



Annual Report of the Board of Directors
Abdullah Al-Othaim Markets Co.
To Shareholders of Abdullah Al-Othaim Markets Co.
For the financial year ending on 31/12/2019G

To: M/S Shareholders of Abdullah Al-Othaim Markets Co.

Dears,

The Board of Directors of Abdullah Al-Othaim Markets Company has the honor to present its Annual Report for the fiscal year ended December 31, 2019, which includes a comprehensive summary of the of the company's activities & its progress, operational and financial performance, and also its strategic directions and some analysis, performance indicators, and programs in the field of social responsibility and human resources activities in pursuit of the company to achieve sustainable growth and profitable rates, and strengthening the company's leadership based on its vision & mission to provide high quality products at competitive prices within the reach of everyone.

In recognition of the importance of transparency, and in line with the valid regulations issued by the concerned authorities, the Board of directors is keen hard to enhance the company's practice to comply with corporate governance regulations issued by Capital Market Authority (CMA) and relevant regulations to the company activity and the requirements of disclosure and transparency.

Board of Directors

Firstly: The applied provisions of the Companies Governance Regulation, the unapplied provisions and the underlying reasons:

The provisions of the Corporate Governance Regulations issued by the Capital Market Authority have been applied except:

Article/Clause No.	Clause Status	Article/Clause Provision	Reasons of Non-compliance
Article (20) Clause (C-10)	Mandatory	Among matters that is inconsistent with independence, having the board member remains in office for nine consecutive or interrupted years in the board.	Based on the authority resolution No. (1-35-2018 A.D) this shall apply for the board cycles after 01/01/2019 A.D, the present cycle of the board had started before this date, therefore this clause is not applicable.
Article (39)	Indicative	Qualifying and training directors of the board and executive management and set up the necessary programs.	The company has not yet defined programs up till now and it is under progress.
Article (41) Clause (E)	Indicative	The Board of Directors shall take the necessary arrangements to get the assessment of the Board's performance from external competent authority each three years.	The performance assessment was not obtained from external authority and it is under progress.
Article (70)	Indicative	Formation by a decision of the Board of Directors of the company a committee called the Risk Management Committee.	The board has issued resolution that risk management will be affiliate to internal audit department as independent department, and it is finally affiliate to audit committee until risk management is composed.
Article (85)	Indicative	The company sets programs to develop and motivate the partnership and performance of workers in the company.	No Development programs has been set and is still under study.
Article (87)	Indicative	The ordinary General Assembly, based on the proposal of the Board of Directors, put a policy which integrates balance between its goals and the goals aspired by community to meet with the purpose of developing social and economic positions of community.	No policy has been proposed and is still under study.
Article (88) Clause (1)	Indicative	Set measurement indicators to link the company's performance with the initiatives in social work it provides and comparing this to the other companies of similar activity.	No indicators have been set and is still under study.
Article (88) Clause (4)	Indicative	Set community awareness programs to highlight social responsibility of the company.	No awareness programs have been set and are still under study.
Article (95)	Indicative	Forming a committee concerned with companies' governance.	No independent governance committee has been formed yet and is still under study and consideration.

Secondly: Names of Board of Directors, Committees, Executive Department, their Current and Previous Positions, Qualifications, and Experiences:

1) Members of Board:

S	Name of Member	Current Positions	Previous Positions	Qualifications	Experiences
1.	Abdullah Saleh Ali Al Othaim	Chairman of the Board of Directors, Member of the Remuneration and Nominations Committee of the Company /Director of Al Othaim Holding Company /Chairman of Othaim Markets Egypt/Member of the Board of Directors in each of The "of Arab Union for Real Estate Development/ Saudi Credit Bank/ Charitable Society for Orphan Care"/Founding Member of the Board of Directors of King Salman Charitable Housing Project/Member of King Salman Center for Disability Research.	Chairman of the Committee of Rewards and Nominations of the Company/Chairman of the Board of Directors in each of The "Abdullah Al Othaim for Investment/The Chamber of Commerce in Qassim" /Member of the Board of Directors of in each of The "Saudi Organization for Industrial Estates and Technology Zones/Charitable Association for combat smoking"/Founding Member of the Board of Directors of Weqaya Association for Drug Control/Member of King Abdul Aziz and His Companions Foundation for the Care of Gifted/Chairman of the committee Friends of the Red Crescent.	Intermediary Stage.	Accumulated experience in wholesale and retail trade, activity of contracting, real estate investment activity, recreational activity, experience in management, planning and business.
2.	Bandar Nasser Hamad Al Tamimi	Member of the Board of Directors and Member of the Audit Committee and Remuneration and Nominations Committee of the Company/Directorate General Manager of HR at the General Organization of Social Insurance.	He assumed a number of positions in the field of human capital management the past in GOSI including (Directorate Manager of Training and Development/Directorate Manager of Planning and Developing HR) member in many committees in the business.	M.A. in HR from USA /Bachelor of Business Administration from KSU/He obtained many training certificates.	15+ years of experience in HR field and consultancies towards developing and investing human capital, public relations and personnel.
3.	Saleh Mohammed Saleh Al Othaim	Member of Board of Directors and member of the Audit Committee of the Company /Member of Board of Directors Dani Business company/Member of the Audit Committee in each of The "Dani Business/ infrastructure"/ Manager at each of the "Alternative investment/Dar Al-Khayoul Contracting-	Member of Board of Directors in each of The "Amanah for Cooperative Insurance/La Zurde jewelry" /Manager of Companies Funding in the Gulf Investments Company/Systems analysis in Proctor & Gamble Company/Member remunerations and nomination in Dar Alwedian Real Estate Co/Financial manager of Alothaim Holding Co.	M.A. in investment administration from City University in London/Bachelor of Business Administration (Specialty of Administration and Information Systems and marketing)with Honors from North Eastern University in Boston in USA.	Multiple experiences in the processes of investments administration, financial affairs, accounting, corporate finance, and information technology.
4.	Abdullah Ali Abdullah Al Debeikhy	Member of Board of Directors and the chairman of the Remuneration and Nominations Committee of the Company/Member of Board of Directors in each of The "Al Eisa Industry civil Aviation Holding Co./Mulkia investment/International Tanker Owners Federation/Abu Dhabi Maritime Academy/International Maritime Industries/Petredec Limited/Bahri Chemicals/Bahri Bolloré Logistics/Bunge/Bahri Ship Management/National Maritime Academy"/ /Executive Chairman of National Saudi Company for Marine Transportation/Member of the nomination committee in AlEisa Industries/Member of Audit committee in the Civil Aviation Holding Co.	Executive Chairman in each of The "Afawf for Investments Company/ Awal Net Company/ The Saudi Company of Agricultural Investment and Animal Production (Salek)/ Dawalej Technology Company"/Member of Board of Directors in each of The "Safola food Foods Co./ The Company of Supporting Real Estate Investment/United Farmers Holding Co./Al Khair Bank/3G Limited/SALIC Canada Ltd/SALIC UK/Minerva Foods/ Continental Farmer Group"/Manager in Maqasem in Saudi Telecommunications/Project manager in the Lending Department in the Saudi Industrial Development Fund.	M.A. in Business Administration from Oxford University in Britain/B.A. in Electrical Engineering Sciences from King Fahd for Petroleum and Minerals in the Kingdom of Saudi Arabia.	Experiences and specialized courses in management of projects, investments, middle management, leadership and top management.
5.	Abdulsalam Saleh Abdulaziz Al Rajhi	Member of Board of Directors/Chairman Al Rajhi	General Manager and Deputy Chairman of the Board of	M.A. in Executive Business	Accumulated experiences in top

		Real Estate and Industrial Company for Growth and Commercial Investment/Partner and Member of the Supervisory Board in the Saleh Abdel Aziz Al Rajhi Company & Co. Ltd. Owner and General Manager of Abdul Salam Al Rajhi Trading Company/Secretary General and Member of Supervisory Board to manage the endowments of Saleh Abdel Aziz Al Rajhi/Chairman of Prisoners Care Committee in Riyadh Region.	Directors of Al Rajhi Company for Travelling, Tourism, & Services of Air Shipping (1994A.D.-2000A.D.)/Member of Board of Directors of the Financial Brokerage Company (2006/2014A.D.).	Administration from Faculty of Economics and Administration from King Abdul Aziz University in KSA/Bachelor of Business Administration-Marketing specialty from Faculty of Economics and Administration from King Abdul Aziz University in KSA/Intermediate University Degree in Computer Information Systems from the faculty of North Hampton Pennsylvania in USA.	management and planning in addition to practicing free business in the fields of real estate, industry, investment, agriculture, travelling, tourism, and shipping, in addition to diverse experience in managing non-profits associations.
6.	Abdulaziz Saleh Abdullah Al Rebdi	Member of Board of Directors and chairman Audit committee of the Company/Member of Board of Directors in each of The "Abdul Muhsin Al Hukair Group for Tourism and Development/Al Obaikan Glass" /CEO of ASR Consulting office/Member of the Audit committee of Abdul Muhsin Al Hukair Group for Tourism and Development/Member of Remunerations and Nomination Committee of Abdul Muhsin Al Hukair Group for Tourism and Development /Member of the Executive Committee of Obaikan Glass Co/Member of the Investment Committee each of The " Saudi Company for Agricultural Investment and Animal Production (Salek)/Saudi recycling".	CEO in the National Company of Agricultural Development (Nadec)/General Manager of La zurde Industrial Investment Group/Member of Board of Directors in each of The "Al Hammady Investment and Development Company/ Takween Advanced" /Manager of the Department of Projects Management in the Saudi Industrial Development Fund.	Bachelor of Science in the Industrial Management from King Fahd University for Petroleum and Minerals in Dhaharan in KSA.	An accumulated experience in top management and financial and industrial consulting services at the level of KSA and GCC/Founding manager of Consulting ASR and occupied many leading positions.
7.	Fahad Abdullah Saleh Al Othaim	Deputy Chairman of the Board of Directors and Member of Audit Committee and Member of the Remuneration and Nominations Committee of the Company/ Chairman of the Board of Directors in the Company of Abdullah Al Othaim for Investment /Member of the Board of Directors in each of the "Bidaya Home Finance/Saudi Kuwait Finance House"/Member of the Board of Directors of Ejmal Co./Member of Remunerations and Nomination Committee of Bidaya Home Finance Co.	Department Manager of developing real estate investment and deputy executive chairman of the sector of commercial complexes in Al Othaim Commercial Company Ltd/Deputy Board of Directors in the Company of Abdullah Al Othaim for Investment.	B.A. in Business Administration, marketing with honor from King Saud University in the Kingdom of Saudi Arabia.	Accumulated experience in the field of retail and companies of contracting, construction, real estate development and companies working in the entertainment sector.
8.	Abdulaziz Abdullah Saleh Al Othaim	Member of Board of Directors and CEO of the Company/Member of Board of Directors and CEO of Al Othaim Markets Egypt/Deputy Chairman of the Board of Directors of Riyadh Company of Food Industries/Chairman of Board of Directors of Mueen Human Resources Company/Chairman of the	Acting CEO /President of Retail sector and commercial work Dept. of the company/General manager of the company commercial affairs.	B.A. in Business Administration with honors Suffolk Massachusetts in America.	Accumulate experience in the field of retail business, operations of leadership and commanding, and management of business.

Board of Directors of the Seven Services Company (Speedi)/Member of Board of Directors in each of The "Al Wousta for Foods Services/ South Europe/Othaim Holding/ Kaf'aa investment".

2) Members of Audit Committee:

S	Name of Member	Current Positions	Previous Positions	Qualifications	Experiences
1.	Abdulaziz Saleh Abdullah Al Rebdi	Member of Board of Directors and chairman Auditing committee of the Company/Member of Board of Directors in each of The "Abdul Muhsin Al Hukair Group for Tourism and Development/Al Obaikan Glass"/ /CEO of ASR Consulting office/Member of the Audit committee of Abdul Muhsin Al Hukair Group for Tourism and Development/Member of Remunerations and Nomination Committee of Abdul Muhsin Al Hukair Group for Tourism and Development /Member of the Executive Committee of Obaikan Glass Co/Member of the Investment Committee each of The "Saudi Company for Agricultural Investment and Animal Production (Salek)/Saudi recycling.	CEO in the National Company of Agricultural Development (Nadec)/General Manager of La zurde Industrial Investment Group/Member of Board of Directors in each of The "Al Hammady Investment and Development Company/ Takween Advanced" /Manager of the Department of Projects Management in the Saudi Industrial Development Fund.	Bachelor of Science in the Industrial Management from King Fahd University for Petroleum and Minerals in Dhaharan in KSA.	An accumulated experience in top management and financial and industrial consulting services at the level of KSA and GCC/Founding manager of Consulting ASR and occupied many leading positions.
2.	Bandar Nasser Hamad Al Tamimi	Member of the Board of Directors and Member of the Audit Committee and Remuneration and Nominations Committee of the Company/Directorate General Manager of HR at the General Organization of Social Insurance.	He assumed a number of positions in the field of human capital management the past in GOSI including (Directorate Manager of Training and Development/Directorate Manager of Planning and Developing HR) member in many committees in the business.	M.A. in HR from USA /Bachelor of Business Administration from KSU/He obtained many training certificates.	15+ years of experience in HR field and consultancies towards developing and investing human capital, public relations and personnel.
3.	Saleh Mohammed Saleh Al Othaim	Member of Board of Directors and member of the Audit Committee of the Company /Member of Board of Directors Dani Business company/Member of the Auditing Committee in each of The "Dani Business/ infrastructure"/ Manager at each of the "Alternative investment/Dar Al-Khayoul Contracting	Member of Board of Directors in each of The "Amanah for Cooperative Insurance/La Zurde jewelry"/ /Manager of Companies Funding in the Gulf Investments Company/Systems analysis in Proctor & Gamble Company/Member remunerations and nomination in Dar Alwedian Real Estate Co/Financial manager of Alothaim Holding Co.	M.A. in investment administration from City University in London/Bachelor of Business Administration (Specialty of Administration and Information Systems and marketing)with Honors from North Eastern University in Boston in USA.	Multiple experiences in the processes of investments administration, financial affairs, accounting, corporate finance, and information technology.
4.	Abdullah Abdulrahman Mohammed Al Rebdi	/Member of the Audit Committee of the Company/Member of Board of Directors in each of The "Care International/Allied Cooperative Insurance Group (ACIG)".	CEO in each of The "Care International/Al Othaim Holding"/Deputy CEO of Saudi Scope Economic Consultation Co./Member of Audit Committee in Aloula Geojit Capital Co./General Manager of the Saudi Paper Co.(SPG)/Chairman of the Investment Portfolio in Middle East Capital	Master Degree in International Management, Salford University, Manchester UK/ Post Graduate Diploma of Administrative Studies, Cuberia University , Lancheater -UK / CME-1 from Capital Market Authority , Riyadh/ Diploma of Electronics Engineering, College of	Diversified experience of more than (20) years in Financial management, setting strategies, business plans and performance indicators; leadership and team building; public relations and business development.

			Investment Co. Analyst/Researcher, Portfolio Manager of the Arabian National Investment Co./Speculator & Circulator in currency & Metal Markets and Capital Markets in Arab National Bank.	Technology Riyadh/Various courses on Finance, Banking and Investment Management.	
5.	Fahad Abdullah Saleh Al Othaim	Deputy Chairman of the Board of Directors and Member of Audit Committee and Member of the Remuneration and Nominations Committee of the Company/ Chairman of the Board of Directors in the Company of Abdullah Al Othaim for Investment /Member of the Board of Directors in each of the "Bidaya Home Finance/Saudi Kuwait Finance House"/Member of the Board of Directors of Ejmal Co./Member of Remunerations and Nomination Committee of Bidaya Home Finance Co.	Department Manager of developing real estate investment and deputy executive chairman of the sector of commercial complexes in Al Othaim Commercial Company Ltd/Deputy Board of Directors in the Company of Abdullah Al Othaim for Investment.	B.A. in Business Administration, marketing with honor from King Saud University in the Kingdom of Saudi Arabia.	Accumulated experience in the field of retail and companies of contracting, construction, real estate development and companies working in the entertainment sector.

3) Members of Remuneration and Nominations Committee:

S	Name of Member	Current Positions	Previous Positions	Qualifications	Experiences
1.	Abdullah Ali Abdullah Al Debeikhy	Member of Board of Directors and the chairman of the Remuneration and Nominations Committee of the Company/Member of Board of Directors in each of The "Al Elsa Industry civil Aviation Holding Co./Mulkia investment/International Tanker Owners Federation/Abu Dhabi Maritime Academy/International Maritime Industries/Petreded Limited/Bahri Chemicals/Bahri Bolloré Logistics/Bunge/Bahri Ship Management/National Maritime Academy"/Executive Chairman of National Saudi Company for Marine Transportation/Member of the nomination committee in AlElsa Industries/Member of Audit committee in the Civil Aviation Holding Co.	Executive Chairman in each of The "Afwaf for Investments Company/ Awal Net Company/ The Saudi Company of Agricultural Investment and Animal Production (Salek)/ Dawalej Technology Company"/Member of Board of Directors in each of The "Safola food Foods Co./ The Company of Supporting Real Estate Investment/United Farmers Holding Co./Al Khair Bank/3G Limited/SALIC Canada Ltd/SALIC UK/Minerva Foods/ Continental Farmer Group"/Manager in Maqasem in Saudi Telecommunications/Project manager in the Lending Department in the Saudi Industrial Development Fund.	M.A. in Business Administration from Oxford University in Britain/B.A. in Electrical Engineering Sciences from King Fahd for Petroleum and Minerals in the Kingdom of Saudi Arabia.	Experiences and specialized courses in management of projects, investments, middle management, leadership and top management.
2.	Abdullah Saleh Ali Al Othaim	Chairman of the Board of Directors, Member of the Remuneration and Nominations Committee of the Company /Director of Al Othaim Holding Company /Chairman of Othaim Markets Egypt/Member of the Board of Directors in each of The "of Arab Union for Real Estate Development/ Saudi Credit Bank/ Charitable Society for Orphan Care"/Founding Member of the Board of Directors of King Salman Charitable Housing Project/Member of King Salman Center for Disability Research.	Chairman of the Committee of Rewards and Nominations of the Company/Chairman of the Board of Directors in each of The "Abdullah Al Othaim for Investment/The Chamber of Commerce in Qassim" /Member of the Board of Directors of in each of The "Saudi Organization for Industrial Estates and Technology Zones/Charitable Association for combat smoking"/Founding Member of the Board of Directors of Weqaya Association for Drug Control/Member of King Abdul Aziz and His Companions Foundation for the Care of Gifted/Chairman of the committee Friends of the Red Crescent.	Intermediary Stage.	Accumulated experience in wholesale and retail trade, activity of contracting, real estate investment activity, recreational activity, experience in management, planning and business.
3.	Bandar Nasser Hamad Al Tamimi	Member of the Board of Directors and Member of the Audit Committee and	He assumed a number of positions in the field of human capital management the past in GOSI	M.A. in HR from USA /Bachelor of Business	15+ years of experience in HR field and

		Remuneration and Nominations Committee of the Company/Directorate General Manager of HR at the General Organization of Social Insurance.	including (Directorate Manager of Training and Development/Directorate Manager of Planning and Developing HR)member in many committees in the business.	Administration from KSU/He obtained many training certificates.	consultancies towards developing and investing human capital, public relations and personnel.
4.	Fahad Abdullah Saleh Al Othaim	Deputy Chairman of the Board of Directors and Member of Audit Committee and Member of the Remuneration and Nominations Committee of the Company/ Chairman of the Board of Directors in the Company of Abdullah Al Othaim for Investment /Member of the Board of Directors in each of the "Bidaya Home Finance/Saudi Kuwait Finance House"/Member of the Board of Directors of Ejmal Co./Member of Remunerations and Nomination Committee of Bidaya Home Finance Co.	Department Manager of developing real estate investment and deputy executive chairman of the sector of commercial complexes in Al Othaim Commercial Company Ltd/Deputy Board of Directors in the Company of Abdullah Al Othaim for Investment.	B.A. in Business Administration, marketing with honor from King Saud University in the Kingdom of Saudi Arabia.	Accumulated experience in the field of retail and companies of contracting, construction, real estate development and companies working in the entertainment sector.
5.	Bandar Suliman Mohammed Al Bohairy	Secretary of Board of Directors, Member of Remuneration and Nominations Committee of the Company/Member of the Board of Directors of Riyadh Company for Foods Industry/Deputy Chairman, and Chairman of the Executive Committee of Mueen Human Resources Company /Member of Board of Directors and Member of Executive Committee of Ejmal Ltd Company/Chairman of Audit Committee in Riyadh Company for Foods Industry/ Member of Audit Committee of Abdullah Al Othaim for Investment.	Chairman of Audit Committee in Mueen Human Resources Company, Department Manager of Internal Audit in Al Othaim Commercial Company/Member of the Board of Directors of Abdullah Al Othaim for Investment Company.	B.A. in Accountancy– Administrative Sciences Faculty in King Saud University.	Accumulated Experience in the Financial Field, Internal Audit, Companies' Governance, Regulations, Business Development, and Public Relations.

4) Members of Executive Department:

S	Name of Member	Current Positions	Previous Positions	Qualifications	Experiences
1.	Abdulaziz Abdullah Saleh Al Othaim	Member of Board of Directors and CEO of the Company/Member of Board of Directors and CEO of Al Othaim Markets Egypt/Deputy Chairman of the Board of Directors of Riyadh Company of Food Industries/Chairman of Board of Directors of Mueen Human Resources Company/Chairman of the Board of Directors of the Seven Services Company (Speedi)/Member of Board of Directors in each of The "Al Wousta for Foods Services/ South Europe/Othaim Holding/ Kaf'aa investment".	Acting CEO /President of Retail sector and commercial work Dept. of the company/General manager of the company commercial affairs.	B.A. in Business Administration with honors Suffolk Massachusetts in America.	Accumulate experience in the field of retail business, operations of leadership and commanding, and management of business.
2.	Bandar Suliman Mohammed Al Bohairy	Secretary of Board of Directors, Member of Remuneration and Nominations Committee of the Company/Member of the Board of Directors of Riyadh Company for Foods Industry/Deputy Chairman, and Chairman of the Executive Committee of Mueen Human Resources Company /Member of Board of Directors and Member of Executive Committee of Ejmal Ltd Company/Chairman of Audit Committee in Riyadh Company for Foods Industry/ Member of Audit Committee of Abdullah Al Othaim for Investment	Chairman of Audit Committee in Mueen Human Resources Company, Department Manager of Internal Audit in Al Othaim Commercial Company/Member of the Board of Directors of Abdullah Al Othaim for Investment Company.	B.A. in Accountancy– Administrative Sciences Faculty in King Saud University.	Accumulated Experience in the Financial Field, Internal Audit, Companies' Governance, Regulations, Business Development, and Public Relations.

3.	Bahaudin Barakat Al Sherbeeny	Vice president of Operation Board Member in Mueen Human Resources Company. Board Member in Riyadh Foods Industries Company.	Deputy Operations Manager in Al Othaim Business Company/Manager of the Retail Branch in the Company/Regional Manager in the Company/Manager of International Center of Marketing.	B.A.in Mechanical Engineering in 1987 A.D. in Zagazig university, the Arab Republic of Egypt.	An Accumulated Experience in the Field of Managing Operational Processes in the Retail and Wholesale Companies.
4.	Marwan Ahmad Mohammed Ibrahim	Vice president of Financial Affairs of the Company Board Member in the "Mueen Human Resources Company. Board Member in Riyadh Foods Industries Company. Member of Audit Committee in Riyadh Foods Industries Company.	Internal Audit Director in Al Jomaih Holding Company– Saudi Arabia (1996-2005 A.D)/ Auditor in the Office "Ibrahim Al Abbasi & Co.– Jordan (1993–1996 A.D)/ Auditor in the Office of Abdul Aziz Khalifah Al Melhem–Saudi Arabia (1989–1992 A.D)".	Bachelor of Accountancy and Business Administration– Jordanian University in 1989 A.D. fellowship of the CPA in 1994 A.D. fellowship of CMA in 2003 A.D./Fellowship of CFM in 2003 A.D./Fellowship of SOCPA in 2007 A.D.	An accumulated Experience in the Field of Financial and Accounting Affairs, External and Internal Audit.

Thirdly: Names of companies inside & outside the Kingdom in which the company's Board of Directors member is a member of its current or previous Board of Directors or one of its Executives:

S	Name of Member	Names of companies in which the company's Board of Directors member is a member of its current Board of Directors or one of its Executives	Inside/Outside the Kingdom	Legal Entity	Names of companies in which the company's Board of Directors member is a member of its previous Board of Directors or one of its Executives	Inside/Outside the Kingdom	Legal Entity
1.	Abdullah Saleh Ali Al Othaim	Abdullah Al Othaim Markets.	Inside the Kingdom	Listed Joint Stock	-	-	-
		Al Othaim Holding.	Inside the Kingdom	Limited Liability			
		Abdullah Al Othaim for Investment.	Inside the Kingdom	Closed Stock			
		Abdullah Al Othaim Markets Egypt.	Outside the Kingdom	Closed Stock			
		Arab Union Company for Real Estate Development.	Outside the Kingdom	Closed Stock			
2.	Bandar Nasser Hamad Al Tamimi	Abdullah Al Othaim Markets.	Inside the Kingdom	Listed Joint Stock	-	-	-
3.	Saleh Mohammed Saleh Al Othaim	Abdullah Al Othaim Markets.	Inside the Kingdom	Listed Joint Stock	Lazurde for jewelry.	Inside the Kingdom	Listed Joint Stock
		Dani Business.	Inside the Kingdom	Closed Stock	Amanah for Cooperative Insurance.	Inside the Kingdom	Listed Joint Stock
		Dar Al Kheyoul Contracting.	Inside the Kingdom	Limited Liability	Gulf Investments.	Inside the Kingdom	Closed Stock
		Alternative Investment.	Inside the Kingdom	Limited Liability	Al Othaim Holding.	Inside the Kingdom	Limited Liability
4.	Abdullah Ali Abdullah Al Debeikhy	Abdullah Al Othaim Markets.	Inside the Kingdom	Listed Joint Stock	Saudi Telecommunication.	Inside the Kingdom	Listed Joint Stock
		National Saudi for Marine Transportation.	Inside the Kingdom	Listed Joint Stock	Saudi for Agricultural Investment and Animal Production (Salek).	Inside the Kingdom	Closed Stock
		Al Eisa Industries.	Inside the Kingdom	Closed Stock	Foods Savola.	Inside the Kingdom	Closed Stock
		Civil Aviation Holding.	Inside the Kingdom	Limited Liability	Avouaf Commercial Investment.	Inside the Kingdom	Limited Liability
		Mulkia investment.	Inside the Kingdom	Closed Stock	Support for Real Estate Investment.	Inside the Kingdom	Limited Liability

		International Maritime Industries.	Inside the Kingdom	Limited Liability	Dawalej for Technology.	Inside the Kingdom	Limited Liability
		Bahri Bolloré.	Inside the Kingdom	Limited Liability	Saudi Industrial Development Fund.	Inside the Kingdom	Government Firm
		International Tanker Owners Federation.	Outside the Kingdom	Global organization	United Farmers Holding.	Inside the Kingdom	Limited Stock
		Abu Dhabi Maritime Academy.	Outside the Kingdom	Limited Liability	Al Khair Bank.	Outside the Kingdom	Closed Stock
		Petreddec Limited.	Outside the Kingdom	Closed Stock	3G Limited.	Outside the Kingdom	Limited Liability
		Bahri Chemicals.	Outside the Kingdom	Limited Liability	Minerva Foods.	Outside the Kingdom	Limited Liability
		Bunge.	Outside the Kingdom	Limited Liability	Continental Farmer Group.	Outside the Kingdom	Limited Liability
		Bahri Ship Management.	Outside the Kingdom	Limited Liability	SALIC Canada Ltd.	Outside the Kingdom	Limited Liability
					SALIC UK Ltd.	Outside the Kingdom	Limited Liability
5.	Abdulsalam Saleh Abdulaziz Al Rajhi	Abdullah Al Othaim Markets.	Inside the Kingdom	Listed Joint Stock	Financial Brokerage.	Inside the Kingdom	Closed Stock
		Saleh Abdulaziz Al Rajhi & Partners Ltd.	Inside the Kingdom	Limited Liability			
		Al Rajhi Holding Real Estate and Industrial Company for Growth and Commercial Investment.	Inside the Kingdom	Limited Liability			
6.	Abdulaziz Saleh Abdullah Al Rebdī	Abdullah Al Othaim Markets.	Inside the Kingdom	Listed Joint Stock	National Company for Agricultural Development.	Inside the Kingdom	Listed Joint Stock
		Abdul Muhsen Al Hukair Group for Tourism and Development.	Inside the Kingdom	Listed Joint Stock	Takween Advanced.	Inside the Kingdom	Listed Joint Stock
		Obaikn for Glass.	Inside the Kingdom	Closed Stock	United Saudi Company for Cooperative Insurance (Walaaj).	Inside the Kingdom	Listed Joint Stock
		Saudi for Investment and Agricultural Production.	Inside the Kingdom	Closed Stock	La zurde Group for Industrial Investment.	Inside the Kingdom	Listed Joint Stock
Al Hammady Investment and Development.	Inside the Kingdom				Closed Stock		
7.	Fahad Abdullah Saleh Al Othaim	Abdullah Al Othaim Markets.	Inside the Kingdom	Listed Joint Stock	-	-	-
		Abdullah Al Othaim for Investment.	Inside the Kingdom	Closed Stock			
		Bidaya Home Finance.	Inside the Kingdom	Closed Stock			
		Saudi Kuwait Finance House.	Inside the Kingdom	Closed Stock			
		Ejmal Limited.	Inside the Kingdom	Limited Liability			
8.	Abdulaziz Abdullah Saleh Al Othaim	Abdullah Al Othaim Markets.	Inside the Kingdom	Listed Joint Stock	-	-	-
		Al Othaim Markets Egypt.	Outside the Kingdom	Closed Stock			
		Riyadh for Foods Industries.	Inside the Kingdom	Closed Stock			
		Mueen Human Resources.	Inside the Kingdom	Closed Stock			
		Al Wousta for Foods Services.	Inside the Kingdom	Limited Liability			
		Othaim Holding.	Inside the Kingdom	Limited Liability			
		Kaf'aa Investment.	Inside the Kingdom	Limited Liability			
		South Europe for Investment.	Outside the Kingdom	Limited Liability			

Fourthly: Equity and Method of Contacting Shareholders:

Proceeding from the company's keenness, interest, and care of the rights of its shareholders and stakeholders, the company had included these rights in the Governance Guide. Besides, it is keen on informing its shareholders and investors of all significant developments, where the company publishes the financial reports, announcements, and substantial information via the capital market site "Tadawul" and company website, and General Assemblies of shareholders. Besides, importance is given to communication with its shareholders and answering their enquiries by providing direct contact channels, whereby the shareholders can easily contact the company.

Fifthly: Company's Capital and Float Shares as of 31/12/2019 A.D.:

Statement	Clarification
Authorized capital (SR)	SR 900,000,000
Number of issued shares (All the company's shares are ordinary shares)	90,000,000 shares
Paid up capital (SR)	SR 900,000,000
Nominal share value	SR 10
Paid value of share	SR 10

Sixthly: A statement of the names, nationality, number of shares, ownership ratio of main shareholders who own (5%) and above and change thereof during 2019 A.D.:

S	Name of Shareholder	Nationality	Shares Number at the beginning of 2019 A.D.	Ownership Ratio at the beginning of 2019 A.D.	Shares Number at the end of 2019 A.D.	Ownership Ratio at the End of 2019 A.D.	Net change	Change Ratio at the end of 2019 A.D.
1.	Al Othaim Holding Company	Saudi	24,900,000	27.6%	24,900,000	27.6%	0	0%
2.	Abdullah Saleh Ali Al Othaim	Saudi	5,400,000	6%	5,400,000	6%	0	0%
3.	General Organization of Social Insurance	Saudi	5,732,944	6.36%	4,454,944	4.95%	-1,278,000	-22.29%

With regard to the notices of the ownership of large quotas of shares and its change during the year according to the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority, the company has not received any notice from the senior owners of the change of their ownership during 2019 A.D. It relied on recording data from the information of the Financial Security Deposit Center "Edaa".

Seventhly: Formation of Board of Directors and the classification of its members:

The following statement depicts names and classification of the board members:

S	Name of Member	Capacity	Membership Classification
1.	Abdullah Saleh Ali Al Othaim	Board Chairman	Non-executive
2.	Fahad Abdullah Saleh Al Othaim	Deputy Chairman	Non-executive
3.	Bandar Nasser Hamad Al Tamimi	Member	Non-executive
4.	Saleh Mohammed Saleh Al Othaim	Member	Non-executive
5.	Abdullah Ali Abdullah Al Debeikhy	Member	Independent
6.	Abdulsalam Saleh Abdulaziz Al Rajhi	Member	Independent
7.	Abdulaziz Saleh Abdullah Al Rebdi	Member	Independent
8.	Abdulaziz Abdullah Saleh Al Othaim	Member	Executive

Eighthly: The Procedures taken by the Board of Directors to notify its Members of the Shareholders Proposals and Remarks:

The Companies Governance Regulation included the action procedures of the Board of Directors that gave special attention to hearing the shareholders' proposals and enquiries and answering them. In addition, the company providing members with minutes of the meeting of assemblies including the shareholders' enquiries (if any). Besides, the members will be notified of any enquiries and questions received by the company from the different communication media.

Ninthly: Concise Description of Committees, Specializations, and Tasks:

The company has two committees, namely, the Audit Committee and the Remuneration and Nominations Committee. Details of these committees are as follows:

1) Audit Committee:

The Audit Committee is formed of (5) non-executive members, tasks of the Audit Committee include for example but not limited to "Supervising the management of internal company auditing, studying the system of internal control, internal audit reports, and recommending to the Board of Directors to appoint the accounts auditors, determine their fees and following- up their work, studying the auditing plans and notes of auditors, studying the interim and annual financial statements before being presented before the Board of Directors, studying the adopted accounting policies and meeting the requirements according to the conventional accounting standards and recommending the Board of Directors, reviewing the plan and performance of the auditor, results of the reports of supervisory authorities, and making sure that the company took the necessary procedures regarding them. As well, ensuring the company compliance with the relevant laws, regulations, policies, and instructions and providing points of views regarding them to the Board of Directors" The following table outlines the committee membership and its meetings conducted during 2019 A.D.:

S	Name of Member/Meeting Date	Position	Number and Date of Meeting					Number of attendances
			(1) 04 Feb	(2) 05 Mar	(3) 08 May	(4) 01 Aug	(5) 04 Nov	
1.	Abdulaziz Saleh Abdullah Al Rebdi	Chairman	✓	✓	✓	✓	✓	(5)
2.	Bandar Nasser Hamad Al Tamimi	Member	✓	✓	✓	✓	✓	(5)
3.	Saleh Mohammed Saleh Al Othaim	Member	✓	✓	✓	✓	✓	(5)
4.	Fahad Abdullah Saleh Al Othaim	Member	✓	✓	✓	✓	✓	(5)
5.	Abdullah Abdulrahman Mohammed Al Rebdi	Member	✓	✓	✓	✓	✓	(5)

Results of Annual Auditing of the Company's Internal Control Procedures Effectiveness:

In 2019 A.D, the committee examined the internal control systems in the company and ensured its efficiency. As well studied, reviewed, and analyzed the main operational, financial, and executive risks that the company may face and assessing the required solutions and treatments to ensure the safety of the company's operations, in addition to studying the points of weakness and strength in the internal control. Hence, the auditing process has been made continuously and periodically. By the committee's familiarity with the reports of managing internal audit and in the light of what has been studied, it has been evident that the examination generally included the main and significant operation and activities of the company and its diverse departments, and that the test results of the internal control systems at the level of company, its departments, and its processes showed that there is no substantial deficiency in the internal control systems that necessitates its disclosure, and Risk management are executed within the preset limits in transparency and timing that ensure the integrity of the operational, financial, and commercial security.

2) Committee of Remunerations and Nominations:

The committee had been formed of (5) members, The assignments and specialties of the Remunerations and Nominations Committees include for example but not limited to "recommending the nomination to the Board of Directors, clear standards and policies for the membership in the Board and executive department, reviewing the structure of Board of Directors and executive department, providing recommendations with regard to the changes that may be made, specifying the points of weakness and strength in the Board of Directors, proposing curative solutions in a way consistent with the company's interest, ensuring annually the independence of independent members, preparing and updating the necessary policies for the rewards of the members of Board of Directors and committees derived from the Board, executive department and its periodical auditing, and assessing the extent of its effectiveness in meeting the aspired goals, clarifying the relation between the granted reward and the applicable rewards policy, clarifying any substantial deviation from this policy, As well, studying the subjects with which it is concerned or referred to it by the Board of Directors and submitting its recommendations to take the appropriate resolution regarding it and auditing the allocations and rewards of workers, approving, adopting, and assessing the relevant plans and policies". Following is a table which outlines the membership and meetings of the committee made during 2019 A.D.:

S	Name of Member	Position	Number and Date of Meeting		Number of attendances
			(1) 05 Mar	(2) 16 Dec	
1.	Abdullah Ali Abdullah Al Debeikhy	Chairman	✓	✓	(2)
2.	Abdullah Saleh Ali Al Othaim	Member	✓	✓	(2)
3.	Bandar Nasser Hamad Al Tamimi	Member	✓	✓	(2)
4.	Fahad Abdullah Saleh Al Othaim	Member	✓	✓	(2)
5.	Bandar Suliman Mohammed Al Bohairy	Member	✓	✓	(2)

Tenthly: The Means Adopted by Board of Directors in Assessing its Performance and Performance of its Committees for 2019 A.D:

The performance of directors of the board, its committees and executive management is self-assessing every year and in the future, this will be made by external authority.

Eleventh: Remunerations of Board of Directors, Committees, and Executive Department:

The company applies the policy of paying the remunerations of Board of Directors, committees, and executive department as follows:

- **Executive and non-executive of the board members:** The remuneration is estimated based on net profit for the financial year from the Company's continuing operations as follows:

s	Net profit of the year made from the continuous processes (In Saudi Riyals)	Reward of Member in Saudi Riyal
1.	Less than (100) million Riyals	(50) fifty thousand Riyals
2.	From (100) million to less than (200) million Riyals	(100) one hundred thousand Riyals
3.	From (200) million to less than (300) million Riyals	(150) one hundred and fifty thousand Riyals
4.	(300) million Riyals and more	(200) two hundred thousand Riyals

- **Independent Members of Board of Directors:** A reward of a lump sum of SR (200,000) two hundred thousand Saudi Riyals for the fiscal year per the member.
- **Allowances for the Board Members:** An amount of SR (3,000) three thousand Saudi Riyals as an attendance allowance for each meeting.
- **Reward of the Board Secretary:** An annual reward of SR (30,000) thirty thousand Riyals.
- **Reward of Audit Committee:** An amount of SR (25,000) twenty-five thousand Saudi Riyals for each member annually.
- **Reward of the Rewards and Nominations Committee:** An amount of SR (25,000) twenty-five thousand Saudi Riyals for each member annually.
- **Allowances for the Committees Members:** An amount of SR (1,500) one thousand and five hundred Riyals as an attendance allowance for each member per attended meeting.
- The member's reward is calculated proportionately based on the days of his membership during the year.
- **Reward of Executive Department:** An annual reward will be paid to the executive department based on standards relevant to achieving performance indicators and according to the results of annual assessment and results of achieving goals.
- **Relationship between granted rewards and applicable rewards policy:** The granted reward is in conformity with the approved rewards policy, taking into consideration the basis and standards relevant to calculating the rewards and its maturity.

✓ Details Remuneration of Board of Directors for the year 2019 G:

	Fixed Remuneration							Variable Remuneration						End of service Benefits	total summation	Expenditure Allowance
	A certain amount	Session Attendance Allowance for board meeting	Total Attendance allowance for committee meetings	In-kind benefits	Statement of what they earned Council as members of the council as employees or moderators or what they earned in return of technical, administrative, or consulting work	The Reward of the Chairman of the Board, the Managing Director, or the Board Secretary if he is a member	Total	percentage of profits	Periodic bonuses	Short - term incentive plans	Long - term incentive plans	Shares granted	Total			
First: Independent Members:																
Abdulsalam Saleh Abdulaziz Al Rajhi	200,000	15,000	-	-	-	-	215,000	-	-	-	-	-	0	-	215,000	-
Abdulaziz Saleh Abdullah Al Rebdi	225,000	12,000	7,500	-	-	-	244,500	-	-	-	-	-	0	-	244,500	-
Abdullah Ali Abdullah Al Debeikhy	225,000	15,000	3,000	-	-	-	243,000	-	-	-	-	-	0	-	243,000	-
Total	650,000	42,000	10,500	-	-	-	702,500	-	-	-	-	-	-	-	702,500	-
Second: Non-Executive Members:																
Abdullah Saleh Ali Al Othaim	225,000	15,000	3,000	-	-	-	243,000	-	-	-	-	-	0	-	243,000	-
Bandar Nasser Hamad Al Tamimi	250,000	15,000	10,500	-	-	-	275,500	-	-	-	-	-	0	-	275,500	-
Saleh Mohammed Saleh Al Othaim	225,000	15,000	7,500	-	-	-	247,500	-	-	-	-	-	0	-	247,500	-
Fahad Abdullah Saleh Al Othaim	250,000	15,000	10,500	-	-	-	275,500	-	-	-	-	-	0	-	275,500	-
Total	950,000	60,000	31,500	-	-	-	1,041,500	-	-	-	-	-	-	-	1,041,500	-
Third: Executive Members:																
Abdulaziz Abdullah Saleh Al Othaim	200,000	-	-	-	1,146,000	-	1,346,000	-	746,772	3,547,289	-	-	4,294,061	-	5,640,061	-
Total	200,000	-	-	-	1,146,000	-	1,346,000	-	746,772	3,547,289	-	-	4,294,061	-	5,640,061	-
Total	1,800,000	102,000	42,000	0	1,146,000	0	3,090,000	0	746,772	3,547,289	0	0	4,294,061	0	7,384,061	0



✓ Details of the five top executives who obtained highest remunerations, including Chief Executive Officer and Financial Executive Director for the year 2019 G :

	Fixed Remuneration				Variable Remuneration						End of service Benefits	Total reward of the executives	total summation
	Salaries	Allowances	In-kind benefits	Total	Periodic bonuses	earnings	Short - term incentive plans	Long - term incentive plans	Shares granted	Total			
Rewards and remunerations paid to the five top executives, including Chief Executive Officer and Financial Director	4,834,536	0	0	4,834,536	3,291,788	0	3,547,289	0	0	6,839,077	0	200,000	11,873,613
Total	4,834,536	0	0	4,834,536	3,291,788	0	3,547,289	0	0	6,839,077	0	200,000	11,873,613

✓ **Details of the remuneration of members of the Audit Committee:**

s	Name	Fixed remunerations (except the allowance of attending sessions)	Allowance of attending sessions	Total
1.	Abdulaziz Saleh Abdullah Al Rebdi	25,000	7,500	32,500
2.	Bandar Nasser Hamad Al Tamimi	25,000	7,500	32,500
3.	Saleh Mohammed Saleh Al Othaim	25,000	7,500	32,500
4.	Fahad Abdullah Saleh Al Othaim	25,000	7,500	32,500
5.	Abdullah Abdulrahman Mohammed Al Rebdi	25,000	7,500	32,500
Total		125,000	37,500	162,500

✓ **Details of the remuneration of members of the Remuneration and Nomination Committee:**

s	Name	Fixed remunerations (except the allowance of attending sessions)	Allowance of attending sessions	Total
1.	Abdullah Ali Abdullah Al- Debeikhy	25,000	3,000	28,000
2.	Abdullah Saleh Ali Al Othaim	25,000	3,000	28,000
3.	Bandar Nasser Hamad Al Tamimi	25,000	3,000	28,000
4.	Fahad Abdullah Saleh Al Othaim	25,000	3,000	28,000
5.	Bandar Suliman Mohammed Al Bohairy	-	-	-
Total		100,000	12,000	112,000

Twelve: the role of the company and its social contribution: Arising of the company's role in the social responsibility, the Company pays full attention to the distinct and broad role in various community service activities, and offers many sustainable programs in various fields, where the Company contributed and supported a number of programs, including the following:

- a) **Al Othaim Free Training & Development Academy:** Al Othaim Training & Development Academy for free, was established under the supervision of the General Organization for Technical and vocational Training in the year 1420H, and managed to train and qualify since its establishment up to date more than (72,339) young Saudis "men and women", where Al Othaim companies & other companies of the private sector benefited from these programs. Also, the Academy signed a number of partnerships, including training partnership Charity committee for orphans care (Insan), which aims to train orphans sponsored by the society, in addition to that, the Academy trained a number of disabled people and employed them in a various branches of the company, in addition to many social programs that aim to serve community, the spending of the company to support the Academy during the year 2019G was SR (1,328,538.62) compared to SR (1,425,017.18) for the year 2018G.
- b) **Social activities and charity works:** The company contributed in a number of social projects and charities and participated in events and the national festivals, where the company continued issuing charity cards (Sanabel Al Khair card) to meet the demand from donors and their eagerness to donate and to ensure the delivery of their donations to the beneficiaries directly and in a proper way, which is an interesting option for charities and men of righteousness and donors to provide support to the needy and to ensure spending their donations on basic needs. The company has also contributed in supporting many charities by offering discounts to those associations. The total value of the discount provided by the company to these charities during 2019G, it was SR (12,757,548) compared to SR (11,838,925) for the year 2018G. Also, the company participated and sponsored some activities and national events in most regions of the Kingdom, including Call stand with Call and education office of expatriates in Al Majma'ah, Vaccination against flu in Wadi Laban Branch, Vaccination against flu in Afif branch in cooperation with Alshamal Clinic in Afif, car for examination of breast cancer in AZ Zulfi for (4) days In AZ Zulfi branch, awareness campaign at national day of diabetes in Al Quwaiyah branch in cooperation with Shaqra University, vaccination campaign against flu in Shifa branch, awareness corner at eye hospital In Al Oyun branch regarding the importance of physical therapy for old people, awareness campaign with Authority for the Promotion of Virtue and the Prevention of Vice in Al khobar branches, awareness event

at College of Medical Science in Qassim University-Al Mithnab branch, and it included awareness banners, inspection of diabetes and blood pressure for customers and medical advices, sponsorship of sacrificed sheep festival in Buraydah in cooperation with environment health department at Qassim municipality, effectiveness of preservation of food with Saudi Food Bank "iiteam" society and Jawwy Telecom Co. in Rabwa branch, an event in the occasion of world day of drug fight in cooperation with drug fight department in Afif, events of balanced food, health breakfast and avoiding food bad habits in cooperation with health awareness team in health center in Western Laban district at branches of Rabwa, Ghirnatah, Western An Nasim, Umm Al-Hamam, Tuwaiq, and Al Mursalat, awareness corner in cooperation with Hayat Charity Association Smoking Fight in Al Majma'ah- Al Majma'ah branch, participation in Municipal Creativity week in Ahad Rafidah branch, participation in awareness campaign of kidney diseases in cooperation with Prince Fahad Bin Salman Society For kidney failure patients care, participation in the national week of talent and creativity by making exhibition of talents in cooperation with Board of Education In Al Majma'ah branch, Voluntary campaign for Shaqra University students and staff in cooperation with the Al Bir Society in Shaqra branch "Sharek" initiative of health researches in cooperation with Saudi Food and Drug Authority.

- c) Donation of the Remaining Halala (riyal fractions):** The company continued in 2019 G as the first retailer its initiative "Donate the remaining Halala" that was launched in an automated technique through the point of Sale since 2008G, and it believes in the promotion and assurance of the culture of social responsibility and its commitment to serve the society, for this reason, a special system for the project has been developed and considered as one of the leading project which was appreciated by Company customers, During the year 2019G many of the charities in the Kingdom had benefited from the project, Also a new charities had been added to expand the scope of benefits, and the total customers donation through this project in 2019G amounted (563,671) compared to (767,140) for the year 2018G.
- d) Iktissab Cooperative program and special categories:** A largest charitable initiative adopted by the company through Iktissab under the name (Iktissab Cooperative program) has been launched to serve many categories, including employees of the Social charities and fund charitable and retirees, the disabled and divorcees and widows, orphans and the children and families of martyrs and released, people with limited income and others with a total amount of SR (1,902,955) for the year 2019G, Compared to SR (2,071,851) for the year 2018G.
- e) Charity Initiative for the support of special Categories:** The Company had launched during this year , charity initiative to support special categories including those covered by social insurance, charity associations, charity fund for retired, handicapped, divorced, orphans, widows, martyrs families, people with limited income (50%) of their purchase of all types of bread from Abdullah Alothaim Markets allover KSA.

Thirteen: Describing the main company activity:

Abdullah Al-Othaim Markets Company is a major player in the retail food industry in the Kingdom of Saudi Arabia, the company introduced a good marketing experience through competitive pricing, exceptional service, and quality The company's main activity is concentrated in the area of wholesale and retail food and consumables, as well as engaged in real estate investments which are explained in details in the segmental information item "Eighteenth" of this report.

1) Description of the main company activities and its effects in the size of the company's business and its contribution to the results as following (In thousands):

Description of the activity	Net profit activity	percentage
Wholesale and retail activity	241,888	70%
leasing and Real estate investment activity	69,665	20%
Share in the net profit of the sister companies & financial assets at fair value through the income statement	33,702	10%
HR Activity	6,337	2%
Agriculture activity	(7,469)	-2%
Other	549	0%
Total	344,673	100%

2) Description of the main activities of the affiliates and the size of the business as follows:

- a) Haley Holding Company:** Limited Liability company, operating under Commercial Registration no. 1010314228 issued from Al Riyadh city on 09 Ramadan 1432H (corresponding to August 09, 2011G), its major activities are represented in participating in the companies by percentage that enables prevailing it, and for wholesale and retail trade of food products, flour, rice, meats, fishes, dishes, computer services (applicable systems and information databases), imports and exports services, marketing to third parties, maintenance of training and entertainment, cooked/uncooked ration services.
- b) Global Marketing Center Company:** Limited Liability company, operating under Commercial Registration no. 1010314201 issued from Al Riyadh city on 09 Ramadan 1432H (corresponding to August 09, 2011G), its major activities are represented in participating in the companies by percentage that enables prevailing it, and for wholesale and retail trade of food products, flour, rice, meats, fishes, dishes, spare parts of cars, computer services (applicable systems and information databases), imports and exports services, marketing to third parties, maintenance of training and entertainment, cooked/uncooked ration services.

- c) **Seven Services Company:** Limited Liability company, operating under Commercial Registration no. 1010320848 issued from Al Riyadh city on 02 Muharram 1433H (corresponding to November 27, 2011G), its major activities are represented in imports and exports, wholesale and retail trade of clothes and sportswear, traditional jewels, sewing kit, bags, leather products, decoration materials, false ceilings, cars' spare parts, agricultural crops, services of imports and exports, marketing to third parties, establishing agricultural projects, establishing, managing and operating bakeries and cafes.
- d) **Bayt Al Watan Company:** a limited liability company operating under Commercial Registration No. 1010320847 issued by Riyadh City on 02 Muharram 1433H (corresponding to November 27, 2011G) Its main activities are importing, exporting and wholesale and retail vegetables, Fruits, fish, milk, cheese, dairy products, animal fats, olives, halva, pasta and soft drinks. In addition to: Import and export services, marketing for third parties, maintenance of training and recreational centers, sports centers and general contracting for Public buildings (establish, Repair, demolition and restore) and electrical and electronic works.
- e) **Marafiq Al Tashgheel Company:** A limited liability company operating under Commercial Registration No. 1010321917 issued by Riyadh City on 15 Muharram 1433H (Corresponding to December 10, 2011G) Its main activities are in the general contracting of buildings, construction, demolition, roads, main roads, streets, bridges, excavation, arming and carpentry works.
- f) **Abdullah Al Othaim Markets Company - Egypt:** An Egyptian joint stock company operating under Commercial Registration No. 55010 issued by the Arab Republic of Egypt, Dated 20 Dhu al-Hijjah 1432H Corresponding to November 16, 2011G Its main activities are wholesale, retail and general trade.
- g) **Thamarat Al-Qassim Company:** A limited liability company operating under Commercial Registration No. 1010378315 issued by the city of Riyadh on 30 Rajab 1434H (Corresponding to June 09, 2013G) Its main activities are the cultivation of vegetables, fodder, livestock and poultry. Import, export and marketing to third parties, purchase of land for the construction of premises and investment in selling or renting and exploiting real estate and land for the interest of the company.
- h) **Shorofat Al Jazira Company:** a limited liability company operating under Commercial Registration No. 1010228732 issued by Riyadh City on 02 Safar 1428H (corresponding to November 19, 2007G) its main activities are general contracting and operating malls.
- i) **Mueen Human Resources Company:** It's a Saudi closed shareholding company operating under Commercial Registration No. 1010435202 issued by the city of Riyadh on Registered on 06 Ramadan 1436H (corresponding to June 23, 2015G) in the city of Riyadh, its main activities are providing recruitment services with regards to domestic workers, public and private sectors' workers, under the license of The Ministry of Labor no.24 SAE dated on 23 Dhu al-Hijjah 1436H corresponding to October 16, 2015G.

Describing the activity	Revenues of the activity* (In Thousands SR)	percentage
Abdullah Al - Othaim Markets Company	7,812,047	94%
Haley Holding Company	-	0%
Global Marketing Center Company	-	0%
Seven Services Company	-	0%
Bayt Al Watan Company	-	0%
Marafiq Al Tashgheel Company	-	0%
Abdullah Al Othaim Markets Company- Egypt	185,431	2%
Thamarat Al Qassim Company	-	0%
Shorofat Al Jazira Company	-	0%
Mueen Human Resources Company	302,844	4%
Total	8,300,322	100%

*Net revenues after excluding the reciprocal operations among the company group.

3) The Investments of the Company: The Company has the following investments:

a) Investments in companies according to Equity:

- The Company invests in Abdulla Al-Othaim Investment Company (A closed Saudi Joint Stock Company) It owns (13.65%) of the share capital with nominal investment of SR 136,538,000 The main activities of the company is managing and operating shopping malls and entertainment centers, where the Company share in the net profits year 2019G amounted SR 33,474,673 compared to SR 36,166,838 in 2018G The company's share of the distributed cash profits during the year 2018G amounted SR 27,307,700, The cash dividends due monetary for 2019G was SR 13,653,850.
- The Company invests in Riyadh Food Industries Company (a closed Saudi Joint Stock Company) with a (55%) ownership interest. Through its subsidiary, Bayt Al Watan Company, the nominal value of the investment is SR 55,000,000 The main activities of the company are the establishment of buildings and industrial facilities, Invest in the benefit of the company, operation, maintenance and development of factories for others, marketing food and consumer products, and importing and exporting food and consumer goods The Company's share of the net profits for the year 2019G amounted to SR 1,902,305 compared to SR 647,911 for the year 2018G.
- The Company invests in Al Wousta Company for food industries (limited liability Company) with a 25% shareholding and an investment of SR 25,000,000 which was established in the year 2015. Its main activity is the management and operation of restaurants the company's share of the profits in 2019G amounted to SR 758,849 against SR 493,329 loss in the year 2018G.

b) Investments in available-for-sale securities:

- The company invests in the National Laboratories Company Limited (a limited liability company) with a (6%) shareholding and an investment of SR 3,400,000 The company was established during 2009G Its main activity is the management and operation of food analysis laboratories, medicines, gas, petroleum materials, petrochemicals and providing the technical services in this field, the main branch of the company is located in Al Damam city, The registered investment amount as on 31/12/2019G reached SR 2,165,235 the decrease of value in 2019G was estimated as SR 93,561.
- The Company has a portfolio of shares to invest in shares of Saudi companies as available-for-sale securities with a market value of SR 467,168 as at 31 December 2019G It has increased by SR 3,060 compared to a decrease of SR 18,360 for the year 2018G.
- The Company has a portfolio of investments in Baitk IPO Fund managed by "Saudi Kuwaiti Finance House" against a subscription of 1 million investment units at SR 10,000,000 and it was sold during December 2019G for SR 6,097,300 with loss of SR 3,902,700.
- The company invests in the South Europe Investment Company (a limited liability company) registered in the Republic of Bosnia and Herzegovina with (18%) ownership and an investment of 900,000 Euros (SR 4.54 million) The company's activity is to invest in real estate, development, tourism and renewable energy. The company also provides financial, technical and administrative advisory services to the various business sectors in 2017G the company had transferred a sum of 1.55 million Riyals as capital decrease. The accumulated fair value of this investment is SR 800,000 during 2017G, and this amount is increased by SR 800,000 in 2018G the registered investment as on 31/12/2019G reached to SR 1,386,629.

Fourteen: Company Strategy, Plans and Decisions:

a) General Strategic Framework and Company Plans:

The overall strategy of the Company is to increase its market share in the food and consumer market within Saudi Arabia through the opening of new branches or the development of its existing branches and strive to start selling online and delivery service to increase its sales And diversify their investments in an integrated manner through the entry of supplementary activities for the main activity such as industrial activities and labor recruitment services and the introduction of new advanced technologies in retail trade. In 2019G, The company opened (28) branches in different cities in the Kingdom, and thus the number of branches all over the kingdom becomes (242) branches by the end of 2019G some existing branches has been expanded and the development in order to provide better service to its customers. The company is planning to increase the number of branches in 2020G by opening 24 new branches, which is expected to contribute in increasing the company sales and market share and promote the introduction of new and advanced technologies in the retail trade The company opened (46) branches at the Arab Republic of Egypt from 2016G up to 2019G, the value of the investment in Egypt till the date 31/12/2019G amounted SR 47,753,986.

b) The Most Important Decisions:

In supporting the role of the Board of Directors in performing its responsibilities and tasks, seeking towards achieving distinguished performance, during the year 2019G the board took several decisions and works, most notably:

1. Approving plans, setting policies, objectives, main strategic directions of company and supervision on implementing them such as:
 - ✓ Put Performance objectives and performance control and overall performance in the company and ensuring the availability of human and financial resources to achieve them.
 - ✓ Determine the optimal capital structure of the company and financial objectives and approve financial results and budgets.
 - ✓ Approving the company's estimated budget for the fiscal year 2020G.
 - ✓ Update and approve internal policies for organizing company business.
 - ✓ Approve the plan to extend in different locations and cities by taking advantage of the good and appropriate opportunities, thus contributing to increasing their expansion and spread and raising their market share.
2. Approve the resolution of distributing Interim cash dividends to company shareholders SR (1.50) per share for the last (9) months ended 30/09/2019G with total amount SR (135) millions based on an authorization from general assembly of board of directors by distributing Interim dividends biannually or quarterly for the fiscal year 2019G.
3. Recommending to the General Assembly to approve updating auditing committee regulations and regulations of remuneration and nomination committee.

Fifteen: Risks:

The Company's activity, financial position, operating results, cash flows and its future forecasts might be affected negatively if exposed to any of the following risks or any other unknown risks at the present time:

1. Strategic risks and methods of application with consideration to response to industrial and economic changes and demographic considerations.
2. Criteria and assumptions of preparation of the target operational and financial budgets of the company general tendency and related external variables.
3. The risks related to non-providing protection of the trademark as it may be violated in terms of right of use or illegal use by third parties and related actions or claims.
4. The risks involved in approving raising the prices of energy fees and the like and their impact on the company.
5. Risks of fluctuation of exchange rates, speculation, fluctuation of articles and raw materials price in food locally and globally as the company does not cover risks related to fluctuation of exchange rates.
6. Change of consumer pattern due to the change of demography especially for residents' nationalities and its direct impact on sales of the company.
7. Labor fees imposed on companies for residents progressively for one year to the next until 2020G.
8. Commitment to VAT law as the company may be subject to penalties in case of errors at the data provided to Zakat and income department and CMA.
9. Commitment to stipulations of selective tax on items and its effect on accounting systems with related parties.
10. Internal inflation rates and its effect at real estate market and rent value of rented branches.

11. Risks related to competition and increasing its sharpness in case of opening direct investment to the foreign investor in the field of the company's work.
12. Geographic expansion of branches and the appropriateness of internal procedures and human resources in meeting operational processes.
13. Risks related to arrangement of technology, continuity of works and company's provision of replacement technology environment for continuity in its operational processes if it is exposed to technology risks through continuity plans.
14. Risks related to the company's inability to keep up with the advance in means of e-marketing to maintain its market share.
15. Saudization of jobs as large percentage of the manpower in the company is limited to labor jobs at branches and warehouses which depends largely on expatriates and it is difficult to replace it by Saudi nationals but out of the company's belief in its part in the society and to promote the Kingdom's direction regarding Saudization of jobs, it pursues its efforts to support Saudization and qualifying of national manpower.
16. The loss related to the failure by party or customer in fulfillment of its financial obligations towards the company and as the company adopts the policy of non-credit sale in its main activity (retail), these risks do not affect it but the company has real estate leasing activity and the tenant may be unable to fulfill his obligations.
17. Risks related to company investment whether internally or externally, and the related political, legislative and economic changes that may affect these investments such as exchange rate, freedom to transfer amounts, changing taxes and relevant regulations.
18. The financial effects of the application of International Financial reporting standards (IFRS) and its effect on the financial results and comparative figures especially criteria (16) of lease contracts.
19. The risks related to internal and external financial and non-financial reports of shareholders which may negatively effect on creditability, timing, transparency and other requirements from formal authorities.
20. Breaching laws and regulations provided policies and bylaws, ethical standards, or the inability to commit to it.
21. The risks of natural disasters such as floods, earthquakes, and other natural events.
22. Risks related to legal disputes which may result from the parties which the company deals with.

Risks Management:

The company adopts a risk management policy that clarifies and identifies the strategic objectives, procedures and processes that are followed to achieve these objectives, and establishes a clear framework and approach in the application of the mechanisms and processes that are followed to identify and assess the risks inherent in all operations within the company and its monitoring and hedging mechanisms. And determine the quality of reports that will be submitted to senior management for appropriate decision making. The objective of the policy is to develop a comprehensive and clear risk management framework based on best practices (COSO ERM FRAMEWORK), to develop and develop a common understanding of risk, to assess the exposure of different departments to risk and to take appropriate action to reduce them, and to assist those departments within the Company in improving controls and control measures to minimize containing potential risks that adversely affect or result in financial losses.

Along with the application of stipulations of the framework of risks management according to ISO 31000 as follows:

1. **Commitment:** This requires continuous commitment by the company management in addition to the strategic planning to reach commitment by all levels.
2. **Design:** This includes design the framework of risks management (understanding the company and its environment, setting risks management policy, ensuring responsibility, power, and competency as necessary to manage risks, merger of risks management in all practices and operations of the company, ensuring allocation of sufficient resources to manage risks, finding internal ways of communication and reporting to encourage assuming the responsibility towards risks, finding external ways of communication to communicate with the concerned authorities).
3. **Execution of Risks Management Process** This includes (setting the environment: The process starts by setting internal and external environment, setting the environment of risks management, defining criteria of risks, assessment of risks, its analysis, assessment, processing risks by using processing ways to eliminate risks to minimum, communicate with the concerned authorities inside and outside the company which should be made during all stages of the operation).
4. **Periodic control and revision of all stages of the process**
5. **Continuous improvement of the framework:** This should lead to improve the company's ability to manage risks and culture of risks in the company.

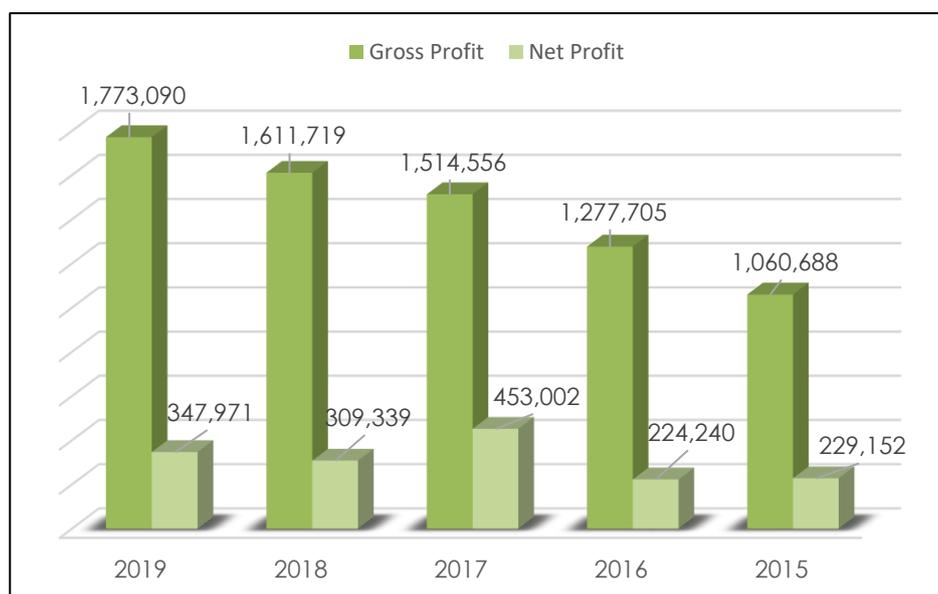
The Company's Board of Directors oversees the mechanism of implementing a comprehensive risk management framework within the process of strengthening and strengthening internal controls and control of the Company through a policy and procedures aimed at identifying, addressing and controlling Operational, non-operational and non-operating risks in all of the Company's business and activities. The most important tools used to identify and measure risks are self-assessment of risks and The main risk indicators and the collection and analysis of the nature of the losses (quantity or quality) resulting from these risks and the establishment of higher and lower ratios within the Risk Appetite Statement.

Sixteen: Summary of the financial results of the company for the period 2015 G till 2019G:

a) Description of revenues and profits of the company (in thousands SR):

Statement	2019	2018*	2017	2016	2015
Activity's revenues	8,300,322	7,641,330	7,362,415	7,132,374	6,098,018
Activity's expenses	(6,527,232)	(6,029,611)	(5,847,859)	(5,854,670)	(5,037,330)
Total of activity's profits	1,773,090	1,611,719	1,514,556	1,277,705	1,060,688
Administrative, general, marketing and funding expenses	(1,380,482)	(1,287,805)	(1,208,484)	(1,056,209)	(859,962)
Revenues and other expenses-net	(26,324)	32,031	45,836	20,101	33,749
Zakat	(10,843)	(9,162)	(10,846)	(8,107)	(5,323)
Net profit of the continuous operations after Zakat	355,440	346,783	341,061	233,490	229,152
Net profit of the non-continuous operations after Zakat	(7,469)	37,444	111,941	(9,250)	0
Net profit for the year	347,971	309,339	453,002	224,240	229,152
Return profit to the contributors of the parent company	344,673	302,601	449,497	228,074	230,875
Profit (loss) attributed to non-controlling interest	3,299	6,738	3,505	(3,834)	(1,723)

*The Figures of 2018G have been reclassified to match with the classification of this current year.



- Statement of revenues and other expense-net (in thousands riyals):

Statement	The fiscal year ended in 31 December	
	2019	2018
Share of the company in the net profits of associated companies	32,445	36,321
profits of financial assets at fair value through income statement	1,257	620
Commission of Coupons sales	2,287	2,717
Others, Net	(62,313)	(7,627)
Total	(26,324)	32,031

- The Most Important Financial Parameters:

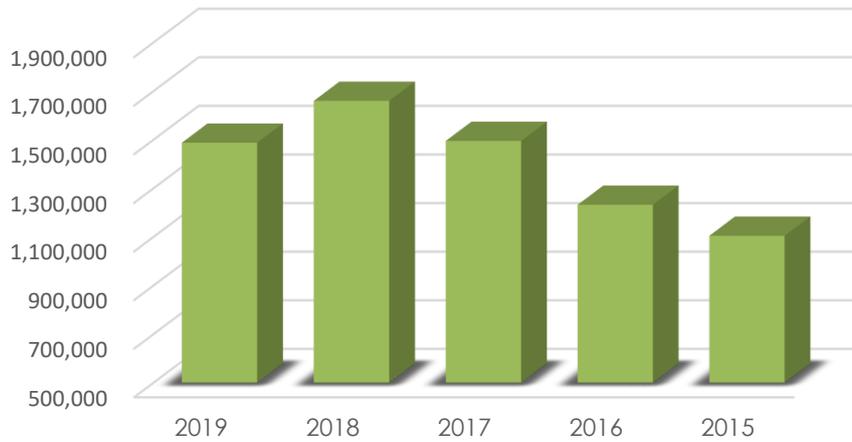
Statement	2019	2018	2017	2016	2015
Return on Revenues	4.15%	3.96%	6.11%	3.20%	3.79%
Return on Shareholders 'equity	21.90%	20.93%	34.58%	19.52%	22.45%
Return on assets	8.19%	8.65%	13.96%	7.08%	8.47%
Rate of sales growth	8.81%	3.93%	14.64%	18.82%	14.93%
Rate of net profit growth	13.90%	-32.68%	97.08%	-1.21%	7.49%
Earnings per Share from net income-riyal	3.83	3.36	4.99	5.07	5.13
Earnings per Share for parent company shareholders from the continuous operations-riyals	3.91	3.78	3.79	5.25	5.13

b) Assets, Liabilities and Shareholders' Equity (in thousand riyals):

Particulars	2019	2018*	2017	2016	2015
Current Assets	1,287,872	1,316,079	1,165,111	1,397,868	1,200,772
Current liabilities	1,968,183	1,827,415	1,642,831	1,591,753	1,451,977
Current Capital	(680,311)	(511,336)	(477,720)	(193,885)	(251,205)
Investments in associates and others	266,416	260,295	239,850	220,405	186,290
Fixed Assets	3,211,838	2,071,366	1,941,874	1,732,247	1,707,112
Total Assets	4,766,126	3,647,741	3,346,834	3,350,520	3,094,174
Current liabilities	1,968,183	1,827,415	1,642,831	1,591,753	1,451,977
Long term loans	0	0	73,000	412,287	399,500
Other liabilities	1,272,763	120,876	103,270	83,353	69,945
Total Liabilities	3,240,945	1,948,292	1,819,101	2,087,392	1,921,422
Paid Capital	900,000	900,000	450,000	450,000	450,000
Share in other total income of sister companies	1,056	976	1,300.91	-	-
reserves and retained earnings, and unrealized profits	586,380	758,776	1,043,546	782,038	654,636
Total equity of shareholders	1,487,435	1,659,752	1,494,847	1,232,038	1,104,636
owner's equity of non-controlling interests	37,745	39,697	32,887	31,091	68,116
Total liabilities and owner's equity	4,766,126	3,647,741	3,346,834	3,350,520	3,094,174
Average of parent shareholders' equity	1,573,594	1,445,895	1,363,442	1,168,337	1,028,621

*The Figures of 2018G have been reclassified to match with the classification of this current year.

Shareholders' Equity

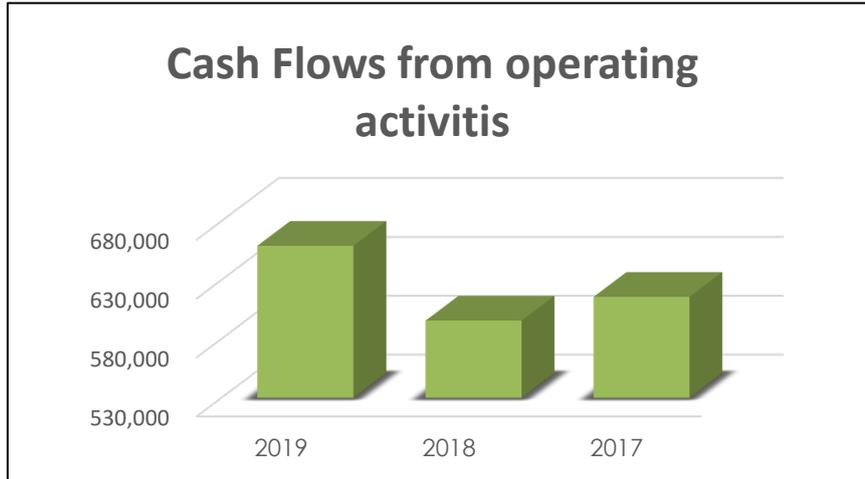


Assets & Liabilities



c) Cash flows (in thousand riyals):

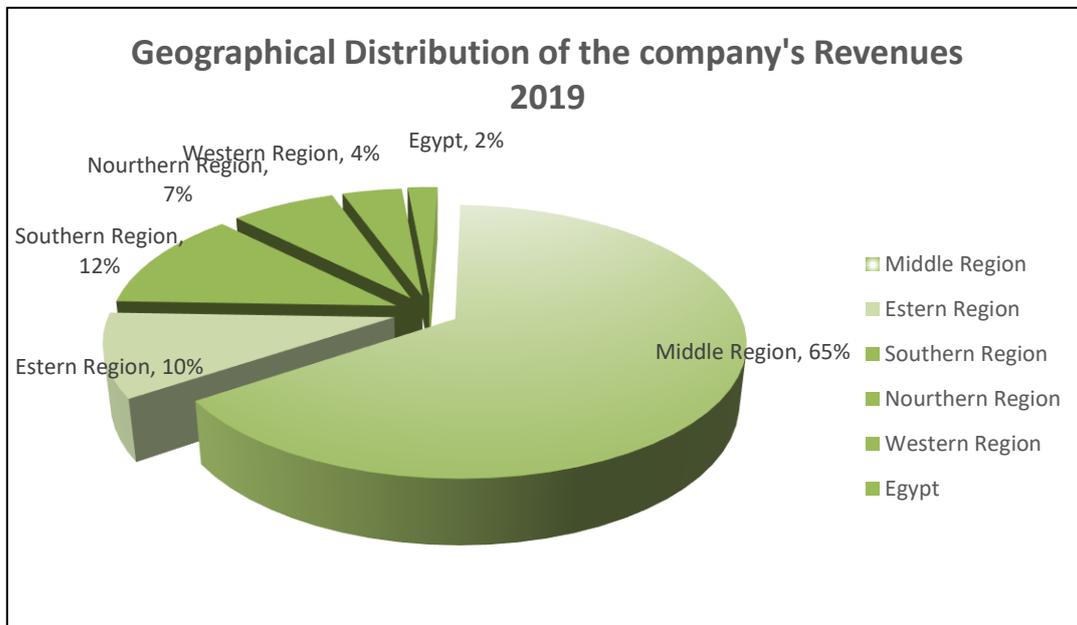
Cash flow	Fiscal years ended in 31 December	
	2019	2018
Cash flow from operation activities	659,133	595,635
Cash flow used in investment activities	(156,374)	(365,356)
Cash flow used in funding activities	(459,555)	(275,005)
Increase (Decrease) in cash	43,204	(44,726)
Opening balance	219,226	263,952
Closing balance	262,430	219,226



Seventeen: Geographical distribution for the revenues of the company and its affiliates:

a) Revenues of the company:

Region	2019		2018	
	revenues	percentage	revenues	percentage
Central region	5,395,604	65%	4,980,034	65%
Eastern region	810,418	10%	774,107	10%
Southern region	1,028,778	12%	953,455	12%
Northern region	585,143	7%	570,131	8%
Western region	294,948	4%	218,513	3%
Arab Republic of Egypt	185,431	2%	145,090	2%
Total	8,300,322	100%	7,641,330	100%



b) Revenues of the subsidiary within KSA:

Geospatial Analysis of the total of revenues of the subsidiary							
Year	Region	Central region	Eastern region	Southern region	Northern region	Western region	Total
2019G	Revenue	249,611,357	-	-	-	-	249,611,357
	Percentage	100%	-	-	-	-	100%
2018G	Revenue	155,668,584	-	-	-	-	155,668,584
	Percentage	100%	-	-	-	-	100%

Eighteen: sectorial data:

The main activities of the company are focused in the wholesale and retail trade of foodstuffs and the company operates in Saudi Arabia, in addition to the real estate investment sector. Some of the selected information for the two financial years 2018G and 2019G for each sector of business were summarized (in thousand riyals):

Statement	Retail and Wholesale		Real Estate and Leasing		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018*
Property, plant and equipment, net	1,426,936	1,440,922	-	-	6,547	18,195	1,433,483	1,459,118
Investment properties, net	-	-	615,678	606,334	-	-	615,678	606,334
Original right of use	1,119,982	-	38,054	-	-	-	1,158,035	-
Intangible assets, net	4,116	5,915	-	-	526	-	4,643	5,915
Non-current assets for sale	-	-	-	-	13,644	-	13,644	-
Total assets	3,659,308	2,583,756	661,540	631,382	445,278	432,603	4,766,126	3,647,741
Total liabilities	3,085,821	1,834,197	68,684	20,338	86,440	93,757	3,240,945	1,948,292
Sales outside the group	7,916,264	7,359,455	-	-	249,611	155,669	8,165,875	7,515,124
Rental sales and income inside the company	-	-	2,060	2,060	71,662	79,193	73,722	81,253
rental revenue outside the group	-	-	134,447	136,872	-	-	134,447	136,872
Decrease in estates & equipment	-	6,968	-	-	-	31,744	-	38,712
Total income, sale commissions and rental revenue, net	1,640,709	1,488,202	80,177	80,552	54,490	46,862	1,775,377	1,615,616
Income from main works	311,498	230,758	80,177	80,552	7,814	14,020	399,490	325,330

*Figures of year 2018G have been reclassified to match the classification of this current year.

Nineteen: Explanation of any significant differences in the operating results from the results of the previous year or any expectations announced by the company:

1. The company started the application of International Financial Reporting Standard (16) of lease contracts from 01 January 2019G by using modified retroactive effect and the accumulated financial effect of the previous years was SR 111.88 million and retained profits were reduced, the accumulated effect includes SR 12.23 million from the application of the standard on sister companies and subsidiaries. The financial effect of the application of the standard on results of the current year was SR 22.11 million.
2. Results of operations from farming activity of subsidiary company were reclassified at income statement within the non-continuous operations for all periods based on company's decision to stop the farming activity from 01 January 2020G.



Twenty: a statement of the subsidiaries and state of incorporation, the activity of the company and the percentage of ownership and capital:

s	The Company's name	Country of Incorporation	The legal form of the company	Type of activity	Country of Incorporation	Proportion of ownership (direct and indirect)	Number Shares/Quotas	Par Value of shares	Capital according to the Par value of shares (SAR)
1.	Haley Holding	Saudi	Limited Liability	Wholesale and retail trade	Saudi	100%	10,000	100	1,000,000
2.	Global Marketing Center Holding	Saudi	Limited Liability	Wholesale and retail trade	Saudi	100%	10,000	100	1,000,000
3.	Seven services	Saudi	Limited Liability	import and export	Saudi	100%	50,000	100	5,000,000
4.	Bayt Al Watan	Saudi	Limited Liability	import and export	Saudi	100%	500,000	100	50,000,000
5.	Marafiq Al Tashgheel	Saudi	Limited Liability	General Contracting & Maintenance	Saudi	100%	500	1000	500,000
6.	Abdullah Al Othaim Markets Egypt	Egypt	Closed joint Stock	Wholesale and retail trade	Egypt	100%	800,000	33.56	26,849,908
7.	Shorofat Al Jazira	Saudi	Limited Liability	General contracting, maintenance and operation	Saudi	100%	500	1,000	500,000
8.	Thamarat Al-Qassim	Saudi	Limited Liability	Agricultural and animal activity	Saudi	100%	200,000	100	20,000,000
9.	Mueen Human Resources	Saudi	Closed joint Stock	Provision of labor services	Saudi	68%	10,000,000	10	100,000,000

Twenty First: Distribution of earnings and dividends policy, which will be distributed:

1. Company Profit distribution Policy:

The Company follows a policy in the distribution of annual net profit in accordance with Article (46) of its Articles of Association, after deducting all general expenses and other costs as follows:

- Maintain (10%) Of the net profit to form the statutory reserve, and the Ordinary General Assembly, may stop this when the said reserve reaches (30%) of the paid-up capital.
- Ordinary General Assembly may, upon the proposal of the Board of Directors to maintain no more than (20 %) Of the profits to create an agreed upon reserve to be assigned for a specific purposes(s) customize it for the purpose or particular purposes.
- The General Assembly may decide to make other reserves, to the extent that it serves the interests of the Company or ensures the distribution of fixed profits as much as possible to the shareholders, and the said Assembly may deduct from the net profits amounts for the establishment of social institutions for the company's employees or to help the existing ones.
- From the remaining balance, at least equivalent to 5% of the paid-up capital to be distributed for shareholders as first payment
- After allocating the remuneration of the members of the Board of Directors and the approval of the General Assembly and the decisions issued by the competent authorities, the remainder shall be distributed to the shareholders as an additional share of profits or to be carried forward to the coming years as approved by the General Assembly. The Company may distribute interim dividends to its shareholders quarterly or semi-annually in accordance with the regulatory controls and procedures issued in this regard by the competent authority.

2. Profits distributed to shareholders during the various periods of the fiscal year in addition to the proposed profit percentage to be distributed at end of the fiscal year and total profits (in SAR):

Capital	The percentage of profits distributed during the year			Profit percentage proposed for distribution at year end	Total profit for distribution and proposed for distribution
	Distribution date	09/05/2019	12/12/2019		
900,000,000	Percentage	30%	15%	15%	540,000,000
	Total	270,000,000	135,000,000	135,000,000	

Twenty Second: Interest in shares and debt instruments of the board members senior executives:

- a) Description of any interest in the shares and instruments of the Company's debt attributable to the members of the Board of Directors and their relatives in the shares or instruments of the debt of the company or any of its subsidiaries and the change that occurred during the year 2019G:

s	The name of who have interest	Beginning of the year 2019		End of the year 2019		Net change	Percentage of change
		Stock	Debt instruments	Stock	Debt instruments		
1.	Abdullah Saleh Ali Al Othaim	5,400,000	-	5,400,000	-	0	0%
2.	Bandar Nasser Hamad Al Tamimi*	5,732,944	-	4,454,944	-	-1,278,000	-22.29%
3.	Saleh Mohammed Saleh Al Othaim	1,050	-	0	-	-1,050	-100%
4.	Abdullah Ali Abdullah Al Debeikhy	-	-	-	-	-	0%
5.	Abdulsalam Saleh Abdulaziz Al Rajhi	4,000	-	4,000	-	0	0%
6.	Abdulaziz Saleh Abdullah Al Rebdi	4,000	-	4,000	-	0	0%
7.	Fahad Abdullah Saleh Al Othaim	4,000	-	4,000	-	0	0%
8.	Abdulaziz Abdullah Saleh Al Othaim	2,000	-	2,000	-	0	0%

*The interest inures to GOSI due to the fact that the member is representing it.

- b) A description of the interest of senior executives and their relatives in the shares and instruments of the debt of the company or any of its subsidiaries and the change that occurred during the year 2019G:

s	The name of who have interest	Beginning of the year 2019		End of the year 2019		Net change	Percentage of change
		Stock	Debt instruments	Stock	Debt instruments		
1.	Bahauddin Barakat Sherbeeny	24,864	-	24,864	-	0	0%

Twenty Third: Loans and Murabaha:

- a) **short term Murabaha:** The company has facilities with group of local banks in the form of short-term Murabaha (all of which are Sharia-compliant) to finance the working capital, with an unutilized balance of these Murabaha as on 31 December 2019G the amount of 715 million Saudi riyals, and the details are as follows: **(Value in thousands of riyals):**

Statement	Riyadh Bank	Arab National Bank	Alawwal Bank	Samba Financial Group	National Commercial Bank	Albilad Bank	Gulf International Bank
Short-term facility limit	100,000	50,000	350,000	75,000	75,000	100,000	100,000
Facilities as of 31/12/2018	0	0	0	0	0	0	0
Facilities as of 31/12/2019	0	0	135,000	0	0	0	0
The expiry date of the agreement	02/09/2019	15/09/2020	08/05/2020	08/01/2020	19/12/2018	22/11/2018	27/09/2019
Type of facilities	Short-term/Medium-term	Short-term	Short-term/Medium-term	Short-term	Short-term	Short-term	Short-term
Loan Term	Up to 360 days	Up to 90 days	Up to 180 days	Up to 180 days	Up to 120 days	Up to 180 days	Up to 180 days
Date of First instalment	0	0	13/01/2020	0	0	0	0
Date of last instalment	0	0	09/03/2020	0	0	0	0
Purpose of the loan	Working capital financing						
Guarantees	Bond to order	Bond to order	Bond to order	Bond to order	Bond to order	Bond to order	Bond to order

The following table indicates loan dues as on 31 December 2019G (Value in thousands of riyals):

Period	2019	2018
less than one year	135,000	-
From 1 to 3 years	-	-
More than 3 years to five years	-	-
Total	135,000	-

- b) **Medium-term loans and murabaha:** The Company have medium-term loans and murabaha an unutilized balance of these Murabaha as on 31 December 2019G was SR 450 million according to the following details: **(Value in thousands of riyals):**

Statement	National Kuwait Bank	Gulf International Bank	Arab National Bank
Short-term facility limit	200,000	100,000	150,000
Facilities as of 31/12/2018	0	0	0
Facilities as of 31/12/2019	0	0	0
The expiry date of the agreement	25/02/2020	27/09/2019	15/09/2020
type of facilities	Medium-term	Medium-term	Medium-term
Loan term	5 Years	5 Years	5 Years
Date of First instalment	0	0	0
Date of last installment	0	0	0
Loan purpose	financing new branches		
Guarantees	Promissory Note	Promissory Note	Promissory Note

Twenty Fourth: Board of Directors meetings during the year 2019G:

The Board of Directors held (5) meetings during the fiscal year 2019G, and the table below shows the attendance record of the Board of Directors meetings:

s	Member Name / Date of Meeting	Meeting number and date					Number of attendances
		(1) 05 Mar	(2) 13 May	(3) 06 Aug	(4) 11 Nov	(5) 16 Dec	
1.	Abdullah Saleh Ali Al Othaim	✓	✓	✓	✓	✓	(5)
2.	Bandar Nasser Hamad Al Tamimi	✓	✓	✓	✓	✓	(5)
3.	Saleh Mohammed Saleh Al Othaim	✓	✓	✓	✓	✓	(5)
4.	Abdullah Ali Abdullah Al Debeikhy	✓	✓	✓	✓	✓	(5)
5.	Abdulsalam Saleh Abdulaziz Al Rajhi	✓	✓	✓	✓	✓	(5)
6.	Abdulaziz Saleh Abdullah Al Rebdi	×	✓	✓	✓	✓	(4)
7.	Fahad Abdullah Saleh Al Othaim	✓	✓	✓	✓	✓	(5)
8.	Abdulaziz Abdullah Saleh Al Othaim	✓	✓	✓	✓	✓	(5)

Twenty Fifth: The General Assemblies held during the year 2019G and the names of the members of the Board of Directors and the record of their attendance of these associations:

s	Member name	Eighth EGM on 18/04/2019
1.	Abdullah Saleh Ali Al Othaim	Didn't attend
2.	Bandar Nasser Hamad Al Tamimi	Didn't attend
3.	Saleh Mohammed Saleh Al Othaim	Present
4.	Abdullah Ali Abdullah Al Debeikhy	Didn't attend
5.	Abdulsalam Saleh Abdulaziz Al Rajhi	Present
6.	Abdulaziz Saleh Abdullah Al Rebdi	Didn't attend
7.	Fahad Abdullah Saleh Al Othaim	Present
8.	Abdulaziz Abdullah Saleh Al Othaim	Present

Twenty Sixth: Number of the company requests for the register of shareholders:

Number of record requests	The date of request	Reasons for the request
1	25/11/2019	Profit distribution
1	07/11/2019	Corporate formalities
1	04/09/2019	Corporate formalities
2	22/04/2019	Profit distribution
1	18/04/2019	General Assembly
1	14/03/2019	Corporate formalities

Twenty Seventh: Information on the business, contracts and transactions to which the Company is a party with the relevant parties:

Firstly: Works and contracts with Al Othaim Holding Co., where the chairman, HE Abdullah Saleh Ali Al Othaim is having interest, as follows:

Type of Contract	Contract description	Contract Value	The beginning of the contract	Contract term/Year	Method of Payment	Notes
Rent	trademark	10,000	01/07/2006	5	annual	-
Leasing	administrative Offices	710,050	01/01/2020	1	semi annual	-
Rent	Farm leased to an affiliate	100,000	01/05/2018	1	annual	-
Purchases	Sanabel Alkhair cards	983,550	01/05/2020	1	Monthly	-
Services	common services	305,545	01/05/2020	1	Monthly	Amount is variable, calculated at year end
services	rent labor services from Abdullah Al Othaim markets Co.	2,117,817	01/05/2020	1	Monthly	Amount is variable, calculated at year end
services	rent labor services from Mueen Human Resources Co.	260,309	01/05/2020	2	Monthly	Amount is variable, calculated at year end

Secondly: Contracts with Abdullah Al Othaim Investment Company and its affiliates where the chairman, HE Abdullah Saleh Ali Al Othaim & member Fahad Abdullah Saleh Al Othaim are having interest, as follows:

Type of Contract	Contract description	Contract Value	The beginning of the contract	Contract term/Year	Method of Payment	Notes
Rent	Buraidah Branch 24	1,277,100	01/06/2007	20	annual	-
Rent	Buraidah Branch Accommodation	219,600	01/01/2009	18	annual	-
Rent	Al-Ahsa Mall Hypermarket 81	2,159,850	01/12/2007	20	annual	-
Rent	Khurais Mall Hypermarket 83	1,673,760	01/03/2008	20	annual	-
Rent	Al Rabwa Mall Supermarket 154	770,880	01/08/2019	10	annual	-
Rent	Archive Warehouse	21,300	01/02/2019	10	annual	-
Rent	Dammam Mall Hypermarket 159	1,922,400	01/01/2011	18	annual	-
Rent	Buraidah - Akirisha Supermarket	1,086,000	01/01/2018	5	semi annual	-
Rent	Akirisha branch - Accommodation	35,000	01/01/2018	5	annual	-
Rent	Onaiza Mall Supermarket	729,000	09/05/2017	10	semi annual	-
Rent	Arar Mall Supermarket	2,022,680	03/05/2016	10	semi annual	-
Rent	Hail Mall Hypermarket	2,089,120	01/08/2017	20	semi annual	Amount shall be reduced to become SAR 1,715,120 after reducing leased area
Leasing	Alkhafji Supermarket Mall	1,302,840	01/05/2019	15	semi annual	Contract was not executed in 2019 and beginning of rent was not defined.
Leasing	Hafr Albatin Supermarket	2,360,340	01/05/2019	10	semi annual	Contract was not executed in 2019 and beginning of rent was not defined
Leasing	Administrative offices	742,500	01/01/2020	1	semi annual	-
Leasing	Administrative offices – Abdullah AlOthaim Fashion Co.	93,075	01/10/2019	5	semi annual	-
Leasing	Administrative offices – Abdullah AlOthaim Fashion Co.	82,450	01/10/2018	5	semi annual	-
Leasing	Dammam Mall	34,932,000	01/01/2011	18	semi annual	-
Leasing	Entertainment center Shifa 16	102,150	01/01/2019	5	semi annual	-
Leasing	Entertainment center Oqba 37	417,225	01/01/2019	5	semi annual	-
Leasing	Entertainment center Swaidi 39	1,000,000	16/03/1435H	10	semi annual	-
Services	Common services	957,660	01/05/2019	1	annual	Amount is variable, calculated at year end
Services	Marketing services at malls	3,153,728	01/05/2019	1	annual	Amount is variable, calculated at year end
Manpower Services	rent labor service for Imtiaz Alriyadh Co. from Mueen HR Co.	418,515	01/05/2020	1	Monthly	Amount is variable, calculated at year end
Manpower Services	Rent labor services for Fun World Co. from Mueen HR Co.	334,353	01/05/2020	1	Monthly	Amount is variable, calculated at year end
Leasing	Common accommodation for employees at sister companies	230,265	01/05/2019	1	Annual	Amount is variable, calculated at year end
Labor services	Leasing labor services	9,622,980	01/05/2020	1	Annual	Amount is variable, calculated at year end
Labor services	leasing labor services	6,285,446	01/05/2020	1	Annual	Amount is variable, calculated at year end
Labor services	rent labors for Abdullah Al Othaim fashion Co. from Mueen HR Co.	1,659,793	01/05/2020	2	Monthly	Amount is variable, calculated at year end
Services	Electricity and general utilities at rented branches	4,379,230	01/05/2019	1	Annual	Amount is variable, calculated at year end
Services	Power for Ads. signs at malls	36,000	01/05/2019	1	Annual	-

Thirdly: Works & contracts with Mueen HR Company, and Riyadh Food Industries Co., where the board member Mr. Abdulaziz Abdullah Saleh Al Othaim, and some senior executives are having interest as follow:

a) Mueen Human Resources Co.

Type of Contract	Contract description	Contract Value	The beginning of the contract	Contract term/Year	Method of Payment	Notes
Services	leasing manpower services	52,371,996	01/05/2020	2	Monthly	Amount is variable, calculated at year end
Services	leasing manpower services to Riyadh food Industry Co.	1,865,063	01/05/2020	2	Monthly	Amount is variable, calculated at year end
Services	leasing manpower services to Thamarat Al Qassim Co. in 2019	841,127	01/05/2020	2	Monthly	Amount is variable, calculated at year end
Services	leasing manpower services to Al Othaim Fashion Co.	1,659,793	01/05/2020	2	Monthly	Amount is variable, calculated at year end
Services	leasing manpower services to Al Othaim Holding Co.	260,309	01/05/2020	1	Monthly	Amount is variable, calculated at year end
Services	leasing manpower services to Imtyaz Al Riyadh Co.	418,515	01/05/2020	1	Monthly	Amount is variable, calculated at year end
Services	leasing manpower services to Ledar Entertainment Investment Co.	334,353	15/12/2020	1	Monthly	Amount is variable, calculated at year end
Services	leasing manpower services to Seven Services Co.	22,508	01/05/2020	1	Monthly	Amount is variable, calculated at year end
Leasing	Showrooms in Nafal District	60,000	01/05/2018	1	semi annual	-
Rent	Real estate in Shifa district	2,000,000	01/05/2018	53 months	semi annual	-
Leasing	Alkhobar	85,463	15/12/2018	2	semi annual	-
Leasing	Qordoba-Buraida	32,250	15/11/2018	2	semi annual	-

b) Riyadh Food Industries Co.

Type of Contract	Contract description	Contract Value	The beginning of the contract	Contract term /Year	Method of Payment	Notes
Services	leasing manpower services from Mueen Co.	1,865,063	01/05/2020	2	Monthly	Amount is variable, calculated at year end
Supply	Commercial contract to supply foodstuffs	121,802,594	01/05/2018	1	Monthly	Amount is variable, calculated at year end

Fourth: Contract works with Dani Trading where the board member Mr. Saleh Mohammed Saleh Al Othaim is having interest as follow:

Type of Contract	Contract description	Contract Value	The beginning of the contract	Contract term/Year	Method of Payment
Leasing	Commercial showroom- Rawdha branch	300,000	01/05/2018	3	Semi Annual
Leasing	Dammam, Cornice	373,000	15/07/2018	3	Semi Annual

Fifth: Contract with GOSI bearing interest to the board member Mr. Bandar Nasser Hamad Al Tamimi as follows:

Type of Contract	Contract description	Contract Value	The beginning of the contract	Contract term/Year	Method of Payment
Leasing	Investment lands	5,562,500	16/01/1424 H	26	Annual

Sixth: Contracts and works with Wousta Food Services Co. where the board member Mr. Abdulaziz Abdullah Saleh Al Othaim is having interest as follow:

Type of Contract	Contract description	Contract Value	The beginning of the contract	Contract term/Year	Method of Payment
Leasing	showroom on ring road in Onaiza	350,000	09/06/2015	13	Annual
Leasing	Showroom in Alrass	250,000	19/06/2017	13	Annual

Twenty-Eighth: Legal Payments to Government Authorities (SR):

statement	In 2019
Zakat	9,307,269
Various taxes	73,595,466
General Organization for Social Insurance –Subscriptions	45,827,455
The visas and passports	37,043,631
Labor office fees	119,354,942
Total	285,128,763

Twenty Ninth: Board Declarations:

1. There is no interest in the class of shares entitled to vote belong to persons who have notified the Company of those rights under Article (68) of the Listing Rules and Continuing Obligations.
2. There are no categories or numbers of any convertible debt instruments, any contractual securities, warrants, rights, or similar rights issued or granted by the Company during the financial year.
3. There are no rights to transfer or subscribe under convertible debt instruments, contractual securities, subscription rights notes or similar rights issued or granted by the Company
4. There is no refund, purchase or cancellation by the Company for any redeemable debt instruments
5. There is no arrangement or agreement whereby a board member or a senior executive waives any remuneration
6. There is no arrangement or agreement whereby any of the Company's shareholders waives any rights in profits.
7. There are no investments or reserves created for the benefit of source employees.
8. The Board of Directors also acknowledges the following:
 - a) That the accounting records had been prepared correctly.
 - b) That the internal control system has been properly prepared and implemented effectively.
 - c) That there is no doubt of the company's ability to continue activity.

At the end of this report, members of the Board of Directors of Abdullah Al Othaim Markets Company express their thanks and appreciation to the employees of the company, shareholders, suppliers, banks and government agencies for their support and cooperation, and your company will continue its success, growth and future expansion in line with the plans and objectives set and achieve the continuous rate of growth in profits.

The Board of Directors

Disclaimer: In case of any contradiction or discrepancy in translation between the English version and the Arabic version of this report, the Arabic text shall prevail.