

Wafrah for Industry & Development

Annual report of the Board of Directors and the balance
sheet for the fiscal year ending in 31/12/2020 G

Wafrah for Industry & Development

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Wafrah

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Wafrah for Industry & Development

Annual report of the Board of Directors
for the fiscal year ending in 31/12/2020

Ladies and Gentlemen: Shareholders of Wafrah for Industry and Development

In the name of the Board of Directors of Wafrah Industry and Development Company, I would like to put in your hands the annual report of Wafrah for Industry and Development for the year ending on December 31, 2020 AD. Noting that the current Board of Directors began its session on 01/14/2021 AD that is, after the period covered by this report

The report aims to inform shareholders about the company's general performance, business developments, operational performance and its strategic directions during the fiscal year ending on December 31, 2020 AD, attached to the audited and approved financial statements - in accordance with International Accounting Standards (IFRS) - by the external auditor's auditor). In addition to the notes that are an integral part of the financial statements. The Board of Directors realizes the importance of transparency and disclosure, so the report is prepared in accordance with the Corporate Governance Regulations and the Registration and Listing Rules issued by the Saudi Capital Market Authority.

Due to the losses incurred by the company in the fiscal year ending on 31/12/2019, which caused accumulated losses amounting to 61.40% of the company's capital of 200 million riyals on 19/03/2020 AD, the company's board of directors took approvals. The system to reduce the company's capital from 200,000,000 Saudi riyals to 77,170,350 Saudi riyals to extinguish accumulated losses of 122,829,650 riyals, this was in accordance with the following approvals:

- On 24/03/2020, The Capital Market Authority approved the request to reduce the company's capital
- On 08/04/2020, the extraordinary general assembly of the company agreed to reduce the company's capital to extinguish the accumulated losses. This approval was announced on the websites of the Saudi Stock Exchange.

The company has incurred losses of 13,351,045 riyals at the end of 2020 AD, and we hope that in the near future the company will move to the profit square.

The Board of Directors is pleased to extend sincere thanks to all the shareholders of the company who have borne the burden by agreeing to reduce the capital to prevent liquidation of the company when its losses exceed 50% of its capital. Thanks are extended to the employees of the company for their efforts to correct the company's path

I ask God to perpetuate the blessings of security, safety and stability in the land of the Two Holy Mosques, and for good to prevail under the leadership of the Custodian of the Two Holy Mosques King Salman bin Abdul-Aziz, and his trustworthy Crown Prince His Royal Highness Prince Muhammad bin Salman bin Abdul-Aziz, for all their great efforts and unlimited support In order to stimulate the business environment in the private sector and the development of the nation's economy

Mohammed Yaqoub Yousef Al-Mukhaddhab - Chairman of Board of Directors

2. Company overview and activities

Wafrah for Industry and Development was established in accordance with the provisions of the Companies Law issued by Royal Decree No. (16 AD) dated 22/3/1385 AH. Which was amended by the issuance of the new Companies Law by Royal Decree No (3/ M) dated 28/1/1437 AH. The regulations and based on Cabinet Resolution No (403) dated 7/24/1439 AH. According to this system, it was established as a listed Saudi joint stock company, with a capital of 200 million Saudi riyals, divided into 20 million shares, each value of 10 riyals, all of which are common cash shares. The extraordinary general assembly, in its meeting held on 15 Shaaban 1441 AH corresponding to April 8, 2020 AD, approved the recommendation of the Board of Directors to reduce the capital of the company in exchange for amortizing the accumulated losses and the company's capital was reduced from 200,000,000 Saudi riyals to 77,170,350 Saudi riyals, 7,717.035 shares, each of which is worth 10 Saudi riyals.

Company purposes

Although the company implements on the ground part of its objectives fixed in its basic system, these purposes include many activities, which are as follows:

1 - Manufacturing, packaging, preserving, processing and developing foodstuffs, and marketing them domestically and abroad, including the following:

- A. Take advantage of the seasonal surplus of agricultural crops, especially perishable crops, and present them to the consumer after processing them and subject them to varying degrees of food processing services
- B. Better utilization of some secondary plant and animal products whose burning and disposal constitutes a loss to the national economy, such as the remnants of poultry slaughterhouses, ruminants, fish residues and their residues, such as internal guts, heads and bones, and utilizing them to produce animal feed of high nutritional value.
- C. Manufacturing some food products from their raw materials, such as extracting vegetable oils and sugar, and making use of their remnants after manufacturing as feed, etc

- D. Encouraging producers in the agricultural sector to introduce new agricultural crops, which will lead to the expansion and diversification of the agricultural production base to achieve one of the most important objectives of agricultural development such as commodities
 - E. Increasing the chances of exporting local agricultural products, especially perishable, processed or processed food
2. Investing in the field of establishing, developing and owning industrial projects for the benefit of the company
 3. Investment in the field of land and real estate, which includes:
 - Buying and selling land for the company
 - Management and leasing of owned or leased properties (residential)
 - Management and leasing of owned or leased real estate (non-residential)
 - Managing, maintaining, operating, owning and constructing industrial projects for the benefit of the company

The company carries out its activities in accordance with the followed regulations and after obtaining the necessary licenses from the competent authorities, if any. The head office of the company is located in the city of Riyadh, and branches, offices, or agencies may be established for it inside or outside the Kingdom by a decision of the Board of Directors.

The company is considered one of the leading companies in the food industry with extensive experience in this field

The company has more than one factory in which advanced production lines are used, in addition to the materials used are produced in the Kingdom of Saudi Arabia in order to produce, distribute and market many varieties of high-quality foodstuffs that are offered to our valued customers.

Our multiple factories are modern and sophisticated and produce many food products to meet the needs of the wholesale, retail and supply markets throughout the Kingdom and export to neighboring markets.

The company owns five factories, including four in the industrial city in the second and third stages in Riyadh, which is the vegetable products factory, the Wafrah factory for pasta and noodles, and the ready-made meat factory) and the breakfast cereal factory, in addition to the factory for the manufacturing of dates in the city of Al-Kharj.

The company sells and distributes its products through the Marketing, Sales and Operations Department. The company's products cover most regions of the Kingdom, the most important of which is the company's main headquarters in Riyadh, the company's branch in Jeddah, which covers

most cities in the Western Region, its branch in the Eastern Province (Dammam), and its branch in the Southern Region (KHAMIS MUSHAIT). In addition to the sales outlets spread throughout the Kingdom through the presence of delegates for sale in each of the northern region, the Qassim region and Hail, in addition to the company's continuous efforts to open new sales outlets inside and outside the Kingdom.

3. The contributions of each manufacturer to the company's revenues for the year 2020

First: the vegetable products factory

The factory has two distinct independent lines:

The first of them is the production line of potato chips, corners and frozen potato rings, snake products under the names of abundance, food, and blessing of the valley and use potatoes of high quality and excellent specifications produced by us major Saudi agricultural companies

Thanks to the high quality that we maintain and thanks to the balanced price, our brand (Wafrah) has become one of the three best names in the Saudi potato chip market, without controversy, competitors in that are international famous companies in this sector.

The sales of the vegetable products factory reached during the year 2020, an amount of 30,336,120 riyals, representing 36.21% of the company's revenues.

- Pickles production lines have been suspended since 1998 by a decision of the Board of Directors at that time

Second: the pasta factory for pasta and noodles

The pastry factory remains one of the bright signs of Wafrah for Industry and Development, thanks to the flexibility in production that enabled us to distribute products and packages under the brand names Wafrah and Naama, Saudi Gardens and Cabriné.

We use quantities of the finest types of wheat semolina that produce the best pastries, and we also use Saudi wheat flour and mix them to produce some products of varying degrees.

The factory includes four production lines:

- Two for the production of all kinds of short pasta (one of them is new)
- The third for the production of long pasta (spaghetti)
- Fourth to produce noodles

The sales of the pastry factory during the year 2020 AD amounted to 32,063,958 riyals. Represents 38, 27% the revenue of the company

Third: ready food factory (meat)

The factory consists of multipurpose production units with the latest machines that manufacture high-value frozen meat products, including burgers, kebabs and sausages (sausages and cooked meat slices such as mortadella and others, with flexibility in producing more varieties of meat and chicken products.

Shop these products under the brand of abundance and this manufacturer.

Food factory sales during the year 2020 AD amounted to 18,292,366 riyals, representing 21.83% of the company's revenues

Fourth: the breakfast cereal factory

This factory produces Corn Flakes Frosted Bran Flex, Rice Crispy, and Choco Crispy.

The sales of the breakfast cereal factory during the year 2020 AD amounted to 3,085,409 riyals, representing 68.3% of the company's revenues.

Peanut production lines where the factory produces peanut butter and salted peanuts

- The sales of the breakfast cereal factory and the lines of nuts have remained modest for years compared to the company's other factories, but efforts have begun to bear fruit to contract with different parties that produce their own brands of breakfast cereals and nuts, and it is expected that the financial effects of these contracts will appear in the year 2021 AD. The company is also keen to raise quality, update products and innovate new methods of sale. In addition, the company started to introduce its products in some supermarkets and hypermarkets to raise the factory's contribution to the total revenues of the company

Fifth: the dates factory in Al-Kharj

This factory has always been a burden on the company. The factory is designed to manufacture date products such as date paste, date molasses, vinegar, and fodder production from date residues. It also includes a production line jam from dates and other fruits.

4. Plans and expectations for Wafrah for Industry and Development

In support of the disclosure and transparency policy pursued by Wafrah for Industry and Development with its shareholders, as the company expects to increase production capacity,

increase domestic sales, as well as external sales, and reduce product costs, especially in the vegetable and pastry factories, the company has developed a five-year strategic plan years ago (2016-2020) in which it focused on expansion Horizontal sales by opening some branches throughout the Kingdom to increase sales and expand in the sector of central markets and supermarkets (supermarkets and hypermarkets), increase market share and sales for the new year 2021 AD, and pay attention to food quality and safety.

The company pays great attention to marketing, as the company has a marketing department that seeks to increase sales and revenues, build a close relationship between customers and provide information that contributes to attracting new customers and promoting the products offered by the company, and the marketing department participates in internal and external exhibitions.

The company pays great attention to manufacturing distinguished and high-quality products and according to the strategic directives of the company's management, the company has manufactured pasta and potatoes - as private brands - to the largest hypertrophies in the Kingdom of Saudi Arabia, as well as expanding the South branch in KHAMIS MUSHAIT to activate the branch's sales in the new year 2021.

The potential financial and operational risks of the company's business

Wafrah for Industry and Development, like any economic entity, is exposed to some risks through the nature of its industrial activity as a company operating in the field of commodities, basic foods and retail. Risks, and the company is keen to monitor risks, especially operational risks, including, for example, securing raw materials, packaging materials and spare parts necessary to ensure continuous operation.

In order to avoid these risks, the company has expanded the supplier base to ensure that its needs of these materials are met and in order to avoid price fluctuations, the company has signed binding contracts with some suppliers.

The company was interested in increasing the storage capacity, as it established refrigerated and frozen warehouses to preserve basic raw materials (potatoes and meat) due to their seasonality and purchase of them at the time of their low prices. In the field of flour and semolina, the company exploited the large storage capacity it established earlier by building new silos to take advantage of the additional shares of flour provided by the General Organization for Grain Silos and Flour Mills in Riyadh and in the regional branches. Regarding spare parts, the company deals directly with factory suppliers and approved agents, especially in large spare parts, to ensure access to original parts and to avoid any emergency stops. The company maintains spare parts for the periodic maintenance of factories in the spare parts warehouse.

(5 - 1) Financial instruments

Financial instruments included in the statement of financial position mainly include cash on hand, with banks, civilians, other assets, investments, creditors, accrued liabilities, loans and non-current liabilities.

(5-2) Risks of purchasing power and competition in the markets

There are great risks facing the company, and the most important of these risks is the reduced demand for the company's products from customers due to weak purchasing power and the continued departure of a number of expatriate families. The biggest risk was the Corona pandemic, which affected sales during the year due to the precautionary measures imposed by the Ministry of Health and the relevant authorities, which led to the closure of restaurants and markets or restricting their activities. The risks of price competition also prevailed in the sale of products, as the company was exposed to great competition from companies operating in the same field, especially those working in the field of frozen potato trade, so the company found no choice but to resort to lowering the selling prices of potatoes in order to compete and to preserve its market share. At the same time, the company faces risks similar to other products, albeit to a lesser extent than those faced by potato products.

One of the features of coexisting with intense competition, the company resorts from time to time to make offers and sell at reduced prices on products, especially those nearing expiration, in order to reduce the risks and prevent the products from being destroyed due to expiration and others.

(5-3) Credit risk

Credit risk is represented in the company's inability to fulfill its obligations, which leads to the other party incurring financial losses, and the company seeks to reduce credit risk through periodic follow-up of related receivables. Therefore, the company is always keen to maintain the necessary minimum liquidity to meet its needs

Of raw materials and fulfilling its obligations regarding statutory payments due and any other dues, Therefore, the company focuses on a good customer base, committed to repaying their purchases from the company, such as the large supermarkets (hypermarkets) and distinguished major wholesale customers, guaranteeing them the minimum necessary for operation.

(5-4) Currency risk

Currency risk is the risk of a change in the value of a financial instrument due to changes in foreign exchange rates. The transactions of Wafrah for Industry and Development are in Saudi riyals and US dollars, and in order to meet the expected risks from foreign currencies and exchange rates, the appropriate transfer is used to translate operations and balances that take place in foreign currencies into Saudi riyals according to the prevailing rates when conducting the transactions and the

company considers that it is not subject to this risk because the currency is The main dealings of the company are real and fixed rate.

(5-5) Liquidity risk

It is the risk of the company's inability to secure the necessary liquidity to meet the liabilities related to financial instruments when they are due. The company has suffered from a lack of liquidity during the year despite its keenness to enforce purchase contracts from suppliers in which it obtains a good repayment period that enables it to fulfill its obligations and is always keen to provide the necessary liquidity To meet its short-term obligations on an ongoing basis by relying on clients with good reputation, and the company is keen to have sufficient cash available to cover the expected operating expenses. The company deals with banks with strong financial positions and good reputation, even if it faces some difficulties in providing the necessary liquidity.

(5-6) Fair value

It represents the fair value according to which an asset is exchanged or a liability is settled between willing parties with fair dealing conditions, and where the financial statements of the company are prepared in accordance with the historical cost principle, it may result in differences between the book value and the estimated fair value. Management believes that the fair value of the financial assets and liabilities The Company's own is not significantly different from its book value.

6- Financial centers comply with International Financial Reporting Standards (IFRS)

The company applied and prepared the quarterly financial statements and the annual financial statements for the fiscal year 2020 AD in accordance with international accounting standards.

The company has implemented the International Financial Reporting Standard No. (16) related to leases contracts starting from 01/01/2019 AD

7- The company's business results during the last five years

Summary of the income statement for the last five years (in SARs)

Statement	2016	2017	2018	2019	2020
Sales	81.557.087	60.834.006	80.131.972	82.816.966	83.777.853
Sales cost	65.793.550	75.165.062	66.952.488	66.058.166	64.363.423
Gross profit	15.763.537	14.331.056	13.179.484	16.758.800	19.414.430
Total cost	28.751.207	26.679.274	26.708.401	27.240.825	25.909.007
Net (loss) profit from the activity	12.987.670	41.010.330	13.528.917	10.482.052	6.494.577
Loan guarantee provision (related party)	0	0	0	8.063.390	0
Losses at fair value investments gain/ loss	3.287.562	4.521.000	6.499.675	4.354.480	0
Impairment gain/ loss on real estate investments	0	0	0	1.008.252	333.368
Provision for expected credit losses	2.000.000	2.500.000	1.959.481	1.175.915	1.326.059
Provision for impairment of inventory value	0	0	0	0	606.477
Provision for slow moving inventory	0	556.931	307.254	927.060	1.426.484
Finance expenses	0	617.950	315.350	300.000	630.000
Finance costs	0	0	0	190.020	188.497
Other income	239.674	340.688	80.923	2.420.198	1.482.535
Net profit (loss)	18.035.558	48.865.523	22.529.754	24.080.971	8.856.191

before zakat					
Estimated Zakat	2,141,297	1,254,527	3,971,408	1,288,762	3,522,897
Net profit (loss) for the year	20,176,855	50,120,050	26,501,162	25,369,733	12,379,088
Items of comprehensive income:					
The change in the fair value of the investment	228,089	35,326	67,592	83,305	48,360
Actuarial losses for employee benefit liabilities	106,613	101,944	701,543	372,400	1,056,317
Total comprehensive income	334,702	66,618	633,951	455,705	971,957
Total comprehensive profit (loss) for the year	19,842,153	50,186,668	27,135,113	25,825,438	13,351,054

The summary of the income statement shows the following

- Gross profit from operating operations in 2020 an amount of 19,414,430 SAR while gross profit from operating operations in 2019 an amount of 16,758,800 SAR.
- Gross loss in 2020 an amount of 13,351,045 SAR while gross loss in 2019 an amount of 25,825,438 SAR.
- Sales growth in 2020 compared to the same period in 2019, at a rate of 1.16 %. This is due to the high demand for the company's products thanks to the company's efforts to stimulate sales by strengthening and diversifying sales channels and expanding the customer base.
- Decrease in general and administrative expenses in 2020 compared to the same period in 2019, with an increase 8.10 %. A decrease in selling and marketing expenses in 2020. Compared to the similar period in 2019. Increased by 3.04%
- Profits / (losses) of the decline in the value of real estate investments in 2020. In an amount of 333,368 SAR compared to the same period in 2019 with an amount of 1,008,252 SAR.

The most important causes of losses:

- Creating an allowance for expected credit losses in 2020. For an amount of 1,326,059 SAR compared to the same period in 2019 with an amount 1,175,915 SAR

- Creating a provision for impairment of inventory value in the year 2020 in an amount of 606.477 SAR
- Forming a provision for slow moving inventory in 2020 in an amount of 1.426.484 SAR. Compared to a similar period in 2019 an amount of 927.060 SAR
- Finance expenses during the year 2020 (630.000) SAR and (300.000) SAR in 2019. And financing costs during the year 2020 (188.497) SAR and (190.020) SAR in 2019.
- Decrease in other revenues in 2020, in an amount of 1.482.535 SAR against other revenues for the year 2019 in an amount of 2.420.198 SAR
- The loss for the year on the share (1.60) SAR in 2020, and (3.29) SAR loss in 2019
- The estimated Zakat in 2020 was an amount 3.522.897 SAR and 1.288.762 SAR in 2019
- Actuarial losses for employee benefit liabilities in 2020 are an amount of 1.056 SAR, and an amount of 372.400 in 2019.

8- A statement of the company's assets and liabilities in the last five years

Summary of the financial position list for the last five years (in rials)

Statement	2016	2017	2018	2019	2020
Current assets	91.180.870	64.489.776	49.802.508	64.893.843	51.017.019
Current liabilities	27.254.177	44.075.615	54.573.506	47.712.401	66.853.749
Working capital	63.926.693	20.414.161	4.770.998	818.558	15.836.730
Other long-term assets	25.459.999	20.974.325	14.542.242	13.601.492	13.871.605
Fixed assets	129.77.489	116.433.138	109.177.425	103.551.023	96.434.618
Total assets	245.918.358	201.897.239	173.522.175	164.046.358	161.323.242
long term loans	31.500.000	21.000.000	11.000.000	25.000.000	16.000.000
Other liabilities	5.820.971	5.665.082	6.427.746	1.637.966	16.124.547
Total liabilities	64.575.148	70.740.697	72.000.746	88.350.367	98.978.296
paid Capital	200.000.000	200.000.000	200.000.000	200.000.000	77.170.350
Reserves and retained earnings	18.656.790	68.843.458	98.47.571	124.304.009	14.825.404
Shareholders' equity	181.343.210	131.156.542	101.521.429	75.695.991	62.344.946
Total discounts and shareholders' equity	245.918.358	201.897.239	173.522.175	164.046	161.323.242

The financial position statement in 31/12/2020 shows the following:

- Total assets were an amount of 161.323.242 SAR in 31/12/2020. And 164.046.358 SAR in 31/12/2019, with 1.66% decrease
- Total liabilities were an amount of 98.978.296 SAR in 31/12/2020. And 88.350.367 SAR in 31/12/2019. With 12.03% increase.
Shareholders' equity decreased 17.63% in 2020 compared to the same period in 2019.
- Working capital (negative) is an amount of 15.836.730 SAR in 31/12/2020. And 818.558 SAR in 31/12/2019.

9 - Comparing the operating results for the year 2020 AD with the previous year 2019 (in SAR)

statement	2019	2020	Percentage change (%)	Amount of change + or (-)
sales	82.816.966	83.777.853	960.887 +	% 1.16 +
Sales cost	66.058.166	64.363.423	1.694.743 -	%2.56 -
The gross profit from operating	16.758.800	19.414.430	2.655.630 +	%15.84 +
Total cost	27.240.825	25.909.007	1.331.818 -	4.88 -
Net profit (loss) from the activity	10.482.052	6.494.577	3.987.475 -	%38.04 -
Provision for loan guarantee - related party	8.063.390	0	8.063.390	%100
Losses at fair value investments Loss	4.354.480	0	4.354.480	%100
Profit loss for impairment of real estate investments	1.008.252	333.368	1.341.620 +	%133.06 +
Provision for expected credit losses	1.175.915	1.326.059	150.144 +	12.76 +
Provision for impairment of inventories	0	606.477	606.477	%100
Provision for slow moving inventory	927.060	1.426.484	499.424 +	%53.87 +
Finance expenses	300.000	630.000	330.000 +	%110 +
Finance costs	190.020	188.497	1.523 -	%0.80 -
Other income	2.420.198	1.482.535	937.663 -	%38.74 -

Estimated Zakat	1.288.762	3.522.897	2.234.135 +	%173.35 +
Net profit (loss)	25.369.733	12.379.088	12.990.645 -	%51.20 -
Items of comprehensive income:				
The change in the fair value of the investment	83.305	84.360	167.665 +	%201.26 +
Actuarial relief (losses) for the end of service benefit	372.400	1.056.317	683.917 +	%183.65 +
Total comprehensive income	455.705	971.957	516.252 +	% 113.28 +
Total comprehensive loss for the year	25.825.438	13.351.045	12.474.393 -	%48.30 -
Loss of stock	3.29	1.60	1.69 -	%51.36 -

Comparison of the operating results for 2020 with the previous year 2019 shows the following:

The summary of the income statement shows that

- Gross profit from operations in 2020 is an amount of 19.414.430 SAR. And gross profit from operations in 2019 an amount of 16.758.800 SAR.
- Total comprehensive loss in 2020 is an amount of 13.351.045 SAR. And total comprehensive loss 25.825.438 SAR in 2019
- Sales growth in 2020 compared to the same period in 2019, at a rate of 1.16 %. This is due to the high demand for the company's products thanks to the company's efforts to stimulate sales by strengthening and diversifying sales channels and expanding the customer base.
- Decrease in general and administrative expenses in 2020 compared to the same period in 2019, with an increase 8.10 %. A decrease in selling and marketing expenses in 2020. Compared to the similar period in 2019. Increased by 3.04%, with increase in total expenses with 4.88%
- Profits / (losses) of the decline in the value of real estate investments in 2020. In an amount of 333.368 SAR compared to the same period in 2019 with an amount of 1.008.252 SAR
- Sales cost in 2020 is an amount of 64.363.423 SAR compared to the same period in 2019 with an amount of 66.058.166 SAR. With 2.56% decrease

The most important causes of losses:

- Creating an allowance for expected credit losses in 2020. For an amount of 1.326.059 SAR compared to the same period in 2019 with an amount 1.175.915 SAR
- Creating a provision for impairment of inventory value in the year 2020 in an amount of 606.477 SAR
- Forming a provision for slow moving inventory in 2020 in an amount of 1.426.484 SAR. Compared to a similar period in 2019 an amount of 927.060 SAR
- Finance expenses during the year 2020 (630.000) SAR and (300.000) SAR in 2019. And financing costs during the year 2020 (188.497) SAR and (190.020) SAR in 2019.
- Decrease in other revenues in 2020, in an amount of 1.482.535 SAR against other revenues for the year 2019 in an amount of 2.420.198 SAR
- The loss for the year on the share (1.60) SAR in 2020, and (3.29) SAR loss in 2019
- The estimated Zakat in 2020 was an amount 3.522.897 SAR and 1.288.762 SAR in 2019
- Actuarial losses for employee benefit liabilities in 2020 are an amount of 1.056 SAR, and an amount of 372.400 in 2019.

10 - Causes of deviations in the operating results

- 1- Sales growth in 2020 compared to the same period in 2019, at a rate of 1.16 %. This is due to the high demand for the company's products thanks to the company's efforts to stimulate sales by strengthening and diversifying sales channels and expanding the customer base.
- 2- Decrease sales expenses in 2020 compared to the same period in 2019, with 2.56 % decrease.
- 3- Decrease in general and administrative expenses in 2020 compared to the same period in 2019, with an increase 15.84 %. Due to sales growth and cost decrease
- 4- Decrease in expenses in 2020. Compared to the similar period in 2019. By 4.88%
- 5- Decrease in the net loss in 2020. Compared to the similar period in 2019. By 48.30

11 - Geographical analysis of the sales of Wafrah for Industry and Development (in SAR)

year	Statement	Inside Kingdom	Outside Kingdom	Total
2020	Sales	83.777.853	0	83.777.853
2019	Sales	82.816.966	0	82.816.966

It appears that sales inside the Kingdom increased by an amount of 960.887 SAR over the previous year by 1.16%. and there is no sales outside the Kingdom in 2020

12- Value-added tax

Based on the agreement of the countries of the Gulf Cooperation Council to implement the value-added tax as one of the important economic reforms in the countries of the Gulf Cooperation Council, the company has adhered to the regulations and legislation in the application of this tax at the beginning of 2018. The company has reconciled its business with all the official requirements

that ensure its proper application. The company has been keen to file and pay the VAT return on the official dates.

13- Shareholders' equity

Dividend policy

The company held an extraordinary general assembly meeting on 26/11/2019 when the company's statute was amended for compliance with the Companies Law, and the company has amended the dividend policy, in the articles below:

Article (43) of the basis system (dividend distribution)

The annual net profits of the company shall be distributed as follows:

- 1- (10%) of the net profits shall be set aside to form the statutory reserve, and the Ordinary General Assembly may decide to stop this deduction whenever the mentioned reserve reaches 30% of the paid capital.
- 2- The Ordinary General Assembly based on the proposal of the Board of Directors to set aside (10%) of the net profits to form an agreement reserve to be allocated for the benefit of the company.
- 3- The general assembly may set up other reserves, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders. The aforementioned association may also deduct amounts from the net profits to establish social institutions for workers or to assist what may be existing from these institutions.
- 4- A percentage (5%) of the paid-up capital of the company shall be distributed from the remainder thereafter
- 5- Subject to the provisions stipulated in Article (twenty) of the system, and Article (seventy) of the Companies Law, after the aforementioned a percentage (10%) of the remainder shall be allocated to reward the Board of Directors for the entitlement to this bonus is proportional to the number of sessions the member attends.

Article (44) of Articles of Association (Entitlement of Profits)

The shareholder is entitled to a share in the profits in accordance with the decision of the Ordinary General Assembly issued in this regard, and the decision specifies the date of entitlement and the date of distribution, and the eligibility of the profits is for the shareholders registered in the shareholders' records at the end of the day specified for entitlement, (noting that the company did not distribute profits in 2020 AD).

14- Board meetings

Board of Directors:

The ordinary general assembly met on 30/6/2019. It was approved to elect a new board of directors for the company for the next term starting from 4/7/2019 and for a period of three years ending in 3/7/2020 the following manner:

- 1- Eng. Khaled Abdel Aziz Abdel Rahman Al-Majed
 - 2- Eng. Ibrahim Muhammad Hadi Al Daghrir *
 - 3- Dr. Turki bin Masoud Mahdi Al Abbas
 - 4- Mr. Tariq Imad Abd al-Ilah Nassif
 - 5- Mr. Ammar Muhammad Hussein al-Abadi
 - 6- Mr. Muhammad Ahmad Abahl Al Haider
 - 7- Mr. Saleh Hassan Saleh Al-Yami
- * His membership expired by resignation on 19/10/2020

The Articles of Association of the company stipulates in Article Fifteen that:

The company is managed by a board of directors consisting of (7) members appointed by the Ordinary General Assembly of shareholders for a period not exceeding (3) years, and the majority of it must be from non-executive members, provided that the number of members is not less than 3 members, and they may always be reappointed. As an exception, the founders appointed the first board of directors for a period of (5) year.

In accordance with Article Twenty-one of the Articles of Association of the company, the Board of Directors meets at least twice a year at the invitation of its Chairman, and the invitation is in writing, and it may be received or sent by post, fax, or any other means specified by the Board, and the Chairman of the Board must invite the Board to a meeting whenever requested to do so by two of the members.

The Board of Directors holds periodic meetings and allocates sufficient time for them to supervise, follow up and monitor the implementation of the company's business. It is also keen to record and document the minutes of those sessions in accordance with the corporate governance regulation system. Board members are also keen to attend meetings.

The number of Board of Directors meetings during the year 2020 reached (6) six meetings, and the attendance record for these meetings was as follows:

Member's name	Meeting date							Percentage %
	27/2 2020	10/6 2020	28/7 2020	27/10 2020	12/11 2020	25/12 2020	total	
Eng. Khaled Abdel Aziz Abdel Rahman Al-Majed	✓	✓	✓	✓	✓	✓	6	%100

Eng. Ibrahim Muhammad Hadi Al Daghrir	✓	✓	✓	resignation	resignation	resignation	3	%100
Dr. Turki bin Masoud Mahdi Al Abbas	✓	✓	✓	✓	✓	✓	6	%100
Mr. Tariq Imad Abd al-Ilah Nassif	✓	×	×	✓	✓	×	3	%50
Mr. Saleh Hassan Saleh Al-Yami	✓	✓	✓	✓	✓	✓	6	%100
Mr. Ammar Muhammad Hussein al-Abadi	✓	✓	✓	✓	✓	×	5	%83
Mr. Muhammad Ahmad Abahl Al Haider	✓	✓	✓	✓	✓	✓	6	%100

* His membership expired by resignation on 19/10/2020

15- Board members, their current and previous jobs, qualifications and experiences

Member's name	qualifications	Current jobs	Previous jobs	experiences
Eng. Khaled Abdel Aziz Abdel Rahman Al-Majed	- Bachelor of Engineering	General Manager of Imtkan Company for Construction: ---- -General Manager of Ariad for Investment and Development General manager of the transport company	-	Commercial Business
Eng. Ibrahim Muhammad Hadi Al Daghrir	- Master of Business Administration - Bachelor of Engineering	General manager of the advanced transport company	Executive Vice President (Najran Cement)	-Transportation - Car sales -Companies management
Dr. Turki bin Masoud Mahdi Al Abbas	PhD in Business Administration	General Manager of the Alfaf Group (General contracting, hotels and resorts)	-	- contracting - hotels and resorts business

Mr. Tariq Imad Abd al-Ilah Nassif	Bachelor of Aviation	CEO of Ghassan and Tariq Nassif	-	21 years of experience in business and advertising
Mr. Saleh Hassan Saleh Al-Yami	- Master of Business Administration - Bachelor of Political Science - Diploma in Information Systems	Senior Representative of PetroRabigh for Shareholders and Investors Affairs	Representative of PetroRabigh for Shareholders and Investors Affairs	Shareholder and investor affairs
Mr. Ammar Muhammad Hussein al-Abadi	Bachelor of Accounting	General Manager of the Future Services Marketing Company Ltd.	Assistant General Manager of the Real Estate Processing Company (Affiliated to Dar Al Riyadh Holding Group Ltd.)	Marketing services

Name	Qualifications	Current Job	Prev. Job	Expertise
Eng. Muhammad Ahmad Abhal Al Haidar	Master of Engineering, Bachelor's degree in Electrical Engineering	Director of Alfaf Al Thahabiah General Contracting Est.	--	Trading and contracting sector

* His membership ended by resignation on 10/19/2020

16- Committee members, their current and previous positions, qualifications and experiences

Members of the Audit Committee

Name	Qualifications	Current Job	Prev. Job	Expertise
Eng. Ibrahim Mohamed Daghrir*	Master of Business Administration Bachelor of Engineering	General Manager of Advanced Transportation Company	Executive Vice President - Najran Cement	Transport Sales Vehicles Companies Management
Mr. Ammar Muhammad Hussain Al-Abadi	Bachelor of Accounting	General Manager of the Future Services Marketing Company Ltd.	Assistant General Manager of Tajheez Real Estate Company (affiliated to Dar Al Riyadh Holding Group Ltd.)	Marketing Services
Eng. Mohammed Ahmed Abhal Al Haider	Master of Engineering, Bachelor's degree in Electrical Engineering	Director of Alfaf Al Thahabiah General Contracting Est.	--	Trading and contracting sector

* His membership ended by resignation on 10/19/2020

Remuneration Committee members

Name	Qualifications	Current Job	Prev. Job	Expertise
Eng. Ibrahim Mohamed Daghrir*	Master of Business Administration Bachelor of Engineering	General Manager of Advanced Transportation Company	Executive Vice President - Najran Cement	Transport Sales Vehicles Companies Management
Eng. Mohammed Ahmed Abhal Al Haider	Master of Engineering, Bachelor's degree in Electrical Engineering	Director of Alfaf Al Thahabiah General Contracting Est.	--	Trading and contracting sector
Mr. Saleh Hassan Saleh Al-Yami	Master of Business Administration Bachelor of Engineering	Senior Representative of Petro Rabigh Company for Shareholders and Investors Affairs	Representative of Petro Rabigh Company for Shareholders and Investors Affairs	Shareholders and Investors Affairs
Eng. Khaled Abdul Aziz Abdul Rahman Al Majid **	Bachelor of Engineering	General Manager of Imtkan Construction Company General Manager of Ariad Company for Investment and Development	--	Commercial Business

* His membership ended by resignation on 10/19/2020

** His membership started on 05/11/2020.

17- Executive management

Name	Current Job	Prev. Job	Qualifications	Expertise
Eng. Zainan Salem Al-Yami	CEO of Wafrah for Industry and Development	Operations Manager at Wafrah for Industry and Development	Bachelor of Agriculture	19 years experience in Saudi food companies
Dr. Salah Ali Mahjoub	Director of Strategy and Development at Wafrah for Industry and Development	Production Manager at Wafrah for Industry and Development	Bachelor of Agriculture Master of Food Industry PhD of Food Industry	10 years university teaching experience 22 years of experience in food industry
Mr. Othman Mohamed Altum	Chief Financial Officer at Wafrah for Industry and Development	Internal Auditor at Wafrah for Industry and Development	Bachelor of Commerce	16 years experience in various corporate accounts 22 years of experience in the accounts and auditing department in Wafrah for Industry and Development.
Mrs. Miead Abdullah Al-Qahtani	Head of the Human Resources Department	Human Resources and Personnel Supervisor in the Gulf for Training and Education Recruitment Assistant at Excellent Food Company Limited Administrative Assistant at the Specialized Medical Company	Bachelor of Education - King Saud University	Human Resources and Personnel Supervisor in the Gulf for Training and Education Recruitment for 5 years Assistant at Excellent Food Company Limited Administrative for 2 years Assistant at the Specialized Medical Company for 2 years
Mr. Fahd Nasser	Sales Manager,	Saudi Pepsi	High Diploma	21 years

Al-Masrdi	Wafrah for Industry and Development	Company Ismail Abu Dawood Company Olayan Craft Company Mondelez International Company - Craft	(Computer Science)	experience in sales and marketing
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18- Formation of the Board of Directors and classification of its members on an executive, non-executive or independent basis

Member's Name	Title	Executive	Non- Executive	Independent
Eng. Khaled Abdul Aziz Abdul Rahman Al Majid	Chairman of Board of Directors	-	√	-
Eng. Ibrahim Mohamed Daghrir*	Deputy Chairman of the Board	-	-	√
Dr. Turki Masoud Mahdi Al Abbas	Member	√	-	-
Mr. Ammar Muhammad Hussain Al-Abadi	Member	-	-	√
Mr. Tariq Emad Abdul Ilah Nassif	Member	-	√	-
Eng. Mohammed Ahmed Abhal Al Haider	Member	-	-	√
Mr. Saleh Hassan Saleh Al-Yami	Member	-	-	√

* His membership ended by resignation on 10/19/2020

19- 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 managers

Name	Current Companies	Inside/ Outside KSA	Legal Formation	Prev. Companies	Inside/ Outside KSA	Legal Formation
Eng. Khaled Abdul Aziz Abdul Rahman Al Majid	Membership of the East Asia Council for Agricultural Development and Investment Membership of the Board of Jubail Development Company	Inside inside	Closed joint stock Closed joint stock	None	--	--
Eng. Ibrahim Mohamed Daghrir*	None	--	--	None	--	--
Dr. Turki Masoud Mahdi Al Abbas	Alfaf Group (General Contracting and Resorts)	Inside	LLC	None	--	--
Mr. Ammar Muhammad Hussain Al-Abadi	None	--	--	None	--	--
Mr. Tariq Emad Abdul Ilah Nassif	None	--	--	None	--	--
Eng. Mohammed Ahmed Abhal Al Haider	Member of the Board of the Saudi Arabian Refineries Company Executive member of the Future Services	Inside Inside	Listed limited liability	None	--	--

	Company					
Mr. Saleh Hassan Saleh Al-Yami	None	--	--	None	--	--

* His membership ended by resignation on 10/19/2020

20 - The measures taken by the Board of Directors to inform its members - especially non-executives - of shareholders' proposals and comments about the company and its performance.

Shareholders' proposals and observations were presented during the Ordinary General Assembly meeting on 06/16/2020, and the minutes of the aforementioned associations were also published on the company's electronic website. For the perusal of shareholders, board members and others.

21 - Communication with shareholders and investors

The company realizes the importance of communicating with its shareholders and providing them with information, and in application of the principle of disclosure and transparency, the company has done the following:

- Publish the quarterly financial statements and final accounts for the fiscal year 2020 on the Tadawul website, and publish them within the period specified by the system.
- Adhere to the ad format set by the financial market.
- Preparing the Board of Directors' report in accordance with the disclosure requirements contained in the Governance Regulations.
- All shareholders of the company can - without exception - review the minutes of the company's general assemblies, any annual reports, and any announcements of the board of directors on the Tadawul website and the company's website on the Internet.

22- Ownership of the members of the Board of Directors of the company's shares

A description of any interest, contractual securities and subscription rights of members of the Board of Directors and their relatives in the shares or debt instruments of the company or any of its subsidiaries, or any change in that interest or those rights during the fiscal year 2020.

#	Name	Beginning of the year		End of the year		Net change	Change %
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Eng. Khaled Abdul Aziz Abdul Rahman Al Majid	1000	0	385	0	(615)	(61.5%)
2	Eng. Ibrahim Mohamed Daghrir*	1000	0	Resigned	-	-	-
3	Dr. Turki Masoud Mahdi Al Abbas	1682	0	649	0	(1033)	(61.4%)
4	Mr. Ammar Muhammad Hussain Al-Abadi	1000	0	29509	0	28,509+	%2891+
5	Mr. Tariq Emad Abdul Ilah Nassif	1000	0	85	0	(915)	(91.5%)
6	Eng. Mohammed Ahmed Abhal Al Haider	1000	0	0	0	(1000)	(100%)
7	Mr. Saleh Hassan Saleh Al-Yami	1000	0	385	0	(615)	(61.5%)

* His membership ended by resignation on 10/19/2020

23- Senior executives' ownership of the company's shares

A description of any interest in contractual papers and rights issues of senior executives and their relatives in the shares or debt instruments of the company or any of its subsidiaries, or any change in that interest or those rights during the fiscal year 2020.

	Name	Title	Beginning of the year		End of the year		Net change	Change %
			Number of Shares	Debt instruments				
1	Eng. Zainan Salem Al-Yami	CEO	0	0	0	0	0 %	0 %
2	Dr. Salah Ali Mahjoub	Strategy Director	0	0	0	0	0 %	0 %
3	Mr. Osman Mohamed Torn	Financial Manager	0	0	0	0	0 %	0 %
4	Mrs. Miesad Abdullah Al-Qahtani	Head of the Human Resources Department	0	0	0	0	0 %	0 %
5	Mr. Fahd Nasser Al-Masrudi	Sales Director in	0	0	0	0	0 %	0 %

	the KSA						
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A statement of the dates of the general assembly of shareholders and the names of the attendance of the members of the Board of Directors in 2020

Date of assembly	Assembly number	Attended members	Description
16.06.2020	Ordinary General Assembly No. (35)	Eng. Ibrahim Mohamed Daghrir*	Vice-Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee
		Dr. Turki Masoud Mahdi Al Abbas	Managing Director
		Mr. Saleh Hassan Saleh Al-Yami	Member
		Eng. Muhammad Ahmad Abhal Haider	Member

25- A statement of the number of council sessions and the number of sessions attended by each member from the date of the last general assembly meeting during the year 2020

Name	Meeting date					
	28.07.2020	27.10.2020	12.11.2020	15.12.2020	total	Ratio
Eng. Khaled Abdul Aziz Abdul Rahman Al Majid	√	√	√	√	4	100
Eng. Ibrahim Mohamed Daghrir*	√	Resigned	Resigned	Resigned	1	100
Dr. Turki Masoud Mahdi Al Abbas	√	√	√	√	4	100
Mr. Tariq Emad Abdul Ilah Nassif	√	X	X	√	2	50
Mr. Saleh Hassan Saleh Al-Yami	√	√	√	√	4	100
Mr. Ammar Muhammad Hussain Al-Abadi	√	√	√	√	4	100
Eng. Mohammed Ahmed Abhal Al Haider	√	√	√	√	4	100

26- The means adopted by the Board of Directors in evaluating its performance and the performance of its committees and members

The performance of the board and its members has not been evaluated.

27- The number of the company's applications for the shareholders 'register, the dates and the reasons for the requests

Shareholders' registry was requested (10) times as shown below:

The number of the company's applications for the shareholders 'register	Application date	Application reasons
1	04.04.2020	General Assembly
2	14.06.2020	General Assembly
3	14.07.2020	Company procedures
4	16.07.2020	Company procedures
5	03.09.2020	Company procedures
6	04.10.2020	Company procedures
7	09.11.2020	Company procedures
8	29.11.2020	Company procedures
9	13.12.2020	Company procedures
10	29.12.2020	General Assembly

28- Electronic voting.

The company allows the registered shareholders to participate in the remote electronic voting on the items of the general assembly meeting if they choose this path. (During a long period of this year, the Capital Market Authority imposed that all general assembly meetings of shareholders be remote in accordance with the prevention of the spread of the new Corona epidemic and in response to preventive and precautionary measures by the competent health authorities). Remote voting was made through the website of the CMA's Tadawulati service, and this service is available free of charge to all shareholders.

29- The company auditor's conservatives about the annual financial statements

The basis for a conservative opinion

We were not able to reach sufficient conviction about the correctness of the valuation of property, machinery and equipment as on December 31, 2020, with a book value of 95,540,216 Saudi riyals, due to the failure to provide us with the working papers for evaluating property, machinery and equipment, to ensure the correctness of the principles and assumptions used in the evaluation process. Also, through the alternative procedures, we were not able to reach a conviction about the non-depreciation of property, machinery and equipment as on December 31, 2020. As a result, we have not been able to determine whether it is necessary to make any adjustments related to the balance of property, plant and equipment in the statement of financial position and the items that make up the statements of comprehensive income and changes in shareholders' equity and cash flows. We have performed the audit in accordance with the international variables of auditing adopted in the Kingdom of Saudi Arabia, and our responsibility under those standards has been

clarified in the section on the auditor's responsibilities for reviewing the financial statements in our report, and we are independent of the company in accordance with the code of conduct and ethics adopted in the Kingdom of Saudi Arabia related to our audit of the financial statements. We have also fulfilled the requirements of other professional conduct and ethics in accordance with those rules and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion in the audit.

Substantial uncertainty related to continuity:

We would like to draw attention to note no. (2 / d) in the financial statements, which indicates that the company incurred a loss of approximately 12.4 million Saudi riyals and approximately 25.40 million Saudi riyals for the two years ended December 31, 2020 and 2019, respectively. In addition to the excess of the company's current liabilities as on December 31, 2020, for its current assets by 15,836,730 Saudi riyals. These circumstances or events indicate that there is a material uncertainty that may cast a great doubt about the Company's ability to survive as a going concern and our opinion has not been modified with respect to this matter.

30- Remuneration policy for Board members and executive management

- The remuneration for members of the Board of Directors and Board committees was limited to the remuneration for attending the sessions. The Board of Directors approved a bonus policy for attending the sessions at the first meeting of the session.
- The remuneration of the Managing Director and the CEO is determined by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee upon appointment

31 - The relationship between the granted rewards and the applicable remuneration policy, and the indication of any material deviation from this policy.

Rewards were awarded following the applicable policy, and no deviation from this policy was recorded.

32- Remuneration and compensation for members of the Board of Directors

Wafrah for Industry and Development pays bonuses and fees for attending sessions to members of the board of directors and members of the committees emanating from the board, in accordance with the company's bylaw, and no other remuneration has been made to the members of the board of directors.

Board of Directors	Fixed remuneration						Variable remuneration								Indemnity	Total	Expense allowance
	As a member of the Board of Directors (annual)	Allowance for attending Board of Directors meetings	Allowance for attending committees meetings	Benefits in kind	Benefits for administrative and advisory work	Benefits for Chairman, Managing Director, Secretary, if full	Total	Percentage of profits	Percentage of net assets	Share-based payments	Long-term incentives	Short-term incentives	Gratuity	Total			
1 st independent members																	
Eng. Ibrahim Mohamed Daghrir*	-	900	1500	4000	-	28000	-	-	-	-	-	-	-	-	-	28000	-
Mr. Ammar Muhammad Hussain Al-Ahadi	-	1500	9000	-	-	24000	-	-	-	-	-	-	-	-	-	24000	-
Eng. Mohammed Ahmed Abhal Al Haider	-	1800	1800	8000	-	44000	-	-	-	-	-	-	-	-	-	44000	-
Mr. Saleh Hassan Saleh Al-Yami	-	1800	9000	8000	-	35000	-	-	-	-	-	-	-	-	-	35000	-
Total	-	6000	5100	20000	-	131000	-	-	-	-	-	-	-	-	-	131000	-
2 nd non executives	-																
Eng. Khaled Abdul Aziz Al Majid	-	1800	-	4000	-	12000	-	-	-	-	-	-	-	-	-	12000	-
Mr. Tariq Emsd Abdul Ilah Nassif	-	9000	-	-	-	9000	-	-	-	-	-	-	-	-	-	9000	-
Total	-	2700	-	4000	-	31000	-	-	-	-	-	-	-	-	-	31000	-
3 rd executives	-																
Dr. Turki Masoud Mahdi Abbas	-	1800	-	33478	78000	113278	-	-	-	-	-	-	-	-	-	113278	-
Total	-	1800	-	33478	78000	113278	-	-	-	-	-	-	-	-	-	113278	-

* His membership ended by resignation on 10/19/2020

*The salaries, housing allowance and medical insurance for the Managing Director, Dr. Turki Masoud Al Abbas, represent an administrative compensation for the company.

33- Remunerations and compensations for five senior executives who received the highest rewards and compensation, noting that the CEO and CFO included them

Senior executives	Fixed remuneration				Variable remuneration				Indemnity	Total	Gross Total
	Salaries	Allowances	Benefits in kind	Total	Periodic bonus	Perks	Short-term incentive plans	Short-term incentive plans			
CEO	42000	-	30740	72740	-	-	-	-	-	-	-
Director of Strategy and Development	21810	2700	12470	36980	-	-	-	-	-	-	-
Chief Financial Officer	17000	-	5500	22500	-	-	-	-	-	-	-
Head of Human Resources	14000	-	8700	22700	3000	-	-	-	5000	-	-
Kingdom Sales Manager	17000	-	10200	27200	-	-	12000	-	1200	-	-
Total	111710	2700	48840	163250	3500	-	12000	-	1700	-	-

* Benefits in kind include housing allowance, medical insurance, airline tickets, assignments, transfers and training courses

* Short-term incentive plans that include selling commission to the sales manager

* Periodic reward includes bonus for work efficiency

* Allowances include allowances for attending meetings of the Board of Directors and the Remuneration and Nomination Committee for the Secretary, who is outside the Board of Directors

34- Committees of the Board of Directors and their tasks

Description of board committees and their tasks

At the beginning of the session (04.07.2019), the Board of Directors formed one committee, which is the Remuneration and Nominations Committee, in order to be able to perform its duties effectively, and this committee continued its duties during the year 2020; The audit committee was also formed by a decision of the company's ordinary general assembly to date the committee and its duties during the year 2020.

The audit committee consists of three members of the board of directors, all of whom are independent, and one of them (Mr. Ammar Muhammad Hussain al-Abadi, specialist in financial and accounting affairs.

(1-34) Audit Committee

The duties and responsibilities of the audit committee are summarized as follows:

- 1) Studying the initial and annual financial statements of the company before submitting it to the Board of Directors and expressing its opinion and recommendation regarding it to ensure its integrity, fairness and transparency.

- 2) To express a technical opinion - upon the request of the Board of Directors - on whether the report of the Board of Directors and the financial statements of the company are fair, balanced and understandable, and include information that allows shareholders and investors to evaluate the financial position of the company, its performance, business model and strategy.
- 3) Study any important or unfamiliar issues included in the financial reports
- 4) Carefully researching any issues raised by the company's financial director, whoever assumes the task, the company's compliance officer, or the auditor.
- 5) Verification of accounting estimates in the material issues included in the financial reports.
- 6) Study the accounting policies applied in the company and express opinions and recommendations to the board of directors in this regard.
- 7) Study and review of the company's internal, financial and risk management systems.
- 8) Study the internal audit reports and follow up on the implementation of corrective measures for the notes contained therein.
- 9) Control and supervise the performance and activities of the internal auditor and the internal audit department in the company to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to it.
- 10) Preparing and reading the annual report of the audit committee before the general assembly of shareholders at its annual meeting.
- 11) Recommending to the Board of Directors to nominate and dismiss auditors, determine their fees, evaluate their performance after verifying their independence, review the scope of their work and the terms of contracting with them.
- 12) Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- 13) Studying the company's auditor's plan and business, and verifying that no technical or administrative work has been submitted outside the scope of the audit work, and expressing its views on that.
- 14) Answer the inquiries of the company's auditor
- 15) Study the auditor's report and notes on the financial statements what has been taken in their regard.
- 16) Review the results of the reports of the regulatory authorities and verify that the company has taken the necessary measures in this regard.
- 17) Verify the company's compliance with the relevant laws, regulations, policies and instructions.
- 18) Reviewing the contracts and proposed transactions that the company conduct with related parties, and submitting its opinions on this to the Board of Directors.
- 19) Raise the issues it deems necessary to take action in their regard to the Board of Directors and make recommendations on the actions to be taken.
- 20) The audit committee meets periodically, with no less than four meetings during the company's financial year.
- 21) The audit committee meets periodically with the company's auditor, and with the company's internal auditor
- 22) The auditor may request a meeting with the audit committee whenever the need arises.
- 23) The right of the audit committee to have access to the company's records and documents.

- 24) The audit committee has the right to request any clarification or statement from the members of the board of directors or the executive management
- 25) The audit committee has the right to request the board of directors to invite the company's general assembly to convene if the board of directors impedes its work or the company suffers heavy damage or losses.
- 26) For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its decisions are issued by the majority of the votes of those present, and when the votes are equal, the side that the meeting chair voted with shall prevail.
- 27) The remuneration of the members of the committee for attending the sessions shall be equal to the remuneration of the members of the Board of Directors for attending the sessions of the Board.
- 28) The internal auditor is the rapporteur of the audit committee.
- 29) The audit committee held (3) meetings during the year 2020. The first meeting to discuss the annual financial statements for the year 2019. The second meeting to discuss the financial statements for the first quarter of 2020. The third meeting to discuss the financial statements for the second quarter of 2020. Each member of the committee received an amount of 3,000 riyals in every session.

Members of the Audit Committee

Members	Title	1 st Meeting 08.03.2020	2 nd Meeting 03.06.2020	3 rd Meeting 18.08.2020	Total
Eng. Ibrahim Mohammed Al-Daghrir*	Chairman of the Committee	√	√	√	3
Mr. Ammar Muhammad Hussain Al-Abadi	Member	√	√	√	3
Eng. Muhammad Ahmad Abhal Haider	Member	√	√	√	3

*Members whose membership expired on the date of resignation 10/19/2020

The Audit Committee did not meet to discuss and approve the results of the financial statements for the third quarter ending on 30.09.2020 due to the resignation of the Chairman of the Audit Committee from the membership of the Board of Directors and the Audit Committee.

The date of resignation is 19.10.2020 for his selection as a member of the Consultative Council, and the Board of Directors approved the financial statements for the third quarter ending on 30.09.2020.

(2.34) Remuneration and Nomination Committee

Duties and responsibilities of the Remuneration and Nominations Committee

- 1) Preparing a clear policy for remuneration for members of the Board of Directors, the committees emanating from the Board and the Executive Management, and submitting it to the Board of Directors for consideration in preparation for approval by the General Assembly. Provided that the policy takes into account the observance of performance-related standards, disclosure and verification of their implementation.
- 2) Clarify the relationship between the bonuses granted and the applicable remuneration policy and indicate any material deviation from this policy.
- 3) Periodic review of the remuneration policy and evaluation of their effectiveness in achieving the intended goals.
- 4) Recommending to the Board of Directors to remunerate members of the Board of Directors, the committees emanating from it, and the senior executives of the company, in accordance with the approved policy.
- 5) Proposing clear policies and standards for membership in the Board of Directors and Executive Management.
- 6) Recommending to the Board of Directors to nominate its members and re-nominate them in accordance with the approved policies and standards, taking into account not to nominate any person who has been convicted of a breach of trust.
- 7) Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and for executive management positions.
- 8) Determine the time that the member should allocate to the work of the board of directors.
- 9) Annual review of the necessary needs of skills or appropriate experience for board membership and executive management functions.
- 10) Review the structure of the board of directors and executive management and make recommendations regarding the changes that can be made.
- 11) Annually verifying the independence of the members and the absence of any conflict of interests if the member is a member of the board of directors of another company.
- 12) Establish job descriptions for executive members, non-executive members, independent members and senior executives.
- 13) Setting up special procedures in case the position of a member of the board of directors or a senior executive becomes vacant.
- 14) Determine the strengths and weaknesses of the Board of Directors and propose solutions to address them in accordance with the company's interest.
- 15) The Nomination and Remuneration Committee held two (3) meetings during the year 2020, the first on 06.08.2020, the second on October 15, 2020, and the third on October 22, 2020, and all members of the committee attended the aforementioned meetings as follows:

Members of the Remuneration and Nomination Committee

Members	Title	1 st Meeting 06.08.2020	2 nd Meeting 15.10.2020	3 rd Meeting 22.10.2020	Total
Mr. Saleh Hassan Saleh Al-Yami	Chairman of the Committee	√	√	√	3
Eng. Muhammad Ahmad Abhal Al Haider	Member	√	√	√	3
Eng. Ibrahim Mohammed Al Daghrir*	Member	√	√	Resigned	3
Eng. Khaled Abdul Aziz Al Majid**	Member	-	-	-	-

* His membership ended by resignation on 19.10.2020

** He was appointed on 05.11.2020 to complete the minimum membership of the Committee, and the Committee did not meet after his appointment

Remuneration of members of the committees

Members of the committees	Number of meetings	Allowance for attending committee sessions
Audit Committee		
Eng. Ibrahim Mohammed Al-Daghrir*	3	9,000
Mr. Ammar Muhammad Hussain Al-Abadi	3	9,000
Eng. Muhammad Ahmad Abhal Haider	3	9,000
Total		27,000
Remuneration and Nomination Committee		
Eng. Ibrahim Mohammed Al Daghrir*	2	6,000
Eng. Muhammad Ahmad Abhal Al Haider	3	9,000
Mr. Saleh Hassan Saleh Al-Yami	3	9,000
Total		24,000
Gross Total		51,000

* His membership ended by resignation on 19.10.2020

Each member of the committees received an amount of 3,000 riyals as a reward for each session.

36- Statement of loan movement

The company obtained a long-term loan from the Saudi Industrial Development Fund on 05/09/2012 for financing the project of establishing and expanding the factory producing vegetables and frozen potatoes, the total loan facility approved was 34 million Saudi riyals. The loan is repayable over a period of six years and in semi-annual installments as of 01.08.2015. During the year 2016, the loan was rescheduled, with the first payment due after rescheduling on 02.01. The total value of the loan as of December 31, 2019 is 28 million Saudi riyals. During the year 2019, the loan was rescheduled, with the first payment due after rescheduling on 01.12.2020. The loan is secured by mortgaging both the food factory to fully produce meat and the food factory to completely freeze vegetables for the benefit of the fund as collateral for the loan. The loan agreement contains pledges that include, among other things, to reduce future capital expenditures to maintain certain financial ratios.

Lender	Loan amount	term	Prepaid	Paid on 2019	Remaining amount
Saudi Industrial Development Fund	34.000.000	6	6.000.000	0	28.000.000

On 31.12.2020, the current part of the loan amounts to 12 million riyals and the non-current part of the loan is 16 million riyals.

37- A statement of the value of the statutory payments due for payment of any zakat, taxes, fees or any other dues that were not paid until the end of the annual financial period 2020.

Description	Amount (SAR)
Zakat	3.522.897
Social insurance	112.305
Dividend	1.194.822
Value added tax	419.908
Total	5.249.932

Zakat position

1,176,924 riyals were paid in 2020, and the zakat declarations were submitted to the General Authority for Zakat and Income for all years until December 31, 2019. It obtained a registered certificate for the fiscal year ending on 31.12.2019.

During 2018, the General Authority for Zakat and Income issued initial assessments for the years from 2008 to 2011. Based on these assessments, the company objected to it and the amended zakat

assessment was received, which resulted in zakat differences of 3,582,039 Saudi riyals. The zakat differences were recorded within the estimated zakat provision for the year 2018.

During the year 2020, the General Authority for Zakat and Income issued initial links for the years from 2014 to 2018. Based on these assessments, the company objected to them and the modified zakat assessment was received, which resulted in zakat differences of 3,582,039 Saudi riyals, and the company objected to the zakat assessment. The rate in the period following the date of the financial statements and an adjusted zakat assessment of 2,728,946 Saudi riyals was received, and the company objected to it and awaited a response from the General Authority for Zakat and Income. By the General Authority for Zakat and Income.

Movement of the estimated zakat provision for the year 2020

Description	31.12.2019
Balance at the beginning of the year	4,046,301
Component during the year	493,951
Component during the year for previous years	2,728,946
Zakat paid during the year	(1,176,924)
Balance at the end of the year	6,392,274

38- Reserves for the benefit of employees

There are no investments for this purpose, and the company establishes an end-of-service gratuity provision for all its employees in accordance with the Saudi Labor and Workers Law, and it is disbursed to them at the end of their services according to the system and its total statement as follows:

Description	Amount
Provision for end of severance pay	7,257,245

39- Disclosures Board of Directors

The company's board of directors acknowledges the following:

- 1) That the account records were prepared correctly.
- 2) That the internal control system is one on sound foundations and has been effectively implemented.
- 3) Substantial uncertainty may cast significant doubt about the firm's ability to survive as a going concern

40- Recommendation of the Board of Directors to replace the chartered accountant

There is no recommendation to change the chartered accountant before the end of the period for which he was appointed.

41- Disclosure in the Board of Directors' report of what has been applied of the provisions of the Corporate Governance Regulations and what has not been implemented

The company is keen to adhere to the rules and regulations related to corporate governance stipulated in the Companies Law issued by the Ministry of Commerce and Investment and the Capital Market Authority's regulations related to shareholders' rights and commitment to transparency and continuous disclosure. Accordingly, the company has applied all the provisions stipulated in the corporate governance rules issued by the Capital Market Authority, except for the following:

Article Number	Text of the article	Reasons for not applying it
39	Training: The company must give sufficient attention to training and qualifying members of the Board of Directors and the Executive Management, and develop the necessary programs for that	The article is still indicative When adhered to, the company will implement them
41	Evaluation: (A) The Board of Directors, based on the proposal of the Nomination Committee, sets the necessary mechanisms to annually evaluate the performance of the Board, its members, the Committee and the Executive Management, through appropriate measurement indicators related to the extent to which the strategic objectives of the company are achieved, the quality of risk management and the adequacy of the internal control systems and others, provided that the strengths are defined. Weaknesses and a proposal to address them in accordance with the company's interest. (B) Performance evaluation procedures must be written and clear and disclosed to members of the board of directors and persons concerned with the evaluation. (C) The performance evaluation should include the skills and experience possessed by the board, identifying weaknesses and strengths in it, while working to address	The article is still indicative When adhered to, the company will implement them

	<p>weaknesses in possible ways, such as nominating professional competencies that can develop the performance of the board. The performance evaluation must also include an evaluation of the working mechanisms of the board in general. .</p> <p>(D) The individual evaluation of the members of the Board of Directors takes into account the extent of the member's effective participation and commitment to perform his duties and responsibilities, including attending the sessions of the Board and its committees and allocating the necessary time for them.</p> <p>(E) The Board of Directors shall make the necessary arrangements to obtain an evaluation by a competent external body of its performance every three years.</p> <p>(F) Non-executive members of the board of directors conduct a periodic evaluation of the performance of the chairman of the board after taking the views of the executive members - without the chairman of the board attending the discussion designated for this purpose, provided that the strengths and weaknesses are identified and proposed remedies in accordance with the company's interest</p>	
60	<p>(A) A committee named the remuneration committee is formed by a decision of the company's board of directors that is not members of the executive board of directors, provided that at least one of them is an independent member. (B) The company's general assembly - based on a proposal from the board of directors - shall issue the remuneration committee work bylaw. Provided that this bylaw includes the controls and procedures of the committee's work, its tasks, the rules for selecting its members, their membership period and their remuneration.</p>	The remuneration committee was joined with the nomination committee in one committee called the Remuneration and Nominations Committee
63	The remuneration committee meets periodically every (year) at least and whenever the need arises	Not applicable as the company included the Remuneration and Nomination Committee in one committee
64	(A) A committee called the nomination committee shall be formed by a decision of the	Not applicable as the company included the Remuneration and

	company's board of directors from other than the executive board members, provided that at least one of them is an independent member	Nomination Committee in one committee
67	The Nominations Committee meets periodically every (year) at least and whenever the need arises	Not applicable as the company included the Remuneration and Nomination Committee in one committee
70	By a decision of the company's board of directors, a committee called (the Risk Management Committee) has been formed. Its chairman and the majority of its members are from the non-executive board of directors. Its members must possess an adequate level of knowledge of risk management and financial affairs	The article is still indicative When adhered to, the company will implement them
71	Terms of reference of the Risk Management Committee	The article is still indicative When adhered to, the company will implement them
72	The Risk Management Committee meets periodically (every six months) at least, and whenever the need arises	The article is still indicative When adhered to, the company will implement them
85	Motivating employees: The company sets up programs to develop and stimulate participation and performance in the company, to include in particular the following: (1) Forming committees or holding specialized workshops to listen to the opinions of company employees. (2) The program of granting employees shares in the company or a share of the profits it realizes and the retirement programs. (3) Establishing social institutions for company employees	The article is still indicative When adhered to, the company will implement them
87	The Ordinary General Assembly - based on a proposal from the Board of Directors - set a policy that ensures a balance between its goals and the goals that society aspires to achieve, with the aim of developing the social and economic conditions of the society	The article is still indicative When adhered to, the company will implement them
88	Teamwork initiatives	The article is still indicative When adhered to, the company will implement them
90	(7) The means that the board of directors relied upon in evaluating the performance and performance of the committee, lighting and	There are no methods used by the board of directors to evaluate its performance, its

	external bodies that carried out the evaluation and their relationship with the company, if any	committees and members, and there is no evaluation.
90	(24) A description of the company's policy in distributing dividends	1- The company's profit distribution policy is stipulated in Articles (43 + 44) of the company's articles of association. 2- The company did not distribute profits to shareholders.
90	(25) A description of any interest in the voting-eligible category of shares belonging to persons (other than the members of the company's board of directors, senior executives and their relatives) who informed the company of those rights under Article Sixty-eight of the Rules for the Offer of Securities and Continuing Obligations, and any change in these rights during the last fiscal year	There is no notification of any interest in the voting eligibility category
95	Formation of the Corporate Governance Committee	The article is still indicative When adhered to, the company will implement them

44 - Recommendation of the audit committee regarding the need to appoint an internal auditor in the company in the absence of one.

(Wafrah) for Industry and Development has established an internal audit department headed by a highly qualified and experienced head of the company's internal audit department.

45- The company auditor

The company's auditor is appointed by the ordinary general assembly based on the nomination of the board of directors, taking into account that his nomination is from the audit committee, and that he is authorized to audit the accounts of joint-stock companies and meets the conditions prescribed by the competent authority and that his interests do not conflict with the interests of the company, and that he has experience, efficiency and trust.

46- Accounting standards applied in Wafrah for Industry and Development

There is no difference in the accounting standards applied in Wafrah for Industry and Development, which are the international financial reporting standards in the Kingdom of Saudi Arabia, and other standards and publications approved by the Saudi Organization for Certified Public Accountants.

47 - The subsidiaries of the company

There are no subsidiaries of Wafrah for Industry and Development.

48- Shares and debt instruments in subsidiaries

There are no shares and debt instruments in subsidiary companies.

49 - A description of any of the class of eligible shares

There are no eligible shares to vote, nor is there any notification about them.

50- A description of the categories and numbers of any convertible debt instruments and any contractual securities or right notes

Subscription or similar rights issued or granted by the company during the year.

It's not available.

51- A description of any transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company

It's not available.

52- Description of any redemption, purchase or cancellation by the company of any redeemable and valuable debt instruments

The remaining securities with a distinction between the listed securities purchased by the company and those purchased by its subsidiaries.

It's not available.

53- A description of any interest in the category of shares eligible 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 under Article 45 of the Registration and Listing Rules, and any change in these rights during the last fiscal year.

It's not available.

54- Treasury shares held by the company and details of the uses of these shares.

It's not available.

54 - A description of any quality between the company and a related party

There is a relationship between the company and a related party, which is Jannat Agricultural Investment Company (a sister company), and the related party is required on 3/12/2020 AD, an amount of 725,576 Saudi riyals.

56- Contracts concluded between the company and other entities

The company acknowledges that there are no contracts related to any business or contracts in which the company is a party or in which the interest of a member of the board of directors, the chief executive officer, the chief financial officer, or any related person.

57- A statement of any arrangements or agreement under which a member of the board of directors or a senior executive has waived

Any salary or compensation

There is no arrangement or agreement under which a member of the board of directors or a senior executive waived any

Salary or compensation.

58 - A statement of any arrangement or agreement that one of the shareholders of the company has waived any rights in profits

There is no arrangement or agreement under which any of the company's shareholders waived any rights to profits.

59 - Sanctions and penalties applied to the company

The company was not subjected to any penalties, penalties, or precautionary restrictions imposed by the Capital Market Authority or any other supervisory, regulatory or judicial authority during the year 2020.

60 - Social responsibility

(1-60) Human Resources

The company has developed human resources and the company has maintained its record in employing distinguished Saudi cadres, focusing on recruiting and training Saudis, and conducting training courses for workers through specialized training centers to stimulate the capabilities of workers at all levels and emphasize on obtaining further development in a way that reflects positively on employee satisfaction and increase their productivity and stability. The women's section has also developed by appointing more female employees to work in the administrative, procurement and accounting fields, as well as on production lines. The company also offers bonuses, bonuses and commission programs for sales.

(60-2) Charitable work

The company is a pioneer in the field of charitable work and puts support for charitable societies at the top of its priorities and provides material and moral support to charitable institutions, as it plays an effective role in this aspect year after year.

The company provided material support to the Disabled Children's Charitable Association to support a rehabilitation program for gifted children in artistic works and to market them for the benefit of the association under the name of a program for drawings and creativity of children with disabilities. This initiative has achieved unprecedented successes in developing children's skills and discovering their creativity.

(60-3) Total Quality

The company's management strives to maintain the highest quality of its products and to keep pace with the requirements of international standards in order to achieve the highest levels of customer satisfaction, in order to ensure that the consumer obtains high-quality products. Work continues on developing quality management, food safety, occupational health and environmental safety.

(60-4) Staff development and appreciation of their achievements

The company motivates workers, and it also holds specialized workshops to listen to the workers and discuss with them issues related to work, and has also been interested in training and qualifying its cadres with special needs training companies in jobs that are compatible with their capabilities and the nature of their disability.

(60-5) Staff Health and Safety

The company provides health care for workers and their families, and is concerned with means of safety during the performance of work and the provision of security tools to preserve the lives of workers.

(60-6) Cooperation with educational institutions

The company believes in the importance of social contribution and development and participation in achieving the elevation of this country and members of society through programs that achieve the general benefit of society, and attract people with special needs in jobs that suit their abilities. The company cooperates with various educational institutions and works on training in Riyadh to receive students for training in the company's factories. The company receives students (different levels) on a one-day visit to introduce them to food manufacturing within the factories.

61 - The most important events during the fiscal year ending on 31/12/2020.

During the year 2020 AD, the company's capital was reduced in exchange for amortizing the accumulated losses to become 77,170,350 Saudi riyals instead of a capital of 200 million riyals, and from 7,717,035 shares, the value of each of which is 10 Saudi riyals instead of 20 million shares, the value of each share is 10 Saudi riyals.

- On 19/7/2020 AD. Wafrah Industry and Development Company announces that it has received a letter from some of the shareholders who own shares representing approximately 7.14% of the company's capital, requesting the dismissal of the Board of Directors and the election of new members who are candidates for membership of the Board of Directors.

- On 26/7/2020 AD, Wafrah Industry and Development Company announces that it has received a letter from some of the shareholders who own shares representing approximately 7.14% of the company's capital, requesting the dismissal of the audit committee and the election of new members from the candidates for membership of the audit committee.

- On 10/8/2020 AD, Wafrah Industry and Development Company announces the opening of nominations for membership of the Board of Directors.

- On 25/10/2020, Wafrah Industry and Development Company announces the approval of the Board of Directors (by passing) on the resignation of the Vice Chairman and Chairman of the Audit Committee Eng. Ibrahim Muhammad Hadi Al-Daghrir from the membership of the Board of Directors and the Audit Committee to select a member of the Shura Council, the date of resignation is 10/19/2020 AD, and the effective date Resignation 19/10/2020. The date for accepting the resignation is 10/24/2020.

- On 16/12/2020 AD, the Board of Directors of Wafrah for Industry and Development announced that it would invite shareholders to participate and vote in the 36th General Assembly meeting scheduled for 1/14/2021 AD, by means of modern technology, to vote on the following items:

Clause No. (1): voting to dismiss the members of the Board of Directors based on the request submitted by some of its shareholders who own shares representing 7.14% of the company's capital.

Clause No. (2): Voting to dismiss the audit committee based on a request submitted by some of its shareholders who own shares representing 7.14% of the company's capital.

Clause No. (3): voting on the election of members of the Board of Directors from among the candidates for the next session, which starts from the date of the Ordinary General Assembly on 1/14/2021 AD, and its period is three years ending on 1/13/2024 AD, in case Item No. (1).

Clause No. (4): Voting on the appointment of Mr. Tariq Emad Abdel-Ellah Nassif (non-executive member) a member of the audit committee starting from the date of the association until the end of the current committee's term of service on 7/3/2022

And in place of the former committee member (Ibrahim Muhammad Hadi Al-Daghrir - independent member, head of the audit committee, in case Clause (2) is not approved.

- On 16/12/2020, Wafrah Industry and Development Company announces that it has received letters from the General Authority for Zakat and Income to amend the zakat declarations submitted for the period from 2014 to 2018, and to demand payment of zakat differences for the years referred to, with a total amount of 3,582,039 riyals, noting that the company has submitted zakat declarations and paid zakat for those years based on A mechanism for those letters, because the company has the right to object to these amendments during the statutory period (sixty days) from the date of receiving those letters, and the company will raise a list of objection to these amendments during the statutory period

62 - Subsequent events

On March 3, 2021, the loan was rescheduled by the Industrial Development Fund, provided that the first payment is due after rescheduling on 1/28/2021. The management believes that there are no significant subsequent events since the end of the year that affect the financial position of the company, except for what was mentioned

63- A closing word

We hope that the presentation presented in the annual report of Wafrah for Industry and Development on the business results for the financial year ending on 31/12/2020, which was concluded by the previous board of directors of the company, has clarified the picture with full transparency required between the company and its shareholders, and we hope that the company will recover after the circumstances. The critical situation dictated by local, regional and international conditions, in addition to the Corona pandemic, which caused its losses in products that were affected by the closure, at a time when these circumstances caused many companies to leave the map of Saudi companies.

In conclusion, the Board of Directors extends the greetings and appreciation to the Custodian of the Two Holy Mosques, the Crown Prince, the rational government and its institutions for the unlimited support of the private sector, especially the listed companies.

Also, thanks and gratitude must be given to the honorable shareholders who placed their confidence in the Board of Directors. They supported the Board and supported it with their ideas and suggestions, and they are looking forward to a better future for the company, and its precursors have begun.

We thank the employees of the company for their sincerity and dedication to work for the advancement and advancement of the company, and we are now more confident and optimistic about overcoming obstacles and launching to welcome horizons in the near future, God willing.

We ask Almighty God for success and repayment.

Mohammed Yaqoub Youssef Almkhaddhab

Chairman of Board of Directors

