

Annual Board's Report  
for the Year Ending 31/12/2020G  
Baazeem Trading Company (BTC)  
(A Saudi Joint Stock Company - Listed)

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#### Chairman's Message

It is with great pleasure, being at the close of the financial year 2020G to express and forward due thanks and appreciation to all those who exerted efforts in all sectors of the Company and maintained our successful performance. Such efforts have contributed to the good results and performance at sales, profitability, and even in terms of debts fulfilment. Thanks to that, Baazeem Trading Company (BTC) shall keep growing.

As you are all aware, Covid-19 has adversely affected almost all market sectors, but had, thank God, a minimal effect on our business, and the Company managed to best utilize the increased demand on some of its products, such as Detergents, Gloves, and Tuna distributed by BTC.

BTC shall continue promoting its presence in all points of sale Kingdom wide. We also plan to increase our market share within KSA as well as in the GCC region, in addition to some neighboring countries, such as Iraq.

Salem Bin Saleh Baazeem  
Chairman

In the Name of Allah, The Beneficent, The Merciful

The Board of Directors of Baazeem Trading Company (BTC) wishes to seize this opportunity to submit its annual report to Shareholders which highlights the Company's performance of the year ending 31/12/2020G. Our Report provides the relevant information about BTC activities, most significant achievements, strategies, and financial results in addition to some information about the Board and its Committees alongside other relevant information, that our Shareholders' need.

#### Company Key Activities:

The Company activities comprise wholesale of coffee and tea products, food and beverages, cosmetics soaps, soaps and detergents, in addition to wholesale of plastics, rubber and synthetic fiber products, the sale of tools and plastic materials (including bags), and general warehouses comprising a variety of goods.

Statement of effect and contribution of each category on business volume and 2020 results:

Category	Total Sales	Percentage from Total
Company-owned Brands: u-do, MAOG, Fid Fad	192,265,522	57%
Agency Brands	144,375,803	43%
Total Sales	336,641,325	100%
Agreements & Discounts	-51,166,705	
Net Sales	285,474,620	

#### Results of Operations:

During the financial year 2020G, the Company, thank God, has total sales for the financial year 2020G of SAR 336,641,325 compared to SAR 304,515,551 for the financial year 2019G; by an increase of 10.55%. This, thank God, was due to several factors, including the proactive planning approach adopted by the Executive Management and its close follow-up of all precautionary procedures and directives issued by official authorities, expectation of developments seen by the market in general and of the performance of our key clients and competitors Kingdom wide in addition to identifying and fulfilling consumers' needs. Net profit for the FY 2020G was estimated at SAR 26,265,645 compared to SAR 20,625,429 for the FY 2019G, by an increase of 27.35%. Total equity for the FY 2020G was estimated at SAR 191,204,023 compared to SAR 181,138,378 for the FY 2019G is an increase of 5.56%, noting that there are no minority shareholders right.

Increase of the net profit is due to the rise in sales by 10.55%. The Company has leveraged its stock level by 17.78% compared to the FY 2019G to be in the safe side against market price fluctuations or shipment suspensions due to current circumstances and the spread of Covid-19. Besides, BTC managed to lower its debts by -18.73% compared to FY 2019G.



In addition, Company factory located in Makkah province is currently in operation and is considered as one of the Company's branches in the Kingdom. It manufactures products sold by our main company business.

#### **Affiliates:**

Located in Qatar and wholly owned by the Company, Baazeem Trading Establishment is registered in the name of the Board Chairman Mr. Salem Bin Saleh Baazeem as a Sole Proprietorship with capital stock of SAR 30,000. The Establishment managed to achieve annual sales for 2020G of SAR 14,244,938 by a rise of 36.89% compared to FY 2019G.

#### **Human Resources:**

Due to the events recently seen which extensively affected us, and since we strongly believe that our human resources are our most valuable assets and elements of success, we managed to achieve the following:

1. Completing and communicating internal policies and procedures.
2. A comprehensive Employee Guide has been prepared which explains Company role, positions, and most significant internal policies.
3. Appointing a Risk Management Team, aiming to provide safety supplies for all staff. As a result, only 15 of our people had been infected with Covid-19 during such period.
4. In return for their heroic role during the pandemic, we provided our Public Security Dept. with MAOG gloves at Medina, Mecca, and Riyadh Provinces.

#### **Human Resources Goals for 2021G:**

1. Launching 'Future Leaders' Program aimed to attract competent people in the Saudi market.
2. Raising Saudization rate to 38%.
3. Activating employee turnover aimed to enhance employees' capabilities and performance in several jobs aspects.
4. Training and evaluating employees to improve their efficiency and increase in-house competition.
5. Improving remuneration and benefits given to personnel.

#### **Information Technology:**

In 2020, Information Technology Department continued developing software and processes and upgraded ERP. Also provided the IT infrastructure requirements of our Asfan site, including an internal network and an IP telephone system was added for internal communication between departments at the site. The IP telephone system is integrated to the head office IP system for ease of communications.

In 2021, the Management hopes to further develop "Microsoft Dynamics NAV" by moving to the new update "Microsoft Business Central" which shall include the development and enhancement of performance of all departments and processes and minimizing paperwork as much as possible.

#### **Industrial Sector:**

Productivity efficiency of production lines was increased with productivity rising by 28%. Besides, we began experimental production of kitchen and toilet paper rolls and the production line team was completed.

Factory Plan for 2021:

1. Reaching the highest line productive efficiency 90% - producing other products of maxi rolls to compete in the market, such as Mega 350m.
2. Submitting a detailed study for establishing plastic sheets for dining tables, plastic bags line, and Aluminum foil rolls to the Executive Management for approval.
3. Raising profitability by enhancing quality and production efficiency.

1. A list of names, qualifications, and experience of the Board and committees members and Executive Management:

**A. Board of Directors:**

Name	Current Positions	Previous Positions	Qualifications
Salem Bin Saleh Baazeem	Chairman	Chairman	B.S. of Accounting
Mohammed Bin Saleh Baazeem	BTC Western Province Manager	Director General of Administrative Affairs of Makkah Construction and Development Company	
Fawzieh Bint Saleh Baazeem	Retired	Educational Supervisor	B.A. in English
Ahmad Bin Saleh Baazeem	Businessman	Administrative Affairs Officer	
Hisham Bin Abdullah Baazeem	Supply Chain Manager	Purchasing Deputy Manager	PhD in Agricultural Economics (International Marketing)
Roa Abu Bakr Baazeem	Teacher	Teacher	B.S. of Chemistry
Talat Bin Zaki Bin Rida Hafiz	Media and Banking Awareness Committee Secretary	Branch Management, National Commercial Bank (Al Ahli)	Master of Accounting
Ali Bin Mohammed Sheneamer	Business Development CEO - Bupa Arabia	Commercial Affairs CEO - Bupa Arabia	B.S. in Electrical Engineering
Mohammed Bin Hamad Al Faris	Vice-President and Regional Manager of Personal Banking, Bank AlJazira	Corporate Senior Manager, SABB	Master of Business Management (Financial Management)



**B. Committees Members:**  
**Audit Committee:**

No.	Name	Current Positions	Previous Positions	Qualifications
1	Fawzieh Bint Saleh Baazeem	Retired	Educational Supervisor	B.A. in English
2	Abdulaziz Bin Ahmad AlKabab	Professor of Urban Planning, Sana'a University	Professor of Urban Planning, Sana'a University	PhD in Urban Planning
3	Mohammed Bin Hamad Al Faris	Vice-President and Regional Manager of Personal Banking, Bank AlJazira	Corporate Senior Manager, SABB	Master of Business Management (Financial Management)

**Remuneration & Nomination Committee:**

No.	Name	Current Positions	Previous Positions	Qualifications
1	Fawzieh Bint Saleh Baazeem	Retired	Educational Supervisor	B.A. in English
2	Ahmad Bin Saleh Baazeem	Businessman	Administrative Affairs Officer	
3	Roaa Abu Bakr Baazeem	Teacher	Teacher	B.S. of Chemistry

**Executive Committee:**

No.	Name	Current Positions	Previous Positions	Qualifications
1	Salem Bin Saleh Baazeem	Chairman	Chairman	B.S. of Accounting
2	Fawzieh Bint Saleh Baazeem	Vice-Chairman	Educational Supervisor	B.A. in English
3	Abdulaziz Bin Ahmad AlKabab	Professor of Urban Planning, Sana'a University	Professor of Urban Planning, Sana'a University	PhD in Urban Planning
4	Ali Muslah Al Waqedi	CEO	CEO	B.S. in Computer Engineering
5	Saleh Bin Salem Baazeem	Sales & Marketing Director	Sales Director	B.S. in Computer
6	Thamer Bin Ahmad Baazeem	Investment Director, Islamic Development Bank	Social Communication Manager, Ministry of Hajj and Umrah	PhD in Marketing



**C. Executive Management:**

Name	Current Positions	Previous Positions	Qualifications
Ali Muslah Al Waqedi	CEO	CEO	B.S. in Computer Engineering
Mohammed Ali Mohammed Ali Salem	CFO	Deputy CFO	B.S. in Commerce, Accounting Dept.
Hisham Bin Abdullah Baazeem	Supply Chain Manager	Purchasing Deputy Manager	PhD in Economics
Saleh Bin Salem Baazeem	Sales & Marketing Director	Sales Director	B.S. in Computer
Karim Hanafi Juma	Purchasing Manager	Purchasing Manager	B.S. in Electrical Engineering
Ohood Abdulaziz Al Mashhadi	Administrative Affairs Director	Human Resources Supervisor	B.S. in Science, Human Resources Management

**Names of the companies inside and outside the Kingdom in which a Board member is a member of their current or previous Board member or manager:**

Member Name	Names of Companies in which a Company Director is a Board Member, Current or Previous, or a Manager thereof	Inside / Outside KSA	Legal Entity (Joint Stock - Listed / Joint Stock - Unlisted / Limited Liability)
Salem Bin Saleh Baazeem	Shamil Bank of Yemen & Bahrain	Outside KSA	Closed Joint Stock
	Al-Mawarid Company for Educational Services	Outside KSA	Closed Joint Stock
	Hadeed	Outside KSA	Closed Joint Stock
	Burum Seafood Company	Outside KSA	Closed Joint Stock
Talat Bin Zaki Bin Rida Hafiz	General Organization of Social Insurance (GOSI)	Inside KSA	Government Corporation
Ali Bin Mohammed Sheneamer	Bupa Arabia Medical Insurance	Inside KSA	Joint Stock - Listed
Mohammed Bin Hamad Al Faris	Bank AlJazira	Inside KSA	Joint Stock - Listed

#### Constitution and Classification of Board of Directors:

	Name	Title (Executive – Non-Executive – Independent)
1	Salem Bin Saleh Baazeem	Non-Executive
2	Mohammed Bin Saleh Baazeem	Executive
3	Fawzieh Bint Saleh Baazeem	Non-Executive
4	Ahmad Bin Saleh Baazeem	Non-Executive
5	Hisham Bin Abdullah Baazeem	Executive
6	Roaa Abu Bakr Baazeem	Non-Executive
7	Talat Bin Zaki Bin Rida Hafiz	Independent
8	Ali Bin Mohammed Sheneamer	Independent
9	Mohammed Bin Hamad Al Faris	Independent

#### A brief description of the competencies and duties of the committees:

- **Audit Committee:** The Committee carries out several and various duties, such as the following:
  1. Supervising the Company's Internal Audit Unit ensuring its efficiency.
  2. Examining the internal control system and preparing a report thereon.
  3. Providing a recommendation to the Board on appointing certified public accountants.
  4. Following up duties performed by the certified public accountants and approving any duties beyond audits they handle.
  5. Analyzing the Company's financial statements before presenting them to the Board and providing its opinion and recommendations thereon.
  6. Examining the accounting policies followed by the Company.

Name	Member Capacity	Number of Meetings (4 meetings)			
		1 <sup>st</sup> Meeting	2 <sup>nd</sup> Meeting	3 <sup>rd</sup> Meeting	4 <sup>th</sup> Meeting
Fawzieh Bint Saleh Baazeem	Committee Chairman	10-3-2020	27-4-2020	17-8-2020	02-11-2020
Abdulaziz Ahmad AlKabab	Committee Member	10-3-2020	27-4-2020	17-8-2020	02-11-2020
Mohammed Bin Hamad Al Faris	Committee Member	10-3-2020	27-4-2020	17-8-2020	02-11-2020

- **Remuneration and Nomination Committee:** The Committee carries out several and various duties, such as the following:



1. Recommend the nomination and re-nomination of the membership in the Board taking into consideration approved policies and standards.
2. Preparing a description of appropriate skills and qualifications required for a membership in the Board.
3. Specifying the time a member must allocate for Board duties.
4. Reviewing Board structure, Board committees, and Executive Management and submitting relevant recommendations.
5. Ensuring independency of Board independent members.

Name	Member Capacity	Number of Meetings (1 meeting)
		2 <sup>nd</sup> Meeting
Fawzieh Bint Saleh Baazeem	Committee Chairman	10-3-2020
Ahmad Bin Saleh Baazeem	Committee Member	10-3-2020
Roaa Abu Bakr Baazeem	Committee Member	10-3-2020

- **Executive Committee:** The Committee shall study all issues referred thereto by the Board or raised by the Executive Management. It shall respond to projects or initiatives proposed by the Executive Management and recommend as appropriate to the Board. The Committee shall also follow up functions assigned to the Executive Management as per plans approved by the Board.

Name	Member Capacity	Number of Meetings (5 meetings)				
		1 <sup>st</sup> Meeting	2 <sup>nd</sup> Meeting	3 <sup>rd</sup> Meeting	4 <sup>th</sup> Meeting	5 <sup>th</sup> Meeting
Salem Bin Saleh Baazeem	Committee Chairman	9-1-2020	9-3-2020	26-4-2020	16-8-2020	1-11-2020
Fawzieh Bint Saleh Baazeem	Committee Vice-Chairman	9-1-2020	9-3-2020	26-4-2020	16-8-2020	1-11-2020
Abdulaziz Ahmad AlKabab	Committee Member	9-1-2020	9-3-2020	26-4-2020	16-8-2020	1-11-2020
Ali Muslah Al Waqedi	Committee Member	9-1-2020	9-3-2020	26-4-2020	16-8-2020	1-11-2020
Saleh Bin Salem Baazeem	Committee Member	9-1-2020	9-3-2020	26-4-2020	16-8-2020	1-11-2020
Thamer Bin Ahmad Baazeem	Committee Member	9-1-2020	9-3-2020	26-4-2020	16-8-2020	1-11-2020

**Disclosure of Remunerations of Members of the Board and Executive Management as per Article (93) of the Corporate Governance Regulations.**

Expenses allowance	Aggregate Amount	End-of-Service Award	Variable Remunerations	Fixed Remunerations						
				Statement of remunerations paid to Board members for being employees or administrative officers, or for their technical, managerial and	In-kind Benefits	Total allowance for attending Committees meetings	Allowance for attending Board meetings	Specific amount		



Name	Job	Basic Salary	Transportation allowance	Accommodation allowance	Remunerations	Total
Mr. Mohammed Bin Saleh Baazeem	BTC Western Province Manager	166104	0	0	267252	433356
Dr. Hisham Bin Abdullah Bin Saleh Baazeem	Supply Chain Manager	205644	16750	73668	141639	437701
Total		371748	16750	73668	408891	871057

### Remunerations of Senior Executives

Remunerations of Senior Executives				31.12.2023
	Aggregate Amount		3090235	
	Total remunerations for Board executives, if any			
End-of-Service Award				
	Total		3090235	
	Granted shares (by value)			
	Long-term incentive plans			
	Short-term incentive plans			
	Profits			
	Periodic remunerations		1285748	
	Total		1804487	
	In-kind benefits			
	Allowances		541500	
	Salaries		1262987	
Fixed Remunerations	Total			
	Total			

### Committees Members Remunerations

	Fixed Remuneration (Except for the allowance for attending meetings)	Allowance for attending meetings	Expenses allowance	Total
Audit Committee Members				
Fawzieh Bint Saleh Baazeem	50000	20000	0	70000
Abdulaziz Bin Ahmad AlKabab	50000	16000	0	66000
Mohammed Bin Hamad Al Faris	50000	16000	0	66000
Total	150000	52000	0	202000
Remuneration and Nomination Committee Members				
Fawzieh Bint Saleh Baazeem	10000	0	0	10000
Ahmad Bin Saleh Baazeem	10000	0	0	10000
Roaa Abu Bakr Baazeem	10000	0	0	10000
Total	30000	0	0	30000
Executive Committee Members				
Salem Bin Saleh Baazeem	50000	17500	0	67500
Fawzieh Bint Saleh Baazeem	50000	15000	5000	70000
Abdulaziz Ahmad AlKabab	50000	15000	5000	70000
Ali Muslah Al Waqedi	50000	15000	0	65000
Saleh Bin Salem Baazeem	50000	15000	0	65000
Thamer Bin Ahmad Baazeem	50000	15000	5000	70000
Total	300000	92500	15000	407500

6. Any punishment, penalty, precautionary procedure or imposed on the Company by the CMA or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future:  
No punishments, penalties, precautionary procedures, or preventive measure have been imposed on the Company.

7. Results of the annual review of the effectiveness of the internal control procedures of the Company and the opinion of the audit committee with respect to the adequacy of the Company's internal control system:  
Policies, procedures, and matrix of authorities have been approved in the 1<sup>st</sup> half of 2020G by the Audit Committee, and concerned departments have been trained in implementing the same through holding a number of workshops. In addition, and thank God, we have been able to implement the internal audit plan after being approved by the Audit Committee during the 2<sup>nd</sup> half of 2020G by consulting the Company different departments by order (Sales,



Purchasing, Finance, and Supply) and full reports have been sent with enclosures to the Audit Committee. Besides, policies implemented have been discussed with the Executive Management at the end of 2020G to evaluate effective implementation thereof and additions or modifications required of special terms of the policies, procedures, and matrix of authorities.

We currently focus on 2021G so that the internal audit becomes more effective by auditing a sample of procedures and matrix of authorities of departments on a monthly basis in addition to a plan for comprehensive audit for each department of the Company as per the plan approved by the Audit Committee for 2021G.

**8. A list of the dates of the General Assembly meetings held during the last fiscal year and the names of the Board members who attended them:**

Name	Attendance Record
	1 <sup>st</sup> General Assembly Meeting
Salem Bin Saleh Baazeem	16-04-2020
Mohammed Bin Saleh Baazeem	16-04-2020
Fawzieh Bint Saleh Baazeem	16-04-2020
Ahmad Bin Saleh Baazeem	16-04-2020
Hisham Bin Abdullah Baazeem	16-04-2020
Roaa Abu Bakr Baazeem	16-04-2020
Talat Bin Zaki Bin Rida Hafiz	16-04-2020
Ali Bin Mohammed Sheneamer	16-04-2020
Mohammed Bin Hamad Al Faris	16-04-2020

**9. A description of the main scope of business of the Company and its affiliates:**

**Description of the main scope of business of the Company:**

**Activity (1):** The Company activities comprise wholesale of coffee and tea products, food and beverages, cosmetics soaps, soaps and detergents, in addition to wholesale of plastics, rubber and synthetic fiber products, the sale of tools and plastic materials (including bags), and general warehouses comprising a variety of goods.

Activity	Activity Revenues	Percentage
1	Wholesale of coffee and tea products, food and beverages, cosmetics soaps, soaps and detergents, in addition to wholesale of plastics, rubber and synthetic fiber products, the sale of tools and plastic materials (including bags), and general warehouses comprising a variety of goods.	100%

**Description of the main scope of business of the affiliate:**

**Activity (1):** Trade of Household items - Trade of toiletries and cleaning materials, and homeware products.

Activity	Activity Revenues	
		Percentage
1	Trade of household items - trade of toiletries and cleaning materials, and homeware products.	100%

The Company has a valid commercial registration but not operative in the UAE in the name of Baazeem Trading - FZE LLC.

**10.A description of the Company's significant plans and decisions (including changes to the structure, expanding the Company's operations or halting them) and the future expectations.**

Company Management implemented a lot of programs and plans which helped in avoiding a poor performance. This helped the Company properly achieve its goals without compromising its interests. Programs include a constant follow up of customers' debts and reviewing debt upper limits. Also, the Company visited several international exhibitions to look for international brands whose products it can distribute in the Kingdom. We, thank God, and thanks to good planning between all Company sectors, we managed to operate Asfan main warehouse without any delays in customers' orders. Concurrently, the Company started producing tissue paper targeting local markets with its own brands.

In addition, there are no changes to the structure, no expansion or halting of the Company's operations, except for what is hereinabove stated.

**11.Information on any risks facing the Company (operational, financial or market related) and the policy of managing and monitoring these risks.**

As per Company policies aimed to continuously review customers' debts and striking a balance between its orders and providing products, the Company carries out a permanent review of its policies to avoid any potential risks. The Company managed to reduce its debts from SAR 112,000,000.00 to SAR 80,000,000.00.

**12. A summary in a form of table or graph showing the Company's assets, liabilities and results of the last five fiscal years or since the incorporation date, whichever is shorter:**

- Comparing business results in the form of a table:

Description	2020	2019	2018	2017	2016
Net Revenues	285,474,620	260,259,800	302,410,132	330,528,080	343,482,113
Revenues Costs	195,156,369	176,803,750	178,010,301	204,476,394	194,585,756
Total Profits	90,318,251	83,456,050	124,399,831	126,051,686	148,896,357
Net Profit	26,265,645	20,625,429	20,453,720	24,553,434	33,198,472



- **Comparing assets and liabilities in the form of a table:**

Description	2020	2019	2018	2017	2016
Current Assets	191,465,365	192,227,755	190,507,472	231,495,992	210,920,988
Non-current Assets	46,539,787	49,063,336	64,060,970	55,930,507	72,804,030
Total Assets	238,005,151	241,291,091	254,568,442	287,426,499	283,721,018
Current Liabilities	36,580,688	50,921,254	53,634,476	84,805,273	92,696,982
Non-current Liabilities	10,220,440	9,231,459	6,852,795	11,781,275	5,525,019
Total Liabilities	46,801,128	60,152,713	60,487,271	96,586,548	98,222,001

**13. Geographical analysis of the Company's and its affiliates' revenues:**

Year	Geographical analysis of the Company' total revenues							
	Net Revenues	Head Office	Central Province	Western Province	Eastern Province	Southern Province	Northern Province	Medina
2020	273,007,586	1,772,166	86,404,210	58,492,818	39,719,856	27,999,301	33,535,070	25,084,165

Year	Geographical analysis of the affiliate's total revenues	
	Net Revenues	Net Profits
2020	12,467,034	943,657

**14. Any material differences in the operational results compared to the preceding year's results, along with any expectations announced by the Company:**

Description	2020	2019	Changes (+) or (-)	Percentage of Change
Net Sales / Revenues	285,474,620	260,259,800	25,214,820	9,69%
Cost of Sales / Revenues	195,156,369	176,803,750	18,352,619	10,38%
Total profits	90,318,251	83,456,050	6,862,201	8,23%
Other operational income	0	0	0	0
Other operational expenses	57,927,016	55,641,237	2,285,779	4,11%
Operational (loss) / profit	32,391,235	27,814,813	4,576,422	16,46%
Other expenses and revenues	2,024,571	3,622,152	-1,597,581	-44,11%
Net profit of year before deducting Zakat	30,366,664	24,192,661	6,174,003	25,52%
Zakat	4,101,019	3,567,232	533,787	14,97%
Net profit of year	26,265,645	20,625,429	5,640,216	%27.35

**15. Any inconsistency with the standards approved by the Saudi Organization for Certified Public Accountants (SOCPA):**

The Company implemented the new standards and amendments as of and after January 01, 2020G as follows:

- Definition of Relative Importance - Amendments to IAS 1 and IAS 8.
- Definition of Business - Amendments to IFRS 3.
- Amendments to References to the Conceptual Framework in IFRS Standards.

Impact shall not be material to the financial statements.

**16. Name of each affiliate company, its capital, the Company's ownership percentage, the main scope of business, country of operation and country of incorporation:**

Name of affiliate	Capital	Company's ownership percentage	Main scope of business	Country of operation	Country of incorporation
Baazeem Trading Establishment	QAR 30, 000	100%	Trade of domestic ware Trade of toiletries and cleaning materials, tools, and devices	State of Qatar	State of Qatar
Baazeem Trading - FZE LLC*	AED 150,000	100%	General Trading	UAE	UAE

\*Not operative

**17. A description of the dividends distribution policy:**

Percentages of dividends distributed during year		Percentages of dividends proposed for distribution at end of year	Total dividends
	30/4/2020		
percentage	16% of capital	17.5% of capital	26,265,645
Total	16,200,000 *		

\*Dividends distributed are related to 2019G.

**18. A description of any interest in a class of voting shares held by persons (other than the Company's directors, Senior Executives and their relatives) who have notified the Company of their holdings pursuant to Article 45 of Listing Rules, together with any change to such interests during the last fiscal year.**

None of the Company's shares give voting rights to persons.



**19. A description of any interest, contractual securities or subscription rights of the Board members, Senior Executives and their relatives on shares or debt instruments of the Company or its affiliates, and any change on these interest or rights during the last fiscal year.**

There is no interest, contractual securities or subscription rights of the Board members, Senior Executives and their relatives on shares.

**20. Information on any loans (payable upon request or not), a statement of the total indebtedness of the Company and its affiliates, any amounts paid by the Company in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount. In case there is no debts, a declaration thereof shall be presented.**

SN	Creditor name	Principal debt	Loan term	Repayments of loans during the year	Remaining amount	Total indebtedness of the Company and its affiliates
1	Arab Bank		6 months	Short-term securitization	5,000,000	
2	AlAhli NCB		6 months	Short-term securitization	3,017,433	
3	Banque Saudi Fransi		6 months	Short-term securitization	3,288,306	
4	Saudi Investment Bank		6 months	Short-term securitization	1,410,803	
5	Al Rajhi Bank		6 months	Short-term securitization	2,749,127	

No debts are due on affiliates.

**21. A description of the class and number of any convertible debt instruments, contractual securities, subscription rights warrants or similar rights issued or granted by the Company during the fiscal year, as well as stating any compensation obtained by the company in this regard.**

The Company does not have any convertible debt instruments, contractual securities, subscription rights warrants or similar rights issued or granted by the Company during the fiscal year

22. Number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of the attendees.

Member Name	Number of Meetings (4 meetings)			
	1 <sup>st</sup> Meeting 12-3-2020	2 <sup>nd</sup> Meeting 28-4-2020	3 <sup>rd</sup> Meeting 19-8-2020	4 <sup>th</sup> Meeting 4-11-2020
Salem Bin Saleh Baazeem	Attended	Attended	Attended	Attended
Mohammed Bin Saleh Baazeem	Attended	Attended	Attended	Attended
Fawzieh Bint Saleh Baazeem	Attended	Attended	Attended	Attended
Ahmad Bin Saleh Baazeem	Attended	Attended	Attended	Attended
Hisham Bin Abdullah Baazeem	Attended	Attended	Attended	Attended
Roaa Abu Bakr Baazeem	Attended	Attended	Attended	Attended
Talat Bin Zaki Bin Rida Hafiz	Attended	Attended	Attended	Attended
Ali Bin Mohammed Sheneamer	Attended	Attended	Attended	Attended
Mohammed Bin Hamad Al Faris	Attended	Attended	Attended	Attended
Date of last General Assembly meeting 16-04-2020				

23. Number of Company's requests of shareholders records, dates and reasons thereof:

SN	Sector	Date of property file	Reason for request
1	Main	17-12-2020	Other
2	Main	19-11-2020	Other
3	Main	15-10-2020	Other
4	Main	23-7-2020	Other
5	Main	3-6-2020	Other
6	Main	30-4-2002	Other
7	Main	20-4-2020	Profits file
8	Main	20-4-2020	Profits file
9	Main	16-4-2020	Assembly
10	Main	19-3-2020	Other



24. A description of any transaction between the Company and any Related Party:  
Description of any transaction between the Company and any Related Party. Definition of 'Related Parties' must be referred to in Article (1) of Corporate Governance Regulations

Related Party	Type of relation to Company	Type of transaction	Duration	Value
Salem Bin Saleh Baazeem	Qatar Branch transactions	Sales	One year	SAR 9,868,961

25. Information relating to any business or contract to which the Company is a party and in which a Director of the Company, a Senior Executive or any person related to any of them is or was interested, including the names of persons in relation, the nature, conditions, durations and the amount of the business or contract. If there are no such businesses or contracts, the Company must submit a statement thereof.

	Nature of business / contract	Amount of business / contract	Duration of business / contract	Conditions of business / contract	Member Name
1	Qatar Branch transactions	SAR 9,868,961	One year	Without preferential terms	Mr. Salem Bin Saleh Baazeem

26. A description of any arrangement or agreement under which a Director or a Senior Executive of the Company has waived any remuneration.  
None.

27. A description of any arrangement or agreement under which a shareholder of the Company has waived any rights to dividends.  
None.

28. A statement of the value of any paid and outstanding statutory payment on account of any Zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period with a brief description and the reasons therefor.

Description	2020			
	Paid	Outstanding until end of annual financial period	A brief description	Reasons
Zakat	3,567,232	4,101,019	Zakat 2020	Payment shall be made upon approving balance sheet
Tax	145,716	2,570,972	VAT for December 2020	Issued in January 2020
General Organization of Social Insurance (GOSI)	1,232,218	98,716	Invoice of December 2020	Issued on 2-1-2021

29. A statement as to the value of any investments made or any reserves set up for the benefit of the employees of the Company.  
None.

### 30. Declarations

Report must comprise the following declarations:

1. Proper books of account have been maintained;
2. The system of internal control is sound in design and has been effectively implemented; and
3. There are no significant doubts concerning the Company's ability to continue its activity.

31. If the external auditor's report contains reservations on the annual financial statements, the Board report shall highlight this mentioning the reasons and any relevant information.

N.B.

- We refer to Note No. (4) relating to Group names (investment in the State of Qatar) registered in the name of one of the key shareholders (Board Chairman) since 2008, which shall be approved in the Board of Directors and General Assembly minutes.



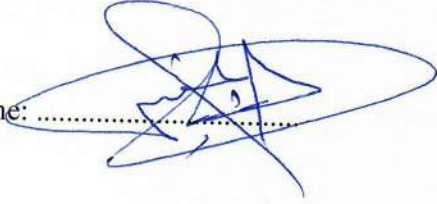
32. If the Board recommended replacing the external auditor before the end of its term, the Report shall indicate this mentioning the reasons for the replacement recommendation:

The Board has no reservations towards the external auditor and recommends renewal of his contract for fiscal year 2021G.

Company Legal Representative

Company's Stamp

Name: .....



Signature:

