

Annual Report 2024



شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company

Zahrat Al Waha Trading Company

We are pleased to present the annual report that showcases the business activities and performance of Zahra Al Wahah Trading Company for the fiscal year ended December 31, 2024, in accordance with the applicable regulations and disclosure requirements set forth in the regulations and directives issued by the Capital Market Authority.



www.zaoasis.com

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Custodian of the Two Holy Mosques

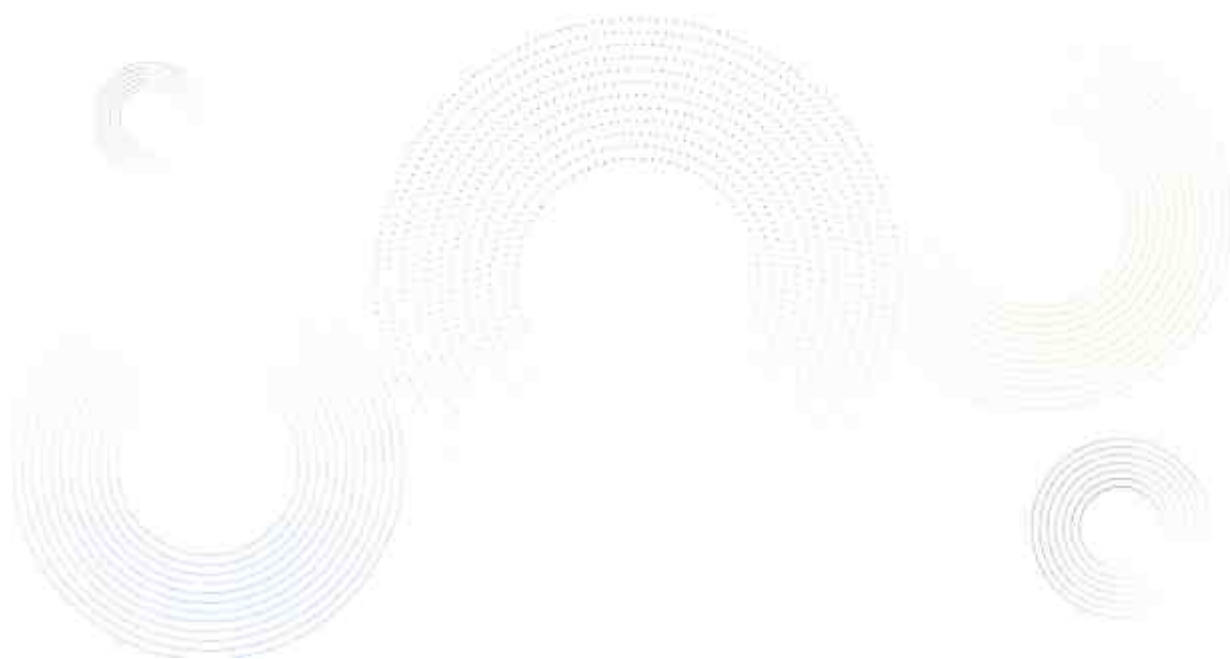
King Salman Bin Abdulaziz Al Saud

Hir Royal Highness Prince

Mohammed Bin Salman Bin Abdulaziz Al Saud
Crown Prince And Prime Minister

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A year of progress and excellence,
Building the future with confidence
Zahrat Al Waha Trading Leadership
in manufacturing, excellence in
quality and sustainability in growth



Chairman message

Dear shareholders,

With great pride and honor, I am pleased to review with you the journey of Zahrat Al Waha Trading Company during the year 2024, as we continued to achieve qualitative achievements in the sector of manufacturing plastic bottles (preforms), bottle caps, printing, and packaging.

The year 2024 was full of developments, based on clear strategies, driven by our ambitious vision to strengthen our position in the Saudi market, expand the scope of our business, and improve the quality of our products.

During this year 2024, the company witnessed remarkable progress in enhancing its operational processes, as we invested in enhancing our production capabilities and developing our manufacturing lines,

supported by the latest technologies and best global practices.

We also continued our efforts to expand our customer base and strengthen our partnerships with major local and international companies, which contributed to increasing our market share and enhancing our competitiveness.

In light of global challenges and economic changes, the company has been able to maintain its strong financial performance, thanks to the efficiency of its management, the confidence of its shareholders, and the dedication of its human cadres, which enhances our position as a leading public joint stock company in the industrial sector.

Our continued success would not have been achieved without the hard work of our distinguished team, the confidence of our valued shareholders, and the support of our customers and partners.



We continue to enhance our growth and sustainability strategies, inspired by our goals from the Kingdom's Vision 2030, where we place quality and innovation at the forefront of our priorities to achieve more excellence in the sector of manufacturing plastic bottles (preforms), bottle caps, printing, and packaging.

We look forward to continuing our successful journey, enhancing our investments, and achieving sustainable value for our shareholders and stakeholders, affirming our commitment to our responsibilities towards the national economy and society as a whole.

On behalf of the Board of Directors, I extend my sincere thanks and appreciation to everyone who contributed to the success of Zahrat Al Waha Trading, and we look forward to a new year full of opportunities and achievements.

Ahmed Hammoud Ibrahim Altheyab
Chairman





We continue to innovate,
to enhance leadership
We manufacture
excellence, we
encapsulate leadership



CEO message

I am pleased to share with you the highlights of the year 2024, which witnessed significant developments in our company's journey towards excellence and expansion in the Saudi market. It was a year full of opportunities and challenges, during which we were able to achieve qualitative achievements that reflect our commitment to sustainable growth and continuous development.

Zahrat Al Waha Trading Company is proud of its achievements during the past year, as we were able to strengthen our leadership position in the preform and plastic bottle caps manufacturing sector, in addition to continuous development in the fields of printing, packaging and packaging. Our sustainable success reflects our commitment to quality, innovation and investment in the latest technologies.

In our operational strategies this year, we focused on innovation, expanding our manufacturing capabilities and enhancing production efficiency, which contributed to improving our financial and operational performance and

helped meet the growing demand in the Saudi market, expand our presence in foreign markets, and achieve outstanding performance levels. We also worked to improve our operational processes and develop innovative products that meet the needs of our customers, while continuing to achieve the highest standards of sustainability and quality. In addition, we worked to develop new strategic partnerships, while continuing to invest in human capital and modern technologies to enhance our competitiveness.

The challenges facing the industrial sector did not prevent us from making steady progress towards achieving our goals, supported by a professional team, the trust of our customers, and the support of our valued shareholders. In line with the economic aspirations of the Kingdom.

Our successes would not have been achieved without the efforts of the distinguished team, the trust of our customers and valued shareholders. As we enter the new year, we affirm our commitment to continue development, enhance expansion strategies, and create more opportunities for sustainable



growth, which motivates us to continue working hard to achieve more progress, enhance our leadership position in the industrial sector, and contribute to achieving the Kingdom's aspirations towards a more diversified and sustainable economy.

Together, we will continue to achieve growth and success, keeping in mind innovation, quality, and sustainable value.

We look forward to a brighter future, and we confirm that Zahrat Al Waha Trading will continue to operate according to the highest standards of quality and excellence, to remain at the forefront of industrial companies in the Kingdom.

George Abdulkarim George Moussa
Chief Executive Officer





Company profile and activities



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Board of Directors



Ahmed Hammoud Ibrahim Altheyab
Board Chairman



Taha Mohammed Abdul Wahid Azhari
Board Vice Chairman



George Abdulkarim George Moussa
Board Member
Chief Executive Officer



Meshaal Mohammed Saleh Almogren
Board Member



Sahal Yousef Abdullah Jamal Alfall
Board Member



Najeab Abdullah Hussein
Board Member



Previous Board of Directors



Ahmed Hammoud Ibrahim Altheyab
Board Chairman



Taha Mohammed Abdul Wahid Azhari
Board Vice Chairman



George Abdulkarim George Moussa
Board Member
Chief Executive Officer



Meshaal Mohammed Saleh Almogren
Board Member



Sahal Yousef Abdullah Jamal Allali
Board Member

Senior executives



George Abdulkarim George Moussa
Board Member
Chief Executive Officer



Mahmoud Mohammed Zaki Algamri
Chief Financial Officer
Board of Directors Secretary



Rakan Ahmed Hammoud Ibrahim Altheyab
Supply Chain Director



Abdul Majeed Fahd Al-Bazal
Production and Maintenance
Director



Ahmed Hassan Ahmed Ali
Quality Control Director



Abdul Mohsen Nasser Salem Al-Gremel
Human Resources Director



Yasser Ghannam Arafat Al-Khatib
Sales Director



Faisal Saad bin Abdullah Al-Jasser
Information Technology Director



Company profile and activities



The Head office location

📍 The Kingdom of Saudi Arabia
Riyadh, Al Rabwa, Al Ahsa Street
Unit No. 1 – Building 7449
Extension Number 2980
Postal code: 12814

☎ +966 920021203

☎ +966 (11) 211 1703

🌐 www.zaoasis.com

✉ info@zaoasis.com

The Branch location

📍 The Kingdom of Saudi Arabia
Al Kharj, Riyadh to Al Kharj Road, Exit
7, Al Rafal Industrial Area
Unit No 2 – Building 4070
Extension Number 8362
Postal code: 16352

☎ +966 920021203

☎ +966 (11) 5459009

Company's Representatives

Ahmed Hammoud Ibrahim Altheyab

Chairman

ahmed@zaoasis.com

George Abdulkarim George Moussa

Chief Executive Officer

sm@zaoasis.com

External Auditors

RSM United Accountants Professional Consulting

The company was established as a sole proprietorship of its owner, Mr. Ahmed Hammoud Ibrahim Altheyab, under the name Zahrat Al Waha for trading firm, according to the Commercial Register No. 1010190390 on 06/10/2003 in the city of Riyadh. On 27/11/2012, the capital of Zahrat Al Waha for trading firm was increased to SAR 11,750,000.

On 18/02/2015, the capital of Zahrat Al Waha for trading firm was increased to SAR 33,375,000.

On 09/12/2015, Zahrat Al Waha For Trading firm and its subsidiaries was transformed into a limited liability company according to the partners' decision confirmed by the notary public number No. 372029 on 19/11/2015, while preserving the name and number of the corporation's commercial register where the company's commercial record was issued on 09/12/2015 with a capital of SAR 50,000,000 divided into 5,000,000 ordinary shares with a par value of SAR 10 per share.

On 01/01/2017, the company converted from a limited liability company to a closed joint stock company and increase the company's capital from SAR 50,000,000 to SAR 80,000,000 divided into 8,000,000 ordinary shares with a nominal value of SAR 10 per share. Ministerial Resolution No. S / 86 on 27/12/2016 by converted to a closed joint stock company. On 15/5/2017, the Extraordinary General Assembly of the company agreed to increase the company's capital to SAR

150,000,000, divided into 15,000,000 ordinary shares, with a nominal value of SAR 10 per share.

On 17/09/2017, the subscription process was conducted at the Saudi Capital Market Authority.

On 30/11/2017, Zahrat Al Waha For Trading Company was transformed from a closed joint stock company into a Saudi public joint stock company with a capital of SAR 150,000,000 divided into 15,000,000 ordinary shares with a par value of SAR 10 per share.

On Shawwal 8, 1443 AH (corresponding to May 9, 2022 AD), the extraordinary general assembly of the company approved an increase in the company's capital to 225,000,000 Saudi riyals, divided into 22,500,000 ordinary shares with a nominal value of 10 Saudi riyals per share, by granting free shares to the company's shareholders as a transfer from retained earnings.

The company conducts its business through its factory, which is its main and sole commercial and industrial activity, according to the Sub-Commercial Register No. 1011014061 dated 06/05/2010, in the name of "Zahrat Al Waha factory for Plastic" located in Al-Kharj Governorate, Riyadh Al-Kharj Road, exit 7, Al-Rafaie District Industrial, through which the manufacture of PET (preforms) and HDPE closure (caps) for bottles.

Subsidiary companies

Table No. (11) Subsidiary companies

Affiliated companies	Capital	Ratio of ownership	Country of work	Country of incorporation
Zahrat Al Waha factory for Plastic	SAR 225,000,000	100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

Capital



SAR 225,000,000

Ratio of Ownership



100%

Country of work



Kingdom of Saudi Arabia

The activities the company is authorized to perform under its articles of association are as follows:

- Agriculture, forestry and fishing
- Mining and Quarry exploitation
- Transformative Industries
- Water supply, sanitation, waste management and treatment activities
- Construction and Building
- Wholesale and retail trade and repair of motor vehicles and motorcycles
- Transport, storage and refrigeration
- Real estate activities
- Administrative and support services



Company's Vision

We aim to set regional benchmarks in the miniature bottles and caps segment through our innovative product portfolio. The company's growth potential extends beyond our current water company clients, as we explore business opportunities in the beverage field, including soft drinks, juices and dairy products, while creating new markets at the local, regional or global levels.



Company's Insight

We aim to be the preferred partner in the sector in the Arab Gulf region, the Middle East and North Africa, by providing a wide range of products with high quality and competitive prices.



Company values

- A. Integrity and honesty: We are committed to credibility and agreements and do the right thing.
- B. Customer Satisfaction: We take care of our customers and maintain their service at the optimum level.
- C. Sustainable Growth and Development: We strive to be innovative and professional in our products and services with our customers.
- D. Diversity: We strive to create the best products by taking advantage of diversity and different points of view.
- E. Leadership: We serve the community with passion and motivate our team to be effective leaders.
- F. Sustainability: We ensure that stakeholder responsibilities are fulfilled through disciplined business practices.



Company goal

Preserving the rights of shareholders and continuing to provide an appropriate return for their investments in the company, preserving the market share of the company, preserving the financial solvency of the company.



Our strategy

Based on the vision, mission and goal of the company, the company developed its strategy to achieve its goals in the short and long term, by diversifying its sources of income by adding new products to its current sectors and adding new sectors.



Efficiency and quality of operational processes

The company relies in its operations on the use of the latest production lines, which are characterized by the latest types of technology in the field of manufacturing plastic miniatures and plastic covers, which are purchased from the best companies in the world in this field, and the company uses high raw materials that are purchased from the best companies in this sector. The company also has a team with high experience and distinguished competencies in managing the operational process, and this helps to operate the lines with the highest operational efficiency and the lowest rates of waste, which contributes to production with the lowest operating expenses and the highest levels of quality, which is one of the main goals of the company.



Governance

We are committed to maintaining the highest levels of governance and view it as a pivotal tool to protect the rights of shareholders and achieve the highest possible value for their investments in the long term, and to strengthen control and oversight mechanisms by activating the role of the Board of Directors and affiliated committees and emphasizing the implementation of our mission and vision.

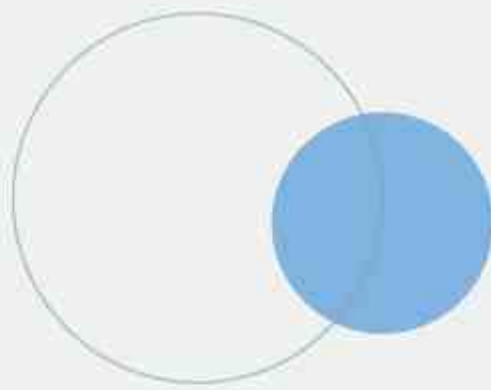
The corporate governance regulations mean the set of rules through which the company is managed, directed and controlled. The corporate governance structure determines the distribution of rights and duties "responsibilities" among the various participants in the company, such as the board of directors, executive management, shareholders, and stakeholders. Determine the means and methods to achieve them, as well as monitor performance.

This regulation aims at the optimal investment of the company's resources by creating a work environment based on responsibility, control and commitment, and its pillar is clarity and transparency, whether in defining the company's objectives, commercial and strategic plans, or in stating the rights and obligations of each of its entities, or in managing its relationship with suppliers, financiers, consumers, and the authorities that control it and activity. In which you work.

This environment interacts with the system of national legislation within which the company operates and integrates with it to protect the company from any breach or infringement, and to establish legal rules that establish the principles of justice, integrity and transparency in the company's dealings.

This regulation has been prepared based on the Companies Law issued by Royal Decree No. (M/3) dated 1/28/1437 AH corresponding to 11/10/2015 AD, as amended by the decision of the Board of the Capital Market Authority dated 01/07/1441 AH corresponding to 02/25/2020 AD, and the Governance Regulations Companies issued by the Board of the Capital Market Authority pursuant to Decision No. (8-16-2017) dated 16/5/1438 AH corresponding to 13/2/2017 AD amended by the Decision of the Board of the Capital Market Authority No. (3-57-2019) dated 15/9/1440 AH corresponding to 20/5/2019 AD and the Company's Articles of Association approved by the Company's General Assembly on 9/14/1440 AH corresponding to 5/19/2019 AD.

Moreover, approved by the General Assembly of the company in its meeting held on 04/19/2020 AD corresponding to 08/26/1441 AH as amended by the decision of the Capital Market Authority Board No. (8-5-2023) dated 06/25/1444 AH corresponding to 01/18/2023 AD and the company's bylaws approved by the company's general assembly on 01/11/1444 AH corresponding to 05/21/2023 AD.





Operational summary for 2024



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21 Competitive advantages

Operational summary for 2024

Commitment to quality, safety and environmental protection is a top priority for the company in the operational process. These efforts have resulted in obtaining many certificates and accreditations from specialized local and international institutions, including ISO 9001: 2015 and ISO 22000: 2018. The company owns two independent production sectors to manufacture miniature plastic bottles and plastic caps in different sizes, weights and colors. These packages are used by mineral water bottling companies. The company's production capacity of miniature plastic bottles and plastic caps during the year 2024 exceeds the amount of 92.96 Thousand tons, as the volume of production of miniature plastic bottles (preforms) reached 80.73 thousand tons, while the volume of production of plastic caps for bottles reached 12.23 thousand tons during the year 2024. Plastic Bottle Miniatures and Plastic Caps Specialized engineers use the most advanced injection machines to ensure the quality of the final product.

The company also owns a sector for the production of printing, labels, and packaging materials from shrink and stretch film. The new sector that joined the company's sectors was completed on an area of 11.4 thousand square meters, and the installation

of two production lines, a printing production line, a shrink production line, and a stretch film production line, during the second half of the year 2024.

The company's management works to build a strategic inventory during periods of low demand for sales to meet the expected future increase in sales during the future periods, as the company's management took advantage of the efficiency of the work team at all operational, sales and administrative levels in managing all its resources to reduce costs to their lowest levels.

The company has a wide customer base, and its products are marketed inside the Kingdom of Saudi Arabia and exported to international markets as well. During the year 2024, the company's sales team worked to increase the company's customer base, which represents one of the company's goals. During the year 2024, The value of sales amounted to 544,69 million Saudi riyals, including export sales amounting to 82,34 million Saudi riyals, compared to the same year 2023 AD, where sales were 572.49 million Saudi riyals and export sales were 116.64 million Saudi riyals.

The competitive advantages of Zahrat Al Waha to achieve sustainability

Zahrat Al Waha Trading Company's management is committed to the three main sustainability axes, which are the environmental framework, the social framework, and the governance framework. With regard to the environmental framework, the company's main goal is to reduce its environmental footprint by reducing waste, rationalizing energy use, and reducing emissions resulting from its operations. With regard to the social framework, the company is actively seeking to create a positive impact on the surrounding communities, as it tries to establish the principle of equality in those communities and contribute to their development and enhance its customers' confidence in them, which is the goal that Zahrat Al Waha Trading Company seeks by providing training and educational campaigns, providing equal employment opportunities, and placing customers' requirements at the top of its priorities. As for the governance framework, Zahrat Al Waha Trading Company aims to enhance the culture of transparency and accountability in its operations by establishing and developing a strong framework for oversight and combating corruption. In addition, Zahrat Al Waha Trading Company's long experience in the plastic bottle miniatures and plastic bottle caps

manufacturing sector has given it many advantages that have pushed it to compete with local and regional companies in addition to gaining the trust of all customers by providing high-quality products that enjoy the trust of customers, while adhering to ethical and responsible practices. Zahrat Al Waha Trading Company has many competitive advantages over its existing and potential competitors, which contribute to making it the leading company in its sector, which is evident in its management of the crises and economic conditions that the world in general and the Middle East region are going through. We can summarize the most important of these factors as follows:

Meeting customer needs with quality and speed

Based on the company's keenness to meet the desires of customers, it has allocated a number of teams that work to understand the special needs of each category of them. The strategy adopted by Zahrat Al Waha Trading Company is based on conducting opinion polls to know the customers' evaluations of the services, which allows the company to understand their needs and meet their desires proactively, in addition to developing its product range. And working on adding new

products to meet the needs and aspirations of customers. Zahrat Al Waha Company has the competitive ability to meet the different needs of customers with flexibility in meeting the different requirements of customers, and this is evident in its production in the sector of plastic bottle miniatures (preform) and plastic bottle caps for short and long neck bottles in different weights, sizes and colors, as well as excellence in The company also seeks to develop its products and produce new products with different weights than those produced in previous years to support its customers in developing their products and reducing their operating costs in line with the production process of customers, thanks to its use of the latest mechanisms in terms of technology and the increase in its production capacity, and its possession of efficient and distinguished human expertise and management of operating costs and reducing them to the lowest possible levels.

Enhancing the efficient use of assets with advanced technologies

Zahrat Al Waha Trading Company's approach to technology and innovation is based on strategic priorities that support the company's vision to achieve leadership in its commercial activities, and pushes the company's management to strive to ensure sustainable competitiveness by focusing on several areas, the first of which is innovation based on customer needs to open up opportunities for growth across markets all the time, and secondly, innovation in operations to enable the company to raise the level of reliability, enhance sustainability, and rationalize energy and cost through manufacturing operations.

Zahrat Al Waha Trading Company has advanced technology production lines in its factory that enable it to design and produce a variety of products with high quality to meet all customer requests at the appropriate time and quality. Zahrat Al Waha Company has (18) eighteen lines for producing plastic bottle miniatures (preforms) and (11) eleven lines for producing plastic bottle caps.

Product variety

Zahrat Al-Waha for Trading Company owns a variety of its products, whether in miniature plastic bottles (preforms) or plastic caps for bottles that exceed (38), which meet all customer needs, whether in the local market or the foreign market, while maintaining the level of quality.

Efficient manufacturing and logistics

The factory location is located in the Al-Kharj region in the central region of the Kingdom of Saudi Arabia, in providing logistical services to customers quickly and with high efficiency to all parts of the Kingdom and outside the Kingdom. The company also owns warehouses with storage areas exceeding 50,000 square meters, operated with high-quality storage systems

and managed by an experienced and efficient work team. The company is also contracting with many transport companies for transportation inside and outside the Kingdom. This helps the company to meet the needs of customers throughout the year with all their requests in quantity, quality and time required.

Human Capital Development in Zahrat Al Waha

The management believes that human capital is the most important asset of the company, so Zahrat Al Waha Trading Company works effectively to develop the experiences of its employees, enhance their growth and create an environment that helps them flourish on both the personal and professional levels.

The development of human capital is in line with the goals of Saudi Vision 2030 by emphasizing the importance of the workforce as the fuel for economic and social progress.

It works to invest in developing the company's workforce, which contributes to achieving the goals of Saudi Vision 2030, which are to build a skilled and competitive national workforce, diversify the economy, drive its progress and improve the quality of life of citizens.

Zahrat Al Waha Trading Company is keen to provide a flexible and adaptable work environment, recognizing global developments in this regard, as work environment flexibility initiatives ensure that employees receive the support and resources necessary to effectively balance their professional and personal responsibilities. Zahrat Al Waha Trading Company also aims to empower its employees in light of the global changes witnessed by work conditions by exploiting modern technologies to give them the option of working remotely when needed, which supports a healthy balance between professional and personal life and enhances employee satisfaction in general, in light of Zahrat Al Waha Trading Company's belief that the flexibility of the work environment is the driving force behind the flexibility and effectiveness of employees.

The company has an experienced work team at all levels and in all sectors of the company, whether operational, sales or administrative, as it has a work team with experience in operating its production lines, which are characterized by advanced technology and technology, and even the latest in the world, which require a work team with distinguished expertise and competencies to operate them. It also has a sales team with extensive experience in the field of marketing and selling the company's products, and it also has market experience, whether the local market or the Gulf market and North and Central Africa. It also has an administrative team that manages the company's financial and human resources efficiently and with short, medium and long-term plans.



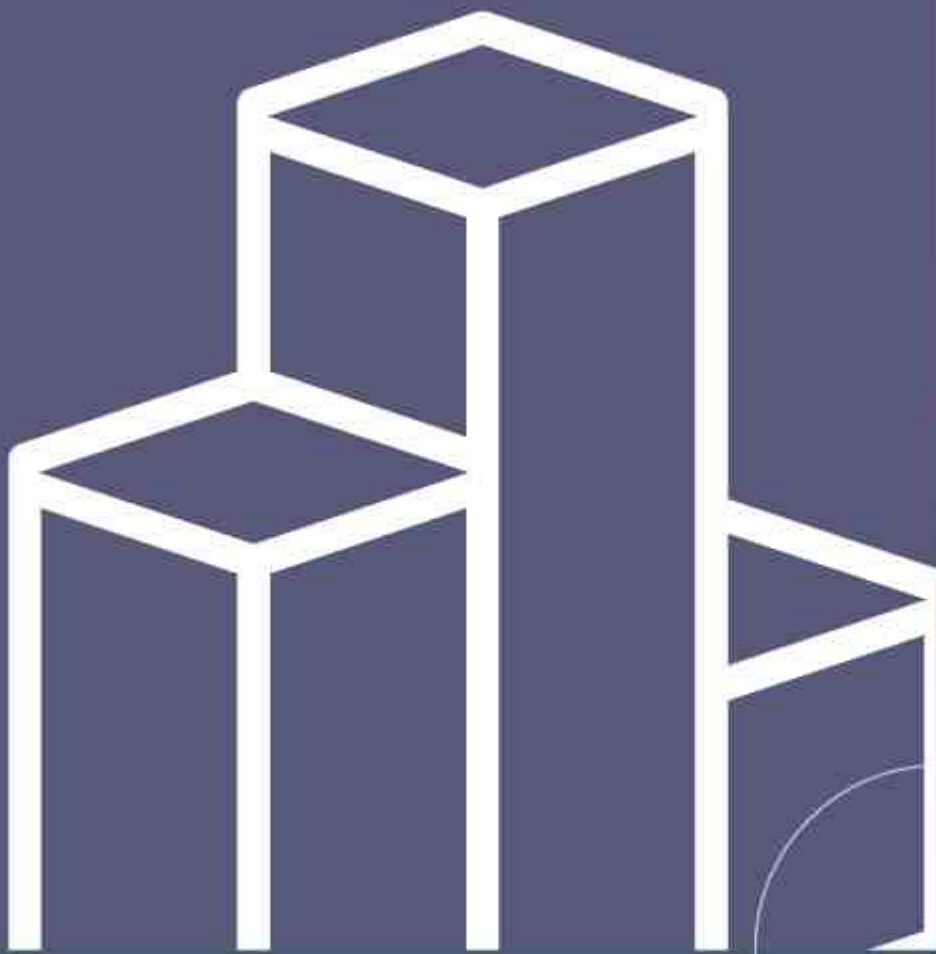
Inventory increase percentage

12.16%



Inventory turnover

1:3.82



The historical growth of the most important financial indicators



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The historical growth of the most important financial indicators for a period of five years

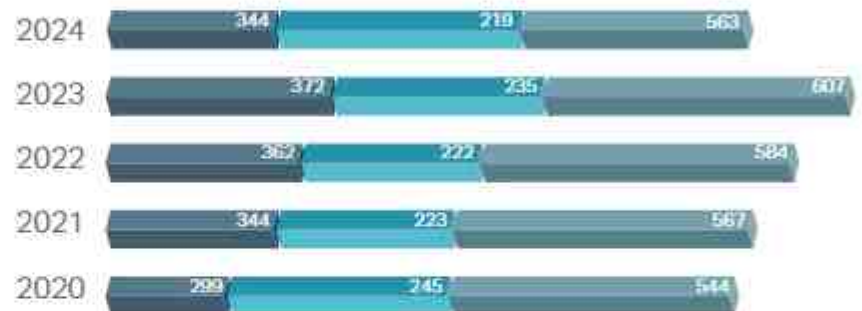


Financial Leverage Ratio

1:0.89

Assets (SR Millions)

- Total assets
- Non-current assets
- Current assets

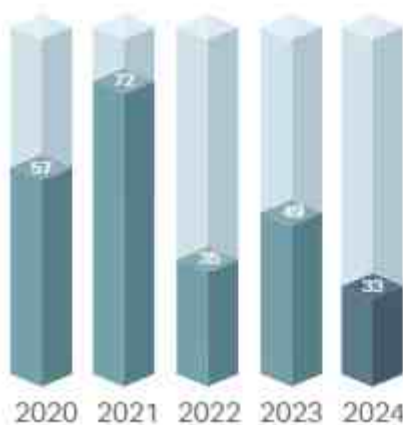


Liabilities (SR Millions)

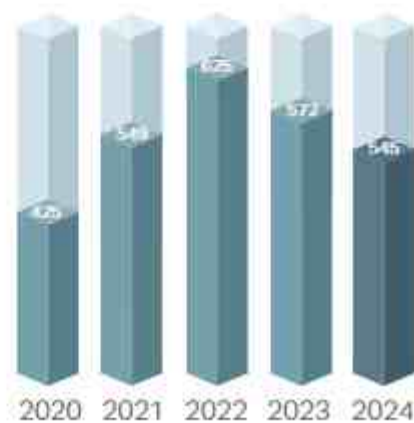
- Total liabilities
- Non-current liabilities
- Current liabilities



Operational Profit (SR Millions)



Sales (SR Millions)



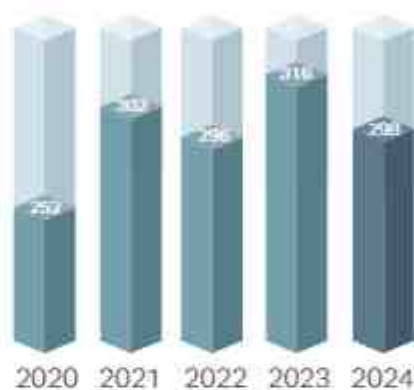
Earnings before interest Taxes,
depreciation and amortization

SR
66 Million

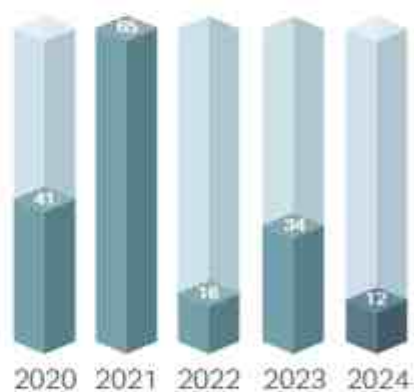
Compound annual growth rate
by

(9.46)%

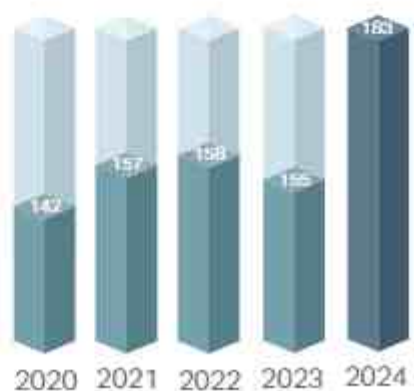
Shareholders Equity (SR Millions)



Net Profit / loss (SR Millions)



Customers' Base 2024



I. cash flows

The net change in cash balances and cash equivalents achieved during the year 2024 was affected by (1,427,689) Saudi riyals, and this change was due to the resulting changes in the items of the following cash flow statement -



Current Debt

1:1.34
Change Ratio

Table No. (21) Changes in cash flows

Description	2024	2023
Cash flow generated from operating activities	86,080,206	80,946,783
Cash flows generated used in / from investing activities	(12,659,742)	(43,332,228)
Cash flows used in financing activities	(74,848,163)	(32,616,266)
Net change in cash balances and cash equivalents	(1,427,689)	5,000,289

There has been a clear and strong impact on the company's cash flows during the year 2024 compared to the year 2023, as this appeared strongly and noticeably in the cash flows resulting from operational activities, affected by the net profit before zakat, the change in trade payables, the change in advance payments and other receivables and the change in inventory, the change in financing costs. Cash flows from operational activities during 2024 amounted to 86,080,206 Saudi riyals, compared to 80.95 million Saudi riyals during 2023.

II. Significant differences of operating results

During the year 2024 AD, the company had many changes in its operational results, which were directly and indirectly affected by the current global economic conditions and the conditions that the Arab region is going through in particular, but the company's management, represented by its Board of Directors and Executive Management, sought to manage these conditions and limit their impact on business results. The company will improve its results during the year 2024, which may be as follows:

a. The main differences of revenue and gross profit

Table No. (22) The main differences of revenue and gross profit

Description	2024	2023	Differences	
			Net	Ratios
Revenue	544,688,020	592,490,017	(27,801,997)	(4.86) %
Cost of revenue	(484,977,282)	(502,043,458)	(17,966,176)	(3.58) %
Gross Profit	60,610,738	70,446,559	(9,835,821)	(13.96) %

The gross profit for the year 2024 amounted to 60.61 million Saudi riyals, a decrease of 9.84 million Saudi riyals compared to the same year 2023. The reason for this decrease in gross profit is due to the decrease in revenues by a greater percentage than the decrease in the cost of revenues, as revenues decreased by (4.86) % while the cost of revenues decreased by (3.58) %. The value of sales of miniature bottles and plastic bottle caps during the year 2024 amounted to 544.69 million Saudi riyals compared to the value of sales in the year 2023, which

was 572.49 million Saudi riyals, a decrease of (4.86) % in the value of sales, while the quantity of sales decreased from 94.51 thousand tons during the year 2023 to 91.87 thousand tons during the year 2024, a decrease of 2.79 %, as the value of sales was affected by the decrease in the prices of raw materials, which are the main driver.

The main factor in determining selling prices, which affected the decrease in sales value in 2024 AD, despite the increase in the quantity of sales in tons.

b. The main differences of the operating profit results

Table No. [4] the main differences of the results of the operating profit

Description	2024	2023	Differences	
			Net	Ratios
Gross Profit	60,610,738	70,446,559	(9,835,821)	(13.96)%
Selling and marketing expenses	(15,767,451)	(11,977,448)	(3,810,003)	31.81%
General and administration expenses	(9,774,923)	(8,465,214)	(1,309,709)	15.47%
Other operation expenses/income (Net)	(1,740,191)	(853,184)	(887,007)	103.96%
Operation Profit	33,308,173	49,150,715	(15,842,540)	(32.23)%

The operating profit for the year 2024 decreased by (32.23) % compared to the operating profit for the corresponding year 2023. The reason for the decrease in the operating profit is due to the decrease in the gross profit, which decreased by (13.96) %, and the increase in selling and marketing expenses, which increased by 31.81 %, the increase in administrative and general expenses, which increased by 15.47 %, and the increase in expenses/other operating revenues (net) by 103.96 %.

Compound annual growth rate for the gross profit

(27.99)%

c. The main differences of the net profit for the year

Table No. [5] the main differences of Net profit for the year

Description	2024	2023	Differences	
			Net	Ratios
Operation Profit	33,308,173	49,150,715	(15,842,540)	(32.23)%
Net gain/ losses from investments at fair value through profit or losses	1,937,141	5,146,116	(3,210,975)	(62.37)%
Finance income	00	-	00	00
Finance expenses	(19,994,576)	(16,689,037)	(3,305,539)	19.81%
Zakat expense	(3,173,345)	(3,736,599)	563,254	(15.07)%
Net profit for the year	12,077,393	33,873,193	(21,795,800)	(64.35)%

Net profit for 2024 decreased by (64.35)% compared to the net profit for the same year 2023, affected by the decrease in operating profit, the decrease in realized and unrealized profits from the company's investment portfolio, while financing costs for 2024 increased by 19.81 % compared to the same year 2023, due to the impact of the increase in the interest rate on borrowing (Cyper).

The earnings per share for the year

(52.36)%

III. The earnings per share for the year

Table No. (6) The earnings per share for the year

Description	2024	2023	Differences	
			Net	Ratios
Earnings per share	0.54	1.51	(0.97)	(64.35)%

Earnings per share for the year 2024 decreased by (64.35)% over earnings per share for the corresponding year 2023, due to an decrease in net profit by (64.35)%

IV. The Murabaha and loans

Compound annual growth
rate for net losses and profits
1:0.40

a. Short term Murabaha and loans

Table No. (7) Short term Murabaha and loans

No	Lender	Classification of loan	Loan value	Loan period	Payments during the year	Loan balance at yearend	Guarantee against loan
1	Arab national Bank	Short term loan	10,336,145	—	10,336,145	—	PO by the Company
2	Arab national Bank	Short term loan	4,299,698	—	4,299,698	—	PO by the Company
3	Arab national Bank	Short term loan	21,712,334	—	21,712,334	—	PO by the Company
4	Arab national Bank	Short term loan	66,651,219	—	66,651,219	—	PO by the Company
5	Arab national Bank	Short term loan	36,514,906	—	36,514,906	—	PO by the Company
6	Arab national Bank	Short term loan	22,940,510	—	22,940,510	—	PO by the Company
7	Arab national Bank	Short term loan	38,686,801	—	38,686,801	—	PO by the Company
8	Arab national Bank	Short term loan	15,210,612	1 Month	14,488,521	721,991	PO by the Company
9	Arab national Bank	Short term loan	20,319,564	2 Months	17,212,252	3,107,311	PO by the Company
10	Alinma Bank	Short term loan	12,865,968	—	12,865,968	—	PO by the Company
11	Alinma Bank	Short term loan	19,764,022	—	19,764,022	—	PO by the Company
12	Alinma Bank	Short term loan	15,903,924	—	15,903,924	—	PO by the Company
13	Alinma Bank	Short term loan	21,931,128	—	21,931,128	—	PO by the Company
14	Alinma Bank	Short term loan	16,646,450	—	16,646,450	—	PO by the Company
15	Alinma Bank	Short term loan	7,701,617	—	7,701,617	—	PO by the Company
16	Alinma Bank	Short term loan	1,812,988	—	1,812,988	—	PO by the Company
17	Alinma Bank	Short term loan	21,760,009	1 Month	20,689,961	1,071,148	PO by the Company
18	Alinma Bank	Short term loan	4,676,899	1 Month	3,091,358	1,585,341	PO by the Company
19	Alinma Bank	Short term loan	4,550,561	1 Month	3,434,981	1,115,581	PO by the Company
20	Alinma Bank	Short term loan	12,675,448	3 Months	6,448,925	6,226,523	PO by the Company
21	Alinma Bank	Short term loan	1,439,227	4 Months	—	1,439,227	PO by the Company
22	Alinma Bank	Short term loan	1,554,636	4 Months	—	1,554,636	PO by the Company
23	Alinma Bank	Short term loan	11,586,630	5 Months	—	11,586,630	PO by the Company
24	Alinma Bank	Short term loan	10,347,896	5 Months	—	10,347,896	PO by the Company
25	The Saudi Investment Bank	Short term loan	14,488,706.20	—	14,488,706.20	—	PO by the Company

No	Lender	Classification of loan	Loan value	Loan period	Payments during the year	Loan balance at yearend	Guarantees against loan
26	The Saudi Investment Bank	Short-term loan	17,838,858	—	17,838,858	—	PO by the Company
27	The Saudi Investment Bank	Short-term loan	7,886,588	—	7,886,588	—	PO by the Company
28	The Saudi Investment Bank	Short-term loan	10,478,585	—	10,478,585	—	PO by the Company
29	The Saudi Investment Bank	Short-term loan	47,699,452	—	47,699,452	—	PO by the Company
30	The Saudi Investment Bank	Short-term loan	13,338,504	—	13,338,504	—	PO by the Company
31	The Saudi Investment Bank	Short-term loan	8,145,806	—	8,145,806	—	PO by the Company
32	The Saudi Investment Bank	Short-term loan	7,049,046	—	7,049,046	—	PO by the Company
33	The Saudi Investment Bank	Short-term loan	37,825,903	3 Months	25,884,457	11,941,446	PO by the Company
34	The Saudi Investment Bank	Short-term loan	11,782,845	3 Months	—	11,782,845	PO by the Company
35	The Saudi Investment Bank	Short-term loan	15,133,831	4 Months	569,469	14,565,362	PO by the Company
36	The Saudi Investment Bank	Short-term loan	19,247,175	4 Months	7,605,542	11,741,633	PO by the Company
37	The Saudi Investment Bank	Short-term loan	27,176,893	5 Months	—	27,176,893	PO by the Company
38	The Saudi Investment Bank	Short-term loan	7,368,365	6 Months	—	7,368,365	PO by the Company
39	The Saudi Investment Bank	Short-term loan	18,257,579	6 Months	—	18,257,579	PO by the Company
40	The Saudi Investment Bank	Short-term loan	6,248,648	6 Months	—	6,248,648	PO by the Company
41	Saudi National Bank	Short-term loan	4,580,108	—	4,580,108	—	PO by the Company
42	Saudi National Bank	Short-term loan	42,683,255	—	42,683,255	—	PO by the Company
43	Saudi National Bank	Short-term loan	3,571,613	—	3,571,613	—	PO by the Company
44	Saudi National Bank	Short-term loan	13,749,795	—	13,749,795	—	PO by the Company
45	Saudi National Bank	Short-term loan	35,728,185	3 Months	—	35,728,185	PO by the Company
46	Saudi National Bank	Short-term loan	6,688,788	4 Months	—	6,688,788	PO by the Company
47	Saudi National Bank	Short-term loan	8,734,927	6 Months	—	8,734,927	PO by the Company

The balance of short-term loans used to finance working capital on December 31, 2024 decreased by SAR 5.14 million, or 2.55%, compared to the balance of loans on December 31, 2023, due to the decrease in the value of raw material purchases due to the decrease in purchase prices during 2024 compared to purchase prices during the same year 2023, despite the increase in the interest rate on borrowing (SIBOR) during 2024 compared to the same year 2023.

b. Long term Murabaha and loans

Table No. (8) Long term Murabaha and loans

No	Lender	Classification of loan	Loan value	Loan period	Payments during the year	Loan balance at yearend	Guarantees against loan
1	Industrial Development Fund	Long term loan	40,000,000	7 Months	20,000,000	20,000,000	PO by the Company
2	Industrial Development Fund	Long term loan	12,650,000	36 Months	2,530,000	8,155,000	PO by the Company- Mortgage of some of the company's assets

The balance of long-term loans on December 31, 2024 amounted to SAR 28.03 million compared to SAR 49.49 million, the balance of long-term loans on December 31, 2023, a decrease of SAR 21.46 million, or 43.36%, due to the payment of long-term loan installments due during 2024 and the company not obtaining new loans during 2024.

V. Operating segment

The operating sectors of Zahrat Al-Waha for Trading Company are represented in the sectors of PET plastic bottles (preforms) and plastic bottle caps (caps).

5.1 PET (preforms) income segment



The value of sales of the preform sector decreased during 2024 AD compared to the value of sales of the sector during the same year 2023 AD by (6.77) %, and the quantity of sales of the sector in tons decreased during 2024 AD by (4.33) %, as the value of sales was affected by the decrease in raw material prices.

Table No. (9) PET (preforms) income segment

Description	2024	2023	Difference
PET (preforms) income segment	445,519,940	477,570,321	(6.77)%
Sales by Pieces	7,482,680,189	7,573,998,589	(1.47)%
Sales by Ton	79,376	83,391	(4.33)%

5.2 Plastic bottle caps (caps) income segment



The sales value of the plastic bottle caps sector increased by 4.80 % during the year 2024 AD compared to the value of the sector's sales during the same year 2023 AD, and the amount of sales per ton increased by 8.8 %.

Table No. (10) Plastic bottle caps (caps) income segment

Description	2024	2023	Difference
Plastic bottle caps (caps) income segment	99,568,050	94,819,196	4.80 %
Sales by Pieces	3,006,969,300	7,372,441,428	3.61 %
Sales by Ton	12,096	11,118	8.80 %

5.3 Geographical analysis of the company's main activities

Table No. (11) Geographical analysis of the company's main activities

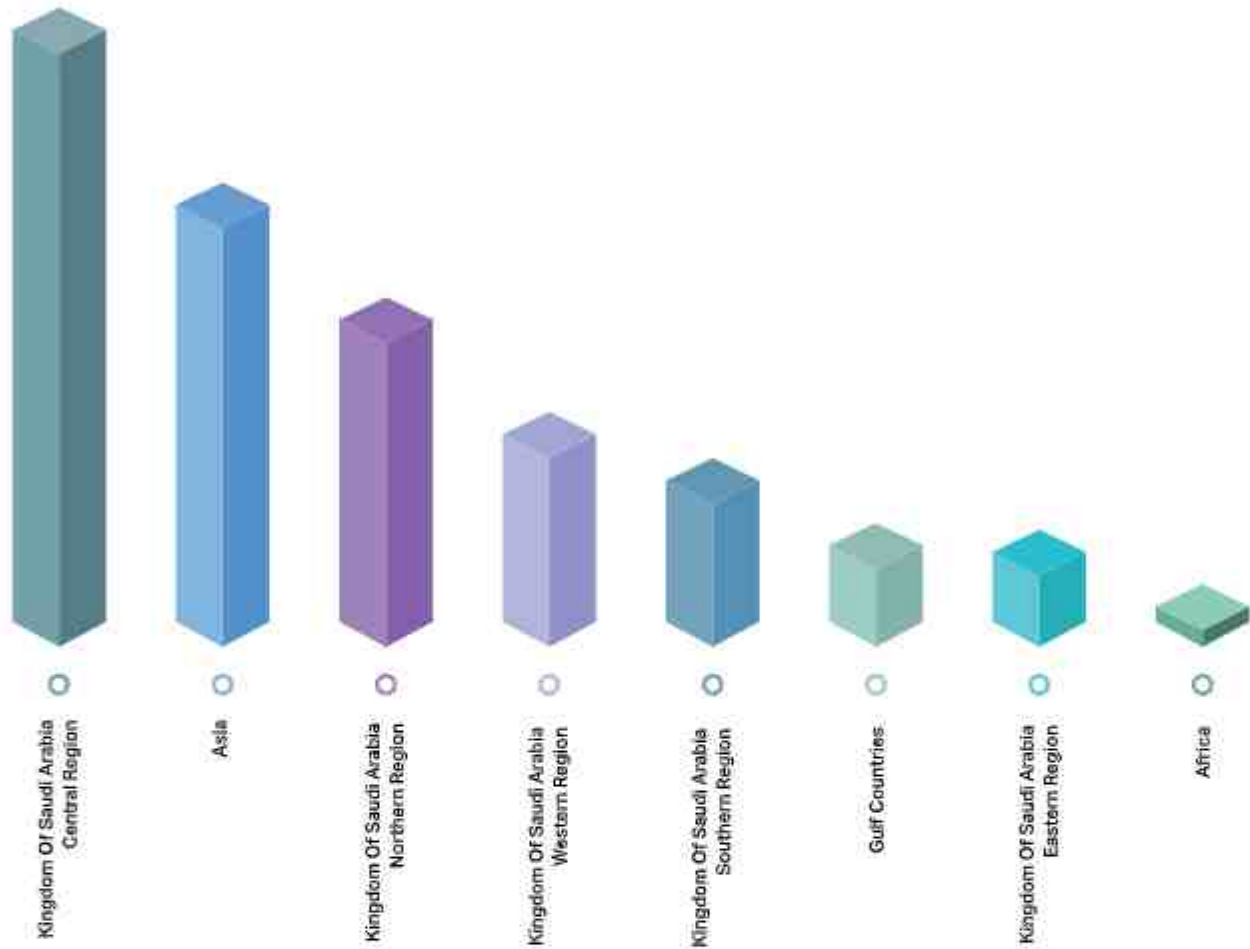
Geographical Region	2024			2023		
	Sales (units)	Sales (Ton)	Sales (Value)	Sales (units)	Sales (Ton)	Sales (Value)
Gulf countries	234,820,112	527	5,207,384	275,069,072	1,079	7,434,419
Asia	1,697,527,048	13,654	76,676,337	1,870,975,932	19,001	107,199,575
Africa	5,170,176	78	455,119	41,780,688	331	2,005,909
Kingdom of Saudi Arabia - Central Region	10,135,238,713	60,005	351,234,051	9,047,928,829	55,256	333,880,923
Kingdom of Saudi Arabia - Northern Region	1,705,908,656	8,392	54,448,849	1,851,857,936	9,517	61,652,583
Kingdom of Saudi Arabia - Southern Region	757,919,648	3,499	22,633,738	765,598,464	3,634	23,767,868
Kingdom of Saudi Arabia - Eastern Province	110,310,208	559	3,609,474	222,116,368	1,095	7,180,842
Kingdom of Saudi Arabia - Western Region	822,734,928	4,962	30,423,068	871,112,728	4,595	29,367,898
Total revenues	15,469,489	91,874	544,688,020	14,946,440,017	94,508	572,490,017

Table No. (12) Geographical analysis per countries

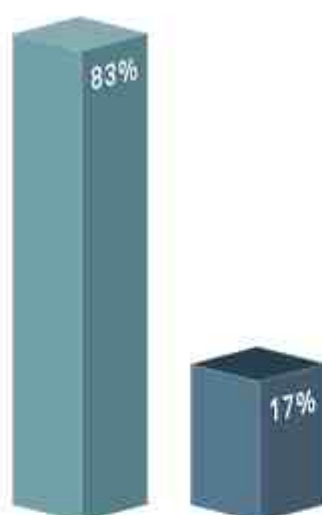
Revenues per countries	2024	2023
Kingdom of Saudi Arabia	462,349,180	455,850,114
Yemen	72,798,208	104,167,974
Jordan	3,810,790	2,767,184
Bahrain	1,672,544	2,359,031
Kuwait	1,569,260	1,296,680
Amman	1,374,706	3,778,708
Sudan	455,119	2,005,909
UEA	399,474	—
Qatar	191,400	—
Lebanon	67,339	264,417
Total	544,688,020	572,490,017

Sales volume for 2024 increased compared to 2023 by unit (piece), while sales volume for 2024 decreased compared to 2023 by ton, as the market shifts towards smaller weight preforms. Sales value also decreased due to lower raw material prices and the market shifting towards smaller weights. The company is currently striving to achieve its primary objective of increasing market share.

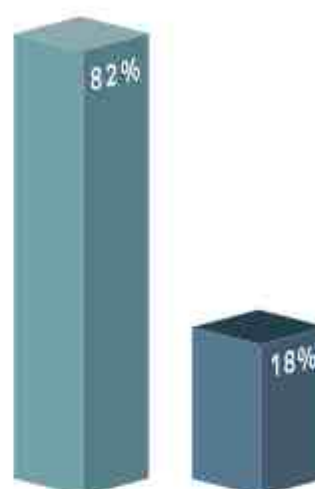
Geographical analysis per countries



Segment shares of total revenues for 2023



Segment shares of total revenues for 2024



Subsidiaries and equity investments (if any)

Table No. [13] Subsidiaries

The Company's name	Establishment country	Equity %	Total Capital (SAR)	Main activities
None				

Table No. [14] Equity method investments

The Company's name	Establishment country	Equity %	Total Capital (SAR)	Main activities
None				





Board of Directors and Governance



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1. Board of directors, committees, and management

A. Board of directors

According to the articles of association of the company, Chapter Three (The Board of Directors), Article twenty Four (24) Company management.

The company is managed by a board of directors consisting of six members appointed by the General Assembly for a period not exceeding Four years.

Moreover, as an exception to this, the founders appointed the first Board of Directors for a period of 4 years as follows:

Table No. (15) Composition of the Board of Directors and classification of its members, whose term ends on December 25, 2024 AD

N	Name	Title
1	Ahmed Hammoud Ibrahim Altheyab	Board Chairman
2	Taha Mohammed Abdul Wahid Azhari	Board Vice Chairman
3	George Abdulkarim George Moussa	Board Member
4	Meshaal Mohammed Saleh Almoqren	Board Member
5	Sahar Yusef Abdullah Jamal Alail	Board Member

Table No. (16) Composition of the Board of Directors for the term from December 26, 2024 to June 30, 2028, according to the decision of the company's ordinary general assembly held on November 5, 2024, and membership description

N	Name	Title
1	Ahmed Hammoud Ibrahim Altheyab	Board Chairman
2	Taha Mohammed Abdul Wahid Azhari	Board Vice Chairman
3	George Abdulkarim George Moussa	Board Member
4	Meshaal Mohammed Saleh Almoqren	Board Member
5	Sahar Yusef Abdullah Jamal Alail	Board Member
6	Najeeb Abdullah Hussein	Board Member

The current Board of Directors, consisting of six members, was appointed by a decision of the Ordinary General Assembly in its meeting held on November 5, 2024 corresponding to Jumada Al-Awwal 3, 1446 AH for a period of three years, six months and five days starting from December 26, 2024 and ending on June 30, 2028.

The Board of Directors of the Company shall establish the Board of Directors' Bylaws, taking into account the formation of the Board and the conditions of appointment and membership.

The following should be taken into consideration in the formation of the Board of Directors:

1. The number of its members is proportional to the size of the company and the nature of its activity, without prejudice to what is stated in Paragraph (a) of Article 17 of the Company's Governance Regulations.
2. The majority of the members shall be non-executive members, as stated in Paragraph (2) of Article Sixteen of the Company's Governance Regulations.
3. The number of its independent members shall not be less than two members or one-third of the Board members, whichever is greater, as stated in Paragraph (3) of Article Sixteen of the Company's Governance Regulations.

Appointment of board members:

- a. The articles of association of the company specify the

number of members of the Board of Directors, which must not be less than three and not more than eleven.

- b. The General Assembly elects the members of the Board of Directors for the period stipulated in the company's bylaws, provided that it does not exceed four years. They may be re-elected unless the company's bylaws stipulate otherwise.
- c. It is required that a member of the Board of Directors does not hold membership in the Board of Directors of more than five joint stock companies listed on the market at the same time.
- d. The company must notify the Authority of the names of the members of the Board of Directors and their membership positions within five working days from the date of the start of the Board of Directors session or from the date of their appointment - whichever is earlier - and any changes that occur to their membership within five working days from the date of the changes occurring.

The responsibility of the board of directors shall be as stipulated in the relevant laws and regulations:

- a. The board of directors represents all shareholders, and it must exercise its duty of care and loyalty in managing the company, and everything that would safeguard its interests, develop, and maximize its value.
- b. B. The company's board of directors is responsible for its

business even if it delegates to committees, entities, or individuals, to exercise some of its functions.

- c. The Board of Directors is responsible for managing the company and providing effective leadership to oversee the management of Zahrat Al Waha For Trading Company's business to achieve the company's set goals in order for its value to grow in a profitable and continuous manner.
- d. The Board of Directors carries out its responsibilities in light of the provisions regulating this and stipulated in the Companies Law, the Corporate Governance Regulations, the regulatory controls, and procedures issued in implementation of the Companies Law for listed joint stock companies, the Company's Articles of Association, and the Corporate Governance Regulations, including the following:

First: General policies and procedures

Second: The strategic plans and main objectives of the company

Third: Internal Control Systems

Fourth: The responsibilities of the board of directors towards shareholders

B. Board of Directors' authority

With consideration of the General Assembly, the board of directors shall have the widest authority in managing of the company, including taking decisions, concluding contracts and agreements, and undertaking all other actions necessary to achieve the objectives of the company. According to its articles of association, provided that these actions are not within the competence of the general assemblies of shareholders in accordance with the company's articles of association and the companies' system.

The board of directors represents all shareholders, and it must exercise its duty of care and loyalty in managing the company, and everything that would safeguard its interests, develop, and maximize its value.

The final responsibility for the company remains with the board even if it forms committees or delegates other bodies or individuals to carry out some of its work, and in all cases the board of directors may not issue a general or unlimited term mandate.

C. The Board of Directors exercises the following tasks

With consideration of the General Assembly in the Companies Law, its implementing regulations, and the company's articles of association, the board of directors shall have the broadest authority in managing the company and directing its work to achieve its objectives as follows:

1. Developing the company's main plans, policies, strategies, and objectives, supervising their implementation, and reviewing them periodically, and ensuring the availability of the human and financial resources necessary to achieve them, including:
 - a. Developing, reviewing and directing the company's comprehensive strategy, main business plans, and company risk management policies and procedures.
 - b. Determining the optimal capital structure for the company,

its strategies, and financial objectives, and approving all kinds of estimated budgets.

- c. Overseeing the company's major capital expenditures, owning, and disposing of assets.
- d. Set performance goals and monitor implementation and overall performance in the company.
- e. Periodic review and approval of the organizational and functional structures in the company.
- f. Verify the availability of the human and financial resources necessary to achieve the company's objectives and main plans.
2. Establishing systems and controls for internal control and general supervision thereof, including:
 - a. Developing a written policy to address actual and potential conflicts of interest for each of the board members, executive management, and shareholders, including misuse of company assets and facilities, and misconduct resulting from dealings with related parties.
 - b. Ensuring the integrity of the financial and accounting systems, including the systems related to the preparation of financial reports.
 - c. Ensure that appropriate control systems are in place to measure and manage risks; By developing a general perception of the risks that the company may face, creating an environment familiar with the culture of risk management at the company level, and presenting it in a transparent manner with the stakeholders and related parties of the company.
 - d. Annual review of the effectiveness of internal control procedures in the company.
3. Preparing clear and specific policies, standards, and procedures for membership in the Board of Directors - in a manner that does not contradict the mandatory provisions in these regulations - and put them into effect after the approval of the General Assembly.
4. Establishing a written policy that organizes the relationship with stakeholders in accordance with the provisions of this bylaw.
5. Establishing policies and procedures that ensure the company's compliance with laws and regulations and its commitment to disclosing essential information to shareholders and stakeholders and verifying the executive management's compliance with them.
6. Overseeing the management of the company's finances, cash flows, and its financial and credit relationships with others.
7. To suggest to the Extraordinary General Assembly what it deems appropriate regarding the following:
 - a. Increase or decrease the company's capital.
 - b. Dissolving the company before the term specified in the company's articles of association or deciding its continuation.
8. To suggest to the General Assembly what it deems appropriate regarding the following:

- a. Use of the company's agreement reserve in the event that it is formed by the Extraordinary General Assembly and not allocated for a specific purpose.
- b. Create additional financial reserves or allocations for the company.
- c. The method of distributing the net profits of the company.
9. Preparing the initial and annual financial statements of the company and approving them before publication.
10. Preparing the report of the Board of Directors and approving it before publication.
11. Ensure the accuracy and integrity of the data and information that must be disclosed, in accordance with the applicable policies and systems of disclosure and transparency.
12. Establishing effective communication channels that allow shareholders to have continuous and periodic access to the various aspects of the company's activities and any substantial developments.
13. Forming specialized committees emanating from it by decisions specifying the committee's term, authority, and responsibilities, and how the board will monitor them, provided that the formation decision includes naming members and specifying their duties, rights, and duties, along with evaluating the performance and work of these committees and their members.
14. Determine the types of remunerations that are granted to employees of the company, such as fixed bonuses, bonuses related to performance, and bonuses in the form of shares, in a manner that does not contradict with the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.
15. Establishing values and standards that govern work in the company.
16. Notifying the Ordinary General Assembly when it convenes of the business and contracts in which a member of the Board of Directors has a direct or indirect interest, provided that this notification includes the information provided by the member to the Board of Directors in accordance with Paragraph (14) of Article Twenty-Eight of these regulations, and This notification must be accompanied by a special report from the company's external auditor.

D. Distribution of powers and tasks between the Board of Directors and Executive Management:

The company's organizational structure must include defining competencies and distributing tasks between the Board of Directors and executive management in accordance with best corporate governance practices, improving the efficiency of the company's decision-making, and achieving a balance in powers and authorities between them. To do this, the Board of Directors must:

1. Approving internal policies related to the company's work and development, including defining the tasks, powers, and responsibilities assigned to the various organizational levels.
2. Adopting a written and detailed policy specifying the powers delegated to the executive management and a schedule showing those powers, the method of implementation and the duration of the delegation. The Board of Directors may request the executive management to submit periodic

reports regarding its practices of the delegated powers.

3. Determine the issues on which the Council retains the authority to decide.

E. Tasks and duties of the members of the board of directors:

Each member of the Board of Directors - through his membership in the Board of Directors - performs the following tasks and duties:

1. Submit proposals to develop the company's strategy.
2. Monitor the performance of the executive management and the extent to which it has achieved the company's goals and objectives.
3. Review reports on the company's performance.
4. Verify the integrity and integrity of the company's financial statements and information.
5. Verify that the company's financial control and risk management systems are strong.
6. Determine the appropriate levels of remuneration for members of the executive management.
7. Express an opinion on appointing and dismissing members of the executive management.
8. Participate in developing a succession and replacement plan for the company's executive positions.
9. Fully adhere to the provisions of the Companies Law, the Financial Market Law, their implementing regulations, the relevant regulations, and the Articles of Association when exercising the duties of his membership in the Board, and refrain from doing or participating in any act that constitutes an abuse of the company's affairs.
10. Attending meetings of the Board of Directors and the General Assembly and not being absent from them except for a legitimate excuse to be notified to the Chairman of the Board in advance, or for urgent reasons.
11. Allocating sufficient time to carry out his responsibilities, preparing for meetings of the Board of Directors and its committees and participating in them effectively, including asking relevant questions and discussing with the company's senior executives.
12. Studying and analyzing information related to the topics considered by the Board of Directors before expressing an opinion on them.
13. Enabling other members of the board of directors to express their opinions freely and urging the board to deliberate on issues and survey the opinions of specialists from the executive management members of the company and others if a need arises.
14. Inform the Board of Directors fully and immediately of any interest it has - direct or indirect - in the business and contracts that are made for the company's account, and that reporting includes the nature of that interest, its limits, the names of any persons involved in it, and the benefit expected to be obtained directly or indirectly from That interest, whether that interest is financial or non-financial, and that member must not participate in voting

on any decision issued in this regard, in accordance with the provisions of the Companies Law and the Financial Market Law and their implementing regulations.

15. Inform the Board of Directors fully and immediately of its participation - direct or indirect - in any business that is likely to compete with the company, or with its competition with the company - directly or indirectly in one of the branches of the activity it carries out, in accordance with the provisions of the Companies Law, the Financial Market Law and their implementing regulations.
16. Not to broadcast or divulge any secrets observed through his membership in the board to any of the company's shareholders - unless this is during the

meeting of the general assembly - or to third parties, as required by the provisions of the Companies Law, the Financial Market Law, and their implementing regulations.

17. Acting on the basis of complete information, in good faith, with the necessary care and attention, in the interest of the company and all shareholders.
18. Understand his duties, roles and responsibilities arising from membership.
19. Developing his knowledge in the field of the company's activities and business and in the related financial, commercial, and industrial fields.
20. Resigning from the membership of the board of directors in the event that he is unable to fully fulfill his duties in the board.

Table No. [17] The Names of the members of the Board of Directors (current positions, previous positions, qualifications, and experiences), whose term ends on December 25, 2024 AD

#	Member's name	Current Position	Previous Position	Qualifications	Experiences
1	Ahmed Hammad Ibrahim Altheyab (Chairman)	Chief Executive Officer and Managing Director at Hana Food Industries Company	- Managing Director at Hana Food Industries Company - General Manager of Hana Food Industries - Vice President of the Chamber of Commerce of Baskiyah Governorate - General Manager of Zahrat Al-Waha For Trading Company	- Training courses in sales and marketing skills at AUC - Training courses for the development of managers and decision makers Gulf Creativity - Turki	- Chairman of the Board of Directors of Zahrat Al Waha Trading Company - Member of Board of Directors at Hana Food Industries Company
2	Taha Mohammed Abdul Wahid Azhari (Vice chairman)	Retired	- Advisor to the CEO of Airports Holding Company - Head of Internal Audit at Airports Holding Company - Chief Financial Officer, Airports Holding Company - Chief Financial Officer of the National Water Company - General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour) - Head of Internal Audit, Al Othman Trading Company	Bachelor of Accounting	- Chairman of the Audit Committee, Zahrat Al-Waha Trading Company - Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company - Chairman of the Audit Committee, BATIC Investment and Logistics Company - Chairman of the Audit Committee of Hana Food Industries Company - Audit Committee Member, Bank Aljazira - Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company - Member of the Risk Committee, Arabian Shield Cooperative Insurance Company
3	George Abdulkarim George Mousa	Chief Executive Officer of Zahrat Al-Waha For Trading Company	- General Manager of Sales at Zahrat Al-Waha For Trading Company - General Manager of Sales at Al-Othman Plastic Company - Takweeni	Bachelor of Marketing and Sales	- Board of Directors member at Zahrat Al-Waha For Trading Company - Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company
4	Meshaal Mohammed Saleh Almogren	Chief Executive Officer at Diamond Concept Company	- Head of the Internal Audit Department, The Cooperative Insurance Company - Head of the Internal Audit Department, Dutch Gulf Finance Company - Head of the Internal Audit Department, Middle East Gulf Company - Audit Supervisor at KPMG Office	- Master of Business Administration - University of Uclane England - Bachelor of Accounting - King Saud University	- Member of the Audit Committee, Zahrat Al-Waha For Trading Company - Chairman of the Audit Committee of Growth Path Finance Company - Chairman of the Audit Committee, Al Saf Commercial Agencies Company - Member of the Board of Directors of Al Saf Commercial Agencies Company - Member of the Audit Committee of the Saudi Contract Registration Company - Member of the Audit Committee of the Saudi Public Transport Company
5	Sahar Youssef Abdullahi Jamal Altai	Head of Sustainability and ESG Practices, Saudi Real Estate Refinance Company (PIF)	- Director of Sharia Department, Saudi Real Estate Refinance Company (Public Investment Fund) - Assistant General Manager (Head of Islamic Banking) at Samba Financial Group - Assistant General Manager (Director of Audit and Sharia Audit) at Samba Financial Group - Financial Director at Al-Khail Capital Saudi Arabia - Assistant General Manager at (Islamic Business Development) Samba Financial Group - Auditor at Saudi Arabian Monetary Agency - SAMA	- Master of Business Administration (MBA) - University of Bridgeport - USA - Bachelor of Accounting - King Saud University	Member of the Islamic Banking Committee of the Central Bank of Saudi Arabia

Board of Directors

Names of the Board of Directors members (current positions, previous positions, qualifications and experience) for the term from December 26, 2024 to June 30, 2028, according to the decision of the company's ordinary general assembly held on November 5, 2024

Ahmed Hammoud Ibrahim Altheyab

Chairman

Current Position

- Chief Executive Officer and Managing Director at Hana Food Industries Company

Previous Position

- Managing Director at Hana Food Industries Company
- General Manager of Hana Food Industries
- Vice President of the Chamber of Commerce of Bakriyah Governorate
- General Manager of Zahrat Al-Waha For Trading Company

Qualifications

- Training courses in sales and marketing skills at AUC
- Training courses for the development of managers and decision makers Gulf Creativity, -Turkey

Experiences

- Chairman of the Board of Directors of Zahrat Al Waha Trading Company
- Member of Board of Directors at Hana Food Industries Company



Board of Directors

Taha Mohammed Abdul Wahid Azhari Vice chairman

Current Position

- Retired

Previous Position

- Advisor to the CEO of Airports Holding Company
- Head of Internal Audit at Airports Holding Company
- Chief Financial Officer, Airports Holding Company
- Chief Financial Officer of the National Water Company
- General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour)
- Head of Internal Audit, Al Othaim Trading Company

Qualifications

- Bachelor of Accounting – King Saud University

Experiences

- Chairman of the Audit Committee, Zahrat Al-Waha Trading Company
- Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company
- Chairman of the Audit Committee, BATIC Investment and Logistics Company
- Chairman of the Audit Committee of Hana Food Industries Company
- Audit Committee Member, Bank Aljazira
- Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company
- Member of the Risk Committee, Arabian Shield Cooperative Insurance Company



Board of Directors

George Abdulkarim George Moussa

Board Member

CEO of Zahrat Al-Waha For Trading Company

Current Position

- Chief Executive Officer of Zahrat Al-Waha For Trading Company

Previous Position

- General Manager of Sales at Zahrat Al-Waha For Trading Company
- General Manager of Sales at Al-Othman Plastic Company – Takween

Qualifications

- Bachelor of Marketing and Sales Lebanese American University Lebanon

Experiences

- Board of Directors member at Zahrat Al-Waha For Trading Company
- Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company



Board of Directors

Meshaal Mohammed Saleh Almogren Board Member

Current Position

- Chief Executive Officer at Diamond Concept Company

Previous Position

- Head of the Internal Audit Department, The Cooperative Insurance Company
- Head of the Internal Audit Department, Dutch Gulf Finance Company
- Head of the Internal Audit Department, Middle East Gulf Company
- Audit Supervisor at KPMG Office

Qualifications

- Master of Business Administration - University of Uclane England
- Bachelor of Accounting - King Saud University

Experiences

- Member of the Audit Committee, Zahrat Al-Waha For Trading Company
- Chairman of the Audit Committee of Growth Path Finance Company
- Chairman of the Audit Committee, Al Saif Commercial Agencies Company
- Member of the Board of Directors of Al Saif Commercial Agencies Company
- Member of the Audit Committee of the Saudi Contract Registration Company
- Member of the Audit Committee of the Saudi Public Transport Company



Board of Directors

Sahal Yousef Abdullah Jamal Allail Board Member

Current Position

- Head of Sustainability and ESG Practices, Saudi Real Estate Refinance Company (PIF)

Previous Position

- Director of Sharia Department, Saudi Real Estate Refinance Company (Public Investment Fund)
- Assistant General Manager (Head of Islamic Banking) at Samba Financial Group
- Assistant General Manager (Director of Audit and Sharia Audit) at Samba Financial Group
- Financial Director at Al-Khair Capital Saudi Arabia
- Assistant General Manager at (Islamic Business Development) Samba Financial Group
- Auditor at Saudi Arabian Monetary Agency - SAMA

Qualifications

- Master of Business Administration (MBA) - University of Bridgeport - USA
- Bachelor of Accounting - King Saud University

Experiences

- Member of the Remuneration and Nominations Committee, Zahrat Al Waha Trading Company



Board of Directors

Najeeb Abdullah Hussein Board Member

Current Position

- Saudi Market Officer Arab Bank Switzerland

Previous Position

- Wealth Manager Arab National Bank
- Wealth Unit Manager Ahli United Bank
- Senior Corporate Lending Officer Canadian Bank

Qualifications

- Bachelor of Finance - Notre Dame University - Lebanon

Experiences

- —



A. Functions of the independent member

Subject to Article 29 of Zahrat Al Waha Trading Company Governance Regulations, an independent board member must actively participate in the performance of the following tasks:

1. Expressing independent opinion on strategic issues, company policies, and its performance, and appointing members of the executive management.
2. Verifying that the interests of the company and its shareholders are taken into consideration and presenting them when any conflict of interest arises.
3. Supervising the development of the company's corporate governance rules and monitoring the implementation by the executive management of them.

B. Composition of the Board of Directors and classification of its members as follows:

Table No. [18] Composition of the Board of Directors and classification of its members, whose term ends on December 25, 2024 AD

#	Member's name	Position	Classification
1	Ahmed Hammoud Ibrahim Altheyab	Board Chairman	Non-Executive
2	Taha Mohammed Abdul Wahid Azhari	Board Vice Chairman	Independent
3	George Abdulkarim George Moussa	Board Member and CEO	Executive
4	Meshaal Mohammed Saleh Almogren	Board Member	Independent
5	Sahar Yousef Abdullah Jamal Alfai	Board Member	Independent

Table No. [19] Composition of the Board of Directors and classification of its members for the term from December 26, 2024 to June 30, 2025, according to the decision of the company's ordinary general assembly held on November 5, 2024/December 25, 2024 AD

#	Member's name	Position	Classification
1	Ahmed Hammoud Ibrahim Altheyab	Board Chairman	Non-Executive
2	Taha Mohammed Abdul Wahid Azhari	Board Vice Chairman	Independent
3	George Abdulkarim George Moussa	Board Member and CEO	Executive
4	Meshaal Mohammed Saleh Almogren	Board Member	Independent
5	Sahar Yousef Abdullah Jamal Alfai	Board Member	Independent
6	Najeeb Abdullah Hussein	Board Member	Independent

C. Board of Directors meetings

The Board of Directors meets at least four times a year, with at least one meeting every three months

Table No. [20] Record of attending Board of Directors meetings for the year 2024 and the total number of (6) meetings, whose term ends on December 25, 2024 AD

#	Member's name	Number of meetings (6)						Total	Attendance Ratio	
		26-02-2024	5-05-2024	1-08-2024	2-10-2024	26-10-2024	16-12-2024			
1	Ahmed Hammoud Ibrahim Altheyab	✓	✓	✓	✓	✓	✓	6	100%	Resigned
2	Taha Mohammed Abdul Wahid Azhari	✓	✓	✓	✓	✓	✓	6	100%	Resigned
3	George Abdulkarim George Moussa	✓	✓	✓	✓	✓	✓	6	100%	Resigned
4	Meshaal Mohammed Saleh Almogren	✓	✓	✓	✓	✓	✓	6	100%	Resigned
5	Sahar Yousef Abdullah Jamal Alfai	✓	✓	✓	✓	✓	✓	6	100%	Resigned

Table No. [21] Attendance record of the Board of Directors meetings for the year 2024 AD, totaling (1) meetings for the session from December 26, 2024 AD to June 30, 2025 AD, according to the decision of the Company's Ordinary General Assembly held on November 5, 2024 AD

#	Member's name	Number of meetings (1)	Total	Attendance Ratio	
		26-02-2024			
1	Ahmed Hammoud Ibrahim Altheyab	✓	1	100%	Resigned
2	Taha Mohammed Abdul Wahid Azhari	✓	1	100%	Resigned
3	George Abdulkarim George Moussa	✓	1	100%	Resigned
4	Meshaal Mohammed Saleh Almogren	✓	1	100%	Resigned
5	Sahar Yousef Abdullah Jamal Alfai	✓	1	100%	Resigned
6	Najeeb Abdullah Hussein	✓	1	100%	Resigned

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

Table No. (22) The shares owned by the members of the Board of Directors of the company at the beginning and end of the year 2024 and their percentage of the total number of shares of the company, including the membership shares of the Board, whose term ends on December 25, 2024 AD

#	Member's name	Shares owned by the members			
		Number of shares at Beginning of the year 2024	Ratio to total shares	Number of shares at Ending of the year 2024	Ratio to total shares
1	Ahmed Hammoud Ibrahim Altheyab	12,266,700	54.52%	11,465,700	50.959%
2	Taha Mohammed Abdul Wahid Azhari	75	0.00033%	75	0.00033%
3	George Abdulkarim George Moutssa	0	0%	10	0.00004%
4	Meshaal Mohammed Saleh Almotegren	15	0.00007%	15	0.00007%
5	Sahar Yousef Abdullah Jamal Allal	450	0.002%	450	0.002%

Table No. (23) Shares owned by members of the Board of Directors in the company at the beginning and end of the year 2024 AD and their percentage of the total number of shares of the company, including board membership shares for the session from December 26, 2024 AD to June 30, 2025 AD according to the decision of the company's ordinary general assembly held on November 5, 2024 AD

#	Member's name	Shares owned by the members			
		Number of shares at Beginning of the year 2024	Ratio to total shares	Number of shares at Ending of the year 2024	Ratio to total shares
1	Ahmed Hammoud Ibrahim Altheyab	12,266,700	54.52%	12,266,700	54.52%
2	Taha Mohammed Abdul Wahid Azhari	75	0.00033%	75	0.00033%
3	George Abdulkarim George Moutssa	0	0%	10	0.00004%
4	Meshaal Mohammed Saleh Almotegren	15	0.00007%	15	0.00007%
5	Sahar Yousef Abdullah Jamal Allal	450	0.002%	450	0.002%
6	Najeeb Abdullah Hussein	0	0%	10	0.00004%

The methods have been used by the Board of Directors to evaluate its performance, the performance of its committees and members, and the executive management

According to Article Thirty-Nine of the Governance Regulations of Zahrat Al-Waha For Trading Company approved by the company's general assembly, which states:

- The Board of Directors - based on the proposal of the Remuneration and Nominations Committee - establishes the necessary mechanisms to annually evaluate the performance of the Board, its members, its committees, and the executive management, through appropriate performance measurement indicators. It is related to the extent to which the strategic objectives of the company are achieved, the quality of risk management, the adequacy of the internal control systems, etc. provided that the strengths and weaknesses are identified and it is proposed to address them in a way that is consistent with the company's interest.
- Performance evaluation procedures must be written, clear, and disclosed to members of the Board of Directors and concerned persons.
- The performance evaluation must include the skills and experience possessed by the council, identifying its strengths and weaknesses, while working to address the weaknesses in possible ways, such as nominating professional competencies who can develop the

council's performance. The performance evaluation must also include an evaluation of the work mechanisms of the council in general.

- The individual evaluation of members of the Board of Directors takes into account the extent of the member's effective participation and commitment to performing his duties and responsibilities, including attending the meetings of the Board and its committees and allocating the necessary time to them.
- The Board of Directors makes the necessary arrangements to obtain an evaluation of its performance from a competent third party every three years.
- The 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 a proposal is made to address them in a manner consistent with the interest of the company.

a. Responsibilities

- The Remuneration and Nominations Committee is responsible for preparing and reviewing indicators and tools for evaluating performance and proposing changes it deems appropriate.
- The Secretary of the Board of Directors is responsible for supporting and supporting the issuance and updating of indicators and tools for performance evaluation, and the

development of procedures that help in their implementation.

- Submission to the Board of Directors for approval.
- The Secretary of the Board of Directors and the executive management in the company is responsible for implementing the indicators and tools for performance evaluation.

b. The methods have been used by the Board of Directors to evaluate its performance, the performance of its committees and members, and the executive management

The Board of Directors follows various means that enable it to evaluate its performance and the performance of its members and committees, based on the performance measurement indicators adopted in the project of evaluating the performance of members of the Board of Directors and the sub-committees and the executive management proposed by the Remuneration and Nominations Committee. Its objectives, the extent of the board member's interaction and his ability to present creative and innovative ideas, and the tools included several elements, the most important of which are the following:

1. Performance measurement standards for the Board and its committees

- The effectiveness of the discussions of the members of the board and its committees to achieve the company's goals and its strategic plan and its reflection on the topics raised during the year.
- The extent to which members of the Board and its committees adhere to the procedures required to be applied in the meetings.
- The extent of board committees' commitment to the tasks assigned to them by the board of directors.
- The extent of the existence of clear and open communication channels during meetings of the Board of Directors and its committees to present meaningful contributions and decisions.
- The extent to which members of the board received a written agenda in advance, and a brief notification about the meeting topics and timing well in advance of the meeting.
- The extent of the accuracy of board members in reviewing the annual financial statements, and the extent to which the board monitors cash flow, profitability, revenues, and other financial indicators to ensure that the company is working within the achievement of its approved goals.
- The quality of board members in monitoring the company's performance and comparing data related to the field in which the company operates.
- The effectiveness of the board members with issues that affect the company in the long term.
- The extent of board members' awareness of the difference between the role of the board in preparing policies and the role of the CEO in managing the company.
- The role of board members in assisting the CEO in preparing

a clear and understandable policy.

- The extent of the effectiveness of the board in setting up a succession plan for the executive management in the company in case those positions become vacant.

2. standards for measuring performance for members of the Board of Directors and members of committees

- Allocating time to the topics and needs of the company to enable proper decision-making. The extent to which a member of the Board of Directors and committees understands technical matters.
- Spend sufficient time with the CEO to understand the long-term plans. And the possibility of a member of the board of directors and committees to communicate with the chairman of the board of directors if required, and the extent of his understanding and understanding of the sectors of the company and the field in which it operates.
- The extent to which a member of the board can express an opinion on the strategy and direction of the company when this becomes necessary.
- The extent of objectivity of a board member in the face of difficult decisions, and the extent of his ability to express his opinion during the meeting even if the point of view is different from other members of the board.
- The ability of a board member to collect the necessary information in order for him to be sufficiently informed in case he is absent from attending the meeting.
- The extent to which a member of the board of directors and committees takes the initiative when it is appropriate to obtain information relevant to the company.
- The extent to which a board member accepts the participation of other board members and committees, the extent of his ability to present creative and innovative ideas, and the extent of his reservation on the confidentiality of the information he receives.
- Sufficient level of experience to evaluate long-term strategies, policies, market developments and peculiarities of the field in which the company operates.

3. Performance Measurement Standards for Executive Management (CEO / Senior Executives):

- The performance of the CEO and senior executives is evaluated for the purpose of reviewing the strategic and operational goals and their alignment with the functional objectives to be achieved, and determining the objectives that must be developed, periodically according to the following:
- Strategic planning: It works to ensure the development of a long-term strategy and establishes goals and plans that meet the needs of shareholders, customers, employees, and every stakeholder in the company, and also ensures harmonious and appropriate progress in its timing towards achieving strategic goals. It also obtains and allocates resources in a manner consistent with the strategic

objectives and reports in a regular manner to the CEO / Board of Directors on the progress being made towards the main stages of the strategic plan.

- **Leadership:** develops and presents a clear and coherent vision of the company's values and goals, ensuring that it is fully understood and that it finds broad support and effective implementation within the company. It also fosters a corporate culture that encourages, appreciates and rewards leadership, excellence, and innovation, as well as ensures concepts that advance ethical norms, individual integrity and cooperation that establish values.

c. Performance standards

Performance standards are the appropriate practical measure that can be used in all fields and activities without relying on intangible theoretical standards - which differ from one person to another and the same person from one period to another - so it is necessary to choose concrete and consistent practical measures to measure the level of performance of activities and fields, and to ensure that they are running Towards the set strategic goals.

1. Definition of performance criteria:

It is the level of what has been acquired and reached between one measurement point to another and includes a meaning and meaning that can be verified, as any plan needs to be followed up to ensure the correct implementation, and follow-up is part of the evaluation of what has been implemented during the work and the discovery of gaps in order to make the necessary adjustment and measurement by inspection to discover defects and follow up on the implementation of the plan requires a benchmark comparison, which means that there are two parties to compare one of the other, and then it is necessary to define measurement criteria based on comparison. It also gives an indication of defects and thus provides an opportunity for improvement.

2. Requirements for the application of performance standards:

- a. The necessity of adopting performance measures at the same time that goals are set, this is the only way in which progress, and achievements can be evaluated in a fair and reasonable manner.
- b. The necessity of its association with the goals and strategic measures that have organizational significance and the development of business performance.
- c. It should relate to the goals and responsibilities of teams and individuals and be effective if used through duties and responsibilities.
- d. It is based on measurable results and achievements.
- e. It is based on evidence and data that can be available for measurement.

- f. The possibility of verifying it by providing information that confirms the validity of expectations and measurement results.
- g. To be as accurate as possible according to the availability of data and the purpose of the measurement.
- h. To be a sound basis for feedback and procedures.
- i. To be comprehensive and cover all major aspects of performance so that a set of measures can be provided.
- j. T- That the accounting measurement is the basis of the strategic plan, objectives and processes that have been built.

3. Data and information through which measurement standards can be set

- a. Financial statements (financial position, income statement, and cash flow statement).
- b. The annual planning budgets.
- c. Cash flows during the period of the strategic plan.
- d. The strategic plan.
- e. Objectives of the sub-plan.
- f. Operations objectives.
- g. Program objectives.
- h. Departmental objectives.
- i. Responsibilities and duties of each job.

d. Review and update performance evaluation indicators and tools

The indicators and tools of performance evaluation are subject to periodic review by the Remuneration and Nominations Committee with the aim of developing and updating them in line with the relevant laws and regulations and in accordance with the opinion of the Remuneration and Nominations Committee.

The remuneration of members of the Board of Directors, its sub-committees, and the management

In the interest of the company's management to raise the effectiveness of governance, and with the aim of achieving a high degree of transparency, achieving the company's objectives, and developing its performance, the company has adopted a policy of remuneration for members of the Board of Directors, the committees emanating from it, and the executive management in the company in accordance with the standards and controls contained in the Companies Law and the Corporate Governance Regulations. And other related laws and regulations.

The remuneration policy for the Board of Directors, the committees emerging from it, and the executive management of the company have been prepared in order to comply with Article (59) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority, which stipulates that the Remuneration and Nominations Committee shall "prepare a clear policy for the remuneration of members of the Board

of Directors and the committees emanating from The Board and the Executive Management, and submitting them to the Board of Directors for consideration in preparation for approval by the General Assembly, taking into account in this policy the following standards related to performance, disclosure of them, and verification of their implementation.

A. Policy objectives

This policy aims to set clear criteria for remuneration for members of the Board of Directors, its committees, and senior executives in light of the requirements of the companies' system and the rules and regulations of the Capital Market Authority. The policy also aims to attract individuals with a degree of competence, ability, and talent to work in the Board of Directors and the committees emanating from it and the executive management through Adopting plans and programs that stimulate rewards and are linked to performance, which contribute to improving the company's performance and achieving the interests of its shareholders.

B. Responsibilities

- The Remuneration and Nominations Committee is responsible for preparing, reviewing the policy, proposing the changes it deems appropriate, and submitting it to the Board of Directors for consideration.
- The Secretary of the Board of Directors is responsible for supporting the Remuneration and Nominations Committee to issue and update this policy, and to develop procedures that help in its implementation.
- Remuneration policy shall be submitted to the General Assembly for approval.
- The Financial Department and the Human Resources Department in the Executive Department of the company is responsible for implementing what is stated in this policy under the supervision of the Board of Directors responsible for its implementation.

C. Remuneration criteria

Without prejudice to the statutory requirements, the company's articles of association, and the requirements of the governance regulation, the remuneration of the members of the Board of Directors, the committees emanating from it, and the executive management are subject to the following standards:

1. Its consistency with the company's strategic plans, long-term and short-term goals, its activities, the sector in which it operates, the skills required to manage it, and the size, nature, and degree of risks of the company.
2. Remuneration is provided for the purpose of inducing members of the board of directors, the committees emanating from it, and the executive management on the long-term success and development of the company, such as linking the variable part of the remuneration to long-term performance.
3. Remuneration should be determined based on the level of the position, the tasks and responsibilities assigned to the

occupant, academic qualifications, practical experiences, skills, and level of performance.

4. Taking into consideration the practices of other companies in determining remuneration, while avoiding the unjustified increase in rewards and compensation that may result from that.
5. That it aims to attract, maintain, and motivate professional competencies, without exaggerating them.
6. To prepare in coordination with the Remuneration and Nominations Committee and the Human Resources Department upon new appointments.
7. Organizing the award of shares in the company to members of the board of directors, the committees emanating from it, and the executive management, whether it is a new issue or shares purchased by the company.
8. That the remuneration be fair and commensurate with the member's competencies, business and responsibilities undertaken by the members of the board of directors, in addition to the goals set by the board of directors to be achieved during the fiscal year.
9. Remuneration should be based on the recommendation of the Remuneration and Nominations Committee.
10. Taking into consideration the sector in which the company operates its size and the experience of the members of the Board of Directors.
11. That the remuneration is reasonably sufficient to attract, motivate and retain competent and experienced board members.
12. The remuneration of the members of the Board of Directors and the committees emanating from it consist of an annual remuneration (a lump sum), attendance allowances for meetings and other entitlements as explained in this policy.
13. The remuneration of the members of the audit committee is approved by the general assembly and upon the recommendation of the board of directors.
14. A member of the Board of Directors may obtain a remuneration for his membership in the audit committee formed by the General Assembly, or for any business, executive, technical, administrative or advisory positions - under a professional license - additional to be assigned to the company, in addition to the bonus that can be To obtain it in his capacity as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Articles of Association.
15. The remuneration of the members of the Board of Directors may be of varying magnitude to reflect the member's experience, competencies, tasks assigned to him, his independence, the number of sessions he attends, and other considerations.
16. If the audit committee or the body finds that the remuneration paid to any of the members of the board of directors or the executive management is based on incorrect or misleading information that was presented to the general assembly or included in the annual report of the board of directors, then they must be returned to the company, and the company has the right to ask him to refund them.

D. Remuneration of members of the Board of Directors and the committees emanating from it

1. The remuneration of a member of the Board of Directors and all the benefits that he obtains - if any - shall be as approved by the General Assembly in accordance with the official decisions and instructions issued in this regard, and within the limits of what is stipulated in the Companies Law and its Regulations.
2. The remuneration of a member of the Board of Directors may be a certain amount, an attendance allowance for sessions, benefits in kind, or a certain percentage of the net profits, and two or more of these benefits may be combined.
3. If the remuneration is a specific percentage of the company's profits, then this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in implementation of the provisions of the Companies Law and the Company's Articles of Association, and after distributing a profit of no less than (1%) of the paid-up capital of the company, provided that the entitlement to this bonus is proportional to the number of sessions attended by the member, and any estimate to the contrary is void.
4. In all cases, the total remuneration and financial or in-kind benefits and rewards that a member of the Board of Directors gets should not exceed an amount of five hundred thousand riyals annually, according to the controls set by the competent authority.
5. The remuneration of the independent members of the board of directors should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.
6. Pursuant to the previous clauses of this article, the remuneration and benefits of the members of the Board of Directors and the committees emanating from it shall be according to the table below:

I. Board Members:

Description	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent board member (Deducted Sum)	SAR 150,000
Remuneration of a non-independent board member	SAR 0

Allowance for attending meetings and other allowances is paid annually, while the annual severed bonus is paid after its approval by the General Assembly.

II. Members of the Audit Committee

Description	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent committee member (Deducted Sum)	SAR 30,000

Allowance for attending meetings and other allowances is paid annually, while the annual severed bonus is paid.

III. Members of the Remuneration and Nominations Committee

Description	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent committee member (Deducted Sum)	SAR 30,000

IV. Members of the Risks management Committee

Description	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent committee member (Deducted Sum)	SAR 30,000

V. Members of the Corporate Governance Committee

Description	Amount
Allowance to attend one session	SAR 4,000
Remuneration of the independent committee member (Deducted Sum)	SAR 30,000

E. Executive management remuneration

1. The Remuneration and Nominations Committee reviews the salary scale set for all employees and senior executives and the incentive program and plans on an ongoing basis and approves them based on the recommendation of the executive management. The remuneration of the executive management includes the following:
 - Basic salary.
 - Medical insurance for him and his family.
 - Social insurance
 - Transportation allowance or insurance for a suitable means of transportation.
 - Housing allowance or adequate housing insurance for him and his family.
 - Annual increase linked to performance indicators and according to the annual evaluation made in this regard.
 - Annual reward linked to performance indicators and according to the annual evaluation that is made in this regard.
 - A long-term incentive bonus, if any.
 - Allowances and other benefits such as children's education allowance, travel tickets for him and his family, annual paid leave, and end-of-service gratuity in accordance with the Saudi Labor Law and the company's human resources management regulations.
 - Any bonuses or other allowances approved by the company's board of directors.
2. The Remuneration and Nominations Committee reviews the general policies, plans, and programs for the remuneration of senior executives and submits its findings to the Board of Directors for approval.
3. The CEO implements the remuneration policy for employees and senior executives in light of the general policies, plans and

programs approved by the Remuneration and Nominations Committee and approved by the Board of Directors.

- The Remuneration and Nominations Committee reviews the annual incentives and bonuses disbursement to the CEO and submits them to the Board of Directors for approval.

F. Payment of bonuses

Rewards - according to what is stipulated in the bonuses and benefits tables attached to this policy - shall be disbursed in Saudi riyals or its equivalent in any other currency, and the payment is made through a direct entry in the bank accounts specified by the concerned person.

G. General provisions

- Members of the Board of Directors may not vote on the provision of remuneration for members of the Board of Directors at the General Assembly meeting.
- This policy is complementary to the company's articles of association, corporate governance system, and governance regulations.

- All that is not provided for in this policy to apply the relevant laws and regulations issued by the competent authorities.

H. Disclosure

- The report of the Board of Directors to the General Assembly must include a comprehensive statement of all rewards, expenses allowances and other benefits that Board members received during the fiscal year, and it should also include a statement of what board members received as workers or administrators or what they received in return Technical, administrative or consulting works, and it should also include a statement of the number of board sessions and the number of sessions attended by each member from the date of the last general assembly meeting or during the fiscal year ending on December 31.
- Without prejudice to what is stated in the previous paragraph of this article, the company discloses the members of the board of directors, the committees emanating from it and the executive management (the top five senior executives who received the largest rewards, including the CEO and the financial director) in accordance with the regulatory requirements specified in the governance regulation.

Board of Directors remuneration

Table No. (24) Remuneration of Board Members during the year 2024, whose term ends on December 25, 2024 AD

Board Member	Fixed remuneration					Variable remuneration								Total remuneration	
	Board Member remuneration	Total remuneration (including a bonus)	Total remuneration (including a bonus)	Director's remuneration	Director's remuneration (including a bonus)	Total	Director's remuneration	Director's remuneration (including a bonus)	Director's remuneration (including a bonus)	Director's remuneration (including a bonus)	Director's remuneration (including a bonus)	Director's remuneration (including a bonus)	Director's remuneration (including a bonus)	Director's remuneration (including a bonus)	Director's remuneration (including a bonus)
1.Independence members															
Taha Mohammed Abdul Wahid Azhari	-	15,000	15,000	-	-	15,000	-	-	-	-	-	-	-	15,000	-
Meshaal Mohammed Saleh Almogren	-	15,000	15,000	-	-	15,000	-	-	-	-	-	-	-	15,000	-
Sahal Youssef Abdullah Jamal Alail	-	15,000	15,000	-	-	15,000	-	-	-	-	-	-	-	15,000	-
Total	-	45,000	45,000	-	-	45,000	-	-	-	-	-	-	-	45,000	-
2.Non-Executives members															
Ahmed Hammoud Ibrahim Altheyab	-	15,000	15,000	-	-	15,000	-	-	-	-	-	-	-	15,000	-
Total	-	15,000	15,000	-	-	15,000	-	-	-	-	-	-	-	15,000	-
3.Executives members															
George Abdulkarim George Mousa	-	15,000	15,000	-	-	15,000	120,000	-	-	-	-	-	120,000	638,147	773,147
Total	-	15,000	15,000	-	-	15,000	120,000	-	-	-	-	-	120,000	638,147	773,147
Totals	-	75,000	75,000	-	-	75,000	120,000	-	-	-	-	-	120,000	638,147	833,147

Board of Directors remuneration

Table No. (25) Remuneration for members of the Board of Directors during the European year 2024, from December 26, 2024, to June 30, 2025, in accordance with the decision of the company's ordinary general assembly held on November 5, 2024.

Board Member	Fixed remuneration								Variable remuneration							
	Board Members remuneration	Fixed Board's members allowance	Fixed Board's members corporate allowance	Advantages	Services, administrative and consulting fees remuneration	Remuneration of challenges, consulting services or advisory if not a member	Total	Dividend	Periodic remuneration	Short-term incentive plan	Long-term incentive plan	Short-term incentive bonus is earned	Total	Expense allowance	Fixed/Service remuneration	Total
1.Independence members																
Taha Mohammed Abdul Wahid Azhari	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0
Meshaal Mohammed Saleh Almogren	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0
Sahar Yousef Abdulrahman Jamal Alail	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0
Najeeb Abdulrahman Hussein	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0
Total	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0
2.Non-Executives members																
Ahmed Hammoud Ibrahim Althejati	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0
Total	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0
3.Executives members																
George Abdulkarim George Moussa	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0
Total	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0
Totals	5	0	5	0	0	5	5	0	5	0	0	0	5	0	0	0

Membership of the board members of other companies

Table No. (26) Membership of Board Members of other companies, whose term ends on (December 28, 2024 AD)

#	Member's name	Names of companies for which a member of the board of directors is a member of their current boards or directors	Inside / outside the Kingdom	The legal entity	Names of companies for which a member of the board of directors is a member of their previous boards or directors	Inside / outside the Kingdom	The legal entity
1	Ahmed Hammoud Ibrahim Altheyab	Hana Food Industries Company	Inside the Kingdom	closed joint stock	Hana Food Industries Company	Inside the Kingdom	closed joint stock
2	Taha Mohammed Abdul Wahid Ashari	—	—	—	Airports Holding Company	Inside the Kingdom	Government Company
		—	—	—	National Water Company	Inside the Kingdom	Government Company
		—	—	—	Saudi Comprehensive Trading Company (Carrefour)	Inside the Kingdom	Limited Liability Company
		—	—	—	Al Othaim Trading Company	Inside the Kingdom	Public joint stock
		—	—	—	Bank Aljazeera	Inside the Kingdom	Public joint stock
		—	—	—	Arabian Shield Cooperative Insurance Company	Inside the Kingdom	Public joint stock
		—	—	—	Basic Investments and Logistics Company	Inside the Kingdom	Public joint stock
		—	—	—	Hana Food Industries Company	Inside the Kingdom	closed joint stock
3	George Abdulkarim George Moussa	Zahra Al-Waha for Trading Company	Inside the Kingdom	Public joint stock	Othman Plastic Company – Takween	Inside the Kingdom	Public joint stock
4	Meshari Mohammed Saleh Almogren	Diamond Concept Company	Inside the Kingdom	closed joint stock	Cooperative Insurance Company	Inside the Kingdom	closed joint stock
		The Saudi Public Transport Company (SAPTCO)	Inside the Kingdom	Public joint stock	Middle East Gulf Company	Inside the Kingdom	Public joint stock
		Growth Path Company	Inside the Kingdom	closed joint stock	—	—	—
		Saudi Contract Registration Company	Inside the Kingdom	closed joint stock	—	—	—
		Al Safi Commercial Agencies Company	Inside the Kingdom	closed joint stock	—	—	—
5	Sahar Yousef Abdullah Jamal Alkai	The Saudi Real Estate Refinance Company – one of the Public Investment Fund companies	Inside the Kingdom	closed joint stock	Samba Financial Group	Inside the Kingdom	Public joint stock
		—	—	—	Khair Capital Saudi Arabia	Inside the Kingdom	closed joint stock

Membership of the board members of other companies

Table No. [27] Membership of the board of Directors of other companies for the term from December 26, 2024 to June 30, 2028, according to the decision of the company's ordinary general assembly held on November 5, 2024

#	Member's name	Names of companies for which a member of the board of directors is a member of their current boards of directors	Inside / outside the Kingdom	The legal entity	Names of companies for which a member of the board of directors is a member of their previous boards of directors	Inside / outside the Kingdom	The legal entity
1	Ahmed Hammoud Ibrahim Altheyab	Hana Food Industries Company	Inside the Kingdom	closed joint stock	Hana Food Industries Company	Inside the Kingdom	closed joint stock
2	Taha Mohammed Abdul Wahid Azhari	—	—	—	Airports Holding Company	Inside the Kingdom	Government Company
		—	—	—	National Water Company	Inside the Kingdom	Government Company
		—	—	—	Saudi Comprehensive Trading Company (Carrefour)	Inside the Kingdom	Unlimited Liability Company
		—	—	—	Al Oghaim Trading Company	Inside the Kingdom	Public joint stock
		—	—	—	Bank Aljazira	Inside the Kingdom	Public joint stock
		—	—	—	Arabian Shield Cooperative Insurance Company	Inside the Kingdom	Public joint stock
		—	—	—	Basic Investments and Logistics Company	Inside the Kingdom	Public joint stock
		—	—	—	Hana Food Industries Company	Inside the Kingdom	closed joint stock
3	George Abdulkarim George Moussa	Zahrat Al-Waha for Trading Company	Inside the Kingdom	Public joint stock	Othman Plastic Company - Takween	Inside the Kingdom	Public joint stock
4	Meshael Mohammed Saleh Altiogren	Diamond Concept Company	Inside the Kingdom	closed joint stock	Cooperative Insurance Company	Inside the Kingdom	closed joint stock
		The Saudi Public Transport Company (SAPTCO)	Inside the Kingdom	Public joint stock	Middle East Gulf Company	Inside the Kingdom	Public joint stock
		Growth Path Company	Inside the Kingdom	closed joint stock	—	—	—
		Saudi Contract Registration Company	Inside the Kingdom	closed joint stock	—	—	—
		Al Saf Commercial Agencies Company	Inside the Kingdom	closed joint stock	—	—	—
5	Sahar Youssef Abdullah Jamal Attai	The Saudi Real Estate Refinance Company - one of the Public Investment Fund companies	Inside the Kingdom	closed joint stock	Samba Financial Group	Inside the Kingdom	Public joint stock
		—	—	—	Khair Capital Saudi Arabia	Inside the Kingdom	closed joint stock
6	Najeeb Abdullah Hussein	Arab Bank Switzerland	Outside the Kingdom	Public joint stock	Arab National Bank	Inside the Kingdom	Public joint stock
		—	—	—	Anti United Bank	Outside the Kingdom	Public joint stock
		—	—	—	Canadian Bank	Outside the Kingdom	Public joint stock

Board Committees

In the interest of the company's management to raise the effectiveness of governance, and with the aim of achieving a high degree of transparency, achieving the company's goals, and developing its performance, the company has adopted criteria for nominating members of the committees emanating from the company's board of directors and selecting them based on their competence and ability to represent the board of directors. Ensure the availability of experience, ability, and scientific and practical knowledge that would contribute to raising the company's strategic, supervisory, regulatory, and operational efficiency, and determining their remuneration in accordance with the standards and controls contained in the Companies Law and the Corporate Governance Regulations, and other relevant laws and regulations.

A. Audit Committee

The Audit Committee is considered one of the important committees in the listed public joint-stock companies because of its essential and effective role in supervising the work and procedures of external auditing, internal auditing, the internal control process, developing systems and plans related to these activities and following up on their implementation and the company's commitment and compliance with generally accepted regulations and standards. The regulations of the Saudi Capital Market Authority and the Saudi Companies Law have given special importance to the review committee through its formation by The Board of Directors in accordance with the provisions of the Companies Law and Article Thirty-Seven of the Articles of Association of Zahrat Al Waha Trading Company and strengthening its framework and powers.

I. Forming the Audit Committee

- a. An audit committee of shareholders or others shall be formed by decision of the company's board of directors, provided that it does not include any of the executive members of the board of directors. The number of members of the audit committee must not be less than three and not more than five, and among them must be a specialist in financial and accounting affairs.
- b. The members of the audit committee must include at least one independent member.
- c. The Chairman of the Audit Committee must be an independent member.
- d. Half of the members of the Audit Committee must be independent members or those who do not meet the criteria of independence mentioned in Article Nineteen of these regulations.
- e. The company's general assembly shall issue - based on a proposal from the Board of Directors - the work regulations of the audit committee, provided that this regulation includes the controls and procedures for the committee's work, its tasks, the rules for selecting its members, how to nominate them, the duration of their membership, their rewards, and the mechanism for appointing its members temporarily in the event that one of the seats becomes vacant of The Commission.
- f. It is not permissible for anyone who works or has been working during the past two years in the executive or financial management of the company, or with the company's auditor, to be a member of the audit committee.
- g. It is required that the audit committee member does not serve as a member of audit committees in more than five joint stock companies listed on the market at the same time.

Table No. [29] Qualifications and experiences of Audit Committee, whose term ends on December 25, 2024 AD

#	Member's name	Current Position	Previous Position	Qualifications	Experiences
1	Taha Mohammed Abdul Wahid Azhari (Vice Chairman)	Retired	• Advisor to the CEO of Airports Holding Company • Head of Internal Audit at Airports Holding Company • Chief Financial Officer, Airports Holding Company • Chief Financial Officer of the National Water Company • General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour) • Head of Internal Audit, Al Othaim Trading Company	Bachelor of Accounting - King Saud University	• Chairman of the Audit Committee, Zahrat Al-Waha Trading Company • Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company • Chairman of the Audit Committee, BATIC Investment and Logistics Company • Chairman of the Audit Committee of Hana Food Industries Company • Audit Committee Member, Bank Aljazeera • Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company • Member of the Risk Committee, Arabian Shield Cooperative Insurance Company
2	Meshaal Mohammed Saleh Almogren	Chief Executive Officer at Diamond Concept Company	• Head of the Internal Audit Department, The Cooperative Insurance Company • Head of the Internal Audit Department, Middle East Gulf Company • Audit Supervisor at KPMG Office	• Master of Business Administration - University of Ulster England • Bachelor of Accounting - King Saud University	• Member of the Audit Committee, Zahrat Al-Waha For Trading Company • Chairman of the Audit Committee of Growth Path Finance Company • Chairman of the Audit Committee, Al Saf Commercial Agencies Company • Member of the Board of Directors of Al Saf Commercial Agencies Company • Member of the Audit Committee of the Saudi Contract Registration Company • Member of the Audit Committee of the Saudi Public Transport Company
3	Ahmed Khader Mohammed Harazi	Director of Consulting at Price water house Coopers	• Financial Director at Manroa for Trade and Contracting • Executive Director at Ernst and Young Auditors and Chartered Accountants • Audit Supervisor at Ashar Anderson Office	Bachelor of Accounting	—



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Qualifications and experiences of Audit Committee

Qualifications and Experience of the Audit Committee for the Term from December 26, 2024, to June 30, 2028, in accordance with the Board of Directors' resolution issued on December 26, 2024.

Taha Mohammed Abdul Wahid Azhari Vice Chairman

Current Position

- Retired

Previous Position

- Advisor to the CEO of Airports Holding Company
- Head of Internal Audit at Airports Holding Company
- Chief Financial Officer, Airports Holding Company
- Chief Financial Officer of the National Water Company
- General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour)
- Head of Internal Audit, Al Othaim Trading Company

Qualifications

- Bachelor of Accounting - King Saud University

Experiences

- Chairman of the Audit Committee, Zahrat Al-Waha Trading Company
- Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company
- Chairman of the Audit Committee, BATIC Investment and Logistics Company
- Chairman of the Audit Committee of Hana Food Industries Company
- Audit Committee Member, Bank Aljazira
- Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company
- Member of the Risk Committee, Arabian Shield Cooperative Insurance Company

Qualifications and experiences of Audit Committee

Meshaal Mohammed Saleh Almogren

Board Member

Audit Committee Member

Current Position

- Chief Executive Officer at Diamond Concept Company

Previous Position

- Head of the Internal Audit Department, The Cooperative Insurance Company
- Head of the Internal Audit Department, Middle East Gulf Company
- Audit Supervisor at KPMG Office

Qualifications

- Master of Business Administration - University of Uclane England
- Bachelor of Accounting - King Saud University

Experiences

- Member of the Audit Committee, Zahrat Al-Waha For Trading Company
- Chairman of the Audit Committee of Growth Path Finance Company
- Chairman of the Audit Committee, Al Saif Commercial Agencies Company
- Member of the Board of Directors of Al Saif Commercial Agencies Company
- Member of the Audit Committee of the Saudi Contract Registration Company
- Member of the Audit Committee of the Saudi Public Transport Company



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Qualifications and experiences of Audit Committee

Ahmed Khader Mohammed Harara
Audit Committee Member

Current Position

- Director of Consulting at Price water house Coopers

Previous Position

- Financial Director at Mannoia for Trade and Contracting
- Executive Director at Ernst and Young Auditors and Chartered Accountants
- Audit Supervisor at Athar Anderson Office

Qualifications

- Bachelor of Accounting

Experiences

- —

II. The objectives of the audit committee

The main objectives of the Audit Committee are:

1. Verify the completeness and adequacy of internal audit work by reviewing the effectiveness of the arrangements for the internal audit department and their completeness and adequacy.
2. Verifying the response of the company's management to the issues that are identified and monitored through the activity and work of the committee, especially the work of the internal and external audits, and verifying its independence.
3. Verifying the company's acceptance and understanding of the role, work and value of the internal audit through the applicable mechanisms such as the annual report of the internal audit.
4. Measuring and evaluating the level of effectiveness of the company's internal control and audit systems.
5. Ensure compliance with regulations, laws, standards and policies related to the scope of work, tasks and responsibilities of the committee.

III. The committee's competencies, authorities, and responsibilities

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of the reports, financial statements, and internal control systems therein. The committee's duties include, in particular, the following:

A. Financial reports

- a. Study the initial and annual financial statements of the company before submitting them to the Board of Directors and expressing its opinion and recommendation regarding them; to ensure its fairness, fairness, and transparency.
- b. Expressing 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.
- c. Study any important or unusual issues included in the financial reports.
- d. Carefully researching any issues raised by the company's financial manager, whoever assumes his duties, the company's compliance officer, or the auditor.
- e. Verifying the accounting estimates in the fundamental issues mentioned in the financial reports.
- f. Study the accounting policies applied in the company and express opinion and recommendation to the Board of Directors in this regard.

B. Internal Control Systems

- a. Study and review the internal and financial control and risk management systems and ensure their effectiveness through periodic reports to the Internal Audit Department or others on the adequacy and effectiveness of the internal and financial control and risk management systems, and

follow up on the implementation of recommendations and corrective actions based on the observations contained therein.

- b. Preparing a report for the Board of Directors that includes its opinion on the adequacy of these systems and its recommendations to address fundamental matters and any other recommendations for developing these systems and other work it has undertaken that falls within the scope of its jurisdiction.

C. Internal audit

- a. Supervising and monitoring the work of the Internal Audit Department and verifying its effectiveness in performing its tasks and responsibilities.
- b. Study the annual audit plan with the Internal Audit Department and approve it.
- c. Study the internal audit reports and follow up the implementation of corrective measures for the observations contained therein.
- d. Recommending to the Board of Directors to approve the organizational structure and job description of the Internal Audit Department, and to ensure its independence in the company's organizational structure.
- e. Recommending to the Board of Directors to appoint or dismiss the Director of the Internal Audit Department, and evaluating his performance on an annual basis.

D. Auditor

- a. Recommending to the Board of Directors to nominate and dismiss auditors, determine their fees, evaluate their performance after verifying their independence and review the scope of their work and the terms of contracting with them.
- b. Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, considering the relevant rules and standards.
- c. Reviewing the company's auditor's plan and business and verifying that he has not submitted technical or administrative works that are outside the scope of the audit work and expressing its views on that.
- d. Answer the inquiries of the company's auditor.
- e. Study the auditor's report and his notes on the financial statements and follow up on what has been taken in their regard.

E. Ensure commitment

- a. Review the results of the reports of the supervisory authorities and verify that the company has taken the necessary actions regarding them.
- b. Verify the company's compliance with the relevant laws, regulations, policies, and instructions.
- c. Review the contracts and proposed transactions that the company conducts with related parties and submit their opinions on this to the Board of Directors.
- d. Raise the issues it deems necessary to take action in their regard to the Board of Directors and make its recommendations for the actions to be taken.

IV. Committee meetings

The committee meets periodically, provided that its meetings are not less than (4) meetings during the company's fiscal year

Table No. [29] Attendance record for the Audit Committee meetings for the year 2024, a total of (7) meeting, whose term ends on December 31, 2024 AD

#	Member's name	Position	Number of meetings (7)							Attendance Rate
			26-2-2024	8-5-2024	10-6-2024	1-8-2024	28-10-2024	25-11-2024	10-12-2024	
1	Taha Mohammed Abdul Wahid Azhari	Chairman	✓	✓	✓	✓	✓	✓	✓	100%
2	Meshaal Mohammed Saleh Almogren	Member	✓	✓	✓	✓	✓	✓	✓	100%
3	Ahmed Khader Mohammed Harara	Member	✓	✓	✓	✓	✓	✓	✓	100%

✓ Attended ✗ Absent ⚪ Resigned

Table No. [30] Record of attendance of the Audit Committee meetings for the year 2024 AD, totaling (1) meeting for the session from December 26, 2024 AD to June 30, 2026 AD, according to the Board of Directors' decision held on December 26, 2024 AD

#	Member's name	Position	Number of meetings (1)		Attendance Rate
			26-12-2024		
1	Taha Mohammed Abdul Wahid Azhar	Chairman			100%
2	Meshaal Mohammed Saleh Almogren	Member			100%
3	Ahmed Khader Mohammed Harara	Member			100%

✓ Attended ✗ Absent ⚪ Resigned

• Summary of the committee's report to the company's general assembly

All members of the committee are obliged to meet at least four times a year, in accordance with its charter.

In addition, the committee reviewed the quarterly financial statements and other matters in some cases by scrolling. She also interacted regularly with management and internal auditors. Based on the recommendations of the internal audit, the committee recommended that the management take the necessary measures to improve the internal control systems in accordance with business needs and best practices. Moreover, the committee commended the administration for establishing a whistleblowing policy and a hotline to enable stakeholders to report cases of non-compliance, deviation from existing practices, and ethical violations.

The committee evaluated the independence of the auditor and reviewed their scope of work and the terms of contracting with them. Accordingly, the committee recommended their nomination to the Board of Directors.

Verify the auditor's independence, objectivity, fairness, and effectiveness of audit work, taking into account the relevant rules and standards.

Reviewing the activities and work plan of the company's auditor.

Reviewing the chartered accountant's reports and notes on the financial statements.

The committee made sure of the company's compliance with

relevant laws, regulations, policies and instructions.

I reviewed the results of the reports of the supervisory authorities and verified that the necessary measures were taken in this regard.

Reviewing contracts and transactions proposed to be conducted by the company with related parties.

After reviewing the annual financial statements for the year ending 31 December 2024, the Committee considers that the financial statements, in all material respects, comply with all relevant regulations.

Accordingly, the committee recommended to the Board of Directors to approve the annual financial statements for the year ending on December 31, 2024.

• Results of the internal review and evaluation of the effectiveness of the internal control system

First: The foundations of internal control and the application of the supervisory cycle within the company:

In light of the internal control reports, the audit committee reviews the monitoring cycle for all the company's activities according to the following principles:

1. Ensuring the proper application of laws and regulations to enhance confidence in the reports of subsidiaries.
2. Evaluating the administrative, financial, operational, and marketing policies and procedures for each company according to the nature of its business.
3. Ensure the accuracy and verification of the information contained in the periodic reports of these companies.

4. The ability to take appropriate decisions by identifying problems and obstacles and working to solve them as a form of prohibitive control.
5. The Audit Committee monitors the extent of commitment to implement the financial control program approved by the Board of Directors to monitor the company's investments.

Second: The results of the annual review of the effectiveness of internal control, and the following are the most important procedures and essential notes:

In light of the work carried out by the committee during the year ending on December 31, 2024 AD, and based on the reports of the Internal Audit and Risks Department, the internal audit processes did not show a fundamental weakness in the internal control system, in addition to the absence of any deficiencies in the internal control system and that the policies and procedures of the company Appropriateness, with the continuation of the recommendation to the company's management to continuously monitor the development and improvement of the efficiency and effectiveness of the applicable internal controls and the need for continuous updating of the company's policies and procedures.

Note that the company depends on the implementation of the internal audit by the Internal Audit and Risks Department from within the company, nominated by the Audit Committee and appointed by the Board of Directors.

Third: Risks and its management policy to manage it:

The company operates in a multi-risk and fast-changing environment like most companies, and in light of these challenges the company strives to develop and expand its business by exploiting all available investment opportunities and based on full awareness of the risks associated with the company's vision, the company analyzes and manages risks in order to protect its current business and future and provide preventive and reactive measures for potential risks. The company works to unify strategies and processes, as well as directing and training employees to follow a unified method for managing risks that the company may face in the future to reach this goal and help it achieve its strategic goals, the risk management process is based on identifying and analyzing the risks that the company faces in two ways:

- Risk assessment: Analyzing risks and working to address them to avoid their occurrence or reduce their impact if they occur.
- Business continuity: by raising the level of readiness and readiness to deal with risks as they arise.

In order to achieve the company's strategic objectives, the company has put in place appropriate procedures to evaluate the risks related to strategic decisions, in addition to providing support to assess risks related to some

First: the concept of risk management in the company:

Risk management is the process of measuring and evaluating potential risks and developing management strategies to ensure preventive handling of those risks and facilitate work on early detection of actual problems with the aim of minimizing their negative effects on the company. The best approach to risk management is to arrange them in order of priority so that risks that may result from losses are addressed. Significant or substantial impacts while risks with lesser impact are addressed later.

Second: Why is the company interested in the risk management process:

- Tightening control over the risks surrounding the company's activities and business.
- Determine the specific treatment for each type of risk.
- Work to reduce losses and accept them to a minimum.
- Providing appropriate confidence to all stakeholders of the company, especially shareholders, creditors, suppliers, and customers, in order to protect the ability to generate profits despite any incidental losses that may lead to a reduction in profits or not achieving them.

Third: the company's philosophy in dealing with risks:

The company's philosophy is based on the fact that risk is an integral part of any profit-oriented activity, especially in the industrial sector. Therefore, the company deals with risks by classifying them into four main groups, including the following:

1. Risks Avoidance: It means trying to avoid activities that may lead to a risk.
2. Reducing risks: This is done by reducing the volume of investment that results in that risk or by involving others in bearing the risk.
3. Risk transfer: This is done by securing the means that help in accepting the risk. It is usually done through contracts or financial safeguards such as insurance contracts.
4. Acceptance of risk taking: It means the management's acceptance of losses when they occur, and this may be acceptable in small risks.

Fourth: The most Significant risks facing the company:

The risks described below (whether it is operational risk, financing risk, or market risk) do not include all the risks that the company may face. Rather, additional risks may exist, but they are either unknown to the company during the current period, or the company may consider them not essential and do not impede their work. For this purpose, the company has prepared a register of the risks that the company may face and the control points that will reduce the effects of those risks if they occur or hinder their occurrence, and these risks can be summarized as follows:

A. Global economic fluctuations and financial crises

The company is not only affected by the local economy, but the impact on its operations and expansions extends to global economic conditions, and is definitely affected by the global financial crises that appear from time to time, which may compel current and potential customers of the company to reduce spending on the company's products and thus affect its profitability, especially since The company has a proportion of not a few external clients outside the Kingdom, and the financial institutions that deal with the company may be affected, and it is not possible to predict the time, strength or duration of any slowdown or subsequent economic recovery.

B. Regional political and economic situations

The region is witnessing some political fluctuations that extend to many of the countries that the company deals with, which may negatively affect access to some customers in those areas, and thus this affects one of the company's most important strategic objectives by targeting new markets and diversifying sources of income.

C. The competitive environment

The company's growth and maximizing the level of its profits are closely related to its ability to compete and maintain its leadership position among other local and international companies by maintaining the quality and diversification of its products, but the competitive environment may push the company to reduce some of its prices in order to preserve its major customers and market share.

D. Major suppliers

Relying on one major supplier for the raw materials used by the company in the manufacture of its products is one of the greatest risks that the company pays special attention, especially since the main supplier directly affects the main activities of the company if the supply stops for any reason or the supplier refuses any consideration in addition to his exclusive entitlement to Determining the price levels of raw materials, and on the other hand, the company does not have sufficient capacity to import these materials from the global market at higher prices due to considerations of customs duties, transportation, storage and other fees as well as the difficulty of obtaining the approval of the concerned authorities to import a locally available product.

E. Prices of energy products and raw materials

The company's sales and profitability depend directly on two main elements, namely the prices of energy products and the prices of raw materials, those prices that the company cannot predict, especially with recent government decisions that included a rise in the prices of energy products with a lack of clarity of the possibility of increasing them in the future in addition to the fluctuation of raw materials prices. According to global oil price fluctuations and this is expected to repeat in

the future, the company's performance depends in part on its ability to include these changes in costs in the selling prices of products.

F. Sudden stalling and failure

The work in the company is carried out with a system of division of labor by manpower to ensure the continuation of the factory's work without stopping and around the clock on all days of the week, and there are some risks that may negatively affect the operational efficiency of the company such as natural disasters, breakdowns in machines or computers, and accidents related to employees. The company cannot provide any guarantees that its operations will not be disrupted, despite the fact that it has achieved all the standards of continuous periodic and preventive maintenance, which may lead to an increase in costs and a decrease in revenues and profits.

G. Company resource management system

All the company's departments mainly rely on computer systems in managing its assets and controlling its activities and financial records, in addition to using the resource management system in all its financial, administrative, and operational operations. Therefore, any defect that arises in this system or a dispute over its property rights or others will negatively affect the company's operations and the smooth running of its work, and to avoid this, the company is keen to make the necessary updates to the system periodically and through one of the specialized consultants, and a contract is being made with a specialized company to store all its information as a backup copy.

H. Currency exchange rates and interest rates

The company deals in all its international imports and exports with currencies that are closely related to the Saudi riyal such as the US dollar and the euro, and any fluctuation between the value of the Saudi riyal and any of those currencies may have a negative impact on the company's revenues and profits, and any negative shift in exchange rates in the markets that do not dominate. On it, the dollar could have a negative impact on the profitability of the company due to the correlation of the Saudi riyal with the US dollar. Moreover, fluctuations in interest rates among Saudi banks in addition to the fluctuation of interest rates globally and their impact on financial institutions that the company may deal with now or in the future could increase borrowing costs and have a negative impact on the results of operations.

I. Insurance coverage

Although the company has a number of insurance coverages associated with its work in the field of manufacturing industries, these policies may not provide complete insurance against all potential risks related to its business as a result of changing market conditions. The insurance premiums and deductibles in some insurance policies can increase dramatically in some cases. This may lead to a significant increase in operational

costs, which leads to lowering its profitability, and for that, the company has contracted with an insurance advisor to obtain the best terms and insurance coverage that covers most of the risks surrounding its operational activities.

J. Legislative and regulatory environment

The company operates in a dynamic legislative environment, as the company is subject to the laws and regulations in force in the Kingdom of Saudi Arabia, and these laws and regulations may be subject to change, which may be reflected in the company's business, negatively or positively, and the company may modify its products or operations in order to cope with any future changes in Those legislations and laws, and for the minimal negative effects arising from any of these changes if they exist, the company is constantly aware of any amendments of the regulations in force locally or in any of the countries to which its activity extends, then it studies the impact of these amendments on the scope of its business and from Then take all necessary measures to reduce its effects or try to employ it to serve its business.

K. Labor laws and regulations

Legislation in the Kingdom of Saudi Arabia requires adherence to achieving a rate of Saudization of jobs in companies through the Nitaqat program, which requires a percentage of Saudi employees out of the total employees, and the company has achieved the required percentage, and continues its continuous pursuit of the Saudization of a number of administrative jobs

in conjunction with its expansion plan that requires many Employment in its various departments. Although the company believes in the importance of Saudization as a national development requirement, it faces difficulties and challenges due to the nature of its industrial activity and its inadequate work for citizens seeking work and its reliance mainly on expatriate workers, which makes it difficult to achieve Saudization and Emiratization rates, and the risks associated with that persist, especially with the high costs of labor and employment.

L. Environment, safety, and occupational health

Based on the company's endeavor to implement the highest rates of security, safety, and occupational health, it has taken upon itself to adopt more stringent standards to provide preventive safety requirements, something that raises its costs, which may negatively affect its business results and financial position, and the company's business and financial position may also be seriously affected. Negative in the event of material losses or damages that may result from dealing with hazardous materials and safety, or in the event of accidents during production processes that are not covered by insurance policies or result from accidents that are not covered by insurance policies. Therefore, the company considers maintaining the health and safety of its employees and human resources as one of its most important strategic priorities, and that all of its facilities are subject to local and international safety standards.



B. Remunerations and Nominations Committee

The main objectives of the Remunerations and Nominations Committee are to assist the Company's Board of Directors to carry out the following duties and responsibilities:

- Supervising the rewards and incentives plan for company employees and following up on their implementation.
- Supervising the administrative succession plans for senior leadership at the company level.
- Supervising the nomination process for membership of the Board, the committees emanating from it, and the executive management of the company, and ensuring that it is linked to performance.
- Supervising and ensuring the application of the employee grievance policy.
- Managing the process of evaluating the performance of board and committee members.

I. First: Forming the committee

- According to Article 57 of the Corporate Governance Regulations, the Remunerations and Nominations Committee is formed by a decision of the Board of Directors, provided that the company's General Assembly issues the rules for selecting the members of the committee, their membership period, specifying the committee's tasks, its work controls, and the remuneration of its members, based on a proposal from the Board of Directors.
- The company's board of directors must notify the Capital Market Authority of the names of the committee members and their membership descriptions within five business days from the date of their appointment and any changes thereto within five business days from the date of the changes.
- The current Remunerations and Nominations Committee, consisting of three members, was appointed by a decision of the Board of Directors in its meeting held on December 26, 2021, corresponding to Jumada Al-Awwal 22, 1443 AH, for a period of three years starting from December 26, 2021 and ending on December 25, 2024 AD.
- The Remunerations and Nominations Committee is formed from non-executive board members, whether from shareholders or from others, and the number of its members should not be less than three and not more than five, including at least one independent board member. The rules for selecting its members are as follows:
 - That the candidate has a record of experience related to the functions of the Remunerations and Nominations Committee.
 - The candidate must have a good knowledge of the company's activities and business, and the skills and experience required to manage it.
 - The candidate must have a university degree.
 - That a judgment has not been issued against the candidate for committing an act that violates honor or trust or violates the laws and regulations in the Kingdom of Saudi Arabia or in any other country.
 - The candidate's selection should not be in violation of the relevant rules, regulations, and instructions.
- Committee members choose from among them a chairperson for the term of the committee's membership, provided that he is an independent member of the board of directors.
- A member of the committee performs his duties from the date of his appointment by the Board of Directors, and his membership ends in one of the following cases:
 - The end of the session of the Board of Directors.
 - His resignation, without prejudice to the company's right to compensation if the resignation occurred at an inappropriate time.
 - The member's inability from a health point of view to complete his duties in the committee.
 - A court ruling declaring his bankruptcy or insolvency or his request for a settlement with his creditors.
 - A conviction for committing an act that breaches honor and trust, or for forgery, or for violating laws and regulations in the Kingdom of Saudi Arabia or in any other country.
 - A decision by the Board of Directors to exempt him from membership in the committee for any of the following reasons:
 - Breaching his responsibilities, tasks, and duties, which would result in harm to the interest of the company.
 - He was absent from three consecutive meetings within one year without a legitimate excuse.
 - Other than the above-mentioned reasons that the Board considers, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time.
 - Losing at any time any of the selection rules for membership in the Remunerations and Nominations Committee established under these regulations.
- If the position of a member of the committee becomes vacant in one of the previous cases or others during the term of membership, the board may appoint a member in the vacant position, provided that he meets the selection rules for membership of the committee referred to in these regulations, and the new member completes the term of his predecessor.
- The committee shall have a secretary appointed by the board of directors.

Table No. [21] Qualifications and experience of the Remuneration and Nominations Committee, whose term ends on December 25, 2024 AD

#	Member's name	Current Position	Previous Position	Qualifications	Experiences
1	Taha Mohammed Abdul Wahid Ashari (Vice chairman)	Retired	•Advisor to the CEO of Airports Holding Company •Head of Internal Audit at Airports Holding Company • Chief Financial Officer, Airports Holding Company •Chief Financial Officer of the National Water Company •General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour) •Head of Internal Audit, Al Othaim Trading Company	Bachelor of Accounting - King Saud University	•Chairman of the Audit Committee, Zahrat Al-Waha Trading Company •Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company •Chairman of the Audit Committee, SATIC Investment and Logistics Company •Chairman of the Audit Committee of Hana Food Industries Company •Audit Committee Member, Bank Aljazira •Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company •Member of the Risk Committee, Arabian Shield Cooperative Insurance Company
2	Turky Naser Ahmed Alshaher	Human Resources General Manager at Trans Contracting Company	•Director of Human and Administrative Resources Department at Arab Tac Jardine & Co. •General Manager of Human and Administrative Resources for Hana Health Water Company for Food Industries •General Manager of Human and Administrative Resources for Al-Harbi Contracting Company •General Manager of Marco Company (Mashtael Al-Rawwad Contracting Company) •Managing Director of Ron Produces International American Company in Riyadh •Director of Human and Administrative Resources Department for Gulf Investment Company. •General Manager of Human and Administrative Resources for Al-Saif Group Company. •General Manager of Al-Mansara Company, Panasonic Japanese Agent in Riyadh. •Head of Human and Administrative Resources for the Italian International Company, Proger, in Riyadh. •Head of Human and Administrative Resources for the French Company, Aegis, Riyadh.	•Diploma in Computer Science for Modern Secretariat Studies - Chamber of Commerce •Human Resources Hndra Course •Social Insurance Course	Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company
3	Mahmoud Mohammed Zaki Algarni	Chief Financial Officer at Zahrat Al-Waha For Trading Company	•Finance Manager at Zahrat Al Waha For Trading Company •Accounting and Costing Manager at Union Technology Union Air Group - Egypt Deputy •Accounting Manager at Union Technology Union Air Group - Egypt •Accounting Manager at Khalid Al Musa Furniture Company - Saudi Arabia	•Master of Business Administration from the French University EBU •Master of Business Administration from AITU University in the United States •Bachelor of Commerce Majoring in Accounting - Egypt •Diploma in Business Administration - Egypt •Diploma in Project Management Specialist Program •APICS CPIM Basics Diploma in Supply and Logistics	•Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company •Board of Directors Secretary at Zahrat Al-Waha For Trading Company



شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company



Qualifications and experience of the Remuneration and Nominations Committee

Qualifications and experience of the Remuneration and Nominations Committee for the term from December 26, 2024 to June 30, 2028, according to the Board of Directors' decision held on December 26, 2024

Taha Mohammed Abdul Wahid Azhari Vice Chairman

Current Position

- Retired

Previous Position

- Advisor to the CEO of Airports Holding Company
- Head of Internal Audit at Airports Holding Company
- Chief Financial Officer, Airports Holding Company
- Chief Financial Officer of the National Water Company
- General Manager of Finance, Saudi Comprehensive Trading Company (Carrefour)
- Head of Internal Audit, Al Othaim Trading Company

Qualifications

- Bachelor of Accounting - King Saud University

Experiences

- Chairman of the Audit Committee, Zahrat Al-Waha Trading Company
- Chairman of the Remunerations and Nominations Committee, Zahrat Al-Waha Trading Company
- Chairman of the Audit Committee, BATIC Investment and Logistics Company
- Chairman of the Audit Committee of Hana Food Industries Company
- Audit Committee Member, Bank Aljazira
- Member of the Nominations Committee, Arabian Shield Cooperative Insurance Company
- Member of the Risk Committee, Arabian Shield Cooperative Insurance Company

Qualifications and experiences of Audit Committee

Turky Naser Ahmed Alshafer
Remunerations and Nominations
Committee Member

Current Position

- Human Resources General Manager at Trans Contracting Company

Previous Position

- Director of Human and Administrative Resources Department at Arab Tec Jardine & Co.
- General Manager of Human and Administrative Resources for Hana Health Water Company for Food Industries
- General Manager of Human and Administrative Resources for Al-Harbi Contracting Company
- General Manager of Marco Company (Masha'el Al-Rowwad Contracting Company)
- Managing Director of Ron Products International American Company in Riyadh
- Director of Human and Administrative Resources Department for Gulf Investment Company.
- General Manager of Human and Administrative Resources for Al-Saif Group Company.
- General Manager of Al-Manara Company, Panasonic Japanese Agent in Riyadh.
- Head of Human and Administrative Resources for the Italian International Company, Proger, in Riyadh.
- Head of Human and Administrative Resources for the French Company, Aegis, Riyadh.

Qualifications

- Diploma in Computer Science for Modern Secretarial Studies - Chamber of Commerce
- Human Resources Handra Course
- Social Insurance Course

Experiences

- Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company



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Qualifications and experience of the Remuneration and Nominations Committee

Sahal Yousef Abdullah Jamal Allail

**Remunerations and Nominations Committee
Member**

Current Position

- Head of Sustainability and ESG Practices, Saudi Real Estate Refinance Company (PIF)

Previous Position

- Director of Sharia Department, Saudi Real Estate Refinance Company (Public Investment Fund)
- Assistant General Manager (Head of Islamic Banking) at Samba Financial Group
- Assistant General Manager (Director of Audit and Sharia Audit) at Samba Financial Group
- Financial Director at Al-Khair Capital Saudi Arabia
- Assistant General Manager at (Islamic Business Development) Samba Financial Group
- Auditor at Saudi Arabian Monetary Agency - SAMA

Qualifications

- Master of Business Administration (MBA) - University of Bridgeport - USA
- Bachelor of Accounting - King Saud University

Experiences

- Member of the Board of Directors of Zahrat Al Waha Trading Company

II. Second: Terms of reference of the Remunerations and Nominations Committee

The Remunerations and Nominations Committee is responsible for the following:

1. To propose clear policies and standards for membership in the Board of Directors and executive management.
2. Recommending to the Board of Directors to nominate its members and re-nominate them in accordance with the approved policies and standards, considering not to nominate any person previously convicted of a breach of trust.
3. Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and for executive management positions.
4. Determine the time that the member should allocate to the work of the Board of Directors.
5. Annual review of the necessary skills or experience needs for board membership and executive management functions.
6. Reviewing the structure of the Board of Directors and the executive management and making recommendations regarding the changes that can be made.
7. Checking on an annual basis the independence of independent members and the absence of any conflict of interest if the member occupies the board of directors of another company.
8. Establish job descriptions for executive members, non-executive members, independent members, and senior executives.
9. Establishing special procedures in case the position of a member of the board of directors or a senior executive becomes vacant.
10. Determine the strengths and weaknesses of the Board of Directors and propose solutions to address them in line with the company's interest.
11. Ensure, on an annual basis, that the independent members are independent, and that there is no conflict of interest if the member is a member of the board of directors of another company.
12. Preparing a clear policy for the remuneration of members of the Board of Directors and the committees emanating from the Board and the Executive Management and submitting them to the Board of Directors for consideration in preparation for approval by the General Assembly, considering in this policy the following standards related to performance, its disclosure, and verification of its implementation.
13. Clarify the relationship between the granted rewards and the applicable remuneration policy and indicate any material deviation from this policy.
14. Periodic review of the remuneration policy and evaluation of its effectiveness in achieving the objectives sought from it.

15. Recommending to the Board of Directors the remuneration of members of the Board of Directors, the committees emanating from it, and the company's senior executives, in accordance with the approved policy.

III. Third: The duties and responsibilities of the committee

In light of what was stipulated in the rules governing the Remunerations and Nominations Committee in the Corporate Governance Regulations issued by the Capital Market Authority, the duties and responsibilities of the committee are as follows:

First: Remuneration

- Preparing a clear policy for the remuneration of members of the Board of Directors, the committees emanating from it and the executive management, and submitting them to the Board of Directors for consideration in preparation for approval by the General Assembly, considering in this policy that standards related to performance are followed, disclosed, and their implementation verified.
- Reviewing the remuneration policy periodically to ensure its suitability to the changes that may occur in the relevant legislation and regulations, the company's strategic objectives and the skills and qualifications necessary to achieve them, and to recommend to the Board of Directors regarding the proposed changes to this policy.
- Recommending to the Board of Directors the remuneration of members of the Board of Directors, its committees emanating from it, and senior executives of the company, in accordance with the policy approved by the company's General Assembly.
- Determine the types of rewards that are granted to employees in the company and recommend them.
- Preparing an annual report on the remuneration granted to members of the Board of Directors, its committees emanating from it, and senior executives, provided that this report includes an explanation of the relationship between the bonuses granted and the remuneration policy in force, and any fundamental deviations from this policy.

Second: Nominations

1. Board of Directors

- Preparing a policy and criteria for membership of the Board of Directors, and recommending to the Board in this regard, for approval by the company's General Assembly.
- Recommending to the Board of Directors the nomination for Board membership in accordance with the approved membership policy.
- Annual review of the required needs of appropriate skills for membership of the Board of Directors, and preparation of a description of the capabilities and required qualifications.
- Reviewing the membership policy of the Board of Directors periodically to ensure its suitability to the changes that may

occur in the relevant legislation and regulations, the company's strategic objectives and the skills and qualifications required to achieve them, and to recommend to the Board of Directors regarding the proposed changes to this policy.

- Studying and recommending cases of conflict of interest for those wishing to run for membership of the Board of Directors.
- Study the structure of the Board of Directors and make recommendations regarding the changes that can be made.
- Identifying the strengths and weaknesses of the board of directors and proposing remedies in accordance with the company's interest.
- Establishing procedures in the event of a vacancy in the position of a member of the Board of Directors or members of its committees emanating from it, and making recommendations regarding them.
- Recommending to the Board of Directors the performance criteria to evaluate the work of the Board of Directors and its members and committees emanating from it.

2. Members of the Board of Directors

- Determine the time that the member should allocate to the work of the Board of Directors.
- Ensure, on an annual basis, that the independent members are independent, and that there is no conflict of interest if the member is a member of the board of directors of another company.
- Establishing job descriptions for executive members, non-executive members, and independent members.
- Recommending to the Board of Directors to re-nominate or remove a member of the Board or members of the committees emerging from it.
- The committee should inform the board of directors of the results it reaches or takes in the form of decisions in a transparent manner.

3. Senior executives

- Recommending to the Board of Directors the appropriate policies and standards for the appointment of senior executives, identifying the required capabilities and skills, and reviewing them periodically to ensure their suitability to the changes that may occur to the company's strategic objectives and the skills and qualifications necessary to achieve them.
- Developing job descriptions for senior executives, reviewing the company's organizational structure, and making

recommendations regarding the changes that can be made.

- Preparing criteria for evaluating the CEO's performance and informing him of them.
- Reviewing and approving the company's objectives related to CEO compensation.
- Reviewing the CEO's performance annually to ensure that he provides effective leadership of the company.
- Review management development programs and job replacement plans for senior executives in coordination with the CEO.
- Reviewing the evaluation objectives (including performance indicators) to be achieved within the rewards and incentive programs.
- Preparing an annual report on the remunerations paid to the executive management to be included in the company's annual report in accordance with the applicable controls and regulations.
- Establishing and recommending succession procedures in the event the position of a senior executive is vacant. In order for the Remunerations and Nominations Committee to perform its duties, the Committee shall have the following authorities:
 - Requesting information and data that would assist the committee in studying the issues pertaining to it, or those referred to it by the board of directors.
 - To seek the assistance of experts, specialists, or others it deems necessary to study the topics that fall within its duties and responsibilities, after the approval of the Board of Directors.

Third: The induction program for the Board's new members

Recommending to the Board of Directors to set an induction program for the new members of the Board so that the program covers the company's activity, the nature of its business, and its financial and legal aspects.

Fourth: Other tasks and responsibilities

Assisting the Board of Directors in developing and reviewing the organizational structure of the company and the operating model that organizes the relationship between the company and the related parties.

Monitor the implementation of the employee grievance policy and ensure its effectiveness.

IV. Fourth: Authorities of the Remunerations and Nominations Committee

In order for the Remunerations and Nominations Committee to perform its duties, and in accordance with the relevant laws and regulations, it shall have the following authorities:

- The right to investigate any matter that falls within its competencies and tasks, or any subject specifically requested by the Board.
- The right to seek legal and technical advice from any external party or any other independent advisory body whenever necessary to assist the committee in performing its duties.
- The committee has the right to view all data, information and records related to the remuneration and compensation of the company and to review the reports of administrative succession of executives.
- The company bears any costs required for the committee to carry out its work.

V. Fifth: Committee meetings

The committee meets at least once every six months

Table No. (32) The names of the members of the Remunerations and Nominations Committee and the percentage of attendance at the committee meetings, which equals 4 meetings, whose term ends on December 25, 2024 AD

#	Member's name	Position	Number of meeting(4)				Attendance Ratio
			26-2-2024	26-7-2024	2-10-2024	10-12-2024	
1	Taha Mohammed Abdul Wahid Azhari	Chairman	✓	✓	✓	✓	100%
2	Turky Naser Ahmed Alshaher	Member	✓	✓	✓	✓	100%
3	Mahmoud Mohammed Zaki Algarni	Member	✓	✓	✓	✓	100%

✓ Attended ✗ Absent ➡ Resigned

Table No. (33) Names of the members of the Remunerations and Nominations Committee and the percentage of attendance at the Committee's meetings, which total (1) meeting for the session from December 25, 2024 to June 30, 2026, in accordance with the Board of Directors' decision held on December 26, 2024

#	Member's name	Position	Number of meeting(1)	Attendance Ratio
			26-12-2024	
1	Taha Mohammed Abdul Wahid Azhari	Chairman	✓	100%
2	Turky Naser Ahmed Alshaher	Member	✓	100%
3	Mahmoud Mohammed Zaki Algarni	Member	✓	100%

✓ Attended ✗ Absent ➡ Resigned

C. Risk Management Committee

The tasks of risk management were assigned to the internal audit department, as well as the tasks of the risk committee to the audit committee by the decision of the board of directors in its meeting No. 4 of 2019 on 07/17/2019 based on the recommendation of the audit committee.

First: Forming a risk management committee

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 non-executive board members. Its members are required to have an adequate level of knowledge of risk management and financial affairs.

Second: Terms of reference of the Risk Management Committee

The Risk Management Committee shall be responsible for the following:

1. Developing a comprehensive risk management strategy and policies commensurate with the nature and size of the company's activities, verifying their implementation, reviewing, and updating them based on the internal and external variables of the company.
2. Determine and maintain an acceptable level of risks to which the company may be exposed and verify that the company does not exceed it.
3. Verifying the feasibility of the continuation of the company and the successful continuation of its activity, with identifying the risks that threaten its continuation during the next twelve months.
4. Supervising the company's risk management system and evaluating the effectiveness of the systems and mechanisms for identifying, measuring, and following up the risks that the company may be exposed to; this is to determine its shortcomings.
5. Re-evaluate the company's ability to withstand risks and its exposure to them periodically (by conducting) stress tests, for example.
6. Preparing detailed reports on exposure to risks and the proposed steps for managing these risks and submitting them to the Board of Directors.
7. Submit recommendations to the Board on issues related to risk management.
8. Ensure the availability of adequate resources and systems for risk management.
9. Review the organizational structure of risk management and make recommendations regarding it prior to its approval by the Board of Directors.
10. Verify the independence of the risk management personnel from the activities that may result in exposing the company to risks.
11. Verify that the risk management staff understands the risks surrounding the company and works to increase awareness of the risk culture.
12. Reviewing the issues raised by the audit committee that may affect the risk management in the company.



Table No. [34] Remunerations and allowances of the board members during the year 2024, whose term ends on December 25, 2024 AD

		Fixed remuneration (Except for attendance allowance)	Attendance allowance	Total
Audit Committee Members *				
1	Taha Mohammed Abdul Wahid Azhari	30,000	21,000	51,000
2	Meshaal Mohammed Saleh Almogren	30,000	21,000	51,000
3	Ahmed Khader Mohammed Harara	30,000	21,000	51,000
	Total	90,000	63,000	153,000
Remunerations and Nominations Committee Members **				
1	Taha Mohammed Abdul Wahid Azhari	20,000	6,000	26,000
2	Turky Naser Ahmed Alshaher	20,000	6,000	26,000
3	Mahmoud Mohammed Zaki Algarni	.	11,000	11,000
	Total	40,000	23,000	63,000
	Total	130,000	86,000	216,000

Table No. [35] Paid session attendance bonuses and allowances for committee members during the year 2024 AD for the session from December 26, 2024 AD to June 30, 2025 AD in accordance with the Board of Directors' decision held on December 26, 2024 AD

		Fixed remuneration (Except for attendance allowance)	Attendance allowance	Total
Audit Committee Members *				
1	Taha Mohammed Abdul Wahid Azhari	0	0	0
2	Meshaal Mohammed Saleh Almogren	0	0	0
3	Ahmed Khader Mohammed Harara	0	0	0
	Total	0	0	0
Remunerations and Nominations Committee Members **				
1	Taha Mohammed Abdul Wahid Azhari	0	0	0
2	Turky Naser Ahmed Alshaher	0	0	0
3	Mahmoud Mohammed Zaki Algarni	0	0	0
	Total	0	0	0
	Total	0	0	0

D. Executive management

Subject to the competencies established for the Board of Directors under the provisions of the Companies Law and its implementing regulations, the executive management shall have the authority to implement the plans, policies, strategies, and main objectives of the company in order to achieve its objectives. Among the functions and tasks of the executive management are the following:

1. Implementing the company's internal policies and regulations approved by the Board of Directors.
2. Proposing the company's comprehensive strategy, major and interim work plans, investment policies and mechanisms, financing, risk management, and emergency management conditions management plans and their implementation.
3. Proposing the optimal capital structure for the company and its financial strategies and objectives.
4. Proposing the main capital expenditures for the company, owning, and disposing of assets.
5. Proposing the organizational and functional structures of the company and submitting it to the Board of Directors for approval.
6. Implementation of internal control systems and controls and general supervision, including:
 - a. Implementing a conflict of interest policy.
 - b. Proper application of financial and accounting systems, including systems related to preparing financial reports.
 - c. Implement appropriate control systems to measure and manage risks; by setting a general perception of the risks that the company may face, creating an environment familiar with the culture of risk reduction at the company level, and presenting it transparently with the Board of Directors and other stakeholders.
7. Effective implementation of the company's corporate governance rules - in a manner that does not conflict with the provisions of these regulations and proposing to amend them when needed.
8. Implementing the policies and procedures that ensure the company's compliance with laws and regulations and its commitment to disclose essential information to shareholders and stakeholders.
9. Providing the Board of Directors with the necessary information to exercise its authorities and making recommendations regarding the following:
 - a. Increase or decrease the company's capital.
 - b. Dissolution of the company before the term specified in its articles of association or deciding its continuation.
 - c. Use of the company's contractual reserve.
 - d. Create additional reserves for the company.
 - e. The method of distributing the net profits of the company.
10. Proposing a policy and the types of bonuses to be granted to workers, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares.
11. Prepare periodic financial and non-financial reports regarding the progress made in the company's activity in light of the company's strategic plans and objectives and present these reports to the Board of Directors.
12. Managing the daily work of the company and running its activities, as well as managing its resources optimally and in accordance with the company's goals and strategy.
13. Active participation in building and developing a culture of moral values within the company.
14. Implement internal control and risk management systems, verify the effectiveness and adequacy of these systems, and ensure compliance with the level of risks approved by the Board of Directors.
15. Propose internal policies related to the company's work and development, including defining the tasks, specializations and responsibilities assigned to the various organizational levels.
16. Proposing a clear policy for delegating business to it and the method for implementing it.
17. Propose the authorities that are delegated to it, the decision-making procedures, and the duration of the delegation, provided that periodic reports are submitted to the Board of Directors on its practices of those authorities.



شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company



Jobs, qualifications, and experiences of senior executives

George Abdulkarim George Moussa
Board Member
Chief Executive Officer

Current Position

- Chief Executive Officer

Previous Position

- General Manager of Sales at Zahrat Al-Waha For Trading Company
- General Manager of Sales at Al-Othman Plastic Company – Takween

Qualifications

- Bachelor of Marketing and Sales Lebanese American University Lebanon

Experiences

- Board of Directors member at Zahrat Al-Waha For Trading Company
- Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company

Jobs, qualifications, and experiences of senior executives



شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company

Mahmoud Mohammed Zaki Algamri Chief Financial Officer at Zahrat Al-Waha For Trading Company

Current Position

- Chief Financial Officer at Zahrat Al-Waha For Trading Company

Previous Position

- Finance Manager at Zahrat Al Waha For Trading Company
- Accounting and Costing Manager at Union Technology Union Air Group - Egypt Deputy
- Accounting Manager at Union Technology Union Air Group – Egypt
- Accounting Manager at Khalid Al Musa Furniture Company - Saudi Arabia

Qualifications

- Master of Business Administration from the French University EIU
- Master of Business Administration from AITU University in the United States
- Bachelor of Commerce Majoring in Accounting – Egypt
- Diploma in Business Administration - Egypt
- Diploma in Project Management Specialist Program
- APICS CPIM Basics Diploma in Supply and Logistics

Experiences

- Remunerations and Nominations Committee Member at Zahrat Al-Waha For Trading Company





شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company



Jobs, qualifications, and experiences of senior executives

Rakan Ahmed Hammoud Ibrahim Altheyab
Supply Chain Director

Current Position

- Supply Chain Director

Previous Position

- -

Qualifications

- Training courses in Supply Chain

Experiences

- -

Jobs, qualifications, and experiences of senior executives

Abdul Majeed Fahd Al-Bazai
Production and Maintenance Director

Current Position

- Production and Maintenance Director

Previous Position

- Production and Maintenance Manager, Obeikan Plastic Industries Company

Qualifications

- Bachelor of Technical Engineering

Experiences

-



شركة زهرة الواحة للتجارة
Zahret Al Waha for Trading Company





شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company



Jobs, qualifications, and experiences of senior executives

Ahmed Hassan Ahmed Ali
Quality Control Director

Current Position

- Sales Director

Previous Position

- Quality Control Director at Takween Advanced Industries Company

Qualifications

- Bachelor of Information Technology specializing in computer information systems

Experiences

- -

Jobs, qualifications, and experiences of senior executives

Yasser Ghannam Arafat Al-Khatib
Sales Director

Current Position

- Sales Director

Previous Position

- Sales supervisor at Packaging Solutions Factory
- Sales supervisor at Instalment Program
- Sales Coordinator at Coptra Graphic Company
- Sales Coordinator at Nawras Health Water Company

Qualifications

- Bachelor of Information Technology specializing in computer information systems

Experiences

-



شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company





شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company



Jobs, qualifications, and experiences of senior executives

Abdul Mohsen Nasser Salem Al-Gremel
Human Resources Director

Current Position

- Human Resources Director

Previous Position

- Administrative Director at Hana Food Industries Company
- Executive Secretary at Hana Food Industries Company

Qualifications

- Training courses in HR

Experiences

- -

Jobs, qualifications, and experiences of senior executives

Faisal Saad bin Abdullah Al-Jasser
Information Technology Director

Current Position

- Information Technology Director

Previous Position

- IT engineer at Zahrat Al-Waha for Trading Company

Qualifications

- Bachelor of Computer Science – Information Systems Specialist

Experiences

- —



شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company



Bonuses and compensation paid to senior executives

The total of what was disbursed to senior executive's SAR 4,302,898 for the year 2024, including periodic and annual salaries, allowances, travel, and subsistence allowances, as of December 31, 2024, as follows:

Table No. [36] Remunerations of the top five executives, including the CEO and CFO

Fixed remuneration				Variable remuneration					End of Service remuneration	Total remuneration for the executives of the Board (if any)	Total
Salaries	Allowances	Advantages	Total	Periodic remuneration	Dividends	Short-term incentive plans	Long-term incentive plans	Bonus share value is entered	Total		
1,428,922	416,885	785,000	2,630,808	285,656	*	*	*	*	288,656	1,382,434	4,302,898

Ownership of senior executives

Ownership of senior executives and the ratio to total shares in the company at the end of 2024 compared to their ownership at the beginning of 2024:

Table No. [37] Ownership of Senior Executives

#	Senior Executives or ratios	shares owned by the Senior Executives			
		Number of shares at Beginning of the year 2024	Ratio to total shares	Number of shares at Ending of the year 2024	Ratio to total shares
1	George Abdulkarim George Moussa	0	0%	10	0.00004%
2	Mahmoud Mohammed Zaki Algamri	0	0%	0	0%
3	Rakan Ahmed Hammoud Ibrahim Al-theayab	0	0%	0	0%
4	Abdul Majeed Fahd Al-Bazai	0	0%	0	0%
5	Ahmed Hassan Ahmed Ali	15	0.00007%	0	0%
6	Yasser Channam Arafat Al-Khatib	0	0%	0	0%
7	Abdul Mohsen Nasser Salem Al-Gremel	0	0%	0	0%
8	Faisal Saad bin Abdullah Al-Jasser	0	0%	0	0%

Disclosure: According to the declarations submitted by the senior executives, there are no shares owned by any of the wives or children of any of the senior executives during the year 2024.

The company's obligations to the governance regulations

Table No. (38) The Company's obligations to the governance regulations

#	Chapter/ Article number	Status	Chapter/ Article paragraph	Reasons of Non-ApPLY
1	Article 67 Article 68 Article 69	Indicative	Formation of a risk management committee Terms of reference for the risk management committee Risk Management Committee meetings	The company is currently implementing the tasks and authority related to this committee through the audit committee
2	Article 92	Indicative	Formation of a corporate governance committee	The company is currently implementing the tasks and authority related to this committee through the Board of Directors and its subcommittees, by implementing the tasks entrusted to it and achieving its goals

Refer to the following:

- No external party has evaluated the performance of the Board of Directors and its committees; the evaluation is done internally using some evaluation methods.
- The company always works to meet and implement the requirements of the Corporate Governance Regulations, including policies and procedures related to disclosure and transparency.
- There is no penalty, sanction, precautionary measure or precautionary restriction imposed on the company by the Capital Market Authority, or any supervisory, regulatory or judicial body.
- The company has a department specialized in internal audit and risks.
- There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance or appointing the internal auditor.
- The company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) and there is no difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants.
- The financial statements were prepared in accordance with the relevant requirements of the Companies Law and the company's bylaws regarding the preparation and publication of financial statements.
- The auditors' report did not include any reservations on the annual financial statements.
- The Board of Directors did not recommend changing the auditors before the end of the period for which they were appointed.
- The company did not receive a request from the auditors to hold the general assembly during the ended fiscal year and it was not held.
- The company did not receive a request from shareholders owning 5% or more of the company's capital to call the general assembly to convene during the year 2024 AD.
- The company did not provide any cash loan of any kind to any of its board members, nor did it guarantee any loan concluded by a member of its board of directors with others.
- There is no interest in the class of shares entitled to vote belonging to any person.
- No convertible debt instruments, contractual securities, subscription rights notes or similar rights were issued/granted by the Company during the financial year.
- No conversion or subscription rights were issued/granted under convertible debt instruments, contractual securities, subscription rights notes or similar rights by the Company.
- No redemption, purchase or cancellation by the Company of any redeemable debt instruments.
- There are no arrangements or agreements under which a member of the Board of Directors or a senior executive has waived any remuneration.
- There are no arrangements or agreements under which a shareholder of the Company has waived any rights to profits.
- No investments or reserves have been created for the benefit of the Company's employees.
- There are no treasury shares held by the Company.

Shareholders' rights and the General Assembly

Shareholders' rights

First: Fairly treatment of shareholders

- a. The Board of Directors shall work to protect the rights of shareholders in a manner that guarantees fairness and equality among them.
- b. The Board of Directors and the executive management of the company are obligated not to distinguish between shareholders who own the same class of shares, and not to withhold any right from them.
- c. The company defines in its internal policies the necessary procedures to ensure that all share-holders exercise their rights.

Second: Shareholders' equity

It proves to the shareholder all the rights associated with the share, especially the following:

1. Obtaining his share of the net profits to be distributed in cash or by issuing shares.
2. The right to receive his share of the company's assets upon liquidation.
3. Attending public or private shareholders' assemblies, participating in their deliberations, and voting on their decisions in accordance with what is stipulated in the articles of association of the company.
4. Disposing of his shares in accordance with the provisions of the Companies Law, the Financial Market Law, and their implementing regulations.
5. Inquiring and requesting access to the company's books and documents, and this includes data and information on the company's activity and its operational and investment strategy in a way that does not harm the interests of the company and does not conflict with the companies' system, the financial market system, and their implementing regulations.
6. Monitor the company's performance and the work of the Board of Directors.
7. Accountability of the members of the Board of Directors, filing a liability lawsuit against them, and an appeal against the invalidity of the decisions of the public and private share-holders' societies in accordance with the conditions and restrictions contained in the Companies Law and the Company's Articles of Association.
8. Priority to subscribe for new shares issued in exchange for cash shares, unless the Extraordinary General Assembly stops work on the priority right - if stipulated in the company's articles of association - in accordance with Article 140 of the Companies Law.

9. Registration of his shares in the register of shareholders in the company.

10. A request to view a copy of the company's articles of incorporation and articles of association, unless the company publishes them on its website.

11. Nomination and election of members of the Board of Directors.

Third: The shareholder obtains the information

- a. The Board of Directors is obligated to provide complete, clear, correct and not misleading information to enable the shareholder to fully exercise his rights. This information is provided in a timely manner and is updated regularly.
- b. The company provides a means of providing information to the shareholder in clarity and detail, which includes a statement of company information that the shareholder can obtain and is provided to all shareholders of the same category.
- c. The company follows the most effective means of communicating with shareholders and does not discriminate between them in providing information.

Fourth: Communicating with shareholders

- a. The Board of Directors ensures the achievement of communication between the company and the shareholders, based on a common understanding of the company's strategic objectives and interests.
- b. The chairman and chief executive officer shall inform the rest of the board members of the shareholders' views and discuss them with them.
- c. It is not permissible for any of the shareholders to interfere in the business of the board of directors or the business of the executive management of the company unless he is a member of its board of directors or of its executive management, or his interference is through the General Assembly and according to its terms of reference or within the limits and conditions authorized by the board of directors in accordance with the relevant regulations.

Fifth: Nomination members of the Board of Directors

- a. The company announces on the website of the market information about candidates for membership of the board of directors, when publishing or directing the invitation to convene the general assembly, provided that this information includes a description of the candidates' experiences, qualifications, skills, jobs and previous and current memberships, and the company must provide a copy of this information in its head office and website.
- b. The cumulative vote must be used in the election of the Board of Directors, so that the right to vote for the share may not be used more than once.

- c. Voting in the general assembly is restricted to the candidates for membership of the board of directors whose information the company has announced in accordance with Paragraph (A) of this Article.

Sixth: Announcement of dividend distribution

- a. The company's articles of association indicate the percentage of net profits that will be distributed to shareholders after setting aside the statutory reserve and other reserves.
- b. The Board of Directors must set a clear policy regarding the distribution of dividends in the interests of the shareholders and the company in accordance with the company's articles of association.
- c. The shareholder is entitled to his share in the profits in accordance with the General Assembly resolution issued regarding the distribution of profits to shareholders, or the decision of the Board of Directors to distribute interim profits, and the decision specifies the due date, the date of distribution, the total amount distributed and the share of each share of the nominal value, provided that the decision is implemented in accordance with what is stipulated. Regarding the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.
- d. Eligibility for dividends shall be for shareholders registered in the shareholders' records at the end of the day specified for vesting.

Dividend policy

- a. The company's articles of association indicate the percentage of net profits that will be distributed to shareholders after setting aside the statutory reserve and other reserves.
- b. The Board of Directors must set a clear policy regarding the distribution of dividends in the interests of the shareholders and the company in accordance with the company's articles of association.
- c. The shareholder is entitled to his share in the profits in accordance with the General Assembly resolution issued regarding the distribution of profits to shareholders, or the decision of the Board of Directors to distribute interim profits, and the decision specifies the due date, the date of distribution, the total amount distributed and the share of each share of the nominal value, provided that the decision is implemented in accordance with what is stipulated. Regarding the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.
- d. Eligibility for dividends shall be for shareholders registered in the shareholders' records at the end of the day specified for vesting.

And in accordance with Article Fifty-Eight (58) and Article Fifty-nine (59) of the Company's Articles of Association, which clarifies the controls for distributing and announcing profits, the sources and the amount of distribution, and the shareholders entitled to distribute profits according to the following: -First:

First: The profits are distributed

1. (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the General Assembly may decide to stop this deduction whenever the said reserve reaches (30%) of the paid capital.
2. The General Assembly, based on the proposal of the Board of Directors, may set aside (10%) of the net profits to form an agreement reserve to be allocated for a specific purpose or purposes.
3. The General Assembly may decide to form 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, and the aforementioned association may also deduct from the net profits amounts for the establishment of social institutions for the company's employees or to assist what may exist from these institutions.
4. From the remainder after that, a percentage representing (1%) at least of the company's paid-up capital shall be distributed to the shareholders.
5. The company may also distribute interim profits to its shareholders in a semi-annual or quarterly manner, based on an authorization issued by the General Assembly of the Board of Directors to distribute interim dividends to be renewed annually.

Second: Earning profits

The shareholder is entitled to his share of the profits in accordance with the decision of the 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 shall be for the owners of the shares registered in the shareholders' records at the end of the day specified for entitlement.

Dividends distributed during 2024.

The Ordinary General Assembly approved in its meeting No. 1 of 2024 dated 03-06-2024 corresponding to

26-11-1445 AH, based on the recommendation of the Board of Directors in its meeting No. 1 of 2024 dated 28-02-2024, to distribute annual dividends for the year 2023 in the amount of 30,375,000 riyals, at a rate of one riyal and thirty-five halalas (1.35 riyals) per share, representing 13.5% of the nominal value of the share. The company announced on the "Tadawul" website on 28-02-2024 corresponding to 18-08-1445 AH the recommendation of the Board of Directors to distribute annual dividends for the year 2023. The company announced the date of the start of dividend distribution on 12-06-2024 corresponding to 06-12-1445 AH in Bank accounts linked to the investment portfolios of eligible shareholders, and the distribution was assigned to the Deposit Center, and the full amount of profits was distributed in the amount of 30,375,000 Saudi Riyals.

The Company's requests to the shareholder register

Table No. [39] The Company's requests to the shareholder register

The number of company requests for the shareholder register	Request Date	Request Reasons
1	12 - 05 - 2024	Corporate Procedures
2	03 - 06 - 2024	The General Assembly
3	10 - 07 - 2024	Corporate Procedures
4	30 - 08 - 2024	Corporate Procedures
5	01 - 09 - 2024	Corporate Procedures
6	05 - 11 - 2024	The General Assembly

Actions taken by the Board of Directors to inform its members of shareholders' proposals and comments about the company and its performance

No suggestions or remarks were received from the shareholders to direct the company's management during the year 2024, while all the comments and suggestions were discussed in the General Assembly meetings by the shareholders and members of the Board of Directors during the shareholders' invitation to do so during the meetings.

General Assembly

The shareholders' general assemblies are concerned with all matters related to the company, and the general assembly, held in accordance with the statutory procedures, represents all shareholders in exercising their functions related to the company and performs its role in accordance with the provisions of the companies' law, its executive regulations, and the company's articles of association.

Table No. [40] the attendance record of the members of the Board of Directors to the General Assembly Meeting

#	Member's name	Register to attend the General Assembly Meeting 02/06/2024	Register to attend the General Assembly Meeting 05/11/2024
1	Ahmed Hammoud Ibrahim Altheyab	✓	✓
2	Taha Mohammed Abdul Wahid Azhari	✓	✓
3	George Abdulkarim George Moussa	✓	✓
4	Mehaal Mohammed Saleh Almiogren	✓	✓
5	Sahal Yousef Abdullah Jamal Allail	✓	✓

✓ Attended ✗ Absent ⚪ Resigned

Disclosure policies and procedures

Without prejudice to the rules for offering securities, continuing obligations, and listing rules, the Board of Directors shall set written policies for disclosure, its procedures, and supervisory systems in accordance with the requirements of disclosure contained in the Companies Law and the Capital Market Law - as the case may be - and their implementing regulations, considering the following:

1. That these policies include appropriate disclosure methods that enable shareholders and stakeholders to access financial and non-financial information related to the company, its performance, share ownership, and to assess the company's status in an integrated manner.
2. Disclosure to shareholders and investors shall be without discrimination, in a clear, correct and not misleading manner, in a timely, regular, and accurate manner; this is to enable shareholders and stakeholders to exercise their rights to the fullest.
3. That the company's website includes all the information required to be disclosed, and any data or other information published through other means of disclosure.
4. Preparing reporting systems that include determining the information that must be disclosed, and the method for classifying it in terms of its nature or the periodicity of its disclosure.
5. Review the disclosure policies periodically, and verify that they are consistent with best practices, and with the provisions of the Capital Market Law and its implementing regulations.

Conflict of interest in the board of directors

- It is not permissible for a member of the Board of Directors to have any direct or indirect interest in the business and contracts that are made for the account of the company except with a prior authorization from the Ordinary General Assembly to be renewed every year. Excluded from this are the works that are carried out through public competition if the board member has the best offer. The board member must inform the board of his direct or indirect interest in the business and contracts that are made for the company's account, and this notification is recorded in the minutes of the meeting. This member may not participate in the deliberations related to this subject or vote on the decision issued in this regard by the Board of Directors and the shareholders' assemblies.
- It is not permissible for a member of the Board of Directors to participate in any business that would compete with the company or to compete with the company in one of the branches of the activity that it practices, unless he obtained a previous license from the Ordinary General Assembly, which is renewed every year, allowing him to do so.
- It is prohibited for a member of the Board of Directors to accept any representation of the shareholders to attend the meetings of the shareholders' general assemblies.
- The Board should take into account the requirements of independence and cases of conflict of interest, according to the regulations issued by the Capital Market Authority, when appointing financial and legal advisors and auditors.
- The company may not provide a loan of any kind to any of the members of the board of directors or shareholders, or guarantee any loan that any of them concludes with others.
- It is not permissible for any of the members of the Board of Directors and senior executives to accept gifts from any person who has commercial dealings with the company if such gifts would lead to a conflict of interest.

Conflict of interests related to the executive management and the company's employees

- The Board of Directors must be informed of any external work activities carried out by any executive official in the Department, and approval must be obtained from the Board on them, and they must be disclosed according to the laws and regulations in this regard.
- In the event that the executive officer or employee wants to do this, he must present the matter to the CEO of the company to study, evaluate and recommend the matter to the company's board of directors in preparation for issuing the appropriate decision regarding it.

The interests of the members of the Board of Directors of the company

Table No. [41] List of interests of some members of the Board of Directors in the company regarding the business and contracts that will be completed during the year 2025 AD

#	Description	Type of relationship	Type of contract	Contract amount	Contract terms	Contract duration
1	Transactions deals between the company and Hana Food Industries Co.	The Chairman of the Board of Directors, Mr. Ahmed Hammoud Ibrahim Altheyab, holds the position of a member of the Board of Directors and Managing Director of Hana Food Industries Company and one of the shareholders of Hana Food Industries Company.	Selling finished goods and products, including miniature preform plastic bottles, plastic caps for bottles of different sizes and weights, bottle prints (labels), shrink wrap, and stretch film, and buying and selling raw materials, dyes, and packaging.	SAR 40,000,000 Million forty million Saudi Riyals (VAT excluded)	Without discrimination or preferential terms	Year 2025

The most important strategic decisions of the Board of Directors during the year 2024

In the Board of Directors meeting No. 1 of 2024 dated 02-28-2024 corresponding to 08-18-1445 AH, the following was approved:

- The Board of Directors approved the amendment of Article No. (24) Twenty-four of the Company's Articles of Association and presented it to the General Assembly for approval.
- Approved the External Auditor's Report for the fiscal year ending on December 31, 2023 and recommended presenting it to the General Assembly for approval.
- The Board of Directors approved the financial statements and their supplementary clarifications for the fiscal year ending on December 31, 2023 in Arabic and English, and the Board recommended presenting them to the General Assembly for review and discussion.
- The Board of Directors approved the Board of Directors' Report for the fiscal year ending on December 31, 2023 in its Arabic and English versions, and the Board recommended pre-senting it to the General Assembly for review and discussion.
- The Board of Directors approved all debit and credit transactions with related parties of Hana Food Industries Company during the year 2023 AD in accordance with the licenses approved by the General Assembly of the company and without discrimination or preferential conditions and recommended presenting them to the General Assembly for approval.
- The Board of Directors approved the distribution of an amount of 30,375,000 riyals at a rate of one Saudi riyal and thirty-five halalas (1.35) Saudi riyals per share and recommended presenting it to the General Assembly for approval.

At Board of Directors meeting No. 3 for the year 2024 dated 01-08-2024 AD corresponding to 26-01-1446 AH on the following:

- Approval of the recommendation of the Remuneration and Nominations Committee to amend the remuneration policy for members of the Board of Directors and its committees and executive management and presenting it to the General Assembly for approval to work on it for the year 2024 AD in the event of the General Assembly's approval.

In the Board of Directors meeting No. 4 for the year 2024 dated 02-10-2024 corresponding to 29-03-1446 AH, as follows:

- Approval of the recommendation of the Remuneration and Nominations Committee, and the Board recommended inviting the General Assembly to elect members of the Board of Directors from among the candidates for the next session, numbering fifteen candidates (15 candidates), which will start from December 26, 2024 to June 30, 2028.

In the Board of Directors meeting No. 7 for the year 2024 dated 26-12-2024 corresponding to 25-06-1446 AH, as follows:

- Appointing the Board of Directors member, Mr. Ahmed Hammoud Ibrahim Altheyab as Chairman of the Board of Directors with the powers of the Chairman of the Board for the Board of Directors session from December 26, 2024 to June 30, 2028.
- Appointing Board Member Mr. Taha Muhammad Abdul Wahid Azhari as Vice Chairman of the Board of Directors with the powers of Vice Chairman of the Board for the Board of Directors' term from December 26, 2024 to June 30, 2028.
- Forming the Audit Committee for the term from December 26, 2024 to June 30, 2028 with the controls, tasks and rewards stipulated, and the committee shall consist of three members:
 1. Taha Muhammad Abdul Wahid Azhari - Independent Member from within the Board of Directors
 2. Mishaal Muhammad Saleh Almogren - Independent Member from within the Board of Directors
 3. Ahmed Khader Muhammad Anis Harara - Independent Member from outside the Board of Directors
- Approving the Audit Committee's recommendation to appoint Mr. Taha Muhammad Abdul Wahid Azhari as Chairman of the Audit Committee for its term from December 26, 2024 to June 30, 2028 with the powers of the Chairman of the Audit Committee stipulated in the Audit Committee's work regulations.
- Forming the Remuneration and Nominations Committee for the term from December 26, 2024 to June 30, 2028 with the powers, tasks, responsibilities, and controls for the work of the committee and the stipulated remunerations. The committee shall consist of three members:
 1. Taha Muhammad Abdul Wahid Azhari - Independent member from within the Board of Directors
 2. Sahl Youssef Abdullah Jamal - Independent member from within the Board of Directors
 3. Turki Nasser Ahmed Al-Shaher - Independent member from outside the Board of Directors
- Approving the recommendation of the Remuneration and Nominations Committee to appoint Mr. Taha Muhammad Abdul Wahid Azhari as Chairman of the Remuneration and Nominations Committee for its term from December 26, 2024 to June 30, 2028 with the powers of the Chairman of the Remuneration and Nominations Committee stipulated in the Remuneration and Nominations Committee's work regulations.

- Appointing the company's Executive Financial Director, Mr. Mahmoud Mohamed Zaki Al-Ghamry, as Secretary of the Board of Directors for the Board of Directors' term from December 26, 2024 to June 30, 2028, provided that his powers and remunerations are in accordance with the articles regulating it. – Appointing representatives of Zahrat Al Waha Trading Company before the Authority for all purposes related to the system, the Companies System, its executive regulations, other related systems and these rules during the Board of Directors' term from December 26, 2024 to June 30, 2028, namely:

1. Chairman of the Board of Directors, Mr. Ahmed Hamoud Ibrahim Altheyab (a member of the Board of Directors)

2. Executive Financial Manager, Mr. Mahmoud Mohamed Zaki Al-Ghamry (a senior executive)

- Appointing representatives of Zahrat Al Waha Trading Company before the Saudi Stock Exchange (Tadawul) for all purposes related to these rules during the Board of Directors' term from December 26, 2024 to June 30, 2028, namely:

1. Chairman of the Board of Directors, Mr. Ahmed Hamoud Ibrahim Altheyab (a member of the Board of Directors)

2. Executive Financial Manager, Mr. Mahmoud Mohamed Zaki Al-Ghamry (a senior executive)

- Approving the notification letter submitted by the Chairman of the Board of Directors regarding transactions with related parties, Hana Food Industries Company, and the request for a license to deal during the year 2025. The Board recommended presenting it to the General Assembly for approval. Approval of the request for the resignation of Board Member Mr. Ahmed Hassan Ahmed Ali from membership in the Board of Directors on December 18, 2024 AD, provided that the effective date of the resignation is December 18, 2024 AD.

Board declarations

The Board of Directors of Zahrat Al Waha Trading Company acknowledges the following:

- That the accounting records were prepared correctly.
- That the internal control system was prepared on sound foundations and implemented effectively.
- That there is no doubt about the company's ability to continue its activity.

The Board of Directors recommends to the esteemed General Assembly during the year 2024 AD the following:

- Review and discuss the Board of Directors' report for the fiscal year ending 12/31/2023 AD.
- Vote on the company's auditors' report for the fiscal year ending 12/31/2023 AD after discussing it.
- Review and discuss the financial statements for the fiscal year ending 12/31/2023 AD.
- Voting on the appointment of the company's auditor from among the candidates based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2024 and the first quarter of the fiscal year 2025 and determine his fees.

- Voting on the recommendation of the company's board of directors to distribute cash dividends for the year 2023, at a rate of one riyal and thirty-five halalas (1.35) riyals per share, representing 13.5% of the nominal value of the share, with a total of 30,375,000 riyals, representing 13.5% of the capital, to the company's shareholders, provided that the eligibility is for shareholders who own shares at the end of trading on the day of the meeting and are registered in the company's shareholders' register with the Depository Center Company at the end of the second trading day following the due date. The date of dividend distribution will be announced later.

- Voting on the business and contracts that will be concluded during the year 2024 between the company and Hana Food Industries Company, in which the board member, Mr. Ahmed Hamoud Ibrahim Al-Dhiyab, has an indirect interest, noting that the nature of the transaction will be a contract for the sale of finished goods and products represented by miniature plastic bottles (preforms) and plastic bottle caps of different sizes and weights and bottle prints (labels) and shrink and stretch film and the sale and purchase of raw materials and packaging for a period of one year without discrimination or preferential conditions. The value of the transaction during the year 2023 AD amounted to 31,650,623 riyals in sales and there were no purchases during the year 2023 AD and the balance on December 31, 2023 AD amounted to 52,359,361 riyals.

- Voting on acquitting the members of the board of directors from liability for the fiscal year ending on 12-31-2023 AD.

- Voting on disbursing an amount of 400,000 riyals as a bonus to non-executive board members for the fiscal year ending 12/31/2023.

- Voting on amending Article Twenty-Four of the company's Articles of Association related to the company's management.

- Voting on authorizing the board of directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2024.

- Voting on authorizing the board of directors with the authority of the ordinary general assembly with the authorization mentioned in paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of approval by the general assembly or until the end of the term of the authorized board of directors, whichever comes first, in accordance with the conditions stipulated in the executive regulations of the companies law for listed joint stock companies.

- Voting on electing board members from among the candidates for the next term, which begins on December 26, 2024 for a period of three years, six months and five days, ending on June 30, 2028.

- Voting on amending the remuneration policy for members of the Board of Directors, the Board's committees, and the Executive Management.

The most important decisions of the General Assembly of Zahrat Al Waha Trading Company during the year 2024

The General Assembly of Zahrat Al Waha Trading Company approved in its meeting No. 1 for the year 2024 held on 03-06-2024 corresponding to 26-11-1445 AH the following:

- The company's auditor's report for the fiscal year ending on 31-12-2023.
- Appointing RSM United Accountants for Professional Consulting as the company's auditor from among the candidates based on the recommendation of the Audit Committee, to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2024 and the first quarter of the fiscal year 2025 and to set his fees at an amount of 465,000 riyals only, four hundred and sixty-five thousand Saudi riyals.
- The recommendation of the company's board of directors to distribute cash dividends for the year 2023 AD, at a rate of one riyal and thirty-five halalas (1.35) riyals per share, representing 13.5% of the nominal value of the share, with a total of 30,375,000 riyals, representing 13.5% of the capital, to the company's shareholders, provided that the eligibility is for shareholders who own shares at the end of trading on the day of the meeting and are registered in the company's shareholders' register with the Depository Center Company at the end of the second trading day following the due date.
- The business and contracts that will be completed during the year 2024 between the company and Hana Food Industries Company, in which the board member, Mr. Ahmed Hamoud Ibrahim Al-Dhiyab, has an indirect interest, noting that the nature of the transaction will be a contract for the sale of finished goods and products represented by miniature plastic bottles (preforms) and plastic bottle caps of different sizes and weights and bottle prints (labels) and shrink and stretch film and the sale and purchase of raw materials and packaging for a period of one year without discrimination or preferential conditions. The value of the transaction during the year 2023 AD amounted to 31,650,623 riyals in sales and there were no purchases during the year 2023 AD and the balance on December 31, 2023 AD amounted to 52,359,361 riyals.
- Discharging the members of the Board of Directors from liability for the fiscal year ending on 12-31-2023 AD.
- Amending Article Twenty-Four of the Company's Articles of Association related to the management of the company
- Authorizing the Board of Directors to distribute interim profits

on a semi-annual or quarterly basis for the fiscal year 2024.

- Authorizing the Board of Directors with the authority of the Ordinary General Assembly to license mentioned in paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of approval of the General Assembly or until the end of the term of the authorized Board of Directors, whichever comes first, in accordance with the conditions stipulated in the executive regulations of the Companies Law for listed joint stock companies.

The General Assembly of Zahrat Al Waha Trading Company approved in its meeting No. 2 for the year 2024 held on

05-11-2024 corresponding to 03-05-1446 AH the following:

- Electing members of the Board of Directors from among the candidates for the next session, which begins on December 26, 2024 for a period of three years, six months and five days, ending on June 30, 2028, where six (6) members were elected, whose names are as follows:
 1. Mr. Ahmed Hamoud Ibrahim Altheyab
 2. Mr. Mishaal Muhammad Saleh Almogren
 3. Mr. Sahl Youssef Abdullah Jamal Allail
 4. Mr. Taha Muhammad Abdul Wahid Azhari
 5. Mr. George Abdul Karim George Mousaa
 6. Mr. Najib Abdullah Hussein
- Amending the policy of remuneration for members of the Board of Directors, committees affiliated with the Board and the Executive Management.

The General Assembly of Zahrat Al Waha Trading Company, in its meeting No. 1 of 2024 held on 06-03-2024 corresponding to 11-26-1445 AH, rejected the following:

- Disbursing an amount of 400,000 riyals as a bonus to non-executive board members for the fiscal year ending on 12-31-2023.

Company issues

The Board of Directors confirms that there were no lawsuits filed during the fiscal year 2024 by or against the company whose value exceeds 5% of the company's net assets. The Board of Directors confirms that there were no lawsuits filed during the fiscal year 2024 against any member of the Board of Directors or any partner in the subsidiaries or against any of the company's senior executives.

Table No. [42]: Statement of the penalties imposed on the company during the year 2024

#	Penalty	Reason of penalty	Penalty Authority	Ways to treat it and avoid it	Financial Effects
1	Notice	Non-compliance with certain approved International Accounting Standards	Capital Market Authority	Reviewing financial statement preparation policies	None

- The company received a notice from the Capital Market Authority on November 20, 2024, regarding non-compliance with certain approved International Accounting Standards during the preparation of its annual financial statements for the years ended December 31, 2021, and December 31, 2023. The Authority recommended rectifying compliance with the approved International Accounting Standards in the preparation of the financial statements for the year ending December 31, 2024, and preventing recurrence in the future, without imposing any fines or financial penalties on the company.
- The company has promptly undertaken the necessary corrective measures to ensure full compliance with the approved International Accounting Standards. This includes reviewing financial statement preparation policies and strengthening internal control procedures.

Related party transactions and balances for the fiscal year 2024

Table No. [43]: Statement of related party transactions and balances for the fiscal year 2024

#	Related party	Relationship	Type of Relationship	Dates	Amount of Transactions/Contract				Contract duration
					Purchases	Precedents	Payments	Other expenses/ income	
1	Hana Food Industries Co.	Business and contracts concluded between the company and Hana Food Industries Company	The Chair-man of the Board of Directors, Mr. Ahmed Hamoud Ib-rahim Al- Altheyab, holds the position of a member of the Board of Directors, Managing Director, and one of the shareholders of Hana Food Industries Company.	Sales including VAT SAR 28,651,810, Total other sales (non-activity) including VAT SAR 110,477, Total transaction volume (debit transaction) SAR 28,762,287.	Total purchases including VAT 50,400 during 2024.	53,504,981 Saudi riyals	+	+	Three Years

Related party transactions and balances for the fiscal year 2023

Table No. (44): Statement of related party transactions and balances for the fiscal year 2023

#	Related party	Relationship	Type of Relationship	Dates	Amount of Transactions/Contract				Contract Duration
					Purchases	Proceeds	Payments	Other expenses/ income	
1	Hana Food Industries Co.	Business and contracts concluded between the company and Hana Food Industries Company	The Chair-man of the Board of Directors, Mr. Ahmed Hamoud Ibrahim Al- Altheyab, holds the position of a member of the Board of Directors, Managing Director, and one of the shareholders of Hana Food Industries Company.	Total activity sales before value-added tax are 27,452,281 Saudi ri-yals, and total sales including value-added tax are 31,570,123 Saudi ri-yals. Total non-activity sales are 80,500 Saudi ri-yals.	There are no purchases during 2023	43,050,000 SAR	-	-	Year

Professional review and consulting fees

	For the year ended 31 December	
	2023	2024
Audit and review fees of financial statements - RSM United Accountants for Professional Consultations.	-	465,000
Audit and review fees of financial statements - Dr. Mohammed Al-Omari & Partners BDO.	515,000	-
Annual declaration fees for the Zakat, Tax and Customs Authority - Dr. Mohammed Al-Omari & Partners BDO.	15,000	-
Annual declaration fees for the Zakat, Tax and Customs Authority - Ernst & Young Professional Services Company	-	35,000
Interest disclosure report fees in accordance with Article 71 of the Companies Law - Dr. Mohammed Al-Omari & Partners BDO.	35,000	-
Interest disclosure report fees in accordance with Article 71 of the Companies Law - RSM United Accountants for Professional Consultations.	-	15,000
Fees for a report and procedures related to bad accounts receivable for the Zakat, Tax and Customs Authority - Dr. Mohammed Al-Omari & Partners BDO.	-	40,000
Professional and consulting services fees for Zakat, Tax and Customs Authority examination - Ernst & Young Professional Services Company	194,075	37,000
Fees for preparing a report on expected credit losses in trade receivables - KPMG Professional Consulting Company	-	45,000
Total	759,075	627,000



**Sustainability and
social responsibility**



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Sustainability and social responsibility

Our commitment to sustainability is an integral part of our strategy, and through it we continue to perform our business responsibly in pursuit of the goals of the Kingdom's Vision 2030. Zahrat Al-Waha for Trading Company's unwavering commitment to the communities and individuals we serve has always been at the core of our strategy, business and culture, influencing our thinking and driving our actions, and supporting our pursuit of greater impact and sustainable value creation for all stakeholders.

In the field of sustainability in the Kingdom of Saudi Arabia, Zahrat Al-Waha for Trading Company remains committed to achieving positive progress for the Kingdom and its communities, as well as for its employees, various business sectors and the environment. The company's social responsibility begins with its commitment to various laws, especially with regard to workers' rights, environmental preservation and community development.

Sustainability is an integral part of our corporate culture, and an inherent pillar in our strategic focus and organizational behavior, and we have made great progress over the years in institutionalizing our approach in the field of sustainability and social responsibility with the aim of improving the impact we make in line with our strategy, and achieving the goals

of Zahrat Al-Waha for Trading Company. And achieving the comprehensive aspirations of the Kingdom's Vision 2030 and the Kingdom's Sustainable Development Goals.

The Ordinary General Assembly - based on a proposal from the Board of Directors - sets a policy that ensures a balance between its objectives and the objectives that society aspires to achieve. In order to develop the social and economic conditions of the community.

Zahrat Al-Waha for Trading Company is committed to creating added and sustainable value for all stakeholders, and across the Kingdom of Saudi Arabia, and to turn this ambition into reality, our sustainability strategy provides a clear roadmap for success in a wide range of different fields, which will be implemented to a large extent through Zahrat Al-Waha Trading, and among these areas:

- Education in the field of science and technology.
- Developing and developing employees and appreciating their achievements.
- Water and sustainable agriculture.
- Environment protection.
- Health and safety of employees.
- Comprehensive quality.

Statement of Zakat and legal payments repaid

Below are the regular payments made during the fiscal year ending December 31, 2024.

Table No. (45) Zakat and regular payments

2024				
Description	Paid	Due until the end year 2024 and not paid.	Brief Description	Reasons
Zakat ,Customs and Income Tax	7,167,201	1,745,862	The estimated legal zakat for the year 2024	Zakat due for the year 2024 AD will be paid during the statutory period of 2025 AD. Allocations for differences in zakat assessments for the years 2012 AD until 2015 AD, 2019 AD, and 2020 AD, because these years the company appealed them.
General Authorization for Social Insurance	628,405	65,371	Social insurance for the year 2024 for company employees	What is due and not paid is the insurance for the month of December 2024, which will be paid in the month following the maturity.
Labor Office fees	173,593	—	Labor office fees for residency renewal	—
Value added tax	13,597,912	544,165	Value Added Tax Declaration for December 2024	Value added tax for the month of December 2024 AD and will be recovered during the year 2025 AD.

The focus of our operational process in 2024

The axes of our operational process in 2024 are represented in the following axes:

Leadership in environmental, social and governance practices by intensifying efforts to achieve transformation and diversification of sustainability options in work

1

2

Increase productivity by adding new products to our products, whether in miniature bottles or plastic bottle caps, and adding the printing sector and packaging materials

3

Benefit from the resources of the Kingdom of Saudi Arabia by adding new investment opportunities to increase the company's financial solvency (inside/outside) the Kingdom of Saudi Arabia



Financial statements

ZHRAT AL WAHA FOR TRADING COMPANY
(A Saudi Joint Stock Company)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

**ZAHRAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)****FOR THE YEAR ENDED 31 DECEMBER 2024**

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To the Shareholders of
Zahrat Al Waha for Trading Company
(A Saudi Joint Stock Company)

We have audited the financial statements of Zahrat Al Waha for Trading Company (A Saudi Joint Stock Company) ("the Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Sales Revenue Recognition Revenue for the year ended 31 December 2024 amounted to SAR 544,688,020 (2023: SAR 572,490,017). Revenue recognition is a significant audit area due to its complexity, potential for manipulation, and impact on financial statements. The risk primarily arises from the possibility of inappropriate revenue recognition, including premature revenue recognition, fictitious sales, or incorrect application of accounting standards. As per International Standards on Auditing (ISA) 240 and ISA 315, revenue recognition is often considered a fraud risk area requiring heightened auditor scrutiny Refer to note 5-15 to the financial statements for the accounting policy, note 28-2 for the disclosure of revenue.	Our audit procedures performed included, among other, the following: - Assessed the appropriateness of the Company's accounting policies for revenue recognition in line with the requirements of IFRS 15 "Revenue from contracts with customers"; - Assessed the design and implementation, of the Company's controls over the recognition of revenue - Evaluated key contractual and returns arrangements by considering relevant documentation and agreements with the customers; - Selected sample of sales transactions throughout the year and inspected the supporting documents to assess they were recognized correctly.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of
Zahrat Al Waha for Trading Company
(A Saudi Joint Stock Company)

Key Audit Matters (continued)

Key Audit Matters (continued)	How our audit addressed the key audit matter
Sales Revenue Recognition (continued)	- Inspected sample of sales transactions taking place before and after the year-end to assess whether revenue was recognized in the correct accounting period; and - Assessed the accuracy, completeness, and validity of revenue-related journal entries (JEs) in accordance with applicable accounting standards and to identify potential risks of misstatement or fraud. - Assessed the adequacy of the relevant disclosures in accordance with the requirements of relevant accounting standard.
Impairment of trade receivables	
As at 31 December 2024, the total trade receivables balance amounted to SAR 194,950,437 (2023: SAR 202,556,816), and the balance of expected credit losses amounted to SAR 30,874,013 (2023: SAR 27,527,809). The Company is required to regularly assess the recoverability of its trade receivables. The recoverability of trade receivables was significant to our audit due to the value of trade receivables balance and certain customers aged greater than the credit terms. Assessment of expected credit losses is highly subjective due to the significant judgement, estimates, and assumptions applied by the management in determining the expected losses. The management is required to determine an expected loss rate against the outstanding trade receivables based on the Company's historical credit loss experience adjusted with forward-looking information. We considered this as a key audit matter given the judgements and assumptions regarding the ECL impairment against trade receivables and the potential impact on the Company's financial statements. Refer to note 4-1 to the financial statements for the accounting estimate, note 5-5-1-5 for accounting policy, note 12 for the disclosure of trade receivables and Note 26-2 for credit risks of trade receivables.	Our audit procedures relating to expected credit losses on trade receivable balances included, among others, the following: - Assessed the reasonableness of management's ECL model by reviewing key assumptions, including historical default rates and forward-looking economic indicators. - Reviewed subsequent collections to evaluate the recoverability of outstanding receivables - Assessed the design and implementation of controls over the credit risk assessment and impairment estimation process. - Evaluated the effectiveness of monitoring controls over trade receivables aging and collection processes. - Reviewed the aging analysis of trade receivables to identify overdue balances and assess the reasonableness of impairment provision. - Engaged our specialists to review the approach used in the expected credit loss model, to assess its suitability for the Company's activity. - Evaluated the appropriateness of the Company's criteria and judgements for the determination of individually impaired receivable. - Validating, on sample basis, the completeness, accuracy and relevance of data included within the impairment of trade receivables calculation by inspecting the relevant supporting documents. - Assessed the reasonableness and adequacy of disclosures in the financial statements as required by IFRS 9 ("Financial instruments") and IFRS 7 ("Financial instruments: Disclosures").

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of
Zahrat Al Waha for Trading Company
 (A Saudi Joint Stock Company)

Other matter

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 23 Shaban 1445 (H) corresponding to (04 March 2024).

Other Information

Other information consists of the information included in the Company's 2024 annual report, other than the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditors' report. Management is responsible for the other information in its annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of
Zahrat Al Waha for Trading Company
(A Saudi Joint Stock Company)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RSM Allied Accountants Professional Services

Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Kingdom Saudi Arabia
19 Ramadan 1446H (corresponding to 19 March 2025)



ZHRAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Saudi Riyals)

	Notes	2024	2023
ASSETS			
Property, plant, and equipment	7	213,631,458	232,359,045
Investment Properties	8	1,674,000	1,674,000
Intangible assets	9	3,255,419	1,349,188
Non-current assets		218,560,877	235,382,233
Inventories	10	134,096,525	119,553,308
Investments at fair value through profit or loss (FVTPL)	11	23,665,685	23,350,382
Trade receivables	12	164,076,424	175,029,007
Prepayments and other receivables	13	17,369,683	47,324,851
Cash and cash equivalents	14	5,365,322	6,793,011
Current assets		344,573,639	372,050,559
TOTAL ASSETS		563,134,516	607,432,792
EQUITY			
Share capital	15	225,000,000	225,000,000
Statutory reserve		30,498,741	29,291,002
Retained earnings		41,864,703	61,370,049
Other reserves		501,564	434,347
TOTAL EQUITY		297,865,008	316,095,398
LIABILITIES			
Long-term loans	17-b	5,850,000	28,030,406
Employees' end of service benefits	18-1	3,169,843	2,697,157
Non-current liabilities		9,019,843	30,727,563
Short-term loans	17-a	196,294,717	201,430,283
Long-term loans – current portion	17-b	22,180,405	21,461,515
Trade payables		28,203,047	23,721,093
Accrued expenses and other payables	16	7,662,980	6,667,106
Zakat provision	19	1,745,862	7,167,200
Dividend payable	23	162,654	162,654
Current liabilities		256,249,665	260,609,831
TOTAL LIABILITIES		265,269,508	291,337,394
TOTAL EQUITY AND LIABILITIES		563,134,516	607,432,792

These financial statements have been approved by the Board of Directors on 19 Ramadan 1446H (corresponding to 19 March 2025) and signed by:

Chairman
Ahmed Hamoud Al-Thiab



Chief Executive Officer
George Abdul Kareem Moussa



Chief Financial Officer
Mahmoud Mohammad Zaky



The accompanying notes from (1) to (32) form an integral part of these financial statements

ZAHRAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024
(Saudi Riyals)

	Notes	For the year ended 31 December	
		2024	2023
Sales	28	544,688,020	572,490,017
Cost of sales	20	(484,077,282)	(502,043,458)
Gross profit		60,610,738	70,446,559
Selling and distribution expenses	21	(15,787,451)	(11,977,448)
General and administrative expenses	22	(9,774,923)	(8,465,214)
Expected credit losses on trade receivables	12	(3,346,204)	(2,476,521)
Other income/(expenses), Net		1,606,013	1,623,337
Operating profit		33,308,173	49,150,713
Unrealized gain from investments at FVTPL	11	212,828	4,181,945
Realized gain from the sale of investments at FVTPL	11	1,529,694	653,925
Dividends received from investments at FVTPL	11	194,619	312,246
Finance costs	17-c	(19,994,576)	(16,689,037)
Profit before Zakat		15,250,738	37,609,792
Zakat	19	(3,173,345)	(3,736,599)
Profit for the year		12,077,393	33,873,193
Other comprehensive income			
<u>Items that will not be reclassified to profit or loss:</u>			
Remeasurements of employees' end of service benefit	18	67,217	(42,572)
Total other comprehensive income / (loss)		67,217	(42,572)
Total comprehensive income		12,144,610	33,830,621
Basic and diluted earnings per share (SAR)	25	0.54	1.51

These financial statements have been approved by the Board of Directors on 19 Ramadan 1446H (corresponding to 19 March 2025) and signed by:

Chairman
Ahmed Hamoud Al-Thiab

Chief Executive Officer
George Abdul Kareem Moussa

Chief Financial Officer
Mahmoud Mohammad Zaky

The accompanying notes from (1) to (32) form an integral part of these financial statements

ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024
(Saudi Riyals)

Notes	Share capital	Statutory reserve	Retained earnings	Other reserves	Total
Balance as at 1 January 2023	225,000,000	25,903,683	44,384,175	476,919	295,764,777
Profit for the year	-	-	33,873,193	-	33,873,193
Other comprehensive loss	-	-	-	(42,572)	(42,572)
Total comprehensive income	-	-	33,873,193	(42,572)	33,830,621
Dividends distributed	-	-	(13,500,000)	-	(13,500,000)
Transferred to statutory reserve	-	3,387,319	(3,387,319)	-	-
Balance as at 31 December 2023	225,000,000	29,291,002	61,370,049	434,347	316,095,398
Balance as at 1 January 2024	225,000,000	29,291,002	61,370,049	434,347	316,095,398
Profit for the year	-	-	12,077,393	-	12,077,393
Other comprehensive income	-	-	-	67,217	67,217
Total comprehensive income	-	-	12,077,393	67,217	12,144,610
Dividends distributed	-	-	(30,375,000)	-	(30,375,000)
Transferred to statutory reserve	-	1,207,739	(1,207,739)	-	-
Balance as at 31 December 2024	225,000,000	30,498,741	41,864,703	501,564	297,865,008

These financial statements have been approved by the Board of Directors on 19 Ramadan 1446H (corresponding to 19 March 2025) and signed by:


Chairman
Ahmed Hamoud Al-Thiab


Chief Executive Officer
George Abdul Kareem Mousssa


Chief Financial Officer
Mahmoud Mohammad Zaky

The accompanying notes from (1) to (32) form an integral part of these financial statements

ZAHRAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(Saudi Riyals)

	Notes	For the year ended 31 December	
		2024	2023
Cash flows from operating activities			
Profit before Zakat		15,250,738	37,609,792
Adjustments for:			
Depreciation and amortization	7, 9	30,908,317	29,873,176
Provision for employees' end of service benefits	18-1	596,262	542,724
Provision for expected credit losses	12	3,346,204	2,476,521
Unrealized gain from investments at FVTPL	11	(212,828)	(4,181,945)
Realized gains from sale of investments at FVTPL	11	(1,529,694)	(653,925)
Gain from disposal of property, plant and equipment	7	-	(225)
Finance costs	17	19,994,576	16,689,037
		<u>68,353,576</u>	<u>82,355,155</u>
Change in:			
Inventories	10	(14,543,217)	(21,965,451)
Trade receivables	12	7,606,379	18,214,613
Prepayments and other receivables	13	29,955,168	1,443,075
Trade payables		4,481,954	5,354,627
Accrued expenses and other payables	16	995,874	(83,458)
Zakat paid	19-2	(8,594,683)	(3,465,434)
Finance costs paid	17-c	(2,118,485)	(772,579)
Employees' end of service benefits paid	18-1	(56,359)	(131,765)
Net cash generated from operating activities		<u>86,080,206</u>	<u>80,948,783</u>
Cash flows from investing activities			
Addition to property, plant and equipment and intangible assets	7	(14,086,961)	(42,981,387)
Proceeds from disposal of property, plant and equipment	7	-	225
Addition to investments at FVTPL	11	(17,340,079)	(14,171,646)
Proceeds from sale of investments FVTPL	11	18,767,298	13,820,580
Net cash used in investing activities		<u>(12,659,742)</u>	<u>(43,332,228)</u>
Cash flows from financing activities			
Proceeds from loans	17-c	549,713,731	674,522,627
Repayment of loans	17-c	(594,186,884)	(693,638,893)
Dividends Paid	23	(30,375,000)	(13,500,000)
Net cash used in financing activities		<u>(74,848,153)</u>	<u>(32,616,266)</u>
Net change in cash and cash equivalents		<u>(1,427,689)</u>	<u>5,000,289</u>
Cash and cash equivalents at beginning of the year		6,793,011	1,642,722
Refund /(deducted): Restricted Cash	14	-	150,000
Cash and cash equivalents at the end of the year	14	<u>5,365,322</u>	<u>6,793,011</u>

These financial statements have been approved by the Board of Directors on 19 Ramadan 1446H (corresponding to 19 March 2025) and signed by:

		
Chairman Ahmed Hamoud Al-Thiab	Chief Executive Officer George Abdul Kareem Moussa	Chief Financial Officer Mahmoud Mohammad Zaky

The accompanying notes from (1) to (32) form an integral part of these financial statements

**ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2024

1 - ORGANIZATION AND ACTIVITIES

Zahrat Al Waha Trading Company ("the Company") is a Saudi Joint Stock Company established under the Regulations for Companies in the Kingdom of Saudi Arabia on 10 Sha'aban 1424H (corresponding to 6 October 2003).

The Company was converted from a sole proprietorship to a Limited Liability Company with a capital of SAR 50,000,000 on 27 Safar 1437H (corresponding to 9 December 2015). In addition, it was converted from a Limited Liability Company to a Saudi Closed Joint Stock Company with a capital of SAR 80,000,000 on 3 Rabi' II 1438H (corresponding to 1 January 2017). It was converted from a Saudi Closed Joint Stock Company to a Saudi Public Joint Stock Company with a capital of SAR 150,000,000 million on 26 Dhul-Hijjah 1438H corresponding to 17 September 2017. On 8 Shawwal 1443 AH (corresponding to 9 May 2022), the Company's extraordinary general assembly approved increasing the Company's capital to SAR 225,000,000 divided into 22,500,000 ordinary shares, with a nominal value of SAR 10 per share, by granting bonus shares to the Company's shareholders as a transfer from the retained earnings.

The Company operates under Commercial Registration No. 1010190390 issued in Riyadh on 10 Sha'aban 1424H (corresponding to 6 October 2003) in the Kingdom of Saudi Arabia.

The Saudi Capital Market Authority approved the listing of the Company in the Saudi Stock Exchange (Tadawul) on 26 Dhul-Hijjah 1438H (corresponding to 17 September 2017).

The legal procedures for amending the company's bylaws to convert it from a closed Saudi joint stock company to a Saudi public joint stock company were completed on 12 Rabi' I 1439H (corresponding to 30 November 2017).

The Company carries out its activities through its branch in Al-Kharj under Commercial Registration No. 1011014061 issued in Riyadh on 22 Jumada II 1431H (corresponding to 4 June 2010).

The principal activities of the Company include the manufacture of semi-finished products from plastics, the manufacture of cans and boxes from plastics, the manufacture of bottles of various forms from plastics, the manufacture of products from plastics using the Roto mold method, under the industrial license No. 1433100178351 dated 28 Safar 1442H (corresponding to 15 October 2020).

The Company's registered head office is located in the following address:

Zahrat Al Waha For Trading Company
7449 Al Ihsa Street, Al Rabwa.
P.O. Box 2980, Riyadh 12814
Kingdom of Saudi Arabia

2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2-1 STATEMENT OF COMPLIANCE

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

2-2 BASIS OF PREPARATION

The financial statements have been prepared using the historical cost basis except for the following:

- Employees' end-of-service benefits are measured at present value of future obligations using the projected unit credit method.
- Valuation of investments at fair value through profit or loss (FVTPL).

2-3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are prepared in Saudi Riyals (SAR), which is the functional and presentation currency of the Company.

3 - FINANCIAL YEAR

The Company's fiscal year begins on January 1 and ends on 31 December of each year.

**ZAH RAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2024

4 -USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, costs, assets and liabilities and the disclosure of contingent liabilities, at the financial period date. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustments to the carrying amounts of the assets and liabilities affected in the future.

These estimates and assumptions are based on historical experience and factors including expectations of future events that are appropriate in the circumstances and are used to determine the carrying amounts of assets and liabilities that are not independent from other sources. The estimates and assumptions are reviewed on an ongoing basis.

Accounting estimates recognized are reviewed in the period and future periods, and the effect of the change in the current period is recognized prospectively.

The significant judgments made by management in applying the Company's accounting policies are consistent with those disclosed in the previous year's financial statements. Information about estimates, assumptions and judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

4-1 Going Concern

The company has no doubts about its ability to continue as a going concern. Accordingly, the financial statements have been prepared on the going concern basis.

4-2 Impairment of trade receivables

The impairment of trade receivables is assessed and evaluated using assumptions about the risk of default and the rates of loss incurred.

The Company uses the judgments when making these assumptions and selects the necessary inputs to calculate the impairment based on the Company's previous experience and current and future market conditions at the end of each reporting period in accordance with the requirements of IFRS 9 (Note 12).

4-3 Useful lives and remaining values of the property, plant, and equipment

The Company's management determines the estimated useful life of its property, plant, and equipment for calculating depreciation.

This estimate is determined after considering the expected usage of the assets and physical wear and tear.

The management periodically reviews the estimated useful lives, residual values, if any and the depreciation method to ensure that the method and periods of depreciation are consistent with the expected pattern of economic benefit of the assets.

No change was made to the useful lives during the year (Note 7).

4-4 Measurement of defined benefit obligations

The cost of employees' defined benefit obligations is determined in accordance with actuarial valuations.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

These include the determination of the discount rate; future salary increases and mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions.

All assumptions are reviewed on the date of the preparation of financial statements (Note 18).

4-5 Impairment of inventories

Inventories are measured at a lower cost and net realizable value. The amount of write-off and any reduction of inventory to net realizable value and all obsolete inventory losses must be recognized as expenses in the same period of the write-off event or incurred loss (Note 10).

ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

5 - MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the years presented in these financial statements.

5-1 Property, plant and equipment

5-1-1 Recognition and measurement

Items of property, plant, and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and accumulated impairment loss, if any.

When parts of an item of property, plant, and equipment have different useful lives, they are calculated as separate items (key elements) of property, plant, and equipment.

Any gains or losses on the disposal of any items of property, plant or equipment are recognized in statements of profit or loss.

5-1-2 Subsequent expenditures

Subsequent expenditure is capitalized only when it entails future economic benefits as a result of these expenditures.

5-1-3 Depreciation

Depreciation is calculated for the cost of items of property, plant, and equipment less their estimated residual values if any, using the straight-line method over their estimated useful lives, and depreciation is recognized in profit or loss.

The land is not depreciated.

The estimated useful lives for the items of property, plant, and equipment for the current and comparative years are as follows:

Buildings	33 years
Machinery and equipment	10-13.3 years
Motor vehicles	4-5 years
Tools and equipment	10 years
Furniture	10 years
Computers	5 Years

The depreciation methods, useful lives and residual values are reviewed in each reporting period and adjusted if necessary.

Capital work in progress is not depreciated. Capital work in progress is stated at cost less impairment loss, if any.

5-2 Intangible assets

5-2-1 Recognition and measurement

Intangible assets include computer software acquired by the Company having finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses, if any.

5-2-2 Amortization

Amortization is calculated to reduce the cost of intangible assets less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and amortization is recognized in profit or loss.

The estimated useful life is 10 years.

Amortization methods, useful life, and residual values are reviewed at each reporting date and adjusted if appropriate.

5-3 Impairment of non-financial assets

The Company's management periodically reviews the book value of non-financial assets to determine whether there is any indication that such assets may be subject to any impairment loss. If there is any indicator, the recoverable amount of assets is estimated to determine the extent of impairment loss. If the amount of recoverable assets is estimated to be below its book value, the book value of the asset decreases to its recoverable value, and the impairment loss is recognized in the statement of profit or loss.

**ZAH RAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2024

5- MATERIAL ACCOUNTING POLICIES (CONTINUED)

5-4 Inventories

Inventories are measured at the lower of cost or net realizable value, whichever is lower. The cost is determined based on the weighted average method and includes expenditures incurred in bringing inventories to their existing location and condition.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

The net realizable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the same period of the write-off event or incurred loss.

5-5 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that relate directly to the purchase or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through the statement of profit or loss) are added to the fair value of financial assets and financial liabilities or deducted from them, as appropriate, upon initial recognition. Transaction costs that are directly related to the purchase of financial assets and liabilities and are measured at fair value through the statement of profit or loss are recognized directly in the statement of profit or loss.

5-5-1-Financial assets

Financial assets are classified into the following specified categories: Financial assets 'at fair value through profit or loss' (FVTPL), Financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A regular way purchase or sale of financial assets is recognized using trade date. A regular purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

5-5-1-1-Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through the statement of profit or loss if they have been acquired or held for the purpose or selected to be classified in this category.

Financial assets are classified as held for trading if:

- If they were acquired mainly to be sold in the near future.
- If they represent a known portfolio of financial instruments managed by the Company and include the actual pattern of a financial instrument that generates profits in the short term.
- If they represent a derivative but not classified or effective as a hedging instrument.

Financial assets measured at fair value through the statement of profit or loss are stated at their fair value, and any gain or loss resulting from the revaluation is recognized in the statement profit or loss.

5-5-1-2-Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets fair valued through other comprehensive income are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in the fair value through other comprehensive income reserves. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to statement of profit or loss and other comprehensive income.

Dividends are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognized on the settlement date. Any change in fair value between trade date and settlement date is recognized in the fair value through other comprehensive income reserves.

5-5-1-3-Financial assets measured at amortized cost

Accounts receivable, including trade and other receivables, Cash and cash at banks are measured at amortized cost using the effective interest method less any impairment loss and charged to the statement profit or loss.

ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

5-MATERIAL ACCOUNTING POLICIES (CONTINUED)

5-5 Financial Instruments (CONTINUED)

5-5-1-3-Financial assets measured at amortized cost (CONTINUED)

Interest income is determined using the effective interest rate, except for short-term receivables when the discount effect is insignificant.

Financial assets held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortized cost. A gain or loss on a debt investment subsequently measured at amortized cost and not part of a hedging relationship is recognized in the statement of profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

5-5-1-4-Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

5-5-1-5-Impairment in the value of financial assets

The Company recognizes an allowance for expected credit losses for all debt instruments not carried at fair value through the statement of comprehensive income.

The provision for expected credit losses is recognized in two stages. For a credit exposure that has not experienced a significant increase in credit risk since initial recognition, ECLs are recognized for the credit risk arising from a potential default within 12 months (12-month expected credit losses). For a credit exposure that has experienced a significant increase in credit risk since the initial recognition, an allowance for expected credit losses must be recognized over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For trade debtors, the Company applies a simplified approach to the calculation of expected credit losses. Therefore, the Company has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for future factors specific to the debtors and the economic environment.

5-5-2-Financial liabilities

Financial liabilities (including loans and trade payables) are recognized initially at fair value less any directly attributable cost. Subsequent to initial recognition these are measured at amortized cost using the effective interest method.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, canceled, or have expired. The difference between the carrying amount of disposed financial liabilities and the amount paid is charged to the statement of profit or loss.

5-5-3-Effective interest rate method

The effective interest method is an accounting practice used for calculating the amortized cost of a debt instrument and for distributing interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received, which form an integral part of the effective interest rate, transaction costs, installments or other discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

5-5-4-Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

5-6 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

**ZAH RAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2024

5- MATERIAL ACCOUNTING POLICIES (CONTINUED)

5-6 Provisions (CONTINUED)

When the obligation relates to long periods, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

5-7 Employees' end- of -service benefits

5-7-1 Short-term benefits obligations

Short-term benefits are those amounts expected to be settled wholly within 12 months at the end of the year in which employees render services that give rise to the benefits.

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves and benefits-in-kind that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

5-7-2 Service benefit obligations

The Company provides end-of-service benefits to its employees under the requirements of the Labor Law in the Kingdom of Saudi Arabia.

The entitlement to these benefits, using actuarial techniques is based upon the employees' basic salary, allowances, and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are recognized over the service period.

Employees' benefit obligation plans are not funded. Accordingly, valuations of the obligations under those plans are carried out by independent actuaries based on the projected unit credit method and the liability is recorded based on an actuarial valuation.

The liability recognized in the statement of financial position with respect to the employees' end-of-service benefits is the present value of the employees' service benefits at the end of the reporting period.

The present value of the employees' end-of-service benefits is determined by discounting the estimated future cash outflows using interest rates of high-quality bonds that have terms of maturity approximating the terms of the end-of-service benefits obligation.

Past-service costs are recognized immediately in the statement of profit or loss.

The finance cost is calculated by applying the discount rate to the balance of the defined benefit obligation. Such a cost is recognized in the statement of profit or loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or included in equity in the statement of other comprehensive income in the year in which they arise.

5-8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, at banks, and investments with original maturities of three months or less that are available to the Company without any restrictions.

5-9 Zakat

Zakat is calculated in accordance with the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia and on an accrual basis.

The Zakat expense is charged to the statement of profit or loss.

The differences, if any, resulting from the final assessments are adjusted in the year when assessments are finalized.

ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

5- MATERIAL ACCOUNTING POLICIES (CONTINUED)

5-10 Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency of the Company at the exchange rates ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

5-11 Statutory reserve

In accordance with the Company's by-laws, the Company must set aside 10% of its annual net income as a statutory reserve until it reaches 30% of the share capital. This reserve is not available for distribution. The reserve allocation is computed on an annual basis.

5-12 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders of the Company, and they are recorded in the financial statements in the period that is approved by the shareholders of the Company.

Interim dividends are recorded in the period that is approved by the Board of Directors.

5-13 Earnings per share

The Company presents basic and diluted earnings per share (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held, if any.

Diluted EPS, if any, is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares.

5-14 Investment properties

Investment property is measured at cost, any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Land is not depreciated.

5-15 Revenue recognition

Type of product	Nature, timing of satisfaction of performance obligation and significant payment terms
Plastic preforms and caps.	Revenue is recognized when customers obtain control of goods when the goods are delivered to customers and have been accepted. Invoices are generated and revenue is recognized at that point in time. Some contracts allow customers to return goods and replace them with other new goods, and no refunds are permitted. Products are sold at discounts based on total sales over a period of 12 months. These sales are recognized based on the price in the contract less the volume of discounts. Invoices are usually payable within the credit period agreed with the customer which may vary from one customer to another. The Company doesn't expect to have any contracts where the period between the transfer of the promised goods to the customers and payment by the customer exceeds one year. As a consequence, the Company doesn't adjust any of the transaction prices for the time value of money.

ZAH RAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

5- MATERIAL ACCOUNTING POLICIES (CONTINUED)

5-15 Revenue recognition (CONTINUED)

The Company recognizes revenue according to IFRS 15, using the following five-step model:

Step 1: Identify the contract with the customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price	The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price	For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Revenue recognition	The Company recognizes revenue (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

5-16 Expenses

Selling and distribution expenses are costs arising from the Company's efforts underlying marketing activities and function.

All other expenses are classified as administrative expenses.

Allocation of common expenses between the cost of sales, selling and distribution and administrative expenses, where required, is done on a reasonable basis with regard to the nature and circumstances of the common expenses.

5-17 Segment reporting

An operating segment is a group of assets and processes that jointly engage in the rendering of products or services subject to risks and rewards that differ from those of other business segments, and which are measured in accordance with the reports used by the executive management.

A geographical segment is a sector associated with providing products or services within a specific economic environment that are exposed to risks and returns that are different from those related to sectors operating in other economic environments.

The disclosures for segment reporting are consistent with information reviewed by the chief operating decision-maker. The company discloses information about the applicable measurement bases, such as the nature and impact of any differences between the measurements used in the information on the reporting sectors and those measurements used.

6- NEW STANDARD AND AMENDMENTS TO STANDARDS, INTERPRETATIONS AND ISSUED STANDARDS THAT HAVE NOT YET BEEN APPLIED

6-1 New Standards, Amendment to Standards and Interpretations:

The Company has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2024:

6.1.1. Amendments to IFRS 16 – Leases on Sale and Leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

**ZAHRAAT AL WAHA FOR TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2024

6-NEW STANDARD AND AMENDMENTS TO STANDARDS, INTERPRETATIONS AND ISSUED STANDARDS THAT HAVE NOT YET BEEN APPLIED (CONTINUED)

6.1.2. Amendments to IAS 1 – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions.

6.1.3. Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows, and exposure to liquidity risk.

The adoption of the above amendments does not have any material impact on the Financial Statements during the year.

6-2 Standards issued but not yet effective

The following are the new standards and amendments to standards that are effective for annual periods beginning on or after 1 January 2025. Earlier application is permitted for certain new standards and amendments; however, the Company has not early adopted them in preparing these Financial Statements. The Company is currently evaluating the impact of the adoption of these standards on the Financial Statements.

6-2-1 Amendments to IAS 27 – Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

6.2.2. Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

These amendments:

- Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environmental, social, and governance (ESG) targets).
- Update disclosures for equity instruments designated at Fair Value Through Other Comprehensive Income (FVOCI).

6.2.3. IFRS 18 – Presentation and Disclosure in Financial Statements

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the statement of profit or loss.
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures).
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- The Company is evaluating the effects of the above standards, amendments and interpretations on the Company's financial statements.

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7. PROPERTY, PLANT AND EQUIPMENT

	<u>Lands</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Motor vehicles</u>	<u>Tools and equipment</u>	<u>Furniture</u>	<u>Computers</u>	<u>Work in Progress (1)</u>	<u>Total</u>
Cost:									
Balance at beginning of the year	34,767,131	36,222,917	321,960,739	3,379,114	330,103	711,436	2,363,471	60,424,999	460,159,910
Additions during the year	-	-	459,856	-	290,596	108,625	199,413	13,028,471	14,086,961
Transfers during the year (3)	-	-	22,651,895	452,756	2,064,173	-	710,523	(28,197,733)	(2,318,386)
Balance at the end of the year	34,767,131	36,222,917	345,072,490	3,831,870	2,684,872	820,061	3,273,407	45,255,737	471,928,485
Accumulated depreciation:									
Balance at beginning of the year	-	7,279,443	215,570,023	2,358,988	272,703	483,823	1,835,885	-	227,800,865
Charge for the year	-	1,153,563	28,286,779	428,494	177,180	71,726	378,420	-	30,496,162
Balance at the end of the year	-	8,433,006	243,856,802	2,787,482	449,883	555,549	2,214,305	-	258,297,027
Net book value:									
On 31 December 2024	34,767,131	27,789,911	101,215,688	1,044,388	2,234,989	264,512	1,059,102	45,255,737	213,631,458
Cost:									
Balance at beginning of the year	34,767,131	35,885,483	298,621,425	3,067,114	325,303	706,936	2,126,592	41,912,281	417,412,265
Additions during the year	-	131,668	948,355	407,000	4,800	4,500	236,879	41,219,497	42,952,699
Disposals during the year	-	-	-	(95,000)	-	-	-	-	(95,000)
Transfers during the year (3)	-	205,766	22,390,959	-	-	-	-	(22,706,779)	(110,054)
Balance at the end of the year	34,767,131	36,222,917	321,960,739	3,379,114	330,103	711,436	2,363,471	60,424,999	460,159,910
Accumulated depreciation:									
Balance at beginning of the year	-	6,196,559	187,714,828	2,140,127	214,894	399,384	1,605,472	-	198,271,254
Charge for the year	-	1,082,894	27,855,195	313,861	57,819	84,439	230,413	-	29,624,611
Disposals during the year	-	-	-	(95,000)	-	-	-	-	(95,000)
Balance at the end of the year	-	7,279,443	215,570,023	2,368,988	272,703	483,823	1,835,885	-	227,800,865
Net book value:									
On 31 December 2023	34,767,131	28,943,474	106,390,716	1,020,126	57,400	227,613	527,586	60,424,999	232,359,045

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7- PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- 1- Work in progress represents the amount paid for the purchase of a production line of injection molds and a printing line. The total projected cost of these projects is SAR 48,002,702, and these projects are expected to be completed during the first quarter of 2025.
- 2- The netbook value of land, buildings and plant is mortgaged against the loans amounting to SAR 70,092,696 (2023: SAR 85,328,918) (Note 17-B) against SDIF loan.
- 3- Transfers from work in progress during the year represent the value of Cap production lines, preform line, injection molds, automatic storage system and injection molds and transferred from work in progress also include an amount of SAR 2,318,385 transferred to intangible assets related to work on computer programs during the year (2023: SAR 110,054 (Note 9).

8- INVESTMENT PROPERTIES

The Company records all investment properties at cost. The investment property consists of plots of land as on 31 December 2024 in Muzahimiyah, with a total area of 12,113 square meters (2023: 12,113 square meters). The carrying amount of the investment property as of 31 December 2024 amounted to SAR 1,674,000 (2023: SAR 1,674,000).

The fair value of the investment property as of 31 December 2024 amounted to SAR 6,827,000 (2023: SAR 6,683,298). The fair value of the real estate investment was determined by an external real estate valuer independent of the Company (Valuer: Shayeg Saleh Alshayeg Valuation Company, license number 1210001415). The fair value of investment properties has been categorized as Level 3 fair value based on the inputs to the valuation method used.

9- INTANGIBLE ASSETS

The movement in intangible assets during the year ended 31 December is as follows:

	31 December 2024	31 December 2023
Cost:		
Balance at beginning of the year	2,311,062	2,172,320
Additions during the year	-	28,688
Transferred from work in progress (note 7)	2,318,386	110,054
Balance at the end of the year	4,629,448	2,311,062
Accumulated amortization:		
Balance at beginning of the year	961,874	713,309
Charge for the year	412,155	248,565
Balance at the end of the year	1,374,029	961,874
Net book value	3,255,419	1,349,188

Intangible assets include computer software acquired by the Company having finite useful lives

10- INVENTORIES

	31 December 2024	31 December 2023
Raw materials and packaging materials	76,638,909	76,570,512
Finished goods	45,218,069	38,698,135
Goods in transit	7,743,243	-
Spare parts, supplies and oils	4,496,304	4,284,661
	134,096,525	119,553,308

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11- INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2024	31 December 2023
Investments in shares of listed companies	13,074,480	14,212,077
Investments in an investment fund	10,591,205	9,138,305
Total investments	23,665,685	23,350,382

During the year 2024, the Company invested in a portfolio of investment shares that are traded in the Saudi Stock Exchange (Tadawul), represented by investing in the equity of a diversified group of Companies.

The portfolio is managed by the Investment Company for Securities and Brokerage - Alistithmar Capital, in accordance with the concluded management contract.

Equity investments are valued at fair value based on the traded prices of shares on the Saudi Stock Exchange (Tadawul). This resulted in a realized gain of SAR 1,529,694 (2023: 653,925) and an unrealized gain that amounted to SAR 212,828 (2023: 4,181,945) and dividends received during the year amounted to SAR 194,619 (2023: 312,246) which were presented in the profit or loss statement. The investment movement for the year ended 31 December is as follows:

	31 December 2024	31 December 2023
Cost of investment at beginning of the year	23,350,382	18,163,446
Additions	17,340,079	14,171,646
Disposals	(18,767,298)	(13,820,580)
Realized gain	1,529,694	653,925
Fair value adjustment	212,828	4,181,945
Balance at the end of the year	23,665,685	23,350,382

12- TRADE RECEIVABLES

	31 December 2024	31 December 2023
Trade receivables	167,384,171	150,197,455
Due from related parties (Note 27)	27,566,266	52,359,361
	194,950,437	202,556,816
Less: Provision for expected credit loss	(30,874,013)	(27,527,809)
	164,076,424	175,029,007

The movement in expected credit loss of trade receivables is as follows:

	31 December 2024	31 December 2023
Balance at beginning of the year	27,527,809	27,497,338
Provision during the year	3,346,204	2,476,521
Written off during the year	-	(2,446,050)
Balance at end of the year	30,874,013	27,527,809

Information on the Company's exposure to credit and market risks including the aging of trade receivables is included in Note 26-2.

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13- PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
Suppliers - debit balances (*)	13,152,391	21,879,525
Advances to suppliers	1,088,618	18,327,236
Prepaid expenses	2,442,843	3,586,980
Value added tax, net	247,868	3,174,149
Others	437,963	356,961
	<u>17,369,683</u>	<u>47,324,851</u>

* This balance represents the value of the discounts due for the year from the main supplier of the Company.

14- CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	22,914	6,564
Cash at bank	5,342,408	6,786,447
	<u>5,365,322</u>	<u>6,793,011</u>

15- SHARE CAPITAL

As of 31 December 2024, the Company's authorized and fully paid-up share capital amounted to SAR 225,000,000 (2023: SAR 225,000,000), divided into 22,500,000 ordinary shares of SAR 10 per share (2023: 22,500,000 ordinary shares of SAR 10 per share).

16- ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2024	31 December 2023
Remunerations and allowances of the Company's Board of Directors and Committees (Note 27)	1,142,000	715,000
Accrued expenses – electricity	902,744	584,748
Accrued bonus	750,000	679,583
Accrued air tickets	647,762	588,410
Leave vacations accruals	596,549	536,206
Accrued expenses – consultations	310,208	349,000
Advances from customers	364,147	196,728
Others	2,949,570	3,017,431
	<u>7,662,980</u>	<u>6,667,106</u>

17- LOANS

a) Short-term loans

	31 December 2024	31 December 2023
Short-term loans (*)	196,294,717	201,430,263

(*) These short-term loans are mainly used to finance the working capital requirements of the Company. The Company did not use these short-term loans to finance capital expansions.

b) Long-term loans

	31 December 2024	31 December 2023
Saudi Industrial Development Fund (SIDF)	28,855,000	51,385,000
	<u>28,855,000</u>	<u>51,385,000</u>
Less: deferred finance cost	(824,595)	(1,893,079)
	<u>28,030,405</u>	<u>49,491,921</u>

Presented in the statement of financial position as follows:

	31 December 2024	31 December 2023
Non-current portion	5,850,000	28,030,406
Current portion	22,180,405	21,461,515
	<u>28,030,405</u>	<u>49,491,921</u>
Total loans	<u>224,325,122</u>	<u>250,922,184</u>

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17- LOANS (CONTINUED)

- (1) The Company has obtained a loan amounting to SAR 12,650,000 from the Saudi Industrial Development Fund dated 13 January 2021. The outstanding balance amounted to SAR 8,855,000 as of 31 December 2024. The loan is repayable in semi-annual installments and is repayable over a period of 5 years, the last payment is due in January 2028.
- (2) The Company has obtained a loan amounting to SAR 40,000,000 from the Saudi Industrial Development Fund dated 27 August 2023. The outstanding balance amounted to SAR 20,000,000 as of 31 December 2024. The loan is to be repaid in equal installments where the first installment will be twelve months from the first disbursement date. Second installment after sixteen months from the first disbursement date. The third installment is due twenty months after the first disbursement date, while the fourth installment is due twenty-four months after the first disbursement date. The first and second installments have already been paid.
- (3) The loan is secured against the lands, as of 31 December 2024, the buildings and machines of the Company's plant with a book value of SAR 70,092,696 (2023: SAR 85,328,918) – Note (7).

c) Total movement in loans

	31 December 2024	31 December 2023
Balance as at beginning of the year	250,922,184	254,121,992
Proceeds from loans during the year	549,713,731	674,522,627
Repayment of loans during the year	(594,186,884)	(693,638,893)
Finance costs during the year	19,994,576	16,689,037
Finance costs (paid) during the year	(2,118,485)	(772,579)
Balance at the end of the year	224,325,122	250,922,184

d) Bank facility agreements

- The Company obtained credit facilities from local banks, long-term and short-term loans, and letters of credit with a financing ceiling of SAR 425,000,000. These facilities were obtained under Murabaha and Tawarruq agreements to finance working capital and some expansions and capital expenditure requirements SAR 20,000,000 to finance public investments, and facilities amounting to SAR 120,000,000 to finance real estate investments. These loans bear financial charges based on prevailing market rates.
- These facilities were obtained under Murabaha and Tawarruq agreements to finance working capital and some expansions, capital expenditure, general and real estate requirements.
- As of 31 December 2024, unused facilities and open letters of credit amounted to SAR 360,036,060 (2023: SAR 65,116,737). The credit facility agreements are secured by promissory notes issued by the Company. The facility agreements include covenants that relate to restrictions on dividends and other things, they require a minimum net value and certain financial ratios that must be maintained accordingly.
- At the beginning of the year, the Company obtained waiver letter from SDIF bank against breach of one of the loan covenants.
- During the year ended 31 December 2024, financing agreements with some local banks were renewed at values amounting to SAR 565,000,000, with the aim of purchasing and importing raw materials, financing working capital financing, capital expansion financing, general and real estate financing. These agreements have been renewed by guaranteeing promissory notes issued by the Company and guaranteed by the company's investment portfolio shares.
- The borrowings include certain covenants. Breach of these covenants in the future may lead to renegotiation. The management monitors covenants monthly, and in the event of a breach expected in the future, the management takes the necessary measures to ensure compliance.
- All the borrowings mentioned above are borrowings that comply with the provisions of Islamic Sharia.

18- EMPLOYEES' END OF SERVICE BENEFITS

The Company calculates employees' end of service benefits according to laws and regulations in Kingdom of Saudi Arabia. Additionally, the Company re-measures the employees' end of service benefits using the projected credit unit method by a qualified actuary.

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18- EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)

In Kingdom of Saudi Arabia, the plan entitles an employee who has completed over two but less than five years of service, to receive a payment equal to one-third of their final salary for each completed year of service. Similarly, an employee who completed over five but less than ten years of service, to receive a payment equal to two-thirds of their final salary for each completed year of service. Further, an employee who completed over ten years of service, to receive a payment equal to their final salary for each completed year of service.

The most recent actuarial valuation of the present value of the end- of -service benefit obligation was carried out on 31 December 2024. During the financial year, no material fluctuations or events affected the actuarial assumptions used to calculate the liability, except for an increase in the discount rate, as described below.

The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method.

The company administers end-of-service benefit plans in accordance with the Saudi Arabian Labor Law. Post-employment benefit plans are not funded

18-1 Movement in employees' benefits obligation

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability:

	31 December 2024	31 December 2023
Balance at the beginning of the year	2,697,157	2,243,626
Included in the statement of profit or loss		
Current service cost during the year	445,237	419,334
Finance cost during the year	151,025	123,390
Paid during the year	(56,359)	(131,765)
	539,903	410,959
Included in other comprehensive income		
(Gains)/Losses of actuarial revaluation	(67,217)	42,572
Balance at the end of the year	3,169,843	2,697,157

18-2 Actuarial assumptions

The principal actuarial assumptions at the reporting date (expressed as a weighted average) are as follows:

	31 December 2024	31 December 2023
Discount rate	5.65%	5.20%
Future salary growth	5.00%	5.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

	31 December 2024	31 December 2023
Average age	33.87	36.28

At 31 December, the weighted-average duration of the defined benefit obligation was as follows:

	31 December 2024	31 December 2023
Weighted-average duration (in years)	3.54	5.09

18-3 Sensitivity analysis

Reasonably possible changes in the reporting date of one of the actuarial assumptions relevant to the assumption that other assumptions remain unchanged may affect the defined benefit obligations amount as follows:

	31 December 2024		31 December 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	(2,908,310)	3,475,008	(2,452,858)	2,984,697
Future Salary Growth Rate (1% change)	3,473,919	(2,904,469)	2,982,342	(2,450,259)
Mortality Rate (20%)	(3,169,611)	(3,170,075)	(2,696,716)	(2,697,598)

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18- EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)

The balance represents the re-measurement of employees' benefits resulting from the actuarial report, the balance as of 31 December 2024 SAR 501,564 (2023: SAR 434,347).

19- ZAKAT PROVISION

- The Company filed the Zakat declaration for the year 2023, the Zakat payable has been paid based on this declaration. A Zakat certificate was issued for the year 2023, and it is valid until 30 April 2025.
- Zakat's declarations were filed for the years from 2012 to 2023, these years have been assessed by the Zakat, Tax and Custom Authority (ZATCA) and closed.

19-1 Zakat provision for the current year is calculated as follows:

	31 December 2024	31 December 2023
Equity, opening provisions and other Adjustments	369,125,755	384,846,193
Book value for long term assets	(299,696,090)	(235,382,233)
Total	69,429,665	149,463,960
Zakat base	69,429,665	149,463,960

19-2 The movement in Zakat provision during the year was as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	7,167,200	6,896,035
Provided during the year	3,173,345	3,736,599
Paid during the year	(8,594,683)	(3,465,434)
Balance at the end of the year	1,745,862	7,167,200

20- COST OF SALES

	For the year ended 31 December	
	2024	2023
Raw material cost	418,349,830	436,117,290
Depreciation and amortization (Note 7 and 9)	29,180,089	28,646,950
Electricity	16,447,561	15,978,327
Salaries and related costs	12,240,111	11,652,017
Others	7,859,691	9,648,874
	484,077,282	502,043,458

21- SELLING AND DISTRIBUTION EXPENSES

	For the year ended 31 December	
	2024	2023
Transportation expenses	12,936,891	10,444,579
Salaries and wages	901,540	798,380
Selling commissions	246,571	136,000
Depreciation (Note 7)	27,550	30,992
Customers Rebate	1,083,026	-
Other expenses	591,873	567,497
	15,787,451	11,977,448

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22- GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December	
	2024	2023
Salaries and wages	4,991,404	3,652,770
Professional and consultancy fees	1,169,759	1,327,524
Defective goods	843,618	840,157
Remunerations and allowances of the Company's Board of Directors and Committees	733,000	707,000
Depreciation and amortization (Note 7 and 8)	383,189	391,906
Other expenses	1,653,953	1,545,857
	9,774,923	8,465,214

23- DIVIDEND PAYABLE

The extraordinary general assembly approved to distribute cash dividends amounting to SAR 30,375,000 for the financial year 2023 representing SAR 1.35 per share in their meeting dated 03 June 2024 (corresponding to 26 Dul-Qaeda 1445) based on the recommendation of the Company's Board of Directors meeting dated 28 February 2024, (corresponding to 18 Shaban 1445). Dividends are due to the shareholders who own shares at the end of trading on the day of the assembly meeting and who are registered in the Company's shareholders' register with the Depository Center Company at the end of the second trading day following the due date. Dividends were paid in full on 12 June 2024, noting that there is a balance remaining from the distributions of previous years whose beneficiaries have not yet applied for collection, in the amount of SAR162,654.

24- CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND OTHER LIABILITIES

Contingent liabilities are disclosed when an obligation exists that will be confirmed only by future events or when the obligation cannot be reliably measured. Contingent assets are not recognized but are disclosed when an outflow of economic benefits is probable.

As of 31 December, 2024, contingent liabilities related to letters of credit amounted to SAR 6,558,348 (2023: SAR 35,161,208).

As of 31 December 2024, the capital commitments related to work in progress amounted to SAR 2,746,964 representing mainly in contracting for a new production line (2023: SAR 8,807,068).

The Company has commitments to the full value of the promissory notes with the full value of the loans granted to the Company.

25- EARNINGS PER SHARE

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing income for the year attributable to the Company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	31 December 2024	31 December 2023
Profit for the year	12,077,393	33,873,193
No. of shares		
Weighted average number of shares (Note 15)	22,500,000	22,500,000
Basic and diluted earnings per share (SAR)	0.54	1.51

The diluted earnings per share are the same as the basic earnings per share as the Company has no diluted instruments.

26- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their best economic interest.

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**26- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES
(CONTINUED)**

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The table below shows the carrying values and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include fair value information on financial assets and financial liabilities that are not measured at fair value if the carrying amount is reasonably close to the fair value.

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26-FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (CONTINUED)

	31 December 2024				
	Fair value	Book value Amortized cost	Total	Fair value	
				Level 1	Level 2
Financial assets					
Trade receivables	-	164,076,424	164,076,424	-	-
Cash and cash equivalents	-	5,365,322	5,365,322	-	-
Investments at FVTPL	23,665,685	-	23,665,685	23,665,685	-
Suppliers - debit balances (Note 13)	-	13,152,391	13,152,391	-	-
Total	23,665,685	182,594,137	206,259,822	23,665,685	-
Financial liabilities					
Short-term loans	-	196,294,717	196,294,717	-	-
Long-term loans	-	28,030,405	28,030,405	-	-
Trade payables	-	28,203,047	28,203,047	-	-
Total	-	252,528,169	252,528,169	-	-

31 December 2023

	Book value				
	Fair value	Amortized cost	Total	Fair value	
				Level 1	Level 2
Financial assets					
Trade receivables	-	175,029,007	175,029,007	-	-
Cash and cash equivalents	-	6,793,011	6,793,011	-	-
Investments at FVTPL	23,350,382	-	23,350,382	23,350,382	-
Suppliers - debit balances (Note 13)	-	21,879,525	21,879,525	-	-
Total	23,350,382	203,701,543	227,051,925	23,350,382	-
Financial liabilities					
Short-term Loans	-	201,430,263	201,430,263	-	-
Long-term Loans	-	49,491,921	49,491,921	-	-
Trade payables	-	23,721,093	23,721,093	-	-
Total	-	274,643,277	274,643,277	-	-

The Company is exposed to the following risks arising from financial instruments:

- credit risk.
- Liquidity risk
- Market risk

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**26- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES
(CONTINUED)**

26-1 Risk management framework

Board of Directors

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Audit Committee

The Company's Audit Committee assesses how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risks faced by the Company and the way these risks are mitigated by management are summarized below:

26-2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The fair value of financial assets represents the maximum credit exposure.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and the country in which customers operate.

The Board of Directors established a credit policy according to which each new customer is evaluated individually for creditworthiness before contracting him and accepting him as a customer with the Company.

The Company's review includes external ratings, if they are available, and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 120 days per year for customers.

The Company has an allowance for impairment that represents the best estimate of expected credit losses with respect to trade receivables (Note 12).

Assets amounting to SAR 215,305,458 (2023: SAR 234,033,045) of total assets amounting to SAR 563,134,516 (2023: SAR 607,432,792) are subject to credit risk.

The significant concentrations of the Company's risks by sector and geographical region are assessed in Notes 26-2 and 28-2.

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26- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES
(CONTINUED)

26-2 Credit risk (Continued)

	31 December 2024	31 December 2023
Trade receivables	167,384,171	150,197,455
Cash at bank	5,342,408	6,786,447
Investments at FVTPL	23,665,685	23,350,382
Suppliers - debit balances (Note 13)	13,152,391	21,879,525
	209,544,655	202,213,809

As of 31 December 2024, the trade receivables balances include a balance of SAR 44,276,091 (2023: SAR 41,667,929) for two of the largest Company's customers.

As of 31 December, the ageing analysis of trade receivables was as follows:

	31 December 2024	31 December 2023
Current (not past due)	84,424,038	87,833,561
1-90 days	50,079,567	42,262,775
91-180 days	26,196,186	21,318,852
181-270 days	10,045,682	12,283,689
271-360 days	3,415,643	9,969,679
More than 360 days	20,789,321	28,888,260
Balance at the end of the year	194,950,437	202,556,816

Management believes that the amounts that have not been impaired and that are past due for more than 90 days are still fully collectible based on the previous payment behavior and comprehensive analysis of the customer's credit risk, including the customer's underlying credit ratings, if available.

The Company establishes a provision for all balances past due for more than 360 days (2023: 360 days). As of 31 December 2024, the expected credit losses on trade receivable amounted to SAR 30,874,013 (Note 12) (2023: SAR 27,527,809).

As of 31 December 2024, the Company maintains cash and cash equivalents of SAR 5,365,322 (2023: SAR 6,793,011) with banks having good credit ratings.

26-3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount more than expected cash outflows on financial liabilities (other than trade payables) over the next 90 days.

The Company has unused bank facilities and open letters of credit amounted to SAR 360,036,060 (2023: SAR 65,116,737) as at the date of the statement of financial position to meet liquidity requirements (Note 17-d).

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26- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (CONTINUED)

The following is an analysis of the undiscounted contractual maturities of the Company's financial liabilities as at 31 December.

	31 December 2024			Accrued interests for future periods	Total contractual agreements	Carrying amount
	Less than one year	From one year to 3 years	More than 3 years			
Non-derivative financial liabilities						
Loans	218,475,122	4,680,000	1,170,000	3,500,831	227,825,953	224,325,122
Trade payables	28,203,047	-	-	-	28,203,047	28,203,047
	<u>246,678,179</u>	<u>4,680,000</u>	<u>1,170,000</u>	<u>3,500,831</u>	<u>256,029,000</u>	<u>252,528,169</u>
	31 December 2023			Accrued interests for future periods	Total contractual agreements	Carrying amount
	Less than one year	From one year to 3 years	More than 3 years			
Non-derivative financial liabilities						
Loans	222,891,779	24,520,405	3,510,000	4,720,988	255,643,172	250,922,184
Trade payables	23,721,093	-	-	-	23,721,093	23,721,093
	<u>246,612,872</u>	<u>24,520,405</u>	<u>3,510,000</u>	<u>4,720,988</u>	<u>279,364,265</u>	<u>274,643,277</u>

The Company has no significant liquidity risks.

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26- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES
(CONTINUED)

26-4 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates, and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

Market risk comprises three types of risk: currency risk, interest rate risk, and capital management risk.

26-4-1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to fluctuations in foreign exchange rates.

The Company is not exposed to fluctuations in foreign exchange rates during the normal course of business, since most of the company's core transactions are conducted in SAR and US dollars.

Since the Saudi Riyal is pegged against the US Dollar, there are no significant risks associated with transactions and balances denominated in US Dollars.

26-4-2 Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long-term borrowings. Borrowings approved at variable interest rates expose the Company to interest rate risk on cash flows.

		Increase/decrease in base points related to commission rates	Effect on income of the year
31 December 2024	SAR	+100	(2,466,782)
	SAR	-100	2,466,782
31 December 2023	SAR	+100	(2,509,222)
	SAR	-100	2,509,222

26-4-3 Capital management

The Board of Directors' policy is to maintain a sufficient capital base to maintain investors, creditors, and market confidence and to sustain the future development of the business.

The Board of Directors monitors the capital based on the debt ratio.

This ratio is calculated based on (adjusted net debt) divided by (adjusted equity and adjusted net debt).

Net debt is calculated as total borrowings (including "short and long term" bank borrowings as shown in the statement of financial position) less cash and cash equivalents.

Adjusted equity is calculated as "equity" as described in the statement of financial position plus adjusted net debt.

The Company's strategy was to keep the adjusted debt-to-equity ratio adjusted to moderate limits. The debt ratios on 31 December were as follows:

	31 December 2024	31 December 2023
Total loans	224,325,122	250,922,184
Less: Cash and cash equivalents	(5,365,322)	(6,793,011)
Adjusted net debt (a)	218,959,800	244,129,173
Total equity	297,865,008	316,095,398
Adjusted equity and net debt (b)	516,824,808	560,224,571
Adjusted debt ratio from adjusted equity (a) / (b)	%42	44%

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**26- FINANCIAL INSTRUMENTS – ACCOUNTING CLASSIFICATIONS AND FAIR VALUES
(CONTINUED)**

When managing the capital, the Company aims to protect the Company's ability to continue as a going concern as it can continue to provide returns to shareholders and other stakeholders.

The Company manages capital structure in the context of economic circumstances and the characteristics of the risks of principal assets. In order to maintain or adjust capital structure, the Company may adjust the dividends paid for shareholders and issue new shares.

27- RELATED PARTY BALANCES AND TRANSACTIONS

In the ordinary course of its activities, the Company transacts business with related parties including companies owned by some shareholders, the Board of Directors, and key management personnel of the Company.

Related party transactions entered during the year and related balances as included in the statement of financial position in the selling of finished products represented in preforms, plastic sheets of different sizes and weights, printed materials (labels), and packaging materials (shrink and stretch film). selling and buying raw materials, colors, and packaging with Hana Food Industries Company (Sister Company). The following are the transactions and balances of related parties:

	For the year ended 31 December	
	2024	2023
Transactions:		
Net Transaction with Hana Food Industries Company (Net sales including VAT)	28,762,287	31,554,926
Purchases of goods from Hana Food Industries Company	50,400	-
Annual salaries, allowances, and remuneration for Key Management Personnel	3,431,583	3,114,866
Allowance to attend the meeting of the Company's Board of Directors and Committees (Note 22)	176,000	192,000
Board of Director's remunerations (Note 22)	130,000	530,000
Balances		
Due from related parties included in trade receivables Hana Food Industries Company (Note 12)	27,566,266	52,359,361
Expected credit loss balance in trade receivables of Hana Food Industries Company	1,311,997	9,994,560
Key Management Personnel included in other receivables	319,485	95,924
Key Management Personnel End-of-Service Benefits	1,596,222	1,203,010
Allowance to attend meetings of the Company's Board of Directors and Committees included under accrued expense (Note 16)	332,000	185,000
Board of Directors remuneration included under accrued expenses (Note 16)	810,000	530,000

28- SEGMENT INFORMATION

28-1 Basis for segmentation

The Company has the following strategic sectors, which are its operational sectors. These sectors offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reporting segment.

Industry Group	Nature of segment's businesses
Plastic bottles preform	The principal activity includes manufacturing and selling plastic preforms.
Plastic caps	The principal activity includes manufacturing and selling plastic caps.

The Company's Chief Executive Officer reviews the internal management reports of each department periodically.

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28- SEGMENT INFORMATION (CONTINUED)

28-2 Information about reporting segments

Information related to each reportable segment is set out below.

	Segment reporting		
	Plastic bottles preform segment	Plastic caps segment	Total
For the year ended 31 December 2024			
Sales	445,319,940	99,368,080	544,688,020
Cost of sales	(408,871,068)	(75,206,214)	(484,077,282)
Gross profit	36,448,872	24,161,866	60,610,738
Other income	1,299,866	306,147	1,606,013
Selling and distribution expenses	(11,429,264)	(4,358,187)	(15,787,451)
General and administrative expenses	(8,223,227)	(1,551,696)	(9,774,923)
Expected credit losses on trade receivables	(2,869,432)	(476,772)	(3,346,204)
Operating profit	15,226,815	18,081,358	33,308,173
Finance costs	(16,820,515)	(3,174,061)	(19,994,576)
Income before Zakat	(1,593,700)	14,907,297	13,313,597
As at end of the year			
Segments Net assets	72,974,818	28,240,864	101,215,682
For the year ended 31 December 2023			
Sales	477,670,821	94,819,196	572,490,017
Cost of sales	(431,825,591)	(70,217,867)	(502,043,458)
Gross profit	45,845,230	24,601,329	70,446,559
Other income	1,335,136	288,201	1,623,337
Selling and distribution expenses	(8,817,605)	(3,159,843)	(11,977,448)
General and administrative expenses	(7,260,462)	(1,204,752)	(8,465,214)
Expected credit losses on trade receivables	(2,075,076)	(401,445)	(2,476,521)
Operating profit	29,027,223	20,123,490	49,150,713
Finance costs	(14,310,092)	(2,378,945)	(16,689,037)
Income before Zakat	14,717,131	17,744,545	32,461,676
As at end of the year			
Segments net assets	73,156,400	33,234,284	106,390,684

Segment profit (loss) before Zakat is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries:

The Company's sales in the local market and export sales are allocated as follows:

Revenue for the year ended	Local sales	Export sales	Total sales
31 December 2024	462,349,180	82,338,840	544,688,020
31 December 2023	455,850,114	116,639,903	572,490,017

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28- SEGMENT INFORMATION (CONTINUED)

Export sales are as follows:

	For the year ended 31 December	
	2024	2023
Yemen	72,798,208	104,167,974
Jordan	3,810,790	2,767,184
Bahrain	1,672,544	2,359,031
Kuwait	1,569,260	1,296,680
Oman	1,374,706	3,778,708
Sudan	455,119	2,005,909
Emirates	399,474	-
Qatar	191,400	-
Lebanon	67,339	264,417
Total export sales	82,338,840	116,639,903

The balances of the company's clients are distributed in the local and export markets as follows:

Accounts receivables balance for the year ended	local receivables	Export receivables	Total
31 December 2024	159,526,693	35,423,744	194,950,437
31 December 2023	162,978,280	39,578,536	202,556,816

As of 31 December 2024, sales of the main two customers of the Company represent 34.2% in the amount of SAR 186,329,006 (2023: 37.7% in the amount of SAR 216,028,872).

28-3 The main customer and supplier

As of 31 December 2024, the balances of local customers amounted to SAR 159,526,693 (2023: SAR 162,978,280), and the balances of export customers as of 31 December 2024 amounted to SAR 35,423,744 (2023: SAR 39,578,536).

As of 31 December 2024, purchases from the major supplier of the Company represent 80.62% amounting to SAR 355,803,279 (31 December 2022: 80.97% amounting to SAR 399,646,284) of the Company's total purchases.

29- CASH FLOW INFORMATION

29.1- Non-cash investing and financing transactions

Transfer from work in progress to Property, plant, and equipment (refer note 7)

Actuarial gain on employees' end of service benefits (refer note-8)

Transfer from work in progress to intangible assets (refer note 9)

29.2 Change in liabilities arising from financing activities

31 December 2024	Balance at the beginning of the year	Cash outflows	Cash inflow	Others	Balance at the end of the year
Loans	250,922,184	(594,186,884)	549,713,731	17,876,091	224,325,122
31 December 2023	Balance at the beginning of the year	Cash outflows	Cash inflow	Others	Balance at the end of the year
Loans	254,121,992	(693,638,893)	674,522,627	15,916,458	250,922,184

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30- FEES FOR AUDIT AND PROFESSIONAL CONSULTING

The Fees for Audit and Professional Consulting are as follows:

	For the year ended 31 December	
	2024	2023
- Audit and review fees of financial statements - RSM Allied Accountants for Professional Consulting.	465,000	-
- Audit and review fees of financial statements - Dr. Mohammed Al-Amri & Co. BDO.	-	515,000
- Annual declaration fees for the Zakat, Tax and Customs Authority - Dr. Mohammed Al-Amri & Co. BDO.	-	15,000
- Annual declaration fees for the Zakat, Tax and Customs Authority - Ernst & Young Professional Services.	35,000	-
- Interest disclosure report fees under Article 71 of the Companies Law - Dr. Mohammed Al-Amri & Co. BDO.	-	35,000
- Interest disclosure report fees under Article 71 of Companies Law - RSM Allied Accountants for Professional Consulting.	15,000	-
- Fees for a report and procedures related to bad accounts receivable for the Zakat, Tax and Customs Authority - Dr. Mohammed Al-Amri & Co. BDO.	40,000	-
- Professional and advisory services fees for the Zakat, Tax and Customs Authority's examination - Ernst & Young Professional Services.	37,000	194,075
- Fees for preparing a report on expected credit losses in trade receivables - KPMG Professional Services.	45,000	-
	637,000	759,075

31 -SUBSEQUENT EVENTS

Management believes that there are no significant subsequent events after the date of the financial statements and prior to the issuance of these statements that require their amendment or disclosure.

32- APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuance by the Board of Directors on 19 Ramadan 1446H (corresponding to 19 March 2025).



شركة زهرة الواحة للتجارة
Zahrat Al Waha for Trading Company

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