

Invitation to the Ordinary General Assembly (Number thirty-fourth)

Saudi Industrial Export Company

Saudi Listed Company

Riyadh 11485, P.O Box 21977

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The Board of Directors of the Saudi Industrial Exports Company is pleased to invite the shareholders of the company to attend the meeting of the Ordinary General Assembly (Number thirty-fourth) by means of modern technology using the system of my trading. At Six o'clock and thirty minutes (06:30) in the evening of Tuesday 11/26/1442 AH corresponding to 07/06-2120 AD, in order to discuss the following agenda:

- 1- vote on the Board of Directors' report for the fiscal year ending 12-31-2020 AD.
- 2- Voting on the company's auditor's report for the fiscal year ending 12-31-2020 AD.
- 3- Voting on the financial statements for the fiscal year ending on 12-31-2020 AD.
- 4- Voting to appoint the company's auditor from the candidates based on the audit committee's recommendation, to examine and review and audit the financial statements for the second, third and annual quarters of the fiscal year 2021 AD and the first quarter of 2022 AD, and determine their fees.
- 5- To vote on the Board of Directors' recommendation to appoint Dr. Sulaiman Hamad Al-Jedaie as an (executive) member of the Board of Directors to complete the Board's session from the date of his appointment on 03/31/2021 AD until the end of the current session on 06/15/2022 AD to succeed the resigning member Mr. Hazem Fahd Al-Dossary (CV attached).

Board of director's report

The company's balance sheet

For the fiscal year ending on 31 December 2020

Honorable shareholders,

Peace, mercy and blessings of Allah be upon you,

The Board of Directors is pleased to present to you the annual report of the Saudi Industrial Export Company for the year 2020, which highlights basic information about the company's activity and the most prominent projects it has undertaken. In addition to analyzing the operating and financial results, as well as income statements, cash flow, changes in shareholders' equity, the structure of the company's board of directors, the extent of the company's compliance with the provisions of the corporate governance regulations, and information about the activities of the company and its subsidiaries. In addition to an analytical presentation of the company's consolidated operational results and the current and expected risks it faces, which reviews the most important developments that have occurred in the company's activities and annual financial results, and the challenges faced by companies and current global economic conditions and the current crisis through the spread of the virus (Covid-19). Whereas, the company, praise be to Allah, has taken all necessary measures that would preserve the health and safety of its employees and clients through this pandemic, which affected all sectors in the world.

The company has undertaken a restructuring and a future strategic plan to cope with the changing market conditions, focusing on innovation in its high profitable products and businesses, improving performance and concentrating on all targeted sectors, increased expenditures, and distributions. In order to be able to maintain its competitive advantages; the suspension of shipment and export during the outbreak of the Corona virus pandemic had a negative impact on the company's financial results. The management has exploited all possible ways to improve in all cases and advance the company to serve our shareholders, customers and employees; we pray to Allah to crown our efforts with success.

In conclusion, we pray to Allah Almighty to reconcile our steps, and help us to continue the company's journey to the fullest.

Board of Directors

1) The provisions of the Corporate Governance Regulations that have been applied and what are not, and the reasons for that:-

The company applies all provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions listed below:

Article number in the regulation	Clause	Article/Clause text	Reasons for not applying
39 (Training)	(2)	2) Develop the necessary mechanisms for the members of the Board of Directors and the Executive Management to obtain continuous training programs and courses, with the aim of developing their skills and knowledge in areas related to the company's activities.	The article is indicative and has not been applied
41 (Evaluation)	(A)	a) The Board of Directors, based on the proposal of the Nominations Committee, shall set the necessary mechanisms for annually evaluating the performance of the Board, its members, committees and the Executive Management. This is done through appropriate performance measurement indicators related to the extent to which the company's strategic objectives are achieved, the quality of risk management, the adequacy of internal control systems and others, provided that the strengths and weaknesses are identified and a proposal to address them in line with the company's interest.	The article is indicative and has not been applied
85 (Motivating Employees)	(2)	2) Programs for granting employees shares in the company or a share of the profits it achieves, retirement programs, and the establishment of an independent fund to spend on those programs.	The article is indicative and has not been applied
85 (Motivating Employees)	(3)	3) Establishment of social institutions for the company's employees.	The article is indicative and has not been applied
87 (Social Responsibility)		The Ordinary General Assembly, based on a proposal from the Board of Directors, sets a policy that ensures a balance - between its goals and the goals that society aspires to achieve, for developing the social and economic conditions of society.	The article is indicative and has not been applied
88 (Social Action Initiatives)		The Board of Directors sets the programs and determines the means necessary to present the company's initiatives in the field of social work.	The article is indicative and has not been applied
95		In the event that the Board of Directors forms a committee specialized in corporate governance, it must delegate to it the competencies stipulated	The article is indicative and has not been applied because there

<i>(Formation of the Corporate Governance Committee)</i>		<i>under Article Ninety Four of these Regulations. This committee must follow up on any issues related to governance applications, and provide the Board of Directors, at least annually, with the reports and recommendations it reaches.</i>	<i>are specialists in corporate governance in the management of the company, and accordingly the company considers it unnecessary to form this committee now.</i>
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2) Names of the members of the Board of Directors, members of the committees, and the executive management, and their current and previous positions, qualifications and experience:

a) Board of Directors

#	Name	Current title	Previous titles	Qualifications	Experiences
1	Hatem Hamad Al-Suhaibani	General Manager of Honorable Concepts Trading Company	Transport engineer	Bachelor of Mechanical Engineering	12 years of experience in engineering, design and asset management
2	Ahmed Mohammed Al-Arini	Executive Director of the Information Technology Department at the General Investment Authority	Director of Branch Expansion Department at Al Rajhi Bank	Master of Computer Science	13 years of experience in management, business analysis and technical project implementation
3	Abdullah Abdul-Aziz Al-Mishaal	General Manager of Hazoon Catering Services Company	Businessman	Bachelor of Sharia	16 years of experience in the field of commerce and business
4	Salman Muhammed Al Suhaibani	CEO of Labas Health Insurance Claims Settlement Company	Head of Compliance, Anti-Money Laundering and Suspicious Activities Reporting Saudi Arabia Lazard Company	Master of Business Administration	12 years of experience in the field of corporate governance, control and management
5	Khaled Abdullah Al-Dhubaib	Director General of the General Department for Initiatives at the Ministry of Communications and Information Technology	Project Manager for Digital Transformation and Change at Al Rajhi Bank	Master of Business Administration	12 years of experience in strategic management, project management and business development.

6	<i>Hussam Yahya Al-Ghrimail</i>	<i>Executive Director</i>	<i>Information and Communication Technology Consultant</i>	<i>Master of Business Administration</i>	<i>14 years of experience in the field of information technology, communications and management.</i>
7	<i>Ali Saleh Al Humaidan</i>	<i>Executive Director of the Arab Trade Identity Company</i>	<i>Co-founder of a professional marketing company</i>	<i>Master of Business Administration</i>	<i>12 years of experience in management, project management and business development.</i>
8	<i>**Hazem Fahd Al-Dosari</i>	<i>Resigned from the board of directors of the Saudi Industrial Export Company</i>	<i>Adviser at the Public Investment Fund</i>	<i>Master of Business Administration</i>	<i>18 years of experience in management.</i>

*** Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.*

b) Committee members

#	Name	Current title	Previous titles	Qualifications	Experiences
1	Hatem Hamad Al-Suhaibani	General Manager of Honorable Concepts Trading Company	Transport engineer	Bachelor of Mechanical Engineering	12 years of experience in engineering, design and asset management
2	Ahmed Mohammed Al-Arini	Executive Director of the Information Technology Department at the General Investment Authority	Director of Branch Expansion Department at Al Rajhi Bank	Master of Computer Science	13 years of experience in management, business analysis and technical project implementation
3	Abdullah Abdul-Aziz Al-Mishaal	General Manager of Hazoon Catering Services Company	Businessman	Bachelor of Sharia	16 years of experience in the field of commerce and business
4	Salman Muhammed Al Suhaibani	CEO of Labas Health Insurance Claims Settlement Company	Head of Compliance, Anti-Money Laundering and Suspicious Activities Reporting Saudi Arabia Lazard Company	Master of Business Administration	12 years of experience in the field of corporate governance, control and management
5	Khaled Abdullah Al-Dhubaib	Director General of the General Department for Initiatives at the Ministry of Communications and Information Technology	Project Manager for Digital Transformation and Change at Al Rajhi Bank	Master of Business Administration	12 years of experience in strategic management, project management and business development.
6	Hussam Yahya Al-Ghrimail	Executive Director	Information and Communication Technology Consultant	Master of Business Administration	14 years of experience in the field of information technology, communications and management.
7	Ali Saleh Al Humaidan	Executive Director of the Arab Trade Identity Company	Co-founder of a professional marketing company	Master of Business Administration	13 years of experience in management, project management and business development.

8	Suleiman Hamad Al-Jedaie	CEO of the Saudi Industrial Export Company.	Logistical consultant	PhD in Industrial Engineering (specializing in Logistics)	More than 10 years of international experience in supply chain management, logistics and operations management
9	Mohammed Azzam Al Shuwaier	CEO of Mining House Company	Senior Audit Manager, Saudi Telecom Channels Company	Bachelor of Information Systems	Director of Group Policies Department at Saudi Civil Aviation Holding Company Director of Operational Excellence Department at National Gas and Industrialization Company and consultant at Al-Elm Company for Information Security Consultant at Accenture International Company

c) Executive Management

#	Name	Current title	Previous titles	Qualifications	Experiences
1	Suleiman Hamad Al-Jedaie	CEO of the Saudi Industrial Export Company.	Logistical consultant	PhD in Industrial Engineering (specializing in Logistics)	More than 10 years of international experience in supply chain management, logistics and operations management
2	Zaid Ahmed Al-Harbi	Chief Financial Officer	Senior Manager Receivables and Reforms	Master's in Information Security Systems Management	8 years of experience in financial management

3) Names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of its current and previous boards of directors: or one of its managers.

<i>Member's name</i>	<i>Names of the companies in which a member of the board of directors is a member of their current boards of directors, or one of their managers</i>	<i>Inside / Outside KSA</i>	<i>Legal Entity (listed/unlisted/limited liability/etc.)</i>	<i>Names of companies in which a member of the board of directors is a member of their previous boards of directors or one of their managers</i>	<i>Inside / Outside KSA</i>	<i>Legal Entity (listed/unlisted/limited liability/etc.)</i>
<i>Hatem Hamad Al-Suhaibani</i>	<i>Ayan Investment Company</i>	<i>Inside</i>	<i>Listed joint stock company</i>			
<i>Ahmed Mohammed Al-Arini</i>				-	-	-
<i>Abdullah Abdul-Aziz Al-Mishaal</i>				-	-	-
<i>Salman Muhammed Al Suhaibani</i>	<i>Aldrees Petroleum and Transport Services Company</i>	<i>Inside</i>	<i>Listed joint stock company</i>	-	-	-
<i>Khaled Abdullah Al-Dhubaib</i>	-	-	-	-	-	-
<i>Hussam Yahya Al-Ghrimail</i>	<i>Bethel Riyadh Co. Ltd.</i>	<i>Inside</i>	<i>Limited liability</i>	-	-	-
<i>Ali Saleh Al Humaidan</i>	-	-	-	-	-	-

4) The composition of the board of directors and the classification of its members as follows: an executive board member - a non-executive board member - an independent board member.

<i>Members' name</i>	<i>Membership classification (executive - non-executive – independent)</i>
<i>Eng. Hatem Hamad Al-Suhaibani</i>	<i>Independent</i>
<i>Mr. Ahmed Mohammed Al-Arini</i>	<i>Independent</i>
<i>Mr. Abdullah Abdul-Aziz Al-Mishaal</i>	<i>Non-Executive</i>
<i>Mr. Salman Muhammed Al Suhaibani</i>	<i>Independent</i>
<i>Mr. Khaled Abdullah Al-Dhubaib</i>	<i>Independent</i>
<i>Eng. Hussam Yahya Al-Ghrimail</i>	<i>Non-Executive</i>
<i>Mr. Ali Saleh Al Humaidan</i>	<i>Independent</i>
<i>Vacant</i>	<i>Vacant</i>

5) Actions taken by the Board of Directors to inform its members - especially non-executives - of the shareholders' proposals and comments regarding the company and its performance.

The proposals and comments of the company's shareholders, if any, are presented in the meeting of the Board and Board committees after the Board members are notified by phone or by e-mail.

6) A brief description of the committees' terms of reference and tasks, such as: the Audit Committee, the Nomination Committee and the Remuneration Committee, indicating the names of the committees, their chairmen and members, the number of their meetings, the dates of their meetings, and the attendance data of members for each meeting

1. Audit Committee

It is chaired by Mr. Salman Mohammed Al-Suhaibani - a member of the Board of Directors, the membership of Mr. Ahmed Mohammed Al-Arini - a member of the Board of Directors, and the membership of Mr. Mohammed Azzam Al Shuwaier - a member of the committee from outside the board. The Committee is responsible for assisting the Board in fulfilling its responsibilities entrusted to it, and in particular to assisting in verifying the adequacy of the internal control system and its effective implementation; In addition to submitting any recommendations to the Board of Directors that would activate and develop the system to achieve the objectives of the company and protect the interests of shareholders and investors with high efficiency and reasonable cost. From this concept, the tasks of the committee do not include carrying out any executive tasks or taking any decisions. Rather, its tasks are limited to presenting recommendations to the Board of Directors to take what it deems appropriate in this regard. The committee held (6) meetings during the fiscal year 2020, according to the following details:

Members' name	Members' capacity	1 st meeting 24.03.2020	2 nd meeting 22.04.2020	3 rd meeting 15.06.2020	4 th meeting 24.08.2020	5 th meeting 10.11.2020	6 th meeting 15.11.2020	Number of meetings attended by the member
Mr. Salman Mohammed Al-Suhaibani	Committee Chairman	✓	✓	✓	✓	✓	✓	6
Mr. Ahmed Mohammed Al-Arini	Member	✓	✓	✓	✓	✓	×	5
Mr. Mohammed Azzam Al Shuwaier	Member	✓	✓	✓	✓	×	✓	5

✓ Attending in person

× Absence

** Duties and scope of work of the Audit Committee:*

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

- i. Request documents, reports, clarifications and other appropriate information from the company's executive managers and officials.*
- ii. Inviting the company's executive directors, officials and employees to the committee's meetings to ask them and request clarifications and explanations from them.*
- iii. The use of experts, consultants and specialists from outside the company.*
- iv. Perform any duties assigned to them by the Board of Directors within the powers of the Audit Committee*
- v. Carrying out the annual review and evaluation of its bylaws and preparing recommendations to the Board of Directors regarding the amendment of part of it (if required.)*
- vi. Preparing reports on a periodic basis to the Board of Directors, provided that they are submitted to the Board upon the completion of the committee meeting.*
- vii. Dealing with the information available to the committee because of carrying out its work in strict confidence.*
- viii. Inform the Board of Directors of developments that affect its independence or conflict of interests related to the decisions taken by the Audit Committee in preparing an annual evaluation and review of the activities of the Audit Committee and its members, including the degree of compliance of the Committee with its regulations.*

Financial reports

- i. Study the company's initial and annual financial statements and its announcements related to its financial performance before presenting them to the Board of Directors, to ensure their integrity, fairness and transparency, and express their opinion.*
- ii. Expressing a technical opinion at the request of the Board of Directors whether the Board's report and the company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the company's financial position or position, its performance, business model and strategy.*
- iii. Study any important or unfamiliar issues included in the financial reports.*
- iv. Thoroughly researching any issues raised by the company's financial manager, or whoever assumes his duties, the company's compliance officer, or the auditor.*
- v. Verification of accounting estimates in the material issues contained in the financial reports.*
- vi. Studying the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.*

Internal Audit

- i. Studying and reviewing the company's internal and financial control and risk management systems, and preparing a written report that includes its recommendations and opinion on the adequacy of these systems and the work they performed that fall within the scope of their competence. Provided that the board of directors deposits a sufficient copy of this report at the*

company's head office at least ten days before the date of the general assembly, to provide the shareholders with a copy of it, and the report is read during the assembly.

- ii. Studying the internal audit reports and following up the implementation of corrective actions for the observations contained therein.*
- iii. Monitor and supervise the performance and activities of the internal auditor and the internal audit department in the company, if any, to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them. If the company does not have an internal auditor, the committee must submit its recommendation to the Board regarding the need for his appointment.*

Auditing

- i. Recommending the Board of Directors to appoint and dismiss auditors, determine their fees, and evaluate their performance, after ensuring their independence and reviewing the scope of their work and the terms of their contract.*
- ii. Verifying the independence and objectivity of the auditor, and the effectiveness of audit work, taking into account the relevant rules and standards.*
- iii. Review the company's auditor's plan and work, and verify that he has not submitted technical or administrative works that are outside the scope of audit work, and provide its views in this regard.*
- iv. Answering corporate auditor inquiries.*
- v. Studying the auditor's reports and his notes on the financial statements and following up on what was taken in their regard.*

Commitment Guarantee

- i. Reviewing the results of the reports of the regulatory authorities and verifying that the company has taken the necessary measures in this regard.*
- ii. Verify the company's compliance with relevant laws, regulations, policies and instructions.*
- iii. Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and submitting what it deems appropriate to the Board of Directors.*
- iv. Submit any issues it deems necessary to take action on to the Board of Directors, and make recommendations on the steps to be taken.*

2. Nomination and Remuneration Committee

Chaired by Mr. Ahmed Mohammed Al-Arini - Vice Chairman of the Board of Directors, the membership of Mr. Abdullah Abdul-Aziz Al-Mishaal - Member of the Board of Directors, and the membership of Mr. Ali Saleh Al Humaidan - Member of the Board of Directors. The Committee held two meetings during the fiscal year 2020 according to the following details:

Members' name	Members' capacity	4 th meeting 13.07.2020	5 th meeting 21.09.2020	Number of meetings
Mr. Ahmed Mohammed Al-Arini	Committee Chairman	✓	✓	2
Mr. Abdullah Abdul-Aziz Al-Mishaal	Member	✓	✓	2
Mr. Ali Saleh Al Humaidan	Member	✓	✓	2

✓ Attending in person

× Absence

* Duties and duties of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee is responsible for the following:

- Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submitting it to the Board of Directors for consideration in preparation for its approval by the General Assembly. Provided that, in this policy, consideration should be given to following performance-related standards, disclosing them, and verifying their implementation.
- Clarify the relationship between the remuneration granted and the applicable remuneration policy, and indicate any material deviation from this policy.
- Periodically reviewing the remuneration policy, and evaluating its effectiveness in achieving its objectives.
- Recommend to the Board of Directors the remuneration of the members of the Board of Directors and its committees and senior executives of the company in accordance with the approved policy, review the work contract and position of the CEO or the general manager, and plans for the annual financial remuneration for employees in the affiliated companies, and in accordance with the approved policy of those companies, and raise the recommendation to the Board of Directors.
- Propose clear policies and criteria for membership in the Board of Directors and the Executive Management.
- Recommending the Board of Directors to nominate and re-nominate members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a crime against honor and honesty.
- Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and occupying executive management positions.
- Determining the time that the member should allocate for the work of the Board of Directors.
- Annual review of the necessary needs of appropriate skills for membership of the Board of Directors and executive management functions.

- x. Review the structure of the Board of Directors and the Executive Management and make recommendations regarding changes that can be made.
- xi. Ensure on an annual basis the independence of the independent members and the absence of any conflict of interest if the member is a member of the board of directors of another company.
- xii. Develop job descriptions for executive members, non-executive members, independent members, members of the executive management and senior executives.
- xiii. Establishing special procedures in the event of a vacancy in the position of a member of the Board of Directors or senior executives.
- xiv. Identifying weaknesses and strengths in the Board of Directors, and proposing solutions to address them in line with the company's interest.
- xv.

3. Executive and Investment Committee

Chaired by Eng. Hatem Hamad Al-Suhaibani - Chairman of the Board of Directors, and the membership of Mr. Salman Muhammed Al Suhaibani- Member of the Board of Directors, Mr. Khaled Abdullah Al-Dhubaib - Member of the Board of Directors, and Mr. Hussam Yahya Al-Ghrimail - Member of the Board of Directors. The committee held (5) meetings during the fiscal year 2020, according to the following details:

Members' name	Members' capacity	5 th meeting 28.06.2020	6 th meeting 07.09.2020	7 th meeting 14.09.2020	8 th meeting 21.09.2020	9 th meeting 28.09.2020	Number of meetings
Eng. Hatem Hamad Al-Suhaibani	Committee Chairman	✓	✓	✓	✓	✓	5
Mr. Salman Muhammed Al Suhaibani	Member	✓	✓	✓	✓	✓	5
Mr. Khaled Abdullah Al-Dhubaib	Member	✓	✓	✓	✓	✓	5
Mr. Hussam Yahya Al-Ghrimail	Member	✓	✓	✓	✓	✓	5
**Hazem Fahd Al-Dosari	Member	✓	✓	✓	×	✓	4

✓ Attending in person

× Absence

** Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.

* Powers and Responsibilities of the Executive and Investment Committee

- i. *The Investment Executive Committee is responsible for overseeing the executive decision-making process and represents the role of the Supervisory Board in between Board meetings.*
- ii. *The committee discusses and takes decisions related to issues that need to take urgent decisions in emergency events within the limits of the powers granted to it by the board of directors.*
- iii. *Receive reports from management regarding legal issues and lawsuits of material importance to the company.*
- iv. *With regard to the company's strategy and objectives, the committee does the following:*
 - a. *Reviewing the company's strategic planning procedures and processes in cooperation with the CEO.*
 - b. *Ensuring that the company's strategic plans have been translated into actual actions and actions aimed at achieving the company's goals.*
 - c. *Review the CEO's recommendations regarding the distribution of the Company's resources aimed at achieving alignment between the Company's strategic plans and its long-term operational objectives.*
 - d. *Periodic review of the company's strategic plans and operational objectives to ensure their compatibility with the company's mission and objectives.*
 - e. *Reviewing the marketing and sales strategy and recommending the modifications required by it before approving this strategy.*
 - f. *The Committee reviews and prepares recommendations to the Board of Directors regarding strategic decisions related to operational priorities, including expansion into new markets and countries or exit from existing markets and countries.*
- v. *With regard to the company's financial planning and dividend policy, the Committee does the following:*
 - a. *Preparing and reviewing recommendations to the Board of Directors related to annual and long-term financial goals and strategies, as well as the performance indicators associated with them.*
 - b. *Preparing and reviewing the recommendations submitted to the Board of Directors related to the company's dividend policy and how to implement it.*
 - c. *Periodic review of actual capital expenditures and review them with previously approved budgets. The committee reviews and prepares recommendations to the Board of Directors regarding strategic decisions related to the opportunities facing the company that aim to improve the quality of the products and services provided by the company and rationalize the related costs.*
- vi. *Studying and advising the Board on the proposed mergers and acquisitions, increasing or decreasing the company's capital.*
- vii. *Develop the company's investment policies, procedures, strategies and programs and recommend them to the Board of Directors for approval, including policies and guidelines related to diversifying investments (investment in stocks, bonds, currencies...etc.) and its limits, and prohibited investments.*

- viii. *Preparing a diversification plan for investments in line with the company's needs and the acceptable degree of risk, and recommending it to the Board of Directors for approval.*
- ix. *Recommend to the Board of Directors regarding the approval of an investment and reinvestment of the company's funds. The committee may delegate investment operations to employees in the company and to external investment managers.*
- x. *Studying and advising the Board on proposed mergers and acquisitions and the like.*
- xi. *Reviewing the company's capital plan, studying and making recommendations to the Board on important financial policies and matters related to the company's financing including, dividend distribution policy, and share repurchase program, issuance or exclusion of debt bonds and others.*
- xii. *Monitor the management of the company's funds by reviewing the reports of the management and the investment advisory managers, and discussing them during the committee's meetings.*
- xiii. *Evaluating the investment and portfolio performance of the company by comparing the actual return with the expected returns, and the returns of other companies selected by the committee or the board of directors from time to time. This evaluation will take into account the extent of adherence to investment policies, guidelines and risk levels.*
- xiv. *Reviewing all investment transactions that require the approval of the Board of Directors and recommending them to the Board.*
- xv. *Studying and evaluating potential investments and determining the type of investment most appropriate for the company and recommending it to the Board.*
- xvi. *Reviewing important financial matters of the company, such as matters related to the company's capital, the company's credit rating, cash flows, borrowing activities, and investment deposits, in cooperation with the Audit Committee.*
- xvii. *Carrying out any other matters assigned by the Board of Directors to the Committee.*

7) The means relied upon by the Board of Directors in evaluating its performance, the performance of its committees and members, the external party that carried out the evaluation and its relationship with the company, if any:

During the year 2020, no accreditation method approved by the Board of Directors was applied in evaluating its performance and the performance of its committees and members from any external party.

8) Disclosure of the remuneration of the members of the Board of Directors and the Executive Management in accordance with what is stipulated in Article Ninety Three of the Corporate Governance Regulations.

A. Remuneration policy for board members and executive management in the company:

The remuneration policy for the Board of Directors, its committees and the executive management was prepared for the Board of Directors of the Saudi Industrial Export Company in order to comply with the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (2017-16-8) dated 16/05/1438 corresponding to 13/02/2017, which stipulated that the Nominations and Remunerations Committee shall prepare a clear policy for the remunerations of the members of the Board of Directors, the committees emanating from the Board and the Executive Management, and submit it to the Board of Directors for consideration in preparation for approval by the General Assembly.

Policy Objectives

This policy aims to:

- i. Defining clear criteria for the remuneration of the members of the Board of Directors, its committees and senior executives, in light of the requirements of the company's system and the regulations and regulations of the Capital Market Authority.*
- ii. The policy aims to attract individuals with a degree of competence, ability and talent to work on the board of directors and executive committees, by adopting incentive plans and programs for remuneration linked to performance, which contributes to improving the company's performance, achieving the company's performance and achieving the interests of its shareholders.*

General criteria for Remuneration

The Nominations and Remunerations Committee is concerned with recommending to the Board the remunerations of the Board members, members of the committees and senior executives of the company in accordance with the approved criteria as follows:

- i. The remuneration should be commensurate with the company's activity, strategy, objectives, and the skills necessary to manage it.*
- ii. Consider linking the variable portion of remuneration to long-term performance.*
- iii. The company considers the consistency of the remuneration with its strategy and objectives and with the size, nature and degree of risks it has.*
- iv. The company takes into account the practices of other companies, what is prevalent in the labor market, in determining the remuneration, while avoiding the unjustified rise in remuneration that might result.*
- v. Remuneration are determined based on the job level, the tasks and responsibilities assigned to the incumbent, educational qualifications, practical experience, skills and level of performance.*
- vi. The remuneration shall be reasonably sufficient to attract, motivate and retain suitable qualified and experienced persons.*

- vii. *The remuneration of the members of the Board of Directors shall be determined to reflect the member's experience, competencies, tasks entrusted to him, the number of sessions he is prohibited from, and other considerations.*
- viii. *The remuneration payment or refund shall be suspended if it is found that it was decided based on inaccurate information provided by the member of the board of directors or the executive management in order to prevent the exploitation of the job position to obtain undeserved remuneration*
- ix. *In the event of developing a program to grant shares in the company to the executive management and its employees, whether it is a new issue or shares purchased by the company, this must be done under the supervision of the Nominations and Remunerations Committee and in accordance with the company's articles of association and the relevant Capital Market Authority regulations and rules, and in accordance with the share grant plan approved by the Extraordinary General Assembly.*

Remuneration of board members

- i. *The remuneration of the members of the Board of Directors of the Saudi Industrial Export Company consists of the following:*
 - *A certain amount*
 - *Or instead of attending the sessions*
 - *Or expense allowance*
 - *Or a percentage of the profits*

It is permissible to combine two or more of these benefits without exceeding what is stipulated in the Companies Law and the Company's Articles of Association, and in accordance with the details of the remuneration of members of the Board of Directors and its committees contained in this policy, and in accordance with any amendments that occur later to be approved in accordance with the Law.

- ii. *This remuneration may be of varying amount and in light of a policy issued by the Nomination and Remuneration Committee and approved by the General Assembly. The annual report of the board of directors to the general assembly of shareholders must include a statement of the benefits, and also include a statement of what the board members received in their capacity as workers or administrators or in return for technical, administrative or consulting work (if any). It must also include a statement of the number of council sessions, and the number of sessions attended by each member from the date of the last meeting of the general assembly.*
- iii. *In the event that the remuneration of the members of the Board of Directors is a percentage of the profits, the provisions of the Companies Law and the relevant regulations and the articles of association of the company must be observed, provided that the total remuneration and financial benefits received by one member of the Board of Directors in all cases does not exceed the amount of (500,000) five hundred thousand Saudi riyals annually.*

Remuneration of committee members

- i. *The Board of Directors determines and approves the membership remuneration of its committees, attendance allowances and other entitlements based on the recommendation of the Nomination and Remuneration Committee.*
- ii. *The allowance for attending meetings and other benefits as described in this policy shall be paid in accordance with the details of the remuneration of the members of the Board of Directors and its committees and the Secretary of the Board.*

Executive Management Remuneration

- i. *The Nomination and Remuneration Committee reviews the salary scale set for all employees, senior executives, and the incentive program, plans on an ongoing basis, and approves them based on the recommendation of the executive management. The remunerations of the executive management include the following:*
 - *Basic salary (paid at the end of each Gregorian month and on a monthly basis) and allowances including, but not limited to, housing allowance, transportation allowance, children's education allowance, and telephone allowance.*
 - *An annual remuneration for the company's employees linked to the achievement of the annual objectives approved by the Nominations and Remunerations Committee and the Board of Directors, in accordance with the annual evaluation carried out in this regard.*
 - *Short-term incentive plans related to exceptional performance and long-term incentive plans such as stock options programs (if any) benefits including, but not limited to, annual leave, annual travel tickets and severance pay as per the work system and human resources policy approved by the company.*
- ii. *The Nomination and Remuneration Committee approve the plans and programs for the remuneration of senior executives.*
- iii. *The CEO of the company implements the remuneration policy for the company's employees and senior executives in light of the plans, programs and general guidelines approved by the committee.*

Additional parameters for remuneration and disbursement method

- i. *The members of the Board of Directors are not allowed to vote on the remuneration of the members of the Board of Directors at the meeting of the general assembly of shareholders.*
- ii. *The company discloses the remunerations of the members of the Board and the Executive Committees in the annual report of the Board of Directors in accordance with the controls and directives issued under the Companies Law, the Capital Market Authority regulations, and their executive regulations.*
- iii. *The member shall be entitled to the remuneration as of the date of joining the board or committee and according to the term of his membership.*

- iv. *The procedures for disbursing the remuneration of the members of the Board of Directors and the committees are prepared by the Secretary of the Board, provided that the payment order is approved by the CEO of the company.*
- v. *The allowance for attending the meetings of the Council, the remuneration of the committees, and the allowance for attending the meetings of the committees shall be paid within one month from the holding of the meeting. As for the annual remuneration for the Council, it shall be paid in full after its approval in the annual General Assembly meeting.*

An explanation of the details of the remuneration of the members of the Board of Directors and its committees:

- i. *Members of the Board of Directors*
 - *It is determined annually not to exceed 500 thousand riyals according to the companies' law, and is due on the condition that the member attends 70% of the meetings of the Board of Directors.*
 - *Additional allowance (travel and transportation) for those who are outside the city of the meeting location (Riyadh) according to the actual expense.*
- ii. *Committee members*
 - *An annual remuneration of 100,000 one hundred thousand riyals for each committee member from within the council, and it is due to the member, if the member attends 70% of the committee's meetings.*
 - *An annual remuneration of 50,000 fifty thousand riyals for each committee member from outside the council, which is due to the member, provided that the member attends 70% of the committee's meetings.*
 - *An annual remuneration of 50,000 fifty thousand riyals for the Secretary of the Board of Directors.*
 - *An allowance for attending the Board of Directors' meetings and the committees emanating from the Board meetings for all members of the Board and members of the committees on an amount of 3000 riyals for each member for each meeting.*

Remuneration adjustment:

- *The amount of the annual remuneration for a member of the Board of Directors may be reviewed from one period to another based on the recommendation of the Nomination and Remuneration Committee in light of the performance-related variables, and then obtaining the approval of the General Assembly of Shareholders on this.*
- *The amount of the annual remuneration for a member of the Board of Directors may be reviewed from one period to another based on a recommendation from the Remuneration and Nominations Committee in light of the performance-related variables, and then obtaining the approval of the Shareholders' General Assembly.*
- *The meeting attendance allowance shall be paid after each meeting.*

- The remunerations of the committee members and the council secretary shall be paid at the beginning of each Gregorian year, and in the event of membership termination or resignation, they shall be paid for the remainder of the year only.
- The annual remuneration shall be paid to the members of the board of directors after it is approved by the general assembly of shareholders (as stipulated in the Companies Law).

B. Remuneration of the Board of Directors

Remuneration of the Board of Directors

	Fixed Remuneration							Variable Remuneration							Grand Total	Expenses allowance
	A certain amount	Allowance for attending board sessions	Total allowance for attending committee sessions.	In-kind benefits	A statement of what the members of the board of directors received in their capacity as workers or Remuneration of the chairman, managing director, or secretary, if he is a member.		Total	Percentage of profits	Regular Remuneration	Short-term incentive plans	Long-term incentive plans	Granted Shares (Value shall be entered)	Total			
First: Independent members																
Eng. Hatem Hamad Al-Suhaibani	-	12.000	3.000	-	-	-	15.000	-	-	-	-	-	15.000	-	15.000	-
Mr. Salman Muhammed Al Suhaibani	-	12.000	21.000	-	-	-	33.000	-	-	-	-	-	33.000	-	33.000	-
Mr. Khaled Abdullah Al-Dhubaib	-	12.000	3.000	-	-	-	15.000	-	-	-	-	-	15.000	-	15.000	-
Mr. Ali Saleh Al Humaidan	-	12.000	6.000	-	-	-	18.000	-	-	-	-	-	18.000	-	18.000	-
Mr. Ahmed Mohammed Al-Arini	-	12.000	21.000	-	-	-	33.000	-	-	-	-	-	33.000	-	33.000	-
Total	-	60.000	54.000	-	-	-	96.000	-	-	-	-	-	96.000	-	96.000	-
Second: Non-executive members																
Mr. Abdullah Abdul-Aziz Al-Mishaal	-	9.000	6.000	-	-	-	15.000	-	-	-	-	-	15.000	-	15.000	-
Eng. Hussam Yahya Al-Ghrimail	-	9.000	3.000	-	-	-	12.000	-	-	-	-	-	12.000	-	12.000	-

Eng. Hussam Yahya Al-Ghrimail	-	9.000	3.000	-	-	-	12.000	-	-	-	-	-	12.000	-	12.000	-
Total	-	27.000	12.000	-	-	-	39.000	-	-	-	-	-	39.000	-	39.000	-
<i>Third: executive members</i>																
----	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**** Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.**

Senior Executives Remuneration

	Fixed Remuneration					Variable Remuneration					End of service benefits	Grand Total	Expenses allowance
	Salaries	Allowances	In-kind benefits	Total	Regular remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Granted Shares (Value shall be determined)	Total			
CEO	882.000	308.700	-	-	-	-	-	-	-	1,090,700	-	1,090,700	-
Financial Director	298.668	104,533.8	-	-	-	-	-	-	-	403,201.8	-	403,201.8	-
Total	1.180.668	413.233.8	-	-	-	-	-	-	-	1,593,901.8	-	1,593,901.8	-

Committee member remuneration

	<i>Fixed remuneration (except for the allowance for attending sessions)</i>	<i>Allowance for attending sessions</i>	<i>Total</i>
Members of the Audit Committee			
<i>Mr. Salman Mohammed Al-Suhaibani</i>	-	<i>18,000</i>	<i>18,000</i>
<i>Mr. Ahmed Mohammed Al-Arini</i>	-	<i>15,000</i>	<i>15,000</i>
<i>Mr. Mohammed Azzam Al Shuwaier</i>	-	<i>15,000</i>	<i>15,000</i>
Total	-	48,000	48,000
Members of the Nominations and Remunerations Committee			
<i>Mr. Ahmed Mohammed Al-Arini</i>	-	<i>6,000</i>	<i>6,000</i>
<i>Mr. Abdullah Abdul-Aziz Al-Mishaal</i>	-	<i>6,000</i>	<i>6,000</i>
<i>Mr. Ali Saleh Al Humaidan</i>	-	<i>6,000</i>	<i>6,000</i>
Total	-	18,000	18,000
Members of the Executive and Investment Committee			
<i>Eng. Hatem Hamad Al-Suhaibani</i>	-	<i>3,000</i>	<i>3,000</i>
<i>Mr. Salman Muhammed Al Suhaibani</i>	-	<i>3,000</i>	<i>3,000</i>
<i>Mr. Khaled Abdullah Al-Dhubaib</i>	-	<i>3,000</i>	<i>3,000</i>
<i>Mr. Hussam Yahya Al-Ghrimail</i>	-	<i>3,000</i>	<i>3,000</i>
<i>**Hazem Fahd Al-Dosari</i>	-	<i>3,000</i>	<i>3,000</i>
Total	-	15,000	15,000

**** Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.**

- 9) Any penalty, penalty, precautionary measure or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory or judicial authority, with a statement of the reasons for the violation, the signatory to it, and ways to remedy it and avoid its occurrence in the future:**

There is no penalty, penalty, precautionary measure or precautionary restriction imposed on the company by the authority or any supervisory, regulatory or judicial authority, with the exception of the precautionary measures of curfew imposed by the Ministry of Interior to address the Corona pandemic (COVID- 19).

10) Results of the annual review of the effectiveness of internal control procedures:

The company's audit committee, consisting of three members, is primarily concerned with studying periodic reports related to internal control procedures by the internal auditor.

Several periodic audits have been developed and implemented, which ensure the company is fully assured of the accuracy and effectiveness of performance and quality, in addition to the committee's contribution to reviewing the initial and final financial statements and submitting a recommendation on them to the Board of Directors.

The committee also coordinates the work of external regulators. The Audit Committee reviewed the reports submitted on the company's business.

Thus, the committee sees the adequacy of the company's internal control system through periodic follow-up with the company's internal control from time to time.

11) Recommendation of the Audit Committee regarding the need to appoint an internal auditor in the company in the absence of one:

The Audit Committee recommends appointing an internal auditor for the company during the year 2020, due to the weakness of the procedures followed within the company.

12) The recommendations of the Audit Committee that conflict between them and the decisions of the Board of Directors, or which the Board refused to accept regarding the appointment and dismissal of the company's auditor, determining his fees, evaluating his performance or appointing the internal auditor, the justifications for those recommendations, and the reasons for not taking them into account:

No recommendation was issued by the Audit Committee that contradicts the decisions of the Board of Directors, and no recommendation was rejected by the Board.

13) The company's social contribution

There are no social contributions to the company during the year 2020.

14) A statement of the dates of the general assemblies of shareholders held during the last fiscal year and the names of the members of the board of directors attending these assemblies:

Tenth session of the board of directors

#	Name	Attendance Record
		33rd Ordinary Assembly Meeting 08.06.2020
1	Hatem Hamad Al-Suhaibani	✓
2	Ahmed Mohammed Al-Arini	✓
3	Abdullah Abdul-Aziz Al-Mishaal	✓
4	Salman Muhammed Al Suhaibani	×
5	Khaled Abdullah Al-Dhubaib	✓
6	Hussam Yahya Al-Ghrimail	✓
7	Ali Saleh Al Humaidan	✓
8	**Hazem Fahd Al-Dosari	✓

✓ **Attending in person**

× **Absence**

**** Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.**

15) The main activity of the company:

Marketing and exporting industrial and other national products, mining and petroleum products and their branches, and manufacturing industries and their branches according to industrial licenses. Electricity, gas, water and its branches, construction and building, transportation, storage and refrigeration, financial and business services and other services. Trade, information technology, security and safety inside and outside the Kingdom of Saudi Arabia for the company's account or for the account of others. Re-exporting, bartering, and importing for its own account or for others, providing marketing and export services to Saudi factories and companies, entering into supply contracts and exporting national products abroad. In doing so, it may carry out activities complementary to its purposes, including commercial agencies. The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

Description of the activities of the subsidiaries of "Sadirat"

A. Sara Medical Supplies Factory

It was purchased on 03/02/2016 with a capital of 3,467,416 riyals and a percentage of ownership (100%). It is located in the Third Industrial City in Riyadh, and its activity is the production of medical, laboratory and consumable plastic supplies, a unit for feeding bottles, pacifiers, plastic baby supplies, and a unit for solutions, eye drops, eyewash, glasses, creams and medicines.

B. Saudi Industrial Exports Company (Hashemite Kingdom of Jordan):

It is a Saudi company with a capital of 1,327,500 riyals and a percentage of ownership (100%) of the capital. It is a limited liability company. It was established on 12/28/2017, and is headquartered in Amman, Hashemite Kingdom of Jordan.

C. Saudi Industrial Exports Company (Republic of Sudan):

It is a Saudi company under commercial license No. 2450 and the ownership percentage (100%), and it is a branch of the company. It was established on 27/11/2019, and is located in Qary Free Zone, Republic of Sudan.

D. Saudi Industrial Exports Company (United Arab Emirates):

It is a Saudi company under commercial license No. 1473310 and the ownership percentage (100%). It is a branch of a Gulf company, established on 12/24/2019, and located in Dubai - United Arab Emirates.

16) A description of the company's most important plans and decisions, future expectations and risks:

The company faced a great challenge due to the global economic crisis for exporting the Corona virus (COVID- 19), as it constituted a major obstacle in the company's business plan for the year 2020, as the company's sales decreased during the year 2020 compared to the year 2019 by 51%.

As well as stopping the means of international shipping, in addition to the decrease in the prices of raw materials and plastic, and the decrease in demand and the decrease in the prices of raw materials by 80%, as plastic (polymer) sales amounted to 6 million riyals during the year 2020 for the Republic of Sudan.

The company also executed deals for (sulfur) with total sales of 5.1 million riyals during the year 2020 for North African markets. The company also implemented deals for (iron) with total sales of 5.5 million riyals during the year 2020, as well as deals for foodstuffs with total sales of 4.8 million riyals. In addition to executing several deals for batteries and chemicals totaling 10 million riyals during the year 2020.

During the year 2021, the company will adopt its marketing strategy, which is summarized in diversifying the sources of income by strengthening the main accounts of the company by obtaining contracts with major Saudi companies such as SABIC, and through manufacturing. Also by finding additional opportunities to export Saudi Cyclo and Saudi oils (base oil) to the countries of the Americas and Europe. In addition to the actual presence in the region's markets by opening branches of the company in the United Arab Emirates, the Republic of Sudan and the Republic of Iraq to export Saudi products and to increase its market share in the target markets through a contract to find financial and logistical solutions to facilitate the buyer in order to increase and stabilize the market share.

Accordingly, the company has started working on introducing new and multiple products into its closed electronic platform and opening new markets in anticipation of that, and the company will continue its modern and technical marketing and investment strategy to increase the company's financial returns.

*With reference to the **Sara Medical Supplies Factory**, work is underway to complete the issuance of licenses for the concerned authorities and to conduct a market study for the products required in the local market.*

In terms of other activities, the company will continue to do the following during the year 2021:

- *Focusing on strategic relations with local manufacturers and change the targeted products to the most profitable and stable.*
- *Working on creating strategic relationships in terms of selling products in several industrial stages (raw materials, manufactured materials and ready-to-sale materials).*
- *Creating a healthy competitive environment between the Saudi market and the global market.*
- *Focusing on tenders and sales to Arab, African and Islamic countries that are financed by the Kingdom of Saudi Arabia in the form of grants or loans, and coordinate with donors in the Kingdom of Saudi Arabia to obtain the necessary support, through the Export Financing Program and the Export Guarantee Program of the Saudi Fund for Development.*
- *Re-opening the African and Asian markets that were previously dealt with and have purchasing power through the company's branches in the target market areas, and re-evaluating the commercial activity of those countries and neighboring countries of South Africa, based on the*

- needs of those countries for Saudi products, or other Islamic countries that are members in The Islamic Development Bank, and benefit from the guarantees and loans offered by the Bank.*
- *Carrying out periodic visits to the Islamic Corporation for the Insurance of Investment and Export Credit, the Arab Investment Guarantee Corporation, the Export Financing Program, and the Export Guarantee Program of the Saudi Fund for Development and the Export Development Authority; In addition to attending conferences held by them in African and Asian countries due to the presence of a large number of companies. In order to introduce the company and obtain commercial deals with those companies.*

17) Information related to the risks faced by the company and the policy for managing and monitoring these risks:

After the company relied during the past years on one product based on the contract signed with Saudi Aramco on the basis that it should be renewed annually, this contract was canceled due to the failure of the previous administration in not managing the risks of this contract, and accordingly the contract with Saudi Aramco was canceled in 2014. The process of evaluating risks is carried out on a continuous basis at the strategic level by the executive management and the board of directors, where the relevant procedures are followed up periodically and continuously in order to deal with them and take the necessary measures and preventive measures to prevent or reduce these risks by relying in the company's business dealings on the presence of sufficient bank guarantees. The process of evaluating risks is carried out on a continuous basis at the strategic level by the executive management and the board of directors, where the relevant procedures are followed up periodically and continuously in order to deal with them, and take the necessary measures and preventive measures to prevent or reduce these risks. That is based on the company's commercial dealings on the existence of sufficient bank guarantees.

The Board of Directors has also approved policies for provisions and the Board is constantly reviewing the company's policies related to risk management to ensure the implementation of the approved policies and programs in order to reduce the risks that the company may face, especially with regard to export operations by obtaining bank guarantees approved by Saudi banks. Policies for provisions have also been approved by the Board of Directors, and the Board is constantly reviewing the company's policies related to risk management in order to ensure the implementation of the approved policies and programs, in order to reduce the risks that the company may face, especially with regard to export operations; This is done by obtaining bank guarantees approved by Saudi banks.

In terms of currency risks, there are no fundamental risks, as the company's transactions are in Saudi riyals and US dollars, and all sales of the company are made through bank guarantees or cash.

18) Business results for the last five fiscal years:

Business results for the last five years:

<i>Statement</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
<i>Revenues</i>	36,635	80.578	118.271	19.224	0.623
<i>Cost of Revenues</i>	(35,029)	(83.004)	(116.911)	(21.746)	(0.307)
<i>Gross profit</i>	1,607	(2.426)	1.360	(2.522)	0.317
<i>Net profit (loss)</i>	(13,181)	12.625	6.426	(110.991)	(14.157)

Assets and liabilities for the last five years:

<i>Statement</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
<i>Current Assets</i>	35,171	52.857	64.972	7.961	71.544
<i>Non-Current Assets</i>	4,789	10.277	11.799	11.124	44.670
<i>Total Assets</i>	39,960	63.134	76.771	19.085	116.214
<i>Current Liabilities</i>	11,168	7.719	8.842	7.703	9.540
<i>Non-Current Liabilities</i>	1,056	1.230	0.474	0.382	1.552
<i>Total Liabilities</i>	12,224	8.949	9.316	8.085	11.092

19) Geographical analysis of the company's total revenue and its subsidiaries:

<i>Year</i>	<i>Geographical analysis of the company's total revenue</i>				
	<i>Total revenue</i>	<i>Local Markets</i>	<i>Asia</i>	<i>Africa</i>	<i>Total</i>
<i>2020</i>	36,635	8,045	7,877	20,713	36,635

20) Clarification of the significant differences in operating results:

<i>Statement</i>	<i>2020</i>	<i>2019</i>	<i>changes + or -</i>	<i>Change Ratio</i>
<i>Sales / Revenue</i>	36,635	80,578	(37,693)	- 31.87 %
<i>Cost of sales/revenue</i>	(35,028)	(83,004)	(33,908)	- 29 %
<i>Gross profit</i>	1,607	(2,426)	(3,786)	- 278 %
<i>Other operating income</i>	.	0	0	0
<i>Other operating expenses</i>	(14,177)	(8,281)	(584)	- 6.95 %
<i>operating profit (loss)</i>	12,570	(10,707)	(3,202)	- 42.66 %

Based on the foregoing, the company did not achieve net profits during the year ending on 31.12.2020 compared to the previous year 2019. The reason for the company's loss for the year 2020 is due to several reasons, including: the global economic crisis for export due to the Corona virus (Covid-19), which formed a major obstacle in the company's work plan for the year 2020, as the company's sales decreased during the year 2020 compared to the year 2019. In addition to the drop in the prices of raw materials and plastic, and the weak global demand for raw materials, as a result of the precautionary measures taken to limit the spread of the new Corona virus, and the suspension of transport and shipping companies, which negatively affected the company's profits for the current period 2020. This led, in turn, to a decrease in sales, in addition to an increase in general expenses, as well as a decrease in other revenues compared to the previous year of 2019.

21) Explanation of the difference from the accounting standards:

The company's financial statements were prepared during the fiscal year ending on 31.12.2020, in accordance with the international accounting standards IFRS recognized in the Kingdom of Saudi Arabia, issued by the Saudi Organization for Certified Public Accountants.

22) Subsidiaries

<i>Subsidiary name</i>	<i>Its Capital</i>	<i>Percentage of the company's ownership</i>	<i>Main activity</i>	<i>The country of the principal place of its operations</i>	<i>Country of incorporation</i>
<i>Shahd Al Sahraa Distribution Company - Riyadh</i>	<i>1.000.000 SAR</i>	<i>51 %</i>	<i>Wholesale and retail trade in sheep and their accessories.</i>	<i>The commercial register has been written off and the company is being liquidated</i>	
<i>Sara Medical Supplies Factory</i>	<i>3.467.416 SAR</i>	<i>100 %</i>	<i>Producing medical, laboratory and consumable plastic supplies, feeding units, pacifiers, plastic baby supplies, solutions unit, eye drops, eye washes glasses, creams and medicines.</i>	<i>Kingdom of Saudi Arabia</i>	<i>Kingdom of Saudi Arabia</i>
<i>Branch of the Saudi Industrial Export Company (Jordan)</i>	<i>1.327.5000 SAR</i>	<i>100 %</i>	<i>General Trading</i>	<i>Hashemite Kingdom of Jordan</i>	<i>Hashemite Kingdom of Jordan</i>
<i>Branch of the Saudi Industrial Export Company (Sudan)</i>	<i>Free Zone</i>	<i>100 %</i>	<i>import and export</i>	<i>Sudanese Republic</i>	<i>Sudanese Republic</i>
<i>Branch of the Saudi Industrial Export Company (UAE)</i>	<i>-</i>	<i>100 %</i>	<i>Trading of greases and lubricants</i>	<i>United Arab Emirates</i>	<i>United Arab Emirates</i>

23) Shares and debt instruments issued for each subsidiary company:

The company has no subsidiaries to issue shares or debt instruments.

24) Company's Policy on Dividend Distribution:

As stated in the text of Article (49) of the company's articles of association: "The company's annual net profits shall be distributed after deducting all general expenses and other costs" as follows:

- a. (10%) of the net profits shall be set aside as a statutory reserve, and the Ordinary General Assembly may discontinue this set-up when the said reserve reaches (30%) of the paid-up capital.*
- b. The Ordinary General Assembly may, based on a proposal by the Board of Directors, set aside a percentage not exceeding (20%) of the net profits to form a consensual reserve and allocate it for a specific purpose or purposes.*
- c. After that, a first payment to shareholders equal to (5%) of the paid-up capital shall be distributed from the rest.*
- d. Subject to the provisions of Article (76) of the Companies Law, after the above, a percentage not exceeding (5%) of the remainder shall be allocated as a remuneration to the members of the Board of Directors, with a maximum limit of (500,000) five hundred thousand riyals for each member in return for his membership in the Board of Directors.*
- e. The shareholder shall be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall indicate the due date and the date of distribution, and the eligibility for profits shall be for the owners of shares registered in the company's records at the end of the day specified for entitlement.*
- f. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after authorizing the company's general assembly to the Board to distribute interim dividends by virtue of a resolution that is renewed annually.*
- g. The remainder is then distributed to the shareholders as an additional share in the profits or transferred to the retained earnings account.*
- The Board of Directors proposes not to distribute dividends for the fiscal year ending on 31 December 2020.*

25) Interests of persons in the company's shares:

During the fiscal year ending on 31.12.2020, there is no interest in the class of shares entitled to vote for any persons.

26) The interests and rights of board members and senior executives in the company's shares:

Shares of the members of the Board of Directors, senior executives, their spouses and their minor children (10th term) from 01.01.2020 to 31.12.2020.

A description of any interest belonging to the members of the Board of Directors, senior executives, their spouses and minor children in the shares or debt instruments of the company or any of its subsidiaries							
#	Beneficiary Name	As on 01.01.2020		As on 31.12.2020		Net change	Change ratio %
		Number of Shares	Debt instruments	Number of Shares	Debt instruments		
1	Hatem Hamad Al-Suhaibani	10	N/A	10	N/A	N/A	100 %
2	Ahmed Mohammed Al-Arini	1966	N/A	0	N/A	N/A	100 %
3	Abdullah Abdul-Aziz Al-Mishaal	0	N/A	0	N/A	N/A	100 %
4	Salman Muhammed Al-Suhaibani	0	N/A	0	N/A	N/A	100 %
5	Ali Saleh Al Humaidan	0	N/A	0	N/A	N/A	100 %
6	Khaled Abdullah Al-Dhubaib	700	N/A	7	N/A	N/A	100 %
7	Hussam Yahya Al-Ghrimail	36	N/A	36	N/A	N/A	100 %
8	Suleiman Hamad Al-Jedaie	0	N/A	0	N/A	N/A	100 %
9	Zaid Ahmed Al-Harbi	0	N/A	0	N/A	N/A	100 %

- Noting that the members of the families of the members of the Board of Directors (their spouses and their minor children) do not own any shares in the Saudi Industrial Export Company.

27) Total loans on the company and its subsidiaries:

There are no loans on the company during the year 2020.

28) Description of debt instruments convertible to shares and any contractual securities or subscription notes:

There are no debt instruments convertible into shares, or any option rights, or subscription right notes or similar rights issued or granted by the company during the financial year ending on 31.12.2020.

29) Description of the transfer and subscription rights and any contractual securities:

There are no transfer, subscription or debt convertible rights into shares, option rights or similar rights certificates issued or granted by the Company during the financial year ending on 31.12.2020.

30) Description of redeemable debt instruments:

There is no refund, purchase or cancellation by the Company of any redeemable debt instruments.

31) Board meetings (10th session):

The Board of Directors held four (4) meetings during the fiscal year 2020, and the attendance of the members was as follows:

Board member	4 th meeting 13.05.2020	5 th meeting 02.09.2020	6 th meeting 09.11.2020	7 th meeting 30.12.2020	Number of meetings attended by the member
Hatem Hamad Al-Suhaibani	✓	✓	✓	✓	4
Ahmed Mohammed Al-Arini	✓	✓	✓	✓	4
Abdullah Abdul-Aziz Al-Mishaal	✓	●	✓	✓	3
Salman Muhammed Al Suhaibani	✓	✓	✓	✓	4
Khaled Abdullah Al-Dhubaib	✓	✓	✓	✓	4
Hussam Yahya Al-Ghrimail	✓	✓	✓	✓	4
Ali Saleh Al Humaidan	✓	✓	●	✓	3
**Hazem Fahd Al-Dosari	✓	✓	✓	●	3

Didn't attend ●

Attended by agent ×

Attended ✓

** Mr. Hazem Fahd Al-Dosari submitted his resignation from the Board of Directors on 28.12.2020; The Board of Directors approved the resignation of the member on 29.12.2020.

32) The number of the company's requests for the shareholders' register, the dates of those requests and their reasons

<i>The number of the company's applications to the shareholders' register</i>	<i>Date</i>	<i>Reasons</i>
1	2.01.2020	Companies Procedures
2	03.02.2020	Companies Procedures
3	03.02.2020	Companies Procedures
4	10.03.2020	Companies Procedures
5	08.04.2020	Companies Procedures
6	04.06.2020	Companies Procedures
7	16.07.2020	Companies Procedures
8	25.08.2020	Companies Procedures
9	03.11.2020	Companies Procedures
10	09.12.2020	Other
11	27.12.2020	Companies Procedures
12	27.12.2020	Companies Procedures

33) Description of any transaction between the issuer and a related party:

The Board of Directors acknowledges that there are no contracts for the company in which there is a material or non-material interest for any member of the Board of Directors, the CEO, the financial manager, or any person related to any of them.

34) Interests in company contracts:

During the year 2020, there were no contracts in which the company was a party or in which the members of the Board of Directors, the CEO, the financial officer, or any person related to any of them had an interest.

35) Waivers of Salaries, Compensation and Profits:

There is no waiver arrangement or agreement under which a member of the company's board of directors or a senior executive has waived any salary or compensation.

36) Shareholders' Waiver of Rights to Dividends:

During the year 2020, there are no arrangements or assignment agreements under which any of the shareholders has waived his rights to profits.

37) Regular payments due:

The company is subject to Sharia Zakat in accordance with the instructions issued by the Department of Zakat and Income Tax, as shown in the company's balance sheet in Note No. (16) paragraph "Zakat Provision", and the following is a table of the value of the regular payments due on the company in million:

Description	2020		Brief description	Reasons
	Paid	Due until the end of the annual financial period and has not been paid		
Zakat	1,551	1,086	Zakat	Mandatory
Tax	.	324	-	Mandatory
GOSI	223	39	Pay company's subscriptions	Mandatory
Costs of visas, passports and labor office fees	203	-	Pay residency, visa and passport fees	Mandatory

38) Incentive programs for company employees:

During the year 2020, there are no incentive programs for the company's employees.

39) Acknowledgments of the Board of Directors:

The Board of Directors acknowledges the following:

- That the account records are properly prepared.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the issuer's ability to continue its activity.

40) The company's chartered accountant report:

The company's auditor report included reservations about the annual financial statements ending on 12/31/2020, which led to his disclaimer opinion. Work has been done to end the core reservations of the external auditor, reissue the annual financial statements ending on 12/31/2020 and amend the opinion of the external auditor (reservative opinion)

41) Recommendation of the board of directors regarding the company's chartered accountant:

No recommendation was issued by the Board of Directors to replace the chartered accountant.

42) The treasury shares held by the company and details of the uses of these shares:

During the year 2020, there are no treasury shares held by the company.

*** Conclusion:**

The Chairman and members of the Board of Directors extend their sincere thanks and appreciation to the government of the Custodian of the Two Holy Mosques for the support it provides to national exports, and prays to Allah Almighty to increase this country's blessings and goodness. We especially extend sincere thanks and appreciation to the Ministry of Commerce and Industry, the Capital Market Authority, and all other governmental and private sectors for their continuous support and cooperation. And the Board of Directors extends its thanks to the valued shareholders for their support and precious confidence, and to all employees of the company for their sincere efforts and their keenness on its continued progress and prosperity.

After this review, the board of directors presents to the esteemed thirty-fourth ordinary general assembly the following agenda:

- 1st: Voting on the report of the Board of Directors, for the fiscal year ending on 31.12.2020*
- 2nd: Voting on the company's auditor's report for the fiscal year ending on 31.12.2020.*
- 3rd: Voting on the financial statements for the fiscal year ending on 31.12.2020.*
- 4th: Vote on the appointment of the company's auditor from among the candidates by the Audit Committee, in order to examine, review and audit the financial statements and data for the current year 2021 (the second quarter, third quarter and annual statements) and the first quarter of 2022, and determine his fees.*
- 5th: Vote on the Board of Directors' recommendation to appoint Dr. Sulaiman Hamad Al-Jedaei as an (Executive) member of the Board of Directors to complete the Board's term starting from the date of his appointment 31.12.2020 until the end of the current term on 15.06.2022 to succeed the resigned member Mr. Hazem Fahd Al-Dosari (CV attached).*

Peace, mercy and blessings of Allah be upon you,

Board of Directors

Independent Auditor's Report**To the Shareholders,****Saudi Industrial Export Company****Joint Stock Company****Report on the Audit of the Reissued Consolidated Financial Statements****Qualified Opinion**

We have audited the reissued consolidated financial statements of Saudi Industrial Export Company (the "Company") and its subsidiary (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the reissued consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the accompanying reissued consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered Professional Accountants ("SOCPA").

Basis for Qualified Opinion

- 1- The Group has not calculated the expected credit losses in accordance with International Financial Reporting Standard No. (9). Accordingly, we were unable to determine whether any adjustments were necessary to trade receivables balance as of 31 December 2020.
- 2- Our audit of cost of revenue amounted to SR 35 million for the year ended 31 December 2020 showed that some supporting documents for the purchases amount were incomplete and we were unable to obtain sufficient assurance from other audit procedures, accordingly, we were unable to determine whether any adjustments were necessary to cost of revenues for the year ended 31 December 2020.
- 3- Management has not evaluated the Group's relationship of its contracts with customers as principal or agent in accordance with International Financial Reporting Standard No. (15), and therefore we were unable to determine the appropriateness of the presentation of Group's revenue and cost of revenue for the year ended 31 December 2020.

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Reissued Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to note (5) to the reissued consolidated financial statements, the consolidated financial statements of the Group have been prepared on the going concern basis. The Group's accumulate losses as 31 December 2020 amounted to SR 37.7 million, which comprises 58% of the share capital (31 December 2019: SR 24.6 million, which comprises 38% of the share capital), and the losses for the year ended 31 December 2020 amounted to SR 13.2 million (2019: SR 26 million). Those events, among other matters, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The ability of the Group to continue its operations depends on obtaining finance, profitable contracts and increase the volume of its revenue appropriately.

Our opinion is not modified in respect of this matter.

Independent Auditor's Report (continued)

To the Shareholders,

Saudi Industrial Export Company

Emphasis of Matter

- We draw attention to note (29) to the reissued consolidated financial statements, which states that the Group has reissued the consolidated financial statements for the year ended 31 December 2020 which has been approved on 16 Ramadan 1442H (corresponding to 28 April 2021) on which we disclaimed our audit opinion on 16 Ramadan 1442H (corresponding to 28 April 2021). The reissued consolidated financial statements are approved and includes adjustments as disclosed in note (29). This audit report supersedes our audit report on the previously issued consolidated financial statement dated 16 Ramadan 1442H (corresponding to 28 April 2021). Our opinion is not modified in respect of this matter.
- We draw attention to note (28) to the reissued consolidated financial statements, which describes prior year's adjustments. Consequently, the consolidated statement of financial position as at 31 December 2019 and the consolidated statement of profit or loss and other comprehensive income for the year then ended have been restated. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the reissued consolidated financial statements for the current year. These matters were addressed in the context of our audit of the reissued consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed during our audit
<p><u>Revenue recognition</u></p> <p>As disclosed on the reissued consolidated financial statements, the Group's revenue for the year ended 31 December 2020 is amounted to SR 36,6 million, and considering the significance of the amount of revenues and its susceptibility to the inherent risk of recognizing revenues higher than its actual amount or recognizing revenue before the Group satisfies the performance obligation, it has been considered as a key audit matter.</p> <p>Refer to note (6-15) to the reissued consolidated financial statements for the related significant accounting policy.</p>	<p>We have performed the following procedure relating to revenue recognition:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the revenue recognition process considering the relevant accounting standard and assessing the appropriateness of the accounting policies used. - Tested a sample of revenue from sales transactions during the year and assessed the appropriateness of management's estimates of performance obligations, if any. - Performed cut-off procedures on the timing of revenue recognition from sale after the products were delivered to the customers and recognized during the correct accounting period. - Inquire from the management at various levels to assess their knowledge of the risk of fraud and to determine if actual cases of fraud were observed when recognizing revenue from sales.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on 29 March 2020.

Independent Auditor's Report (continued)

To the Shareholders,

Saudi Industrial Export Company

Other information

Other information consists of the information included in the Group's 2020 annual report, other than the reissued consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. It is expected that the annual report to be available after the date of this auditor's report.

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

In connection with our audit of the reissued consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the reissued consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Reissued Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the reissued consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

Independent Auditor's Report (continued)

To the Shareholders,

Saudi Industrial Export Company

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the reissued consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the reissued consolidated financial statements, including the disclosures, and whether the reissued consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the reissued consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Paragraph 135 of the Regulations for Companies requires that the auditor includes in his report what might come to his attention with respect to non-compliance to the Regulations or the Company's Bylaws. During the course of our current audit of the reissued consolidated financial statements, we have noted a non-compliance to the Regulations of Companies, having no material impact on the reissued consolidated financial statements, the accumulated losses exceeded half of the Company's paid-in capital, the extraordinary general assembly has not been called to meet to date in accordance with the requirements of article 150 of the Regulations for Companies.

BAKER TILLY MKM & CO.
Certified Public Accountants



Majid Muneer Alnemer
License No. 381

Riyadh on 28 Shawwal 1442H
Corresponding to 9 June 2021



SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
REISSUED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
(SAUDI RIYALS)

	Note	31 December 2020	31 December 2019 (Restated)
ASSETS			
Non-current assets:			
Property, plant and equipment	7	3,770,696	3,049,709
Intangible assets	8	78,206	-
Right of use assets	9	939,890	1,146,286
Investments at fair value through profit or loss - FVTPL	10	-	6,559,654
		<u>4,788,792</u>	<u>10,755,649</u>
Current assets:			
Inventories	11	3,452,090	2,645,955
Other debit balances	12	7,594,828	9,450,741
Trade receivables	13	15,640,435	8,097,147
Cash and cash equivalents	14	8,484,030	19,625,489
		<u>35,171,383</u>	<u>39,819,332</u>
TOTAL ASSETS		<u>39,960,175</u>	<u>50,574,981</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	64,800,000	64,800,000
Statutory reserve	16	642,645	642,645
Accumulated losses		(37,706,336)	(24,586,320)
TOTAL EQUITY		<u>27,736,309</u>	<u>40,856,325</u>
LIABILITIES			
Non-current liabilities:			
Lease liabilities – non-current portion	9	720,574	804,368
Employees' end of service benefits	18	335,330	583,173
		<u>1,055,904</u>	<u>1,387,541</u>
Current liabilities:			
Lease liabilities – current portion	9	321,898	187,145
Trade payables		1,054,066	1,921,139
Accrued expenses and other credit balances	19	5,897,354	2,203,297
Due to shareholders	20	2,808,798	2,808,798
Zakat provision	21	1,085,846	1,210,736
		<u>11,167,962</u>	<u>8,331,115</u>
TOTAL LIABILITIES		<u>12,223,866</u>	<u>9,718,656</u>
TOTAL EQUITY AND LIABILITIES		<u>39,960,175</u>	<u>50,574,981</u>





The accompanying notes form an integral part of these reissued consolidated financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

REISSUED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

(SAUDI RIYALS)

	Note	31 December 2020	31 December 2019 (Restated)
Revenue		36,635,391	68,240,300
Cost of revenue	22	(35,028,637)	(82,387,596)
Gross profit/ (loss)		1,606,754	(14,147,296)
General and administrative expenses	23	(9,891,397)	(9,886,797)
Impairment loss on investments	10	(2,559,654)	(1,098,791)
Impairment loss on trade receivables	13	(1,725,285)	-
Operating loss for the year		(12,569,582)	(25,132,884)
Finance cost	9	(81,963)	(16,365)
Other income	24	1,920,730	465,584
Loss for the year before Zakat		(10,730,815)	(24,683,665)
Zakat expense	21	(2,451,149)	(1,325,542)
Loss for the year		(13,181,964)	(26,009,207)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial gain on employees' end of service benefits	18	61,948	28,145
Total other comprehensive income for the year		61,948	28,145
Total comprehensive loss for the year		(13,120,016)	(25,981,062)
Basic & diluted loss per share	17	(2,03)	(4,01)





The accompanying notes form an integral part of these reissued consolidated financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
REISSUED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

	Share capital	Statutory Reserve	Accumulated losses	Total
<u>Year 2019</u>				
Balance as at 1 January 2019	64,800,000	642,645	2,011,743	67,454,388
Adjustments on opening retained earnings	-	-	(617,001)	(617,001)
Loss for the year (Restated)	-	-	(26,009,207)	(26,009,207)
Other comprehensive income for the year	-	-	28,145	28,145
Total comprehensive loss for the year (Restated)	-	-	(25,981,062)	(25,981,062)
Balance as at 31 December 2019 (Restated)	64,800,000	642,645	(24,586,320)	40,856,325
<u>Year 2020</u>				
Loss for the year	-	-	(13,181,964)	(13,181,964)
Other comprehensive income for the year	-	-	61,948	61,948
Total comprehensive loss for the year	-	-	(13,120,016)	(13,120,016)
Balance as at 31 December 2020	64,800,000	642,645	(37,706,336)	27,736,309





The accompanying notes form an integral part of these reissued consolidated financial statements

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
REISSUED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

	31 December 2020	31 December 2019
Cash flows from operating activities		
Loss for the year before Zakat	(10,730,815)	(24,683,665)
Adjustments for:		
Depreciation on property, plant and equipment	504,048	297,376
Depreciation on right of use assets	206,396	82,354
Impairment loss on investments	2,559,654	1,098,791
Impairment loss on trade receivables	1,725,285	-
Employees' end of service benefits expense	192,068	236,308
Finance cost	81,963	16,365
	(5,461,401)	(22,952,471)
Working capital changes:		
Trade receivables	(9,268,573)	9,974,562
Inventories	(806,135)	(1,984,771)
Other debit balances	1,855,913	(5,208,338)
Trade payables	(867,073)	219,746
Accrued expenses and other credit balances	3,433,182	(969,863)
Due to shareholders	-	(42,189)
Cash generated from operating activities	(11,114,087)	(20,963,324)
Employees' end of service benefits paid	(117,088)	(99,108)
Zakat paid	(2,576,039)	(1,793,705)
Net cash used in operating activities	(13,807,214)	(22,856,137)
Cash flows from investing activities		
Additions to property, plant and equipment	(997,642)	(277,599)
Proceeds from disposal of property, plant and equipment	-	600
Additions to intangible assets	(78,206)	-
Proceeds from disposal of investments	4,000,000	-
Net cash flows generated from/ (used in) investing activities	2,924,152	(276,999)
Cash flows from financing activities		
Lease liabilities paid	(258,397)	(253,492)
Net cash used in financing activities	(258,397)	(253,492)
Net change in cash and cash equivalents	(11,141,459)	(23,386,628)
Cash and cash equivalents at beginning of the year	19,625,489	43,012,117
Cash and cash equivalents at end of the year	8,484,030	19,625,489
Non-cash transactions		
Employees' end of service benefits transferred to accrued expenses and other credit balances	(260,875)	-





The accompanying form an integral part of these reissued consolidated financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(SAUDI RIYALS)

1. STATUS AND NATURE OF BUSINESS

Saudi Industrial Export Company is a Saudi Joint Stock Company (the "Company"), it was established according to the resolution of his Excellency, Minister of Commerce, No. 954 on 12 Dhu al-Qidah 1410H. (5 June 1990), registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010077554 issued in Riyadh on 25 Dhu al-Qidah 1410H. (18 June 1990). The Company's fully paid share capital at the date of the consolidated financial statements is SR 64,8 million, consisting of 6,480,000 share of SR 10 each.

The Company's main activity is engaged in the trading of crude oil, minerals and industrial chemical products including those fertilizers, wholesale of lubricants and refined petroleum products, wholesale of cement and plaster and the like, wholesale of primary plastic materials, rubber and synthetic fibers, retail sale of plants, seeds and fertilizers (nurseries), Storage in ports and customs or free zones.

The Company's head office is located in Riyadh, P.O. Box 21977 Riyadh 11485.

The consolidated financial statements include the assets and liabilities of the Company, its subsidiary and its branches (the "Group"):

<u>Subsidiary Name</u>	<u>Country</u>	<u>Share Capital</u>	<u>Ownership %</u>
Saudi Industrial Export Company*	Jordan	250,000 Jordanian Dinar	100%

<u>Branch Name</u>	<u>City</u>	<u>Registration number</u>	<u>Registration date</u>
Sara Medical Supplies Factory	Riyadh	1010143870	30/06/1417 H

2. STATEMENT OF COMPLIANCE WITH IFRS

These consolidated financial statements of the Group have been prepared in in compliance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia ("IFRS") and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTREPRETATIONS

3.1 New and revised standards applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2020, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Revised 'Conceptual Framework for Financial Reporting'.
- Amendments to IFRS 3 Business Combinations to clarify the definition of a business.
- Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments regarding pre-replacement issues in the context of the IBOR reform.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding the definition of material.
- Amendments to IFRS 16 Leases provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)****3.2 New and revised standards in issue but not yet effective and not early adopted**

The Group has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely
Amendments to IAS 1 <i>Presentation of Financial Statements</i> regarding the classification of liabilities.	1 January 2023
IFRS 17 <i>Insurance Contracts</i> establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 <i>Insurance Contracts</i> .	1 January 2023
Amendments IFRS 3 <i>Business Combination</i> updating a reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 <i>Property, Plant and Equipment</i> prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	1 January 2022
Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> regarding the costs to include when assessing whether a contract is onerous	1 January 2022
Amendments to IFRS 4 <i>Insurance Contracts</i> , IFRS 7 <i>Financial Instruments: Disclosures</i> , IFRS 9 <i>Financial Instruments</i> and IFRS 16 <i>Leases</i> regarding replacement issues in the context of the interest rate reform	1 January 2021
Annual Improvements to IFRS 2018 – 2020 Cycle amending IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1 January 2022

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

4. BASIS OF PREPARATION**4.1 Overall considerations**

These consolidated financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies.

The Significant Accounting Policies adopted in the preparation of these consolidated financial statements are set out in note 6. The accounting policies have been consistently applied to all the years presented unless otherwise stated.

The preparation of consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group's management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing these consolidated financial statements and their effect are disclosed in note 5.

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4. BASIS OF PREPARATION (CONTINUED)

4.1 Overall considerations (continued)

These consolidated financial statements have been prepared on the historical cost basis, except for the following:

- Trade receivables at amortized cost;
- Defined benefits plan measured at the present value of future obligations using the Projected Unit Credit Method;

Furthermore, these consolidated financial statements are prepared using the accrual basis of accounting and the going concern basis.

4.2 Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyal, which is the Group's functional and presentation currency.

4.3 Basis of consolidation financial statements

The consolidated financial statements present the results of the Company and its subsidiary as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Subsidiary

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in these consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions and balances eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Financial year

The Group's financial year starts from 1 January and ends on 31 December in each Gregorian calendar year.

5. USE OF JUDGEMENT AND ESTIMATES

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, experience may differ from these estimates and assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

5.1 Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the consolidated financial statements is included in the following notes:

Going concern basis of accounting

The consolidated financial statements have been prepared on the going concern basis, which assumes that the Group will continue its activities for the foreseeable future. The Group's accumulate losses as 31 December 2020 amounted to SR 37,706,336, which comprises 58% of the share capital (31 December 2019: SR 24,586,320, which comprises 38% of the share capital), and the losses for the year ended 31 December 2020 amounted to SR 13,181,964 (2019: SR 26,009,207). The ability of the Group to continue its operations depends on obtaining finance, profitable contracts and increase the volume of its revenue appropriately.

The Group is working on expanding the business model by entering into operations that complement the Group's activity according to the articles of association to include storage operations in regional and international free zones, in addition to entering into import operations of raw materials and expanding transfers for the Group's account and the account of others. In addition, the Group's management is working towards trading in high profit margin items such as foodstuffs. The Company also announced the approval of the Board of Directors to close the Saudi Industrial Exports Company in the Hashemite Kingdom of Jordan in order to reduce general and

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5. USE OF JUDGEMENT AND ESTIMATES (CONTINUED)**5.1 Judgments (continued)****Going concern basis of accounting (continued)**

administrative expenses, and it also worked to increase the Company's share capital by submitting an application to the Capital Market Authority.

However, as described above, the management reasonably expect that the Group can continue its activities for the foreseeable future.

Impairment of trade receivable

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The allowance for expected credit losses on trade receivables is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Trade receivables are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis (refer to 6.4).

5.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the year ended 31 December 2020 are as follows:

Uncertain Zakat & tax positions

The Group's current Zakat payable of SR 1,085,846 relates to management's assessment of the amount of Zakat payable on open Zakat positions where the Group remain to be agreed with the General Authority of Zakat and Tax (GAZT). Due to the uncertainty associated with such Zakat items, it is possible that, on finalization of open Zakat assessments at a future date, the final outcome may differ significantly. Note 21 describes the status of Zakat and tax assessments.

Employees' end of service benefits

Employee defined benefit liabilities are determined using an actuarial valuation, which requires estimates to be made of the various inputs (refer to note 6.13).

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements, following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

6.1 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.2 Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the Group's functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items at year-end exchange rates are recognized in the consolidated statement of profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when the fair value was determined.

6.3 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks, cash on hand, which are subject to an insignificant risk of changes in value.

6.4 Trade receivables

Trade receivables are carried at original invoice amount less impairment losses at an amount equal to the lifetime ECLs. When an account receivable is uncollectible, it is written-off against the impairment losses. Refer to note 6.6 for impairment of financial assets.

6.5 Inventories

Inventories are included in the consolidated financial statements at the lower of cost or net realizable value with due allowance for any obsolete or slow-moving items and damages as per Group's policy. The cost of trading goods is determined on a weightage average cost method.

6.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition

A financial asset or financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date.

Classification

The Group classifies its financial assets into the following measurement categories:

- Those to be measured subsequently at amortized cost;
- Fair value through other comprehensive income;
- Fair value through profit or loss.

The classification depends on the Group's contractual terms of the financial assets cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (FVTPL). For assets and liabilities measured at fair value, gains and losses are either recorded in the consolidated statement of profit or loss or consolidated other comprehensive income. Financial liabilities are not reclassified.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.6 Financial Instruments (continued)

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at fair value through profit or loss and other comprehensive income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through the profit or loss are expensed in the consolidated statement of profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through the consolidated profit or loss or consolidated other comprehensive income (irrevocable election at the time of recognition).

De-recognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Group has transferred substantially all the risks and rewards of the asset or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment

For accounts receivables, the Group recognizes expected credit losses based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Group to track the changes in credit risk; rather, the Group recognizes a loss allowance based on lifetime expected credit losses at each reporting date.

The Group assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

Financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**6.7 Property, plant and equipment****Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other repair and maintenance costs are recognized in the consolidated income statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the consolidated statement of profit or loss as other income.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in the consolidated statement of profit or loss.

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

Description	Depreciation rate
Buildings	2.5%
Tools and equipment	12.5%
Furniture and fixtures	10%
Computers and tools	12.5% - 25%
Vehicles	25%
Leasehold improvements	20%

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

6.8 Impairment testing of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**6.8 Impairment testing of non-financial assets (continued)**

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss.

6.9 Lessee**Lessor**

The Group assesses whether a contract contains a lease, at the inception of the contract. For all such lease arrangements, the Group recognize right of use assets and lease liabilities except for the short-term leases and leases of low-value assets as follows:

Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets is subject to impairment in value.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, or a change in the assessment to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**6.10 Zakat**

The Group is subject to Zakat in accordance with the regulations of the General Authority of Zakat and Tax (the "GAZT"). The provision of Zakat is calculated as per the Zakat base prepared on the basis of the consolidated financial statements of the Group.

6.11 Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group, and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

6.12 Trade payables and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

6.13 Employees' end of service benefits**Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plan

The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses (excluding finance expense) is recognized immediately in consolidated other comprehensive income. The Group determines the net finance expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net finance expenses and other expenses related to defined benefit plans are recognized in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in the benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the consolidated statement of profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

6.14 EQUITY

Share capital represents the nominal value of shares that have been issued. Accumulated losses include all current and prior period losses.

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6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.15 Revenue recognition

The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15.

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected in behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.
- b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms if payment and excluding taxed and duty.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Group identified one performance obligation which is the delivery of goods to the customers as per the term of the customer contracts. Accordingly, revenue is recognized point in time when the performance obligation is fulfilled.

The Group consider factors like having primary responsibility to provide the goods, assuming inventory risk, and having the ability to establish prices, whether it is acting as a principal or an agent when delivering goods to a customer as this will impact whether revenue is recognized on a gross or net basis.

Where indicators above are met, the Group is considered acting as a principal, and therefore, sales transactions related to the above are recorded on a gross basis. On the contrary, where the above indicators have not met the Group is considered acting as an agent, and therefore, sales transactions are recorded on a net basis.

6.16 Cost of revenue

Cost of revenue includes direct costs of sales, including costs of materials, contract services, and overheads directly attributable to revenue.

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7. PROPERTY, PLANT AND EQUIPMENT

<u>Cost:</u>	Buildings	Tools and Equipment	Furniture and fixtures	Computer and tools	Vehicles **	Leasehold improvements	Work in progress	Total
As at 1 January 2019	2,803,014	727,500	552,890	864,441	169,590	-	-	5,117,435
Additions	-	88,030	97,345	52,724	-	-	39,500	277,599
Disposals	-	-	-	(1,799)	-	-	-	(1,799)
As at 31 December 2019	2,803,014	815,530	650,235	915,366	169,590	-	39,500	5,393,235
Additions	-	64,621	48,535	245,260	227,393	568,426	70,800	1,225,035
Transfer	-	-	39,500	-	-	-	(39,500)	-
As at 31 December 2020	2,803,014	880,151	738,270	1,160,626	396,983	568,426	70,800	6,618,270
<u>Accumulated depreciation:</u>								
As at 1 January 2019	229,385	421,154	498,906	728,316	169,588	-	-	2,047,349
Charge for the year	70,076	153,164	27,309	46,827	-	-	-	297,376
Elimination on disposals	-	-	-	(1,199)	-	-	-	(1,199)
As at 31 December 2019	299,461	574,318	526,215	773,944	169,588	-	-	2,343,526
Charge for the year	70,076	140,213	30,932	73,346	56,848	132,633	-	504,048
As at 31 December 2020	369,537	714,531	557,147	847,290	226,436	132,633	-	2,847,574
<u>Net book value:</u>								
31 December 2020	2,433,477	165,620	181,123	313,336	170,547	435,793	70,800	3,770,696
31 December 2019	2,503,553	241,212	124,020	141,422	2	-	39,500	3,049,709

** During the year 2020, the Group purchased vehicles through a three years' finance lease ending with transfer of ownership.

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8. INTANGIBLE ASSETS

Intangible assets represent an accounting system that is still not implemented in the Company.

	<u>2020</u>
<u>Cost:</u>	
1 January 2020	-
Addition during the year	<u>78,206</u>
31 December 2020	<u>78,206</u>
<u>Accumulated amortization:</u>	
1 January 2020	-
Charged during the year	<u>-</u>
31 December 2020	<u>-</u>
<u>Net book value:</u>	
31 December 2020	<u>78,206</u>

9. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets

<u>Cost:</u>	
1 January 2019	722,184
Addition during the year	<u>506,456</u>
31 December 2019 (Restated)	<u>1,228,640</u>
Addition during the year	<u>-</u>
31 December 2020	<u>1,228,640</u>
<u>Accumulated amortization:</u>	
1 January 2019	-
Charged during the year	<u>82,354</u>
31 December 2019 (Restated)	<u>82,354</u>
Charged during the year	<u>206,396</u>
31 December 2020	<u>288,750</u>
<u>Net book value:</u>	
31 December 2020	<u>939,890</u>
31 December 2019	<u>1,146,286</u>

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1 January 2019	722,184
Addition during the year	506,456
Finance cost	16,365
Paid during the year	(253,492)
31 December 2019 (Restated)	991,513
Addition during the year	227,393
Finance cost	81,963
Paid during the year	(258,397)
31 December 2020	1,042,472
Lease liabilities – current portion	321,898
Lease liabilities – non-current portion	720,574

10. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019 (Restated)
1 January	6,559,654	7,658,445
Change in fair value	(2,559,654)	(1,098,791)
Disposal during the year	(4,000,000)	-
31 December	-	6,559,654

During the year, the Group sold its share in LSC Warehouse and Logistics Services Company for an amount of SR 4 million. The sale did not result in any profit or loss.

Investments at fair value through profit or loss includes investments in United National Exports Company Ltd. and Shahd Sahara Trading Company Ltd. The original investment amount is SR 837,427. As these investments are under liquidation, the Group was not able to obtain an indicative fair value of the investments, however, on a prudent basis, the Group decided to fully impair these investments.

11. INVENTORIES

	31 December 2020	31 December 2019
Sara storage	1,277,212	-
Granular sulfur	1,308,884	1,765,440
Foodstuffs	453,917	-
Crude sulfur	313,725	409,436
Polymer	78,670	471,079
Goods in transit	19,682	-
	3,452,090	2,645,955

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	31 December 2020	31 December 2019
		(Restated)
Cash margins	3,908,497	6,757,500
Advances to suppliers	2,949,363	1,359,990
VAT receivables	323,503	311,992
Prepaid expenses	206,565	783,305
Due from employees	192,660	223,714
Others	14,240	14,240
	7,594,828	9,450,741

13. TRADE RECEIVABLES

	31 December 2020	31 December 2019
		(Restated)
Trade receivables	17,480,217	8,211,644
Provision for impairment loss on trade receivables *	(1,839,782)	(114,497)
	15,640,435	8,097,147

* Movement of provision for impairment loss on trade receivables for the years ended 31 December is as follows:

	2020	2019
1 January	114,497	114,497
Provision for the year	1,725,285	-
31 December	1,839,782	114,497

Aging of trade receivables is as follows:

	31 December 2020	31 December 2019
Up to 3 months	357,262	35,438
From 3 – 6 months	-	-
From 6 – 12 months	8,454,434	8,176,206
More than a year	8,668,521	-
	17,480,217	8,211,644

14. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash at bank	8,470,089	19,612,212
Cash on hand	13,941	13,277
	8,484,030	19,625,489

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The authorized and paid-up capital is SR 108 million, consisting of 10.8 million shares, the value of each share is SR 10, and the shareholders agreed in the extraordinary general assembly meeting held on 23 December 2017 to reduce the Group's share capital from SR 108 million to SR 10.8 million, by reducing the number of shares from 10.8 million shares to 1.08 million shares, in order to comply with the requirements of the Companies' Law. This resulted in a decrease in the accumulated losses to less than half of the Group's share capital as at 31 December 2017. This reduction in the Group's share capital has been approved by the related authorities.

In the extraordinary general assembly meeting held on October 9, 2018, the shareholders agreed to increase the Company's share capital from SR 10.8 million to SR 64.8 million, by offering preemptive rights shares. This is to support the Company's financial position, develop its business, and develop the Company's activity and operations. This increase in the Company's share capital has been approved by the related authorities.

	<u>Share value</u>	<u>Number of shares</u>	<u>Total</u>
Share capital as 31 December 2020	10	6,480,000	64,800,000
Share capital as 31 December 2019	10	6,480,000	64,800,000

On December 31, 2020, the Company announced that it had submitted the application file for approval of the share capital increase to the Saudi Capital Market Authority, which is still under study by the related authorities.

16. STATUTORY RESERVE

As required by the Saudi Arabian Regulations for Companies, 10% of the Company's net profit for the year is to be transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 30% of the share capital. The reserve is not available for distribution.

17. BASIC & DILUTED LOSS PER SHARE

	<u>31 December 2020</u>	<u>31 December 2019</u>
Loss for the year	(13,181,964)	(26,009,207)
Weighted average number of ordinary shares	6,480,000	6,480,000
	<u>(2,03)</u>	<u>(4,01)</u>

Basic loss per share has been calculated by dividing the loss attributable to the shareholders of the Company over the weighted average number of outstanding ordinary shares during the year.

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	2020	2019
As at 1 January	583,173	474,118
Included in profit or loss		
Current service cost	192,068	236,308
Included in other comprehensive income		
Actuarial gain on employees' end of service benefits	(61,948)	(28,145)
Benefits paid	(117,088)	(99,108)
Benefits transferred to accrued expenses and other credit balances	(260,875)	-
As at 31 December	335,330	583,173

Actuarial assumptions on defined benefit liability

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 December 2020	31 December 2019
Discount rate	2.5%	3.5%
Future salary growth rate	3.5%	4.5%

Sensitivity analysis

Possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 December 2020	31 December 2019
<u>INCREASE</u>		
Discount rate (1%)	311,154	529,663
Future salary growth rate (1%)	362,885	645,149
<u>DECREASE</u>		
Discount rate (1%)	363,466	646,452
Future salary growth rate (1%)	311,154	529,663

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximate estimate of the sensitivity of the assumptions shown.

19. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31 December 2020	31 December 2019
		(Restated)
Advances received from customers	4,001,762	250,032
Accrued expenses	1,895,592	1,953,265
	5,897,354	2,203,297

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	31 December 2020	31 December 2019
Share capital's subscription surplus *	437,136	437,136
Dividends payable **	2,371,662	2,371,662
	2,808,798	2,808,798

* The balance of the share capital's subscription surplus represents the subscription amounts received from eligible shareholders who exercised their right to subscribe to newly issued shares and those entitled to fractional shares. The remaining balance of the surplus is amounted to SR 437,136 as 31 December 2020, because the Company is not able to transfer these amounts due to non-availability of the bank accounts information or its inaccuracy.

** This balance represents dividends payable to the shareholders for the profits of previous years, which the shareholders did not present to receive it until the date of approval of the consolidated financial statements.

21. ZAKAT

	2020	2019
1 January	1,210,736	1,678,899
Deficiency from previous years	1,551,149	-
Charged during the year	900,000	1,325,542
Paid during the year	(2,576,039)	(1,793,705)
31 December	1,085,846	1,210,736

Zakat status

The Company has filed its Zakat returns with General Authority for Zakat and Tax and obtained Zakat certificates up to year 2019. The Company received letters of amendment of the Zakat returns from General Authority for Zakat and Tax for the years from 2014 to 2018. The value of Zakat variances amounted to SR 3.5 million, the General Authority for Zakat and Tax agreed on the Company's objection at an amount of SR 0.7 million, the Company paid an amount of SR 1.6 million, which was recorded as an expense during the current year. The Company submitted an objection request for the remaining variance to the General Secretariat of the Tax Committees.

Tax status

The Company received letters of amendment of the value-added tax returns from the General Authority for Zakat and Tax for periods during the years 2018 and 2019, The value of VAT variances and its fines is approximately amounted to SR 18.8 million. The Company submitted an objection request to the General Secretariat of the Tax Committees.

The Group's management believes that the outcome of the objections will be in its favour with regard to the above variances.

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	31 December 2020	31 December 2019
		(Restated)
Materials cost	32,037,833	71,369,032
Customs and clearance expenses	2,563,927	10,401,198
Maintenance	143,193	51,400
Examination and analysis	92,344	89,586
Bank charges	61,885	107,301
Utilities	60,903	10,667
Packaging	-	21,623
Others	68,552	336,789
	35,028,637	82,387,596

23. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2020	31 December 2019
		(Restated)
Employees' salaries and benefits	4,360,002	4,059,184
Professional fees	1,060,515	2,029,562
Board of Directors remunerations	769,754	1,248,707
Depreciation	710,444	379,730
Governmental fees	693,093	406,647
Rent	627,851	247,737
Other debit balances written off	471,668	-
Board of Directors attendance allowance	174,000	303,000
Insurance expenses	159,558	324,460
Utilities expenses	128,411	98,533
Advertising expenses	83,263	108,399
Office supplies	60,412	46,825
Repair and maintenance	79,311	52,295
Bank charges	28,709	69,202
Other expenses	484,406	512,516
	9,891,397	9,886,797

24. OTHER INCOME

	31 December 2020	31 December 2019
		(Restated)
Income from sale of shares	1,816,153	181,264
Others	104,577	284,320
	1,920,730	465,584

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25. COMPENSATION OF KEY MANAGEMENT PERSONNEL

31 December 2020	31 December 2019
2,646,234	3,161,694

Compensation for key management personnel consists of salaries, benefits, and end-of-service benefits for senior management in addition to remuneration for board members.

26. SEGMENT INFORMATION

A segment is a separate and distinct part of the Company that engages in business activities from which it may earn revenues and incur expenses. The operating segments are disclosed on the basis of internal reports that are reviewed by the chief operating decision-maker, who is the person responsible for allocating resources, assessing performance and making strategic decisions about the operating segments. The operating sectors that show similar economic characteristics, products, services, and similar customer categories, whenever possible, are grouped and recorded as segments that are reported in accordance with International Financial Reporting Standard (8) "Operating Segments".

Basis of division

For administrative purposes, the Company arranges its business through business units on the basis of segments. The following are the segments activities:

- 1- Export from inside and outside the Kingdom, most of the Company's export operations are carried out from the Kingdom of Saudi Arabia to the Middle East, Asia and Africa.
- 2- Production and sale of medical supplies.
- 3- Importing cement from the Kingdom of Saudi Arabia and opening new markets in Jordan for sale.

The business segments have been identified on the basis of internal reports that are presented to the finance manager regularly to upload resources to the segments and evaluate their performance "management approach". The management approach depends on the way in which management organizes business segments within the Company in order to make operational decisions and evaluate performance. At the end of each financial year, management actively reviews the segments for both the quantities and the characteristics of the revenues and expenses presentation in those segments.

Below is a summary of some selected financial information according to the above-mentioned operating segments:

Consolidated statement of financial position	31 December 2020			
	Saudi Industrial Export Company	Sara Factory	Saudi Industrial Export/ Jordan	Total
Property, plant and equipment	947,748	2,801,066	21,882	3,770,696
Current assets	32,719,761	1,537,585	914,037	35,171,383
Total current liabilities	11,010,984	156,978	-	11,167,962

Consolidated statement of financial position	31 December 2019			
	Saudi Industrial Export Company	Sara Factory	Saudi Industrial Export/ Jordan	Total
Property, plant and equipment	241,115	2,776,673	31,921	3,049,709
Current assets	38,511,603	248,757	1,058,972	39,819,332
Total current liabilities	8,262,349	68,766	-	8,331,115

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Consolidated statement of profit or loss	For the year ended 31 December 2020			
	Saudi Industrial Export Company	Sara Factory	Saudi Industrial Export/ Jordan	Total
Revenue	36,083,863	551,528	-	36,635,391
Depreciation	414,276	285,619	10,549	710,444
Net loss	11,546,066	1,351,038	284,860	13,181,964

	For the year ended 31 December 2019			
	Saudi Industrial Export Company	Sara Factory	Saudi Industrial Export/ Jordan	Total
Revenue	68,240,300	-	-	68,240,300
Depreciation	66,749	302,447	10,534	379,730
Net loss	25,456,942	409,965	142,300	26,009,207

27. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Market price risk, and
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade receivables
- Trade payables
- Lease liabilities

Fair value and fair value hierarchy

The Group measures financial instruments at fair value at each consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

At each reporting date, the Group analyses the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing with the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade receivables, trade payables and lease liabilities.

Due to their short-term nature, the carrying value of these financial instruments approximates their fair value.

Financial instrument by category

	31 December 2020	31 December 2019
		(Restated)
Financial assets		
<i>Amortized cost</i>		
Cash and cash equivalents	8,484,030	19,625,489
Trade receivables	15,640,435	8,097,147
	24,124,465	27,722,636
Financial liabilities		
<i>Amortized cost</i>		
Trade payables	1,054,066	1,921,139
Lease liabilities	1,042,472	991,513
	2,096,538	2,912,652

Credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss and arises principally from cash and cash equivalent and trade receivable.

The Groups maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	31 December 2020	31 December 2019
		(Restated)
Cash and cash equivalents	8,484,030	19,625,489
Trade receivables	15,640,435	8,097,147
	24,124,465	27,722,636

The carrying amount of financial assets represents the maximum credit risk exposure.

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Credit risk on cash and cash equivalents and trade receivables is limited as:

- Cash balances are held with banks with sound credit ratings.
- Trade receivables are shown net of allowance for impairment of trade receivables.

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis.

Market risk

Market risk arises from the Group's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commission rates (commission rate risk) or other market factors (other price risks).

Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Up to one year	More than one year, up to five years	More than five years	Total
31 December 2020				
Financial liabilities				
Trade payables	1,054,066	-	-	1,054,066
Lease liabilities	321,898	348,239	372,335	1,042,472
	1,375,964	348,239	372,335	2,096,538
	Up to one year	More than one year, up to five years	More than five years	Total
31 December 2019 (Restated)				
Financial liabilities				
Trade payables	1,921,139	-	-	1,921,139
Lease liabilities	187,145	366,354	438,014	991,513
	2,108,284	366,354	438,014	2,912,652

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28. PRIOR YEAR ADJUSTMENTS

The Group has restated its consolidated financial statements as follows:

Following is a summary of adjustments on consolidated statement of financial position as at 31 December 2019:

	Note	31 December 2019 (Audited)	Reclassification	Remeasurement	31 December 2019 (Restated)
ASSETS					
Non-current assets:					
Property, plant and equipment		3,049,709	-	-	3,049,709
Right of use assets	A	668,018	-	478,268	1,146,286
Investments at fair value through profit or loss - FVTPL		6,559,654	-	-	6,559,654
		<u>10,277,381</u>	<u>-</u>	<u>478,268</u>	<u>10,755,649</u>
Current assets:					
Inventories	E	2,264,833	-	381,122	2,645,955
Other debit balances	A, B, E, F	10,089,581	58,130	(696,970)	9,450,741
Trade receivables	C, F	20,876,976	(442,329)	(12,337,500)	8,097,147
Cash and cash equivalents		19,625,489	-	-	19,625,489
		<u>52,856,879</u>	<u>(384,199)</u>	<u>(12,653,348)</u>	<u>39,819,332</u>
TOTAL ASSETS		<u>63,134,260</u>	<u>(384,199)</u>	<u>(12,175,080)</u>	<u>50,574,981</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital		64,800,000	-	-	64,800,000
Statutory reserve		642,645	-	-	642,645
Accumulated losses		(11,257,339)	-	(13,328,981)	(24,586,320)
TOTAL EQUITY		<u>54,185,306</u>	<u>-</u>	<u>(13,328,981)</u>	<u>40,856,325</u>
LIABILITIES					
Non-current liabilities:					
Lease liabilities – non-current portion	A	646,446	-	157,922	804,368
Employees' end of service benefits		583,173	-	-	583,173
		<u>1,229,619</u>	<u>-</u>	<u>157,922</u>	<u>1,387,541</u>
Current liabilities:					
Lease liabilities – current portion	A	11,815	-	175,330	187,145
Trade payables	C, E, F	2,363,835	(18,193)	(424,503)	1,921,139
Accrued expenses and other credit balances	B, F	1,324,151	(366,006)	1,245,152	2,203,297
Due to shareholders		2,808,798	-	-	2,808,798
Zakat provision		1,210,736	-	-	1,210,736
		<u>7,719,335</u>	<u>(384,199)</u>	<u>995,979</u>	<u>8,331,115</u>
TOTAL LIABILITIES		<u>8,948,954</u>	<u>(384,199)</u>	<u>1,153,901</u>	<u>9,718,656</u>
TOTAL EQUITY AND LIABILITIES		<u>63,134,260</u>	<u>(384,199)</u>	<u>(12,175,080)</u>	<u>50,574,981</u>

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28. PRIOR YEAR ADJUSTMENTS (CONTINUED)

Following is a summary of adjustments on consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019:

	Note	31 December 2019 (Audited)	Reclassification	Remeasurement	31 December 2019 (Restated)
Revenue	C	80,577,800	-	(12,337,500)	68,240,300
Cost of revenue	C, E	(83,003,977)	35,600	580,781	(82,387,596)
Gross loss		(2,426,177)	35,600	(11,756,719)	(14,147,296)
General and administrative expenses	B, E	(8,281,059)	(35,600)	(1,570,138)	(9,886,797)
Impairment loss on investments		(1,098,791)	-	-	(1,098,791)
Operating loss for the year		(11,806,027)	-	(13,326,857)	(25,132,884)
Finance cost	A	(14,241)	-	(2,124)	(16,365)
Other income	D	493,729	-	(28,145)	465,584
Loss for the year before Zakat		(11,326,539)	-	(13,357,126)	(24,683,665)
Zakat expense		(1,325,542)	-	-	(1,325,542)
Loss for the year		(12,652,081)	-	(13,357,126)	(26,009,207)
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss:</i>					
Actuarial gain on employees' end of service benefits		28,145	-	-	28,145
Total other comprehensive income for the year		28,145	-	-	28,145
Total comprehensive loss for the year		(12,623,936)	-	(13,357,126)	(25,981,062)
Basic & diluted loss per share		(1.95)			(4.01)

Notes to the reconciliation of the consolidated statement of financial position as at 31 December 2019 and consolidated statement of profit and loss and other comprehensive income for the year ended as 31 December 2019:

- The balance of the right to use assets, lease liabilities and prepaid expenses in respect of the Group's head office lease contract has been adjusted in accordance with the requirements of IFRS No. (16).
- The adjustment relates to the recognition of professional fees expenses and Board of Directors' remunerations for the year ended as 31 December 2019.
- The Company, through the former CEO, agreed on a deal to sell 35,000 tons of crude sulphur according to the purchase order received from the customer. Accordingly, the supplier was contacted, a preliminary invoice was shared for the required quantity, a sales invoice was issued, and revenue was recorded during the month of December 2019. During the fiscal year, a letter was received from the customer dated 1 September 2020 stating that the quantity is still not received and considering the deal cancelled. Accordingly, the revenue and related costs were reversed, in addition to cancelling the customer and supplier accounts. The Audit Committee recommended to the Board of Directors to approve the reversal of the transaction and form a committee to investigate the deal including verifying whether there is manipulation or not and take the necessary action. The Board of Directors formed an Internal Committee, which is independent from Executive Management and implemented the recommendations of the Audit Committee. Also, an external expert party has been appointed in the subsequent period to the date of the financial statements to investigate this matter. The investigation was not completed until the date of the approval of the reissued consolidated financial statements.
- Cancelling the recognition of actuarial gain on employees' end of service benefits that were recognized twice in error.
- The Company recorded inventory during the current year, and later it was found that the inventory had been purchased and received during the year ending 31 December 2019, accordingly, the inventory and related balances were adjusted.
- Certain comparative figures have been reclassified to comply with the current year presentation of these consolidated financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***29. REISSUED CONSOLIDATED FINANCIAL STATEMENTS ADJUSTMENTS**

The Group has reissued the consolidated financial statements for current year to replace the consolidated financial statements that were approved on 16 Ramadan 1442H (corresponding to 28 April 2021), following is the details of the adjustments made on the items of the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income:

	Note	31 December 2020 Before reissuance	Adjustments	31 December 2020 Reissued
ASSETS				
Non-current assets:				
Property, plant and equipment		3,770,696	-	3,770,696
Intangible assets		78,206	-	78,206
Right of use assets		939,890	-	939,890
		<u>4,788,792</u>	<u>-</u>	<u>4,788,792</u>
Current assets:				
Inventories	A	3,501,728	(49,638)	3,452,090
Other debit balances	A	6,363,790	1,231,038	7,594,828
Trade receivables		15,640,435	-	15,640,435
Cash and cash equivalents		8,484,030	-	8,484,030
		<u>33,989,983</u>	<u>1,181,400</u>	<u>35,171,383</u>
TOTAL ASSETS		<u>38,778,775</u>	<u>1,181,400</u>	<u>39,960,175</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		64,800,000	-	64,800,000
Statutory reserve		642,645	-	642,645
Accumulated losses	B	(37,406,818)	(299,518)	(37,706,336)
TOTAL EQUITY		<u>28,035,827</u>	<u>(299,518)</u>	<u>27,736,309</u>
LIABILITIES				
Non-current liabilities:				
Lease liabilities – non-current portion		720,574	-	720,574
Employees' end of service benefits		340,354	(5,024)	335,330
		<u>1,060,928</u>	<u>(5,024)</u>	<u>1,055,904</u>
Current liabilities:				
Lease liabilities – current portion		321,898	-	321,898
Trade payables	A	2,421,573	(1,367,507)	1,054,066
Accrued expenses and other credit balances	A	3,043,905	2,853,449	5,897,354
Due to shareholders		2,808,798	-	2,808,798
Zakat provision		1,085,846	-	1,085,846
		<u>9,682,020</u>	<u>1,485,942</u>	<u>11,167,962</u>
TOTAL LIABILITIES		<u>10,742,948</u>	<u>1,480,918</u>	<u>12,223,866</u>
TOTAL EQUITY AND LIABILITIES		<u>38,778,775</u>	<u>1,181,400</u>	<u>39,960,175</u>

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2020***(SAUDI RIYALS)***29. REISSUED CONSOLIDATED FINANCIAL STATEMENTS ADJUSTMENTS (CONTINUED)**

	Note	31 December 2020 Before reissuance	Adjustments	31 December 2020 Reissued
Revenue	A	39,523,962	(2,888,571)	36,635,391
Cost of revenue	A	(37,568,317)	2,539,680	(35,028,637)
Gross profit		1,955,645	(348,891)	1,606,754
General and administrative expenses	B	(9,884,634)	(6,763)	(9,891,397)
Impairment loss on investments		(2,559,654)	-	(2,559,654)
Impairment loss on trade receivables		(1,725,285)	-	(1,725,285)
Operating loss for the year		(12,213,928)	(355,654)	(12,569,582)
Finance cost		(81,963)	-	(81,963)
Other income		1,920,730	-	1,920,730
Loss for the year before Zakat		(10,375,161)	(355,654)	(10,730,815)
Zakat expense		(2,451,149)	-	(2,451,149)
Loss for the year		(12,826,310)	(355,654)	(13,181,964)
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss:</i>				
Actuarial gain on employees' end of service benefits	B	5,812	56,136	61,948
Total other comprehensive income for the year		5,812	56,136	61,948
Total comprehensive loss for the year		(12,820,498)	(299,518)	(13,120,016)
Basic & diluted loss per share		(1.98)		(2.03)

Notes to the reconciliation of the consolidated statement of financial position as at 31 December 2020 and consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2020

- A. The Company recorded sales during the current year, and later it was found that they are related to the year 2021, accordingly, it was reversed along with the cost of revenue and the related items of the consolidated statement of financial position.
- B. The management corrected the data provided to the actuarial expert, who recalculated the employees' defined benefit obligations, and accordingly, the balance of each of the employees' defined benefit obligations, service costs and actuarial profits were adjusted.

30. CONTINGENT LIABILITIES AND COMMITMENTS

There are cases instituted against the Group with approximately total financial claims amounting to SR 9.9 million (2019: approximately SR 7.5 million), which no final judgments have been issued until the date of the consolidated financial statements. Management believes that such cases will not have any impact on the financial position of the Group and the results of its operations.

31. COVID – 19

Late 2019, an outbreak of coronavirus, COVID-19, emerged in China and subsequently spread to the whole world. The World Health Organization officially declared COVID-19 as a pandemic on March 11, 2020. In response to COVID-19 pandemic, authorities in the Kingdom of Saudi Arabia took unprecedented measures that included partial and full lockdown. In the opinion of management, this event did not have a significant impact on the Group's operation during 2020.

32. SUBSEQUENT EVENTS

The Company announced on 7 March 2021 that the Board of Directors approved to close Saudi Industrial Export Company in the Hashemite Kingdom of Jordan due to the lack of economic feasibility and to reduce the general and administrative expenses.

33. APPROVAL ON THE REISSUED CONSOLIDATED FINANCIAL STATEMENTS

The reissued consolidated financial statements have been approved by the Board of Directors on 28 Shawwal 1442 H corresponding to 9 June 2021.

Recommendation of the Audit Committee of the Ordinary General Assembly (The Thirty-Fourth) to Appoint a Financial Auditor

The president and members of the Audit Committee, on the occasion of the (34th) Ordinary General Assembly of the company's shareholders, are pleased to present to the shareholders the recommendation of the Committee in selecting the external auditor for the current year 2021 AD (the second quarter, the third quarter and the annual lists) and the first quarter of 2022 AD.

After reviewing all the offers submitted by the auditing offices to audit the accounts of the Saudi Industrial Export Company, according to the table below:

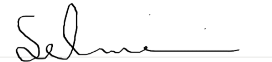
	Office Name
1	AL KHARASHI & CO. CHARTERED ACCOUNTANTS AND AUDITORS
2	Ibrahim Ahmed Al-Bassam & Partners Chartered Accountants (Al-Bassam & Partners)

Therefore, the committee recommends nominating the above-mentioned offices to appoint one of them to audit and review the company's accounts for the current year 2021 AD (the second quarter, third quarter and annual lists) and the first quarter of 2022 AD.

And submit this recommendation to the Ordinary General Assembly of Shareholders (The Thirty-Fourth) at its next meeting for approval.

Best Regards,

President of the Audit Committee



Salman Mohammed Al-Suhaibane

Report of the Annual Audit Committee of the Ordinary General Assembly (the thirty-fourth) of the Saudi Industrial Export Company for the fiscal year ending on December 31, 2020.

The most prominent tasks, Authorities , and responsibilities of the Audit Committee

- Recommendations to the Board of Directors to appoint and isolate auditors, determine their fees and evaluate their performance, after ensuring their independence and reviewing the scope of their work and the terms of their contract.
- Verifying the independence and objectivity of the auditor, and the effectiveness of audit work, taking into account the relevant rules and standards.
- Review the company's auditor's plan and work and verify that they have not submitted technical or administrative works that are outside the scope of audit work, and provide its views in this regard.
- Responding to corporate auditor inquiries.
- Studying the auditor's reports and his notes on the financial statements and following up on what was taken in their regard.
- Right of access to company records and documents.
- Request any clarification or statement from the members of the board of directors or the executive management.
- To request the board of directors to call and invite for the company's general assembly to convene if it hinders its work or if the company is exposed to serious damage or losses.
- Reviewing the results of the reports of the regulatory authorities and verifying that the company has taken the necessary measures in this regard.
- Verify the company's compliance with relevant laws, regulations, policies and instructions.
- Studying and reviewing the company's internal and financial control and risk management systems.
- Monitor and supervise the performance and activities of the internal auditor and the internal audit department in the company, if any, to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them. If the company does not have an internal auditor, the committee must submit its recommendation to the Board regarding the need for his appointment.
- Studying the internal audit reports and following up the implementation of corrective actions for the observations contained therein.

Summary:

- 1- During the fiscal year 2020, the committee reviewed within the limits of its tasks in accordance with the regulations governing the work of the audit committee, the company's annual and quarterly financial statements, and the reports submitted by the company's external auditor.
- 2- The committee studied and reviewed the company's internal and financial control systems and discuss it with the external auditor and the company's management.

Based on the result of our review, as indicated above, during the year 2020, there were some corrective actions taken by the Board of Directors that helped in developing the internal control system, including:

Appointment of a new CEO based on the audit committee's observations of the previous CEO's performance.

Assign a financial manager who has the necessary experience and competence.

Launching the new ERP system in the company.

From this point of view, the Audit Committee urges the new current executive management to follow up on improving the internal control procedures and enhancing its role with the Audit Committee more effectively, and to avoid previous observations, as a third party was contracted to carry out the scope of the internal audit and the previous executive management did not work on Solving the internal auditor's observations. Neither enabled The internal auditor to revisit the observations in the report issued for the year 2019, nor did it enable the internal auditor to carry out his work for the year 2020 due to the spread of the Corona pandemic and the move to the new company headquarters "as per their response to the committee", which was unacceptable to the committee, as the CEO and executive management was warned several times to implement a corrective action plan for the observations received from the internal auditor, as well as responding to the internal auditor requirements for the year 2020, which did not happen, and therefore the Board of Directors was recommended to take the requires actions to dismiss the former CEO of the company.

The Audit Committee has also worked to provide the Board of Directors during the year 2020 with the of high-risk violations were taken by the executive management and required direct intervention and the issuance of the necessary decisions from the Board of Directors to preserve the rights of shareholders and the interests of the company.

The most prominent violations were as follows:

- 1- Not cooperating with the internal auditor and enabling them to exercise the designated scope of work and obstructing the follow-up of previously issued reports, and corrective actions.
- 2- Appointing and assigning more than one financial manager in the same fiscal year without any arrangements with the related committees for that, which contributed to disrupting the workflow of the external auditor due to inconsistency in the submitted data and following different procedures by the company's financial managers.

- 3-There were frequent and noticeable violations in recruitment and job procedures in the human resources department.
- 4-There were several irregularities in financial transactions and explicit abuses of the authority matrix and the evidence of deliberate accounting procedures in the company, such as advanced payments to suppliers without contracts
- 5-There were violations by the former CEO of the company in the implementation of credit transactions without required guarantees, in a clear violation of the previous board of directors' decision regarding future credit deals.
- 6-Failure to implement and follow the approved policies and procedures.
- 7-There were several violations in collecting payments on behalf of others, cash advances, and advanced payments for employees.
- 8-The company missed the opportunity to capture high profitability through Sara Medical Supplies Factory by operating a production line for manufacturing sterilizers during the Corona pandemic, as the executive management missed the company's biggest opportunities that could have helped to achieve a higher returns.

The committee also directed the previous executive management several times to quickly avoid repeated mistakes that may lead to doubts about the company's continuity with this performance, and the committee also sent several confidential reports to the board of directors regarding what was mentioned above from the previous executive management in addition to the lack of a clear strategy for the company in doing business. Especially with regard to daily operations, where a severe deficiency was observed in the follow-up of operations procedures, as often specific procedures are not followed in the practice of the company's operational procedures and this appears entirely in administrative practices, as the weak qualifications of the staff caused a lot of imbalance in the company's financial and commercial procedures Which justifies the lack of high profit margins for the company, since the general and administrative expenses are higher than the profit margins for the deals executed for the company, which is what the committee worked on with the board of directors and the newly appointed executive management to improve the company's profit margins, rationalize general and administrative expenses, reclassify accounts to control cost and profit as well as activate the ERP system to manage the company's operations linking the accounts, which will improve the efficiency of operations and It facilitates, controlling financial matters and controlling internal resources in an optimal manner.

Please accept my sincerest regards and appreciation,

President of the Audit Committee



Salman Mohammed Al-Suhaibaney

نموذج رقم (1) السيرة الذاتية

1. Personal Information of the nominated member						
Dr. Sulaiman Hamad Al Jedaie						Name
1405/03/13 هـ		Date of Birth	Saudi Arabia		Nationality	
2. The academic qualifications of the nominated member						
College	Date of obtaining the degree	Major	Degree	م		
University of Texas at Arlington, college of Engineering	2014	Industrial Engineering	PHD	1		
University of Texas at Arlington, college of Engineering	2011	Logistical Science	Master	2		
King Fahd University of Petroleum and Minerals	2008	Industrial Engineering	Bachelor	3		
3. Experience						
Areas of expertise				Duration		
CEO of the Saudi Industrial Exports Company				OCT 2020 - Today		
Logistics consultant				Feb 2018 – OCT 2020		
Director of International Logistics in Europe and Africa at Halliburton Company				Jan 2015 – May 2016		
Field Logistics Specialist at Schlumberger				Jan 2013 – Dec 2014		
International field engineer at Schlumberger				Sep 2008 – OCT 2010		
4. Current membership in the boards of directors of other joint stock companies (listed or unlisted) or any other company of whatever legal form or the committees emanating from it:						
The legal form of the company	Committee membership	Nature of Membership (in his personal capacity, a representative on behalf of legal person)	Membership capacity (executive, non-executive, independent)	Main Activity	Company Name	
Listed company	Executive and Investment Committee	Personal Capacity	Independent	Industrial	Saudi Industrial Export Company	1
Limited liability		Personal Capacity	non-executive	Consulting	Sure Business Services Company	2
						3