated 18/01/2023G.



Remuneration Table: Remuneration for Board of Directors

	Fixed Remunerations					Variable Remunerations				End of service benefits	Grand Total	Expenses Allowance
	Certain amount	Committees' meetings attendance	Total of Committees' meetings attendance	In kind benefits	A statement of what the members of the Board received in their capacity as workers or administrators, or what they received	Percentage of Profits	Periodical Remunerations	Long-term Incentive plans	Granted Shares (the value is included)			
First: Independent Members												
Total	420000	44000	35000			319000						319000
Second: Non-Executive Members												
Total	820000	74000	47000		600000	1576000						1576000
Third: Executive Members												
There are no executive members												

Salaries and Remunerations of Senior Executives

Total	Fixed Remunerations					Variable Remunerations				End of service benefits	Total of Executives' Remunerations for the Board (if)	Grand total	
	Salaries	Allowances	In-kind allowances	Total	Periodical remuneration	Profits	Short-term Incentive plans	Long-term Incentive plans	Granted Shares				Total
1209656	415920		1625576	1540000						1540000		136000	3301576

Remunerations of the Committees' Members

SR	Name	Fixed Remunerations (except meetings Attendance Allowance)	Meetings Attendance Allowance	Expenses Allowance	Total
Members of Audit Committee					
1	Mohammed Bin Hamad Al Fares	50,000	25000	0	75000
2	Fawzya Bint Saleh Baazeem	50,000	20000	0	70000
3	Abdul Aziz Ahmed Al-Kabab	50,000	20000	0	70000
Total		150,000	65000	0	215000
Members of Nomination and Remuneration Committee					
1	Talaat Bin Zaki Bin Reda Hafez	10000	0	0	10000
2	Fawzya Bint Saleh Baazeem	10000	0	0	10000
3	Ahmed Bin Saleh Baazeem	10000	0	0	10000
Total		30000	0	0	30000
Members of Executive Committee					
1	Salem Bin Saleh Baazeem	50000	21000	0	71000
2	Abdul Aziz Ahmed Al-Kabab	50000	18000	5000	73000
3	Ali bin Musleh Al-Wakedy	50000	18000	0	68000
4	Saleh bin Salem Baazeem	50000	18000	0	68000
5	Thamer bin Ahmed Baazeem	50000	18000	5000	73000
Total		250000	93000	10000	353000

07. Any sanction, penalty, or precautionary measure imposed on the company by the Authority or any supervisory, regulatory or judicial authority, with a statement of the reasons for the violation, the penalizing authority, and ways to treat and avoid its occurrence in the future.

No sanctions, discipline, precautionary measures, or provisional restrictions were imposed.

08. Results of annual audit for the internal control procedures effectiveness, as well as the Audit Committee opinion on the adequacy of the internal control system of the Company:

Praise be to Allah, during 2023, the work of the internal audit of the company's departments was completed according to the plan approved by the Audit Committee and it was as follows (Information Technology – Sales Department – Purchasing Department – Financial Department – Human Resources Department) and after the departments reply on the comments attached to the reports and discussed them with the Executive Management, the full reports with their attachments have been sent to the Audit Committee. The Audit Committee also played its role in discussing with the Director of Internal Audit the pending points to work on finalizing them. The accounting reports of the company's subsidiaries are audited on a monthly basis and are as follows (sales invoices, approvals and related special offers, general accounts, receipt and exchange vouchers and discounts).

In 2023, monthly audit works of samples of the policies, procedures and powers matrix of the departments for the effectiveness of the role of internal audit were completed, in addition to the comprehensive audit plan for each department according to the plan approved by the Audit Committee.

In 2024: The committee approved the offer submitted by the (Protiviti) office for review and endorsement of their financial offer in order to assist in the tasks of internal audit work and study the general risks of the company. This is in order to upgrade the internal audit work and preserve the company's gains and ensure their continued growth and protect them from risks.



09. A statement of the dates of the general assemblies of shareholders held during the last fiscal year and names of the attending members of the Board:

SR	Attendance Record	1 st Assembly Meeting 02/05/2023
1	Salem Bin Saleh Baazeem	✓
2	Fawzya Bint Saleh Baazeem	✓
3	Ahmed Bin Saleh Baazeem	✓
4	Talaat Bin Zaki Bin Reda Hafez	✓
5	Mohammed Bin Hamad Al Fares	✓

✓ Attended ✗ Apologized

10. Description of the Main Activities of the Company and its subsidiaries:

Description of the Main Activities of the Company:

Activity (1):



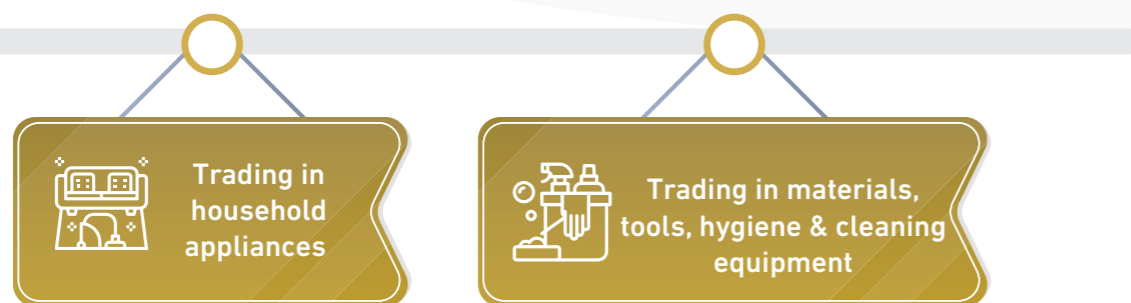
Activity Revenues	Percentage
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Wholesale of coffee and tea products, wholesale of food and Beverages, wholesale of cosmetics and soaps, wholesale of soap and detergents, wholesale of primary plastics, rubber and synthetic fibers, wholesale of plastic tools and materials (including bags), general stores that include a collection of goods.

100%

Description of the Main Activities of the Company's subsidiary:

Activity (1):



Activity Revenues	Percentage
Trading in household appliances - trading in materials, tools, hygiene and cleaning equipment.	100%

11. Description of the important plans and decisions of the Company (including the structural changes of the Company, expansion or suspension of its works) and its prospects.

The company's management has worked on many programs and plans that contribute to the impacted performance of the company, which helps it achieving its goals properly without harming its interests, through automating its operations and continuing the policy of following up customers' debts and auditing debt ceilings. The company also introduced its first food trademark owned by it in the field of organic tea and inorganic tea, the company is working on adding new products to brands owned by it.

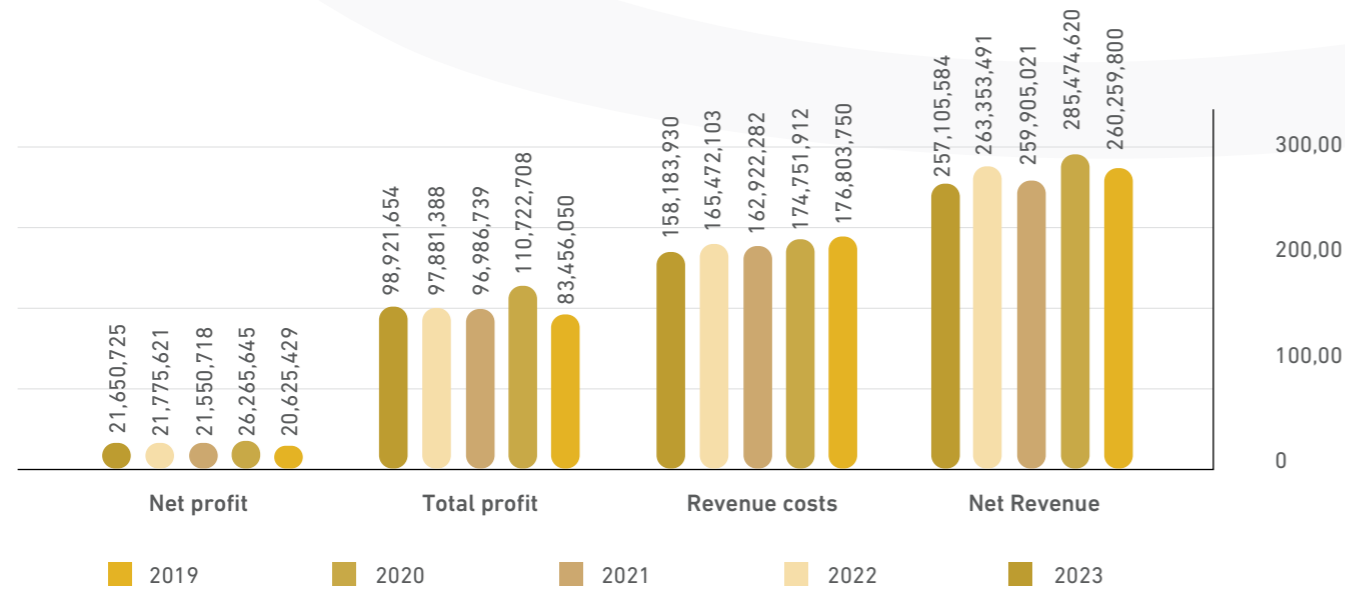
Moreover, there are no structural changes for the company, expansion of its operations, or suspension of it, except the above mentioned.

12. Information related to any risks faced by the company (whether operational, financing or market risks) and the policy for managing and controlling such risks).

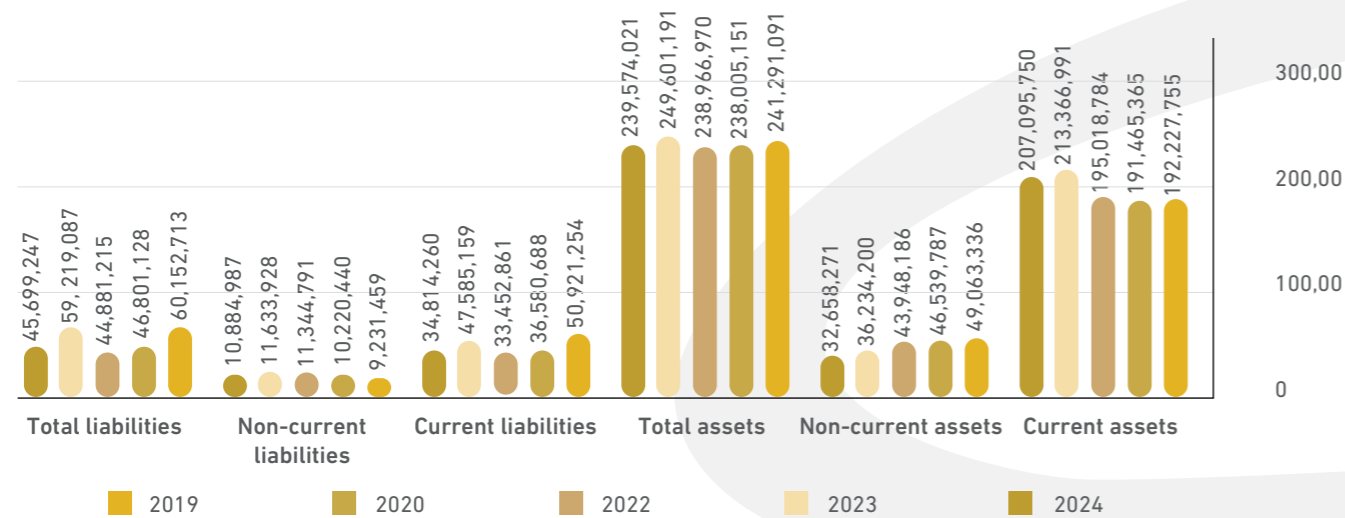
In accordance with the company's continuous policies of checking customer debts, balancing the company's demands and providing products, the company is constantly auditing its policy to avoid any potential risks.

13. A summary in table format showing the company's assets, liabilities and results of operations in the last five years or since its establishment, whichever is shorter

Comparison of business results:

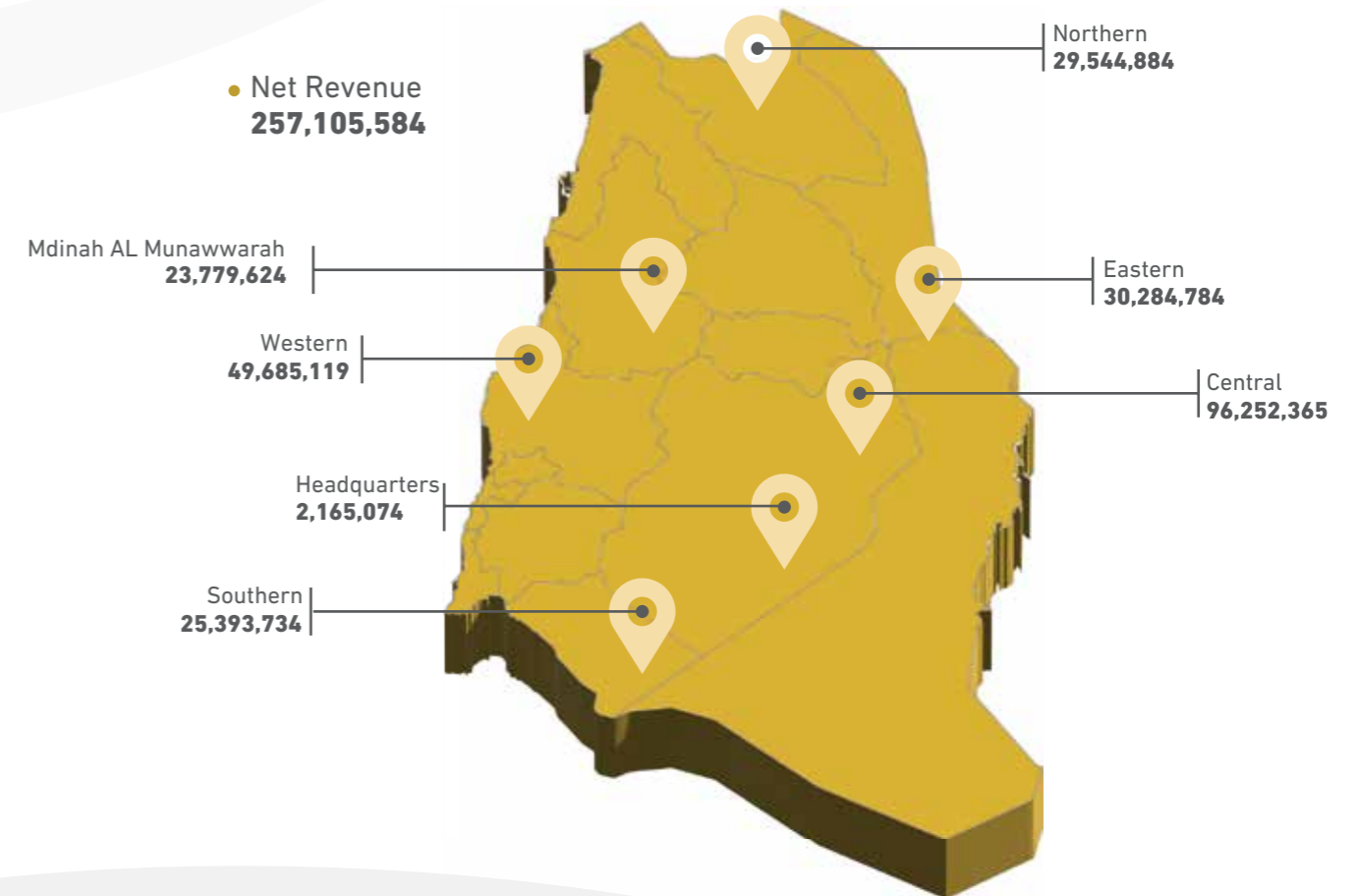


Comparison of Assets and Liabilities



14. A Geographical Analysis of Total Revenues for the Company's and its subsidiaries:

Geographic analysis of the company's total revenues for the year 2023



Geographical Analysis of total Revenues of Affiliates		
Year	Net Revenue	Net profits
2023	10,511,831	1,053,619

15. Clarification of the substantial differences in operating results from the previous year or any expectations declared by the Company:

Statement	2023	2022	Changes (+) or (-)	Change percentage
Net sales/revenue	257,105,584	263,353,491	- 6,247,907	- 2.37%
Cost of sales/revenue	158,183,930	165,472,103	- 7,288,173	- 4.40%
Total profit	98,921,654	97,881,388	1,040,266	1.06%
Other operating income	0	0	0	0
Other operating expenses	73,692,679	70,962,445	2,730,234	3.85%
Operating profit (loss)	25,519,763	26,918,943	- 1,399,180	-5.20%
Other expenses and revenues	529,310	- 953,207	1,482,517	155.53%
Net income for the year before zakat	26,049,074	25,965,736	83,338	0.32%
Zakat	4,398,349	4,190,115	208,234	4.97%
Net income for the year	21,650,725	21,775,621	- 124,896	- 0.57%

16. Clarification of the differences from accounting standards of the Saudi Organization for Certified Public Accountants (SOCPA):

None

Issued standards that have not yet been applied:

The following standards and interpretations have been issued but are not yet effective up to the date of issuance of the Company's financial statements. The Company intends to apply these standards, if applicable, when they become effective.

- Classification of Liabilities as Current or Non-Current, amendments to IAS 1, applicable for annual periods beginning on or after January 1, 2024.
- Lease Liabilities in Sale and Leaseback transactions, amendments to IFRS 16, applicable for annual periods beginning on or after January 1, 2024.
- Non-current Liabilities with Covenants, amendments to IAS 1, applicable for annual periods beginning on or after January 1, 2024.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, amendments to IFRS 10 and IAS 28, effective date to be determined.
- Supplier Finance Arrangements, amendments to IAS 7 and IFRS 7, applicable for annual periods beginning on or after January 1, 2024.
- Lack of Exchangeability, amendments to IAS 21, applicable for annual periods beginning on or after January 1, 2025.
- Amendments to IAS 27 - Lack of Exchangeability
- IFRS Sustainability 1 "General Requirements for Disclosure of Sustainability-related Financial Information", which sets out the overall requirements for disclosing material information about sustainability-related risks and opportunities across an entity's value chain.
- IFRS Sustainability 2 "Climate-related Disclosures", which is the first subject-specific standard setting out requirements for entities to disclose information about climate-related risks and opportunities.

The above-mentioned standards are not expected to have a material impact on the Group's financial statements.



17. The name of each subsidiary, its capital, the company's ownership percentage in it, its main activity, the country of its main operations, and the countries of its establishment:

The Subsidiary Company	Capital	Ownership percentage	Main Activity	Main Operations County	Country of incorporation
BAAZEEM TRADING CO.	30,000 QR	100%	Trading in household appliances, materials, tools, hygiene and cleaning equipment	Qatar	Qatar

18. Details of shares and debt instruments issued for each subsidiary

None

19. Description of the company's dividends policy:

The Company's annual net profits shall be distributed after deducting all general expenses and other costs as follows:

1. 10% of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may discontinue such deductions when the reserve reaches 30% of the paid-up capital.
2. The Ordinary General Assembly may, based on proposal of Board of Directors, resolve to distribute profits or not, and determine the percentage in accordance with the provisions of the Companies Law.
3. The General Assembly may authorize the Board of Directors to distribute interim dividends.

Date of distribution	Ratio of profits distributed during the year		Ratio of profits proposed to be distributed at the end of the year	Total profits distributed and proposed to be distributed
	17/05/2023*	06/09/2023**		
Ratio	11% of the capital	7% of the capital	11% of the capital for the second half of 2023	29% of the capital
Amount	11,137,500 Riyals	7,087,500 Riyals	11,137,500 Riyals	29,362,500 riyals

*Dividends distributed on 17/05/2023G for the second half of 2022G.

**Dividends distributed on 06/09/2023G for the first half of the year 2023G.

20. Description of any interest in the category of voting shares belonging to persons (other than members of the company's board of directors, senior executives and their relatives) who notified the company of those rights under Article 45 of the Registration and Listing Rules, and any change in those rights during the last fiscal year.

There are no shares of the company that entitles persons to vote.

21. Description of any interest, contractual securities and subscription rights associated with the members of the company's Board of Directors, Senior Executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, and any change in such interests or those rights during the last fiscal year.

There is no interest, contractual securities or underwriting rights belonging to the members of the company's board of directors, senior executives and their relatives in shares.

22. Information related to any loans owed by the company (whether payable upon demand or otherwise), and a statement of the total indebtedness of the company and its subsidiaries, any amounts paid by the company to repay loans during the year, the principal amount of the loan, name of lender, its duration, and the remaining amount. In the absence of any loans, the company must submit a declaration of the same.

There are no loans on the company.
Subsidiaries do not have any Indebtedness.

23. A description of the categories and numbers of any convertible debt instruments, any contractual securities, and subscription right notes, or similar rights issued or granted by the Company during the fiscal year including any compensation obtained by the company in return.

The Company is free from any convertible debt instruments or any contractual securities, subscription notes or similar rights issued or granted by the Company during the fiscal year.



24. A description of any transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.

The company has no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.

25. A description of any redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries

The company does not have a refund, purchase or cancellation of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries.

26. Number and dates of board meetings held during the last financial year, in addition to attendance record of each meeting detailing the names of the attendees

Name of the member	Number of meetings (4) meetings			
	First meeting 15/03/2023	Second meeting 19/05/2023	Third meeting 10/08/2023	Fourth meeting 08/11/2023
Salem Bin Saleh Baazeem	☑	☑	☑	☑
Fawzya Bint Saleh Baazeem	☑	☑	☑	☑
Ahmed Bin Saleh Baazeem	☑	☑	☑	☑
Talaat Bin Zaki Bin Reda Hafez	☑	☑	☑	☑
Mohammed Bin Hamad Al Fares	☑	☑	☑	☑

☑ Attended ☒ Apologized

27. Number of company requests to shareholders' register, dates, and reasons:

SR	Sector	Date of request	Date of Property File	Reason for the request
1	Main	03/01/2023	31/12/2022	Company procedures
2	Main	19/03/2023	19/03/2023	Company procedures
3	Main	26/04/2023	27/04/2023	Company procedures
4	Main	02/05/2023	02/05/2023	General Assembly
5	Main	07/08/2023	07/08/2023	Company procedures

28. A description of any transaction between the company and a related party.

Description of any transaction between the company and a related party and must refer to the definition of the relevant parties provided for in Article 1 of the Corporate Governance Regulations.

Related Party	Type of relationship with Company	Type of Deal	Duration	Value
Salem Bin Saleh Baazeem	Qatar Branch Transactions	Payment of Suppliers	One year	SR 5,905,621

29. Information related to any business or contracts to which the company is a party or in which there was an interest of one of the members of the board of directors of the company or its senior executives or any person related to any of them “so that it includes the names of those involved in the business or contracts” and the nature of these works or contracts and their conditions, duration and amount. If there are no such works or contracts, the company must submit a declaration of that.

Nature of work or contract	Amount of work or contract	Duration of work or contract	Terms of work or contract	Member's Name
Qatar branch transactions	SR 5,905,621	One year	Without preferential conditions	Salem Bin Saleh Baazeem



30. Disclosure of the remuneration policy and how the remuneration of the members of the Board and the executive management of the company is determined

The company has prepared a policy for the remuneration of the members of the Board of Directors, its committees, and the executive management in implementation of the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority in Article Ninety as provided in the Corporate Governance Regulations dated 18/01/2023, considering their compliance with the approved policy. This is done based on the recommendation of the Nomination and Remunerations Committee

31. Clarification of the relationship between the remunerations granted and the applicable remuneration policy and indicate any material deviation from this policy.

The relationship between awarded remuneration is consistent with the applicable remuneration policy and there is no material deviation from this policy.

32. Statement of any arrangements or agreement under which a member of the Company's Board of Directors or a senior executive waives any remunerations.

None

33. Statement of any arrangements or agreement under which a shareholder of the company waives any rights to profits.

None

34. List of the values of regulatory payments made and due to pay any Zakat, taxes, fees or other payables that were not paid until the end of the annual fiscal period with a brief description and reasons

Detail	2022			Statement of reasons
	Paid	Due until the end of the annual financial period and not yet paid	Brief Description of it	
Zakat	4,190,115	4,398,349	Zakat 2023	To be paid when the budget is approved
Tax	28,028,142	1,613,109	Value Added Tax for 12/2023	Issued in 01/2024
General Organization for Social Insurance	1,345,863	99,495	Invoice for the month of 12/2023	Issued in 01/2024

35. Statement of the value of any investments or reserves established for the benefit of the company's employees.

None

36. Declarations

In terms of the responsibility entrusted to the Board of Directors, it affirms that:

01 The account records were properly prepared

The internal control system is properly developed and implemented effectively 02

03 There is no doubt about the Company's ability to continue its activities

There are no loans on the company for the fiscal year 2023 04

37. The company is working on implementing the mandatory provisions contained in the Corporate Governance Regulations issued by the Board of the Capital Market Authority, except for some guiding provisions, including, for example: amending numbers of articles in accordance with the Corporate Governance Regulations dated 18/01/2023.

39. In the event that the board of directors recommends changing the auditor before the end of the period for which he is appointed, the report must include that, with indication of reasons for recommending the change.

The Board does not have any notes on the auditor

Article	Article text	Reasons for non-application
39	The Board of Directors, based on a proposal by the Nomination and Remunerations Committee, sets out the evaluation of the necessary mechanisms for evaluating the performance of the Board, its members and committees, and the executive management	Guiding article
85	Teamwork initiative	Guiding article
92	Formation of a governance committee	Guiding article

38. If the auditor's report includes qualifications on the annual financial statements, the report of the board of directors must clarify those qualifications, their reasons and any information related thereto.

Attention

With reference to note No. (2) regarding information on the group regarding the company's investment in Baazeem Trading Establishment - State of Qatar (a subsidiary company), it was found that the investment was registered in the name of one of the main shareholders (Chairman of the Board of Directors), starting from 2008G, and that investment is approved in the minutes of the Board of Directors and the minutes of the General Assembly of the company.

Board of Directors

