

بحر العرب لأنظمة المعلومات  
Arab Sea Information Systems



**ANNUAL REPORT**  
OF THE BOARD OF DIRECTORS 2022

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In the name of God, the Most Gracious, the Most Merciful



**Custodian of the Two Holy Mosques  
King Salman bin Abdulaziz Al Saud**

May Allah bless him



**His Royal Highness  
Mohammed bin Salman bin Abdulaziz Al Saud**

The Crown Prince, Deputy Prime Minister and Minister of Defense

May Allah bless him



# OUR VISION

We at Arab Sea Company work with enthusiasm and effort in order to achieve the satisfaction and aspirations of our customers. We have a selection of computer programs that are constantly evolving while continuing to innovate. We use all our energies to provide the best software solutions to our customers based on the principles of trust, integrity, simplicity, ease, perseverance and encouraging the spirit of innovation and continuous development.

# OUR MISSION

Providing modern integrated and distinguished programs of high quality that contribute to the success, growth and business development of clients in the public and private sectors, by providing a qualified team of the best programmers, specialized analysts, technicians and trainers.





# CHAIRMAN'S MESSAGE



**Mohammed bin Saleh Al-Suhaibani**  
Chairman of Board of Director



**To protect our strategic objectives and the interests of our shareholders, we always try to improve our business and stay up to date with emerging technology.**



**Every year, we are pleased of our accomplishments and achievements, which were the result of the collaborative efforts of all of our cadres, and we look forward to continuing to achieve permanent and consistent success.**

**Dear Shareholders of Arab Sea Company  
Peace and blessings of Allah be upon you**

First of all, I welcome you and present to you the annual report of the Board of Directors for the financial year 2022.

The company is dedicated to attaining its vision and goals. And it kept up its steady development in maintaining its leadership and success by working effectively and skillfully with its dedication to offering the best services to its clients.

And yet In her career, the company is committed to using the fundamentals and pillars in the pursuit of sustainable development while maximizing the potential and efforts of available resources and human cadres in order to achieve exceptional levels.

also continued to execute the plan made for it within the map of sustainable and complete growth, in addition to bolstering its primary services through the development of its systems as demonstrated by the data in the file.

To guarantee ongoing growth, the Board of Directors will remain committed to putting the highest standards of corporate governance, risk management and company continuity into practice. I would like to extend genuine gratitude and admiration to the various company's departments and workers for their sincere efforts, dedication, and cooperation.

We also extend our heartfelt gratitude to our esteemed shareholders for their continued support of the business, its board of directors, and its staff, and we assure our dedication to working tirelessly to advance their interests and grow their assets.

With our sincere greetings and appreciation.

**Mohammed bin Saleh Al-Suhaibani**  
Chairman of Board of Director



**Our company has set the proper pillars and foundations for gradual development and attaining the strategy objective of sustainability.**





## Description of the Main Activity of The Company

Arab Sea Information Systems Company was registered in the Kingdom of Saudi Arabia as a closed Saudi joint stock company under Commercial Registration No.1010169116 issued in Riyadh on 27/06/1422AH (15/09/2001).

According to the decision of His Excellency the Minister of Commerce and Industry No. (128/m) dated 04/14/1429AH - 04/21/2009, the legal entity of the company was changed from a Saudi limited liability company to a closed Saudi joint stock company and then to a joint stock company and it was listed on 26/02/2017 in the Saudi stock market (Nomu). On 12/04/2020, the Saudi Stock Exchange (Tadawul) agreed to transfer the company to the main market.



## The Company's Activities as Represented in the Articles of Association:



Wholesale and retail trade in computers, office machines, equipment and medical devices, maintenance and operation of computers, microfilms, electronic and electrical devices and their spare parts, and advertising tools and devices and their maintenance.



Computer programs' producing, importing and distributing. The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.



Computer networks extension and maintenance.



Education and training, establishing training centers, distance training, electronic training, and issuing certificates to trainees after passing courses for accounting, administrative and financial programs.



Electronic business



Manufacturing industries, reproducing recorded media and reproducing ready-made computer programs (software).



Marketing services.



Information and communications, computer programming activities, special software design and programming, consulting expertise and related activities, computer consulting and related activities, systems analysis, software maintenance, web page design, other technology services and computer facility management.



Commercial agencies



Softwares.



Financial and insurance activities, payment and financial settlements systems and services related to digital payments.

## Subsidiaries:

Company Name	Country of Incorporation	Core Business	Country of Operation	Ownership Percentage (direct and non directly)	Capital in relation to the nominal value of shares and shares	Number of share / shares
Arab Sea Financial Company limited liability Company	KSA	E - Payments	KSA	100% owned by Arab Sea Information Systems Company	5000,000	500,000
Era Information Technology	KSA	Cloud computing services	KSA	100% owned by Arab Sea Information Systems Company	5000,000	500,000





## Arab Sea Information Systems Services

Arab Sea believes in using all energies to serve its clients and build long-term relationships to achieve joint success through a team specialized in studying, planning and implementation according to the nature of the client's commercial activity and the procedures followed for business management.

### Services include:



#### Consulting and Planning:

The Arab Sea team studies the technical needs of the client and draws up technical and strategic plans to meet these requirements according to the nature of the work and the procedures followed. The team also provides consultancy in the field of software and systems, building work networks, network interconnection, and designing and implementing integrated solutions. This includes preparing technical specifications for devices, equipment, operating systems and all technical requirements for the project.



#### Installation:

The Arab Sea Company provides its customers with a team of technicians specialized in installing hardware, software and networks at the customer's premises and adjusting the necessary settings to provide a technical environment for the required systems.



#### Digital payments services

The company offers its clients a digital payment tool for their online shops via digital media or the Internet that is automated, private, and auditable.



#### Cloud computing services

The company provides cloud computing services to its clients by storing their data, which is accomplished by linking a number of web servers. Cloud storage is more reliable and adaptable.



#### Training:

The Arab Sea Company has a group of specialized trainers who are highly qualified to train clients' employees on various company systems in modern ways and according to a training plan that aims for the employee to master the skills required to deal with the system and to use his capabilities to serve the facility in which he works.





# Arab Sea

## Information Systems Products



More than 715 thousand users for more than 99 thousand companies use Arab Sea products daily to manage their commercial and government businesses.

The list of our products includes a selection of programs that are constantly evolving, such as SMACC program, of which 6 major versions were issued over a quarter of a century of development derived from our constant pursuit of achieving the desires of our clients and facilitating their work by creating the most effective integrated software solutions that employ the latest technologies and services.

### Our Products



More than  
**715 K**  
Users



More than  
**99 K**  
Companies



Featured product  
**SMACC**  
Smacc software



of which  
**6**  
major versions  
were issued



# SMACC

Saudi Management and Accounting System



The development began in  
**1986**



More than  
**99,000**  
facilities uses this software



The first version was issued  
**1988**



## SMACC

is a Saudi program for managing accounting business fully developed by Arab Sea Company. Its development began in 1986 and the first version of it was issued in 1988, so this program carries a deep understanding of the business environment in the Kingdom of Saudi Arabia due to its long history in the market and its continuous meeting of the clients' technical requirements. This program meets the desires and needs of every facility, so it has achieved a wide spread, as it is currently used in more than 99,000 facilities, with about 715 thousand using licenses issued.

SMACC program has also won the trust of academic authorities in the Kingdom of Saudi Arabia, as the system was chosen to be taught in the accounting departments in many local and Arab academic institutions for more than 15 years. A special educational curriculum has been issued which contains an explanation of the use of the entire program, which the student studies and is trained to use in practical application as a prerequisite for completing the computerized accounting certificate.

SMACC accounting program consists of several integrated sub-systems in one comprehensive system that allows a unified management of all the operations of the facility in the areas of accounting, sales, purchases, inventory, points of sale, and Personnel affairs, in addition to the attendance and departure system linked with the payroll, which works using handprints or Magnetic cards.

SMACC accounting program has a wide spread in the Arab countries, as it has agents in Yemen, Sudan and Jordan. The program is also used by clients in America, Singapore, China and India.  
SMACC Website : [www.smacc.com](http://www.smacc.com)



# SCRIBES

ERP SYSTEM



## SCRIBES

Scribes ERP's accounting software has simplified the streamlining of your invoices so that the payment process is fast

Scribes ERP's financial accounting software allows you to implement financial planning and analysis at any level

Scribes ERP's asset Management system manages your assets from the procurement to disposal time of business assets effectively

Scribes ERP grows your business and boosts your profit by managing the stock and optimizing business operations effectively

Scribes ERP's inventory is cloud-based so that it allows the global accessibility at any time with data encryption

Scribes ERP's sales system helps your business to streamline sales operations while managing multiple sales channels easily.

[www.scribserp.com](http://www.scribserp.com)



# 3S

## Point of Sale

### 3S System

 **Best Solution**  
For Retailers

 **Integrated**  
With Inventory Management

 **Ease of Use**  
And High Performance



## 3S SYSTEM

3S POS is made to help the grow retailers sales with inventory management tools including real-time reporting & analytics

3S Point of Sales System optimize store sales with both of its cloud and desktop based systems

You can get full access to all your branches without any inconvenience and control all your branches from one location

Our reporting system generates comprehensive and data driven reoports to make confident decisions

3S POS System is made to work with multiple integrated payment methods with complete safety and security

[www.3spos.com](http://www.3spos.com)



# GIC

## E-Government Solutions



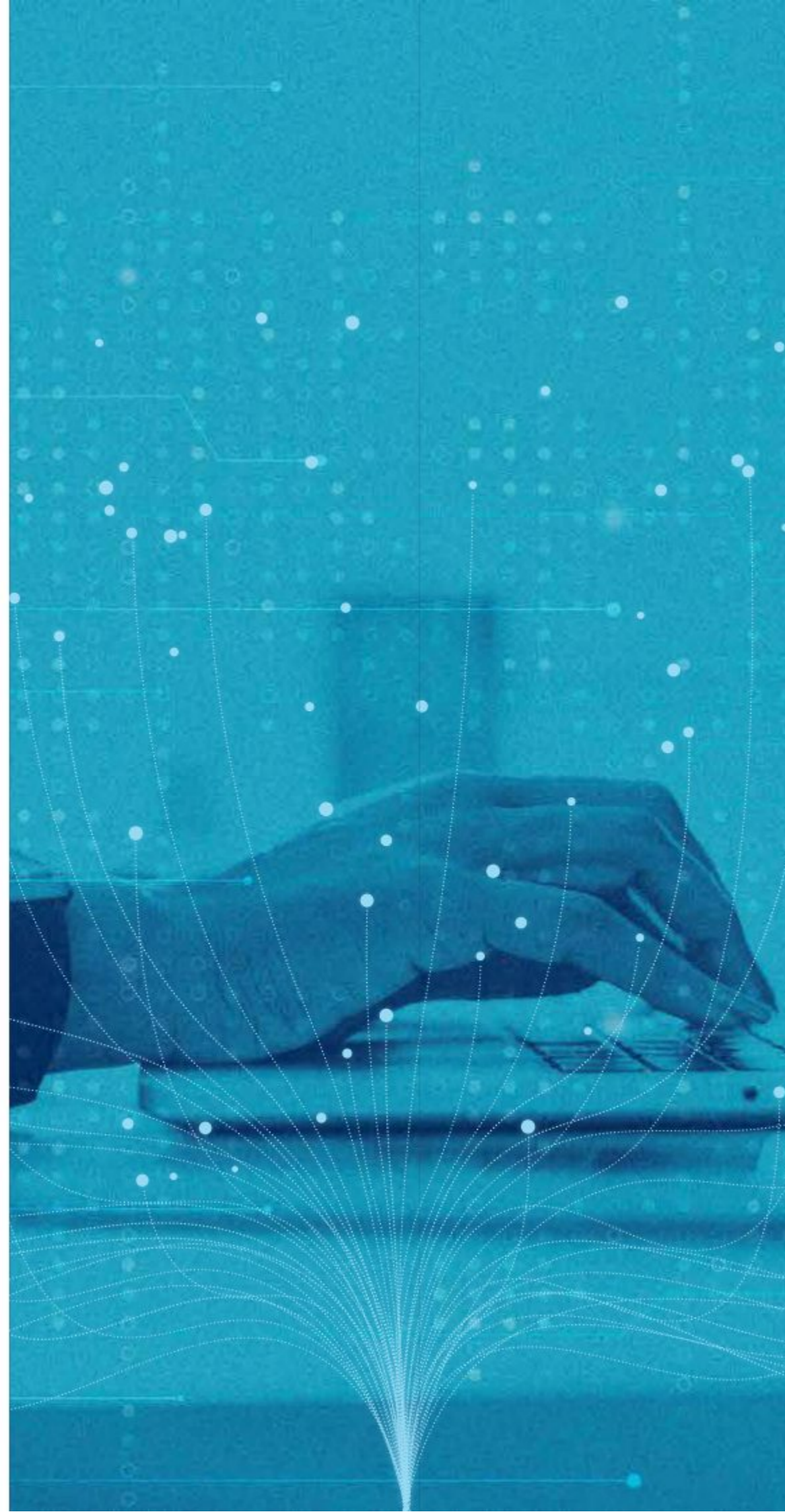
**Strong**  
Firewall



**Monitor**  
All Operations



**Possible**  
To handle any new development



## GIC

Warehouse management is one of the important departments in any government facility, and it is exposed to errors and difficulty in dealing with. Therefore, Government Warehouses and Procurement Management System (GIC) was designed to be the ideal and comprehensive solution to do that automatically including keeping and managing the various items that the facility imports from suppliers, conforming to the specifications, and distributing or disbursing them to beneficiaries in other departments within the facility regardless of the type of item, whether durable or consumer.

It was also taken into account that this system should be configured and compatible with the current and future developments in terms of automatic linking with the other government systems, any other systems such as e-government, or any database.

This system acts as a main control point, facilitating the movement of different items from suppliers to the origin, facilitating the managing the items in warehouses and presenting the quantities to be disbursed when necessary.

This system links the warehouse management to the inventory system and the automated procurement system, so it is possible to obtain approvals, purchase orders, and a list of items, quantities and prices that have been baptized, by linking them to the personnel system.

### Some of this program features are:

- Flexibility in accepting different items, providing criteria for their examination, transferring them between different warehouses, printing various reports and sending alerts related to this transfer.
- Conducting a field inventory on a periodic or unannounced basis, making adjustments based on the approval of the authorized person, and controlling the periods of inventory movements for each warehouse.
- The ability to deal with receipt forms according to the agreed-upon payments, and to deal with samples and gifts.
- Updating the cost of items based on special permissions, while preserving the date of the update and the old data.
- Calculating the cost of items, processing the employees' custodies automatically, and receiving, disbursing and returning of items.
- The ability to number and categorize items, and correct the data of items received.
- Printing all reports on items and stock movement.

[www.saudigrp.com](http://www.saudigrp.com)



# 3S Cart

## Smart E-Store Solution



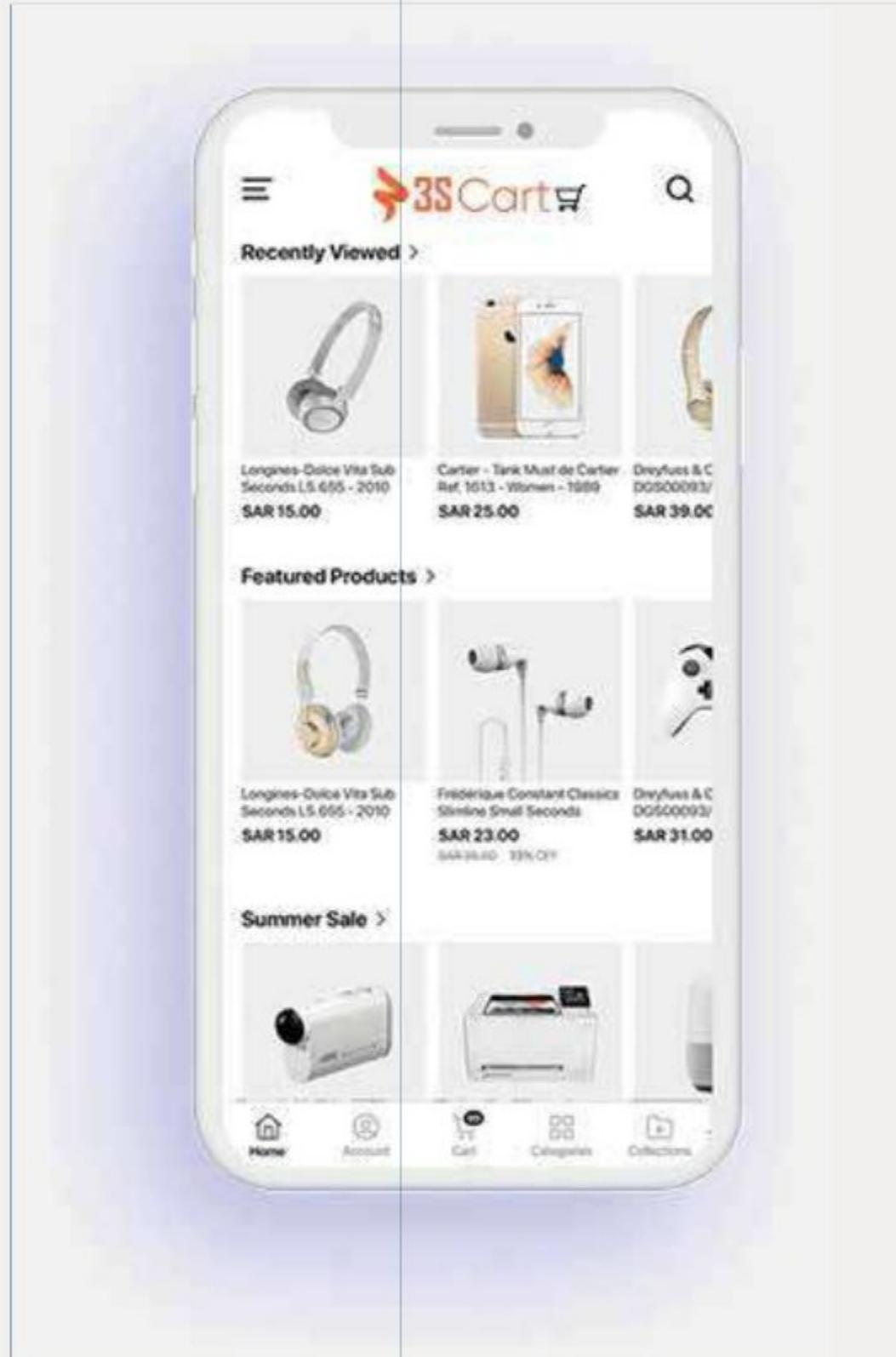
**Comprehensive**  
e-commerce platform



**Providing**  
necessary marketing tools



**Simplify**  
product management



## 3S Cart

3S Cart is a comprehensive eCommerce platform to initiate and promote your online brand with its extensive features.

3S Cart has simplified everything in the process of product management like online store orders, customers, payments, inventory, shipping, taxes, discounts, and coupons.

And the platform users can Create unlimited pages, product categories, and collections to manage tremendous deals and offers for thier customers.

And it is possible to Create an eCommerce store that works on all devices.

[www.3scart.com](http://www.3scart.com)



# Employees Statistics

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Employee



### Human capital:

The human resources department is responsible for the company's most important assets and capital, which is the human element. The administration is the employee's entry gateway to the company, and it is also the exit gateway. Human resources are concerned with managing human capital and harnessing their potentials to obtain the maximum possible benefit from human capital. Through training and qualification processes, organizing and managing time, creating an ideal work environment for the company's employees, providing all the means needed by the employee to devote himself to performing his job duties as required, and achieving the highest productivity at work, in addition, the management makes proper planning to face the external challenges by Adhering to the human resources regulations and policies, and benefit from them as required, and avoids any violations that may result from non-compliance with the policies of the relevant legislative authority..

### Arab Sea Information Systems Human Resources Accomplishments in 2022:

- The company's human resources department pays great attention to human capital, as it is the main pillar that leads the wheel of growth and development, which places the company among the first companies in the Kingdom.
- Implementing the initiatives of the Ministry of Human Resources and Social Development in attracting the workforce and raising its efficiency through employment support programs and on-the-job training.
- The Human Resources Department has diversified the communication channels to harness the contemporary technological development to reach a larger segment of competencies by concluding contracts with the most important websites concerned with employment to attract Saudi young graduates and provide them with job opportunities.
- Activating the women's empowerment program in our company, which is a core objective of the Arab Sea Company and is based on the vision, which equalizes the availability of opportunities for both sexes to benefit from their skills and involve them in the development wheel.
- The Human Resources Department of the Arab Sea Company has devoted its efforts to maintain the competencies and talents of the existing workforce and develop them on the job through several initiatives.
- In an effort to measure the efficiency of the services provided to employees, the Human Resources Department of the Arab Sea Company has developed a questionnaire to measure the job satisfaction among the company's employees.

HR Management  
Arab Sea Information System



## What Corporate Governance Regulation have been implemented



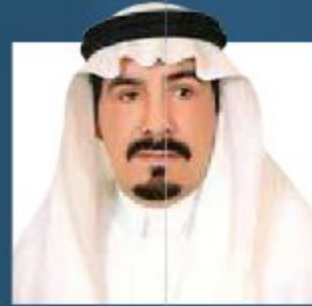
## 1- What Corporate Governance Regulation have been implemented

The company implemented all the mandatory provisions in CGRegulations issued by the Capital Market Authority, with the exception of some guiding provisions explained below:

Article No	Paragraph No	Article / Paragraph	Reason for not implementing
37	1,2	<p>The Company shall pay adequate attention to the training and preparation of the Board members and the Executive Management, and shall develop the necessary programmes required for the same, taking the following into account:</p> <p>1 developing the necessary mechanisms for board members members and the Executive management to introducing the company's workflow and activities in particular the following:</p> <p>A. Company's strategy and objectives.</p> <p>B. Financial and operational aspects of the company's activities</p> <p>C. Board members' obligations, duties, responsibilities and rights</p> <p>D. Duties of the company's committees and their terms of reference</p> <p>2 Creating the required frameworks to enable each member of the Board of Directors and executive management to access programs and ongoing training sessions in order to advance their knowledge and expertise in In fields related to the company's activities.</p>	It is a Guiding Article. It will be implemented in the future.
39	1,2,3,4,5,6	<p>a) The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</p> <p>b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment.</p> <p>c) The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general.</p> <p>d) The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees meetings and dedicating adequate time thereof.</p> <p>e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</p> <p>f) Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</p>	It is a Guiding Article. It will be implemented in the future.
82	1,2,3	<p>The Company shall establish programmes for developing and encouraging the participation and performance of the Company's employees. The programmes shall particularly include the following:</p> <p>1) forming committees or holding specialised workshops to hear the opinions of the Company's employees and discuss the issues and topics that are subject to important decisions;</p> <p>2) establishing a scheme for granting Company shares or a percentage of the Company profits and pension programmes for employees, and setting up an independent fund for such programme; and</p> <p>3) establishing social organisations for the benefit of the Company's employees.</p>	It is a Guiding Article. It will be implemented in the future.
84		<p><b>Social Responsibility:</b> The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.</p>	It is a Guiding Article. It will be implemented in the future.

85	1,2,3,4	<p><b>Initiatives Of The Collaborative Work:</b> The Board shall establish programmes and determine the necessary methods for proposing social initiatives by the Company, which include:</p> <p>1) establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities;</p> <p>2) disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility;</p> <p>3) disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's; and</p> <p>4) establishing awareness programmes to the community to familiarise them with the Company's social responsibility.</p>	It is a Guiding Article. It will be implemented in the future.
92		<p><b>Constitution of the Committee of Corporate Governance:</b> If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.</p>	It is a Guiding Article. It will be implemented in the future.





Mohammed Saleh Mohammed Al-Suhaibani  
Chairman of the Board of Directors



Abdul Aziz Mohammed Ali Al Khalifa  
Deputy Chairman of the Board of Directors



Haitham Mohammed Saleh Al-Suhaibani  
CEO & Board of Directors Member



Ahmed Suleman Mohammed Al-Jasser  
Board of Directors Member



Abdullah Mohammed Nasser Al-Hawas  
Board of Directors Member



Nabil Abdullah Al Muraihel  
Board of Directors Member



Turki Nasser Suliman Al-Dahmash  
Board of Directors Member

## Members of the Board of Directors, the Committees, and the Executive Management



## 2- Members of the Board of Directors, the Committees, and the Executive Management

### 2-1 Members of the Board of Directors

Name	Current Job	Previous Job	Qualifications	Experiences
Mohammed Saleh Mohammed Al-Suhaibani	Chairman of the Board of Directors of Arab Sea Information Systems	Founder and Director of Arab Sea Information Systems	Diploma in languages from King Saud University	47 years in management, information systems, finance and investment
Abdul Aziz Mohammed Ali Al Khalifa	Owner and founder of Dun Trading Company	Computer Department at Saudi Telecom Company	Master's degree in Computer Science, University of Portland, US	41 years in technology and management
Haitham Mohammed Saleh Al-Suhaibani	CEO of Arab Sea Information Systems	Director of Administrative and Technical Affairs for Arab Sea	Higher Diploma in Information Technology, King Saud University	25 years in information systems and management
Abdullah Mohammed Nasser Al-Hawas	Journalist in Al-Riyadh newspaper	Founder and Director of Tala Advertising Agency	Trading Diploma	34 years in trading, investment and media
Ahmed Suleman Mohammed Al-Jasser	Deputy Governor of the National Development Fund	Financial Market Authority	Bachelor of Industrial Management, Executive Directors - INSEAd University, France	30 years in the financial, banking, investment and money market field
Nabil Abdullah Muraihel Al Mubarak	CEO & Assigned member Financial Analytics Company	Simah Rating Agency Saudi Credit Bureau	Master's degree in Finance and Information Systems, West Manchester, UK. Fellowship of Chartered Accountants in 1998	29 years in the financial, technical and administrative field
Turki Nasser Suliman Al-Dahmash	Executive Director of Business Technology at the National Center for Measuring the Performance of Public Institutions	Director of IT Operation at the Ministry of Labor and Social De	Bachelor's degree in Computer Science, King Saud University	22 years in the technical and administrative field

### 2-2 Committee members

Name	Current Job	Previous Job	Qualifications	Experiences
<b>Nomination and Remuneration Committee</b>				
Abdullah Mohammed Nasser Al-Hawas	Journalist in Al-Riyadh newspaper	Founder and Director of Tala Advertising Agency	Trading Diploma	34 years in trading, investment and media
Ahmed Suleman Mohammed Al-Jasser	Attorney Governor of the National Development Fund	Financial Market Authority	Bachelor of Industrial Management, Executive Directors - INSEAD University, France	30 years in the financial, banking, investment and money market field
Turki Nasser Suliman Al-Dahmash	Executive Director of Business Technology at the National Center for Measuring the Performance of Public Institutions	Director of IT Operation at the Ministry of Labor and Social Development	Bachelor's degree in Computer Science, King Saud University	22 years in the technical and administrative field
<b>Risk Management Committee</b>				
Nabil Abdullah Muraihel Al Mubarak	CEO & Assigned member Financial Analytics Company	Simah Rating Agency Saudi Credit Bureau	Master's degree in Finance and Information Systems, West Manchester, UK. Fellowship of Chartered Accountants in 1998	29 years in the financial, technical and administrative field
Turki Nasser Suliman Al-Dahmash	Executive Director of Business Technology at the National Center for Measuring the Performance of Public Institutions	Director of IT Operation at the Ministry of Labor and Social Development	Bachelor's degree in Computer Science, King Saud University	22 years in the technical and administrative field
Haitham Mohammed Saleh Al-Suhaibani	CEO of Arab Sea Information Systems	Director of Administrative and Technical Affairs for Arab Sea	Higher Diploma in Information Technology, King Saud University	25 years in information systems and management
<b>Audit Committee</b>				
Ahmed Suleman Mohammed Al-Jasser	Attorney Governor of the National Development Fund	Financial Market Authority	Bachelor of Industrial Management, Executive Directors - INSEAD University, France.	30 years in the financial, banking, investment and money market field
Nasser Abdullah Saleh Al-Awfi	Retired	Director of the Financial, Administrative and Investment at Saudi Pharmaceutical Company	Master of Accounting at south Hampshire University in the United States Master of Business Administration at South Hampshire University in the United States.	31 years in the field of finance, management, corporate auditing, and strategic studies
Khaled Abdulaziz Suleman Al-Hoshan	Director of the internal audit of the National Health Laborator	Internal Auditor at Safari Holding Company	MSc in Applied Finance and MBA at University of Newcastle Australia. Higher Diploma in International Trade at University of Newcastle Australia.	21 years in finance, auditing and corporate compliance



### 2-3 Executive Management

Name	Current Job	Previous Job	Qualifications	Experiences
Haitham Mohammed Saleh Al-Suhaibani	CEO of Arab Sea Information Systems	Director of Administrative and Technical Affairs for Arab Sea.	Higher Diploma in Information Technology, King Saud University	25 years in information systems and management
Ahmed Taha El-Sayed Fayyad	Financial Director	Financial manager of Building and Construction factory	College of Commerce, Accounting Department	28 years in financial accounting
Adel Musa Abdel Qader Idris	Executive Director of SMACC, Secretary of the Board of Director	Network Solutions Company Manager	Bachelor of Business Administration	22 years in administrative systems and management

### 3- Names of companies inside or outside the Kingdom

for 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

Member Name	Companies in which a member of the board of directors is a member of their current and previous boards of directors or one of their managers	Inside Kingdom/ Outside Kingdom	Legal Entity
Ahmed Suleman Mohammed Al Jasser	Saudi Post Corporation	Inside Kingdom	Government Institutions
	Saudi Venture Investment Company	Inside Kingdom	Joint stock entity - Private
	Saudi Postal and Logistic Services Company	Inside Kingdom	Governmental Fund
	Saudi fund for Development	Inside Kingdom	Government Institutions
Nabil Abdullah Muraihel Al Mubarak	Social Development Bank	Inside Kingdom	Governmental
	Lendo Corporation (FinTech)	Inside Kingdom	Limited liability
	Financial Analytics Company	Inside Kingdom	Limited liability
	Saudi Industrial Investment Group	Inside Kingdom	Joint stock entity
	Al-Aqeel and Mubarak Professional Company	Inside Kingdom	Limited liability
	ALMARSHAD Holding Group	Inside Kingdom	Joint stock entity
Mohammed Saleh Mohammed Al Suhaibani	Arab Sea Financial CO	Inside Kingdom	One person closed joint stock company
Haitham Mohammed Saleh Al Suhaibani	Arab Sea Financial CO	Inside Kingdom	One person closed joint stock company

### 4- Formation and classification of the board of directors

Name	Nationality	Position	Member Classification
Mohammed Saleh Mohammed Al-Suhaibani	Saudi	Chairman of Board of Directors	Non executive
Abdulaziz Mohammed Ali Al Khalifa	Saudi	Deputy Chairman of the Board	Non executive
Haitham Mohammed Saleh Al-Suhaibani	Saudi	Board Member and CEO	Executive
Abdullah Mohammed Nasser Al-Hawas	Saudi	Board Member	Independent
Ahmed Suleman Mohammed Al-Jasser	Saudi	Board Member	Independent
Nabil Abdullah Muraihel Al Mubarak	Saudi	Board Member	Independent
Turki Nasser Suliman Al-Dahmash	Saudi	Board Member	Independent

### 5- Procedures 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 Board of Directors did not receive any comments from the shareholders, and the Board of Directors is keen on the attendance of the majority of the Board's members, especially the non-executives, for the meetings of the company's general assemblies to listen to the shareholders' inquiries and suggestions, respond to them and document them in the minutes of the assemblies.

### 6- A brief description of the committees' competencies, tasks and number of meetings

#### 6.1 The Audit Committee:

The Audit Committee was formed in accordance with the Corporate Governance Regulations issued by the Capital Market Authority, and in accordance with the Articles of Association of Arab Sea Company. Its tasks and responsibilities are summarized as follows:

- Supervising the Internal Control Department in Arab Sea to verify its effectiveness in carrying out the tasks assigned to it by the Board of Directors.
- Studying the internal control system in Arab Sea and preparing a written report on its opinion and recommendations regarding it.
- Studying internal audit reports and following up on the implementation of corrective actions for the observations contained therein.
- Recommending appointing certified accountants, after ensuring their independence, dismissing them and determining their fees to the Board of Directors.
- Following up on the work of certified accountants and approving any work outside the field of the audit work they are assigned to do while they are performing the audit work.
- Studying the audit plan with the chartered accountant and expressing the committee's observations thereon.
- Studying the chartered accountant's notes on the financial statements and following up on what has been done regarding them.
- Studying the preliminary and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation on them.
- Studying the accounting policies used and expressing an opinion and recommendation to the Board of Directors regarding them.
- It has four meetings a year.

Name	Position	Notes
Ahmed Suleman Mohammed Al-Jasser	Committee president	
Nasser Abdullah Al-Awfi	Member	
Khaled Abdulaziz Suleman Al-Hoshan	Member	

### Audit Committee Meeting Dates

Name	Position	Meeting Date								Total Attendance	Notes
		28/02/2022	09/03/2022	16/05/2022	29/05/2022	10/08/2022	18/10/2022	06/11/2022	22/12/2022		
Ahmed Suleman Mohammed Al-Jasser	President	✓	✓	✓	✓	✓	✓	✓	✓	8	
Nasser Abdullah Al-Awfi	Member	✓	✓	✓	*	✓	✓	✓	✓	7	
Khaled Abdulaziz Suleman Al-Hoshan	Member	✓	✓	✓	✓	✓	✓	✓	✓	8	



## 6-2 Nomination and Remuneration Committee

The Nominations and Remunerations Committee was formed in accordance with the Corporate Governance Regulations issued by the Capital Market Authority and the Articles of Association of Arab Sea Company.

The Nominations and Remunerations Committee assists the Board of Directors in nominating members and studying their qualifications to join the Board of Directors.

It is also responsible for setting the policy and programs for remuneration and salaries for the members of the Board of Directors, the CEO of Arab Sea and senior management staff.

As well as supervises the evaluation of the performance level of both the Board of Directors and the management of Arab Sea Executive. It has 2 meetings per year

Name	Position	Notes
Abdullah Mohammed Nasser Al-Hawas	Committee President	
Ahmed Suleman Mohammed Al-Jasser	Member	
Turki Nasser Suliman Al-Dahmash	Member	

## Dates of Nomination & Remuneration Committee Meetings

Name	Position	Meeting Date		Total Attendance	Notes
		21/03/2022	29/12/2022		
Abdullah Mohammed Nasser Al-Hawas	President	✓	✓	2	
Ahmed Suleman Mohammed Al-Jasser	Member	✓	✓	2	
Turki Nasser Suliman Al-Dahmash	Member	✓	✓	2	





**6-3 Risk Management Committee :**

The Risk Committee was created with the beginning of the new session of the Board of Directors on 17 September 2020. It consists of three members, and its tasks and responsibilities are summarized as follows:

- Developing comprehensive strategies and policies for risk management in line with the nature and size of the company's activities, and verifying their implementation, consideration and updating based on the company's internal and external variables.
- Determining and maintaining an acceptable level of risks to which the company may be exposed, and ensuring that the company does not exceed it.
- Verifying the feasibility of the company's successfully continuity, while identifying the risks that threaten its continuity during the next (12) months.
- Overseeing the company's risk management system and evaluating the effectiveness of the systems and mechanism for identifying, measuring and following up on the risks that the company may be exposed to, in order to identify its deficiencies.
- Re-evaluating the company's ability to bear risks and its exposure to it on a regular basis.
- Preparing detailed reports on exposure to risks and the proposed steps to manage these risks and submitting them to the Board of Directors.
- Making recommendations to the Board on issues related to risk management.
- Ensuring the availability of adequate resources and systems to manage risks.
- Verifying the independence of risk management personnel from activities that may expose the company to risks.
- Identifying emerging risks and suggesting corrective steps to reduce and control them.
- Developing a contingency plan.
- Coordinating with senior management to ensure the effectiveness and efficiency of the company's risk management system.

Name	Position
Nabil Abdullah Muraihel Al Mubarak	President
Haitham Mohammed Saleh Al-Suhaibani	Member
Turki Nasser Suliman Al-Dahmash	Member

## Risk Management Committee Meeting Dates

Name	Notes	Position	Meeting Date		Total Attendance
			06/04/2022	28/12/2022	
Nabil Abdullah Muraihel Al Mubarak		President	✓	✓	2
Haitham Mohammed Saleh Al-Suhaibani		Member	✓	✓	2
Turki Nasser Suliman Al-Dahmash		Member	✓	✓	2

## 7- Rewards Policies

Arab Sea Information Systems Company has prepared (the rewards policy for members of its board of directors, its committees and the executive management) in implementation of the provisions of Paragraph (1) of Article (61) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority. According to the approved policy, the company also confirms that there is no notable deviation from this policy. Below, is the Board of Directors members, its committees, and its executive management of the Arab Sea Information Systems Company rewards policy in accordance to the .policy

### Board Members Remuneration

- The remuneration of the members of the board of directors in Arab Sea Information Systems Company consists of a certain amount of money, attendance allowance for sessions, expenses allowance, in-kind benefits, or a percentage of profits, and two or more of these advantages may be combined but without exceeding what is stipulated in the Companies Law and regulations in the schedule including this policy. Any amendments that may occur to this schedule later shall be approved in accordance with the system.
- This remuneration may be of varying amount and in the light of a policy issued by the Remuneration and Nomination Committee and approved by the Assembly. The annual report of the Board of Directors to the General Assembly of Shareholders must include a comprehensive statement of what all the Board members received during the financial year in terms of remuneration, expense allowance and other benefits. It must also include a statement of what the Board members received as workers or administrators or in return for technical or administrative work or consultancy (if any). It must also include a statement of the number of Board of Directors sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
- In case that the remuneration of the members of the Board of Directors is a percentage of the profits, the provisions of Paragraph (2) of Article (76) of the Companies Law and Article (45) of the Company's Articles of Association must be observed, provided that the total remuneration and benefits (Financial and in-kind) received by a member of the Board of Directors does not exceed, in all cases, an amount of (500,000) five hundred thousand Saudi Riyals annually.
- Taking into account that the remuneration of the independent board members should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.

### Remuneration of committee members

- The Board of Directors determines and approves the remunerations of its committees' members, with the exception of the Audit Committee, the attendance allowances and other entitlements based on the recommendation of the Remuneration and Nominations Committee.
- The remuneration for the committees' members emanating from the Board of Directors consists of an annual remuneration (a lump sum), meeting attendance allowances and other entitlements as described in this policy in accordance with the schedule included therein.
- As for the remuneration for the Audit Committee's members, it is approved by the general assembly of shareholders based on a recommendation from the Board of Directors, according to the system.
- When forming the membership of committees emanating from the board of directors, the number of committees that a board member can occupy should be taken into consideration, so that the total rewards a member receives for his membership in the board and committees does not exceed the upper limit stipulated in the Companies Law.

### Executive Management Remuneration

The Remuneration and Nomination Committee reviews the salary scale set for all employees and senior executives and the incentive program and plans on an ongoing basis and approves them based on the recommendation of the executive management. The remunerations of the executive management include the following:

- Basic salary (to be paid at the end of each Gregorian month and on a monthly basis);
- Allowances including, but not limited to, housing allowance, transportation allowance, children's education allowance, and telephone allowance;
- Medical insurance benefits for the employee and his family;
- An annual bonus linked to performance indicators according to the annual evaluation carried out in this regard;
- Short-term incentive plans linked to exceptional performance, and long-term incentive plans such as stock options programs (when available);
- Other benefits including, but not limited to, annual leave, annual tickets, executive airport services, and an end-of-service gratuity according to the work system and the human resources policy approved by the company.
- The plans, programs and general guidelines for the remuneration of senior executives are approved by the Remuneration and Nominations Committee.
- The CEO implements the remuneration policy for employees and senior executives in light of the plans, programs and general guidelines approved by the committee.

### Additional determinants of rewards and method of disbursement

- The members of the Board of Directors may not vote on the remuneration of the members of the Board of Directors at the meeting of the general assembly of shareholders.
- The company discloses the remunerations of the members of the Board, committees and senior executives in the annual report of the Board of Directors in accordance with the controls and directives of the Companies Law and the Capital Market Authority and their implementing regulations.
- 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.
- The procedures for disbursing the rewards of the members of the Board of Directors and the committees are prepared by the Secretary of the Board, provided that the order for their payment is approved by the CEO.
- The allowance for attending the Board of Directors meetings, the rewards of the committees, and the allowance for attending the meetings of the committees may be paid in installments at the end of each Gregorian quarter. As for the annual reward for the Board of Directors, it is paid in full after its approval in the annual general assembly meeting.

### The details of the remuneration of the members of the Board of Directors and its committees:

Remuneration of members for attending Board of Directors meetings	5000 S.R
Remuneration of members for attending committee meetings	3000 S.R
Remuneration of the Secretary of the Board of Directors for attending the meetings of the Board of Directors	1500 S.R
Remuneration of the committees' secretary for attending the committees' meetings	1000 S.R
<b>All attendance bonuses are disbursed immediately after the meetings</b>	
A sum including housing and transportation for each day in the case of foreign assignment	1500 S.R
A sum of including housing and transportation for each day in the case of internal assignment	1000 S.R
<b>A business class ticket is issued to any member in case of internal or external assignment</b>	
A reward paid for each day for each member who participates in an external mission for the company	1000 S.R
Annual remuneration for members of the Audit Committee.	80,000 S.R



## 8- Rewards for members of the board of directors and executive management

	Rewards						Variable Rewards									
	Specified Amount	Allowance for attending Board meetings	Allowance for attending committee meetings	Benefit in Kind	What Board members received as workers or administrators	Managing Director or Secretary	Total	Profits Percentage	Regular rewards	Short term incentive plans	Long term incentive plans	Granted Shares (Value)	Total	End of Service Reward	Grand Total	Expenses Allowance
<b>Independent Members</b>																
Ahmed Suleman Mohammed Al-Jasser	80,000	30,000	30,000	0	0	0	140,000	0	150,000	0	0	0	150,000	0	290,000	0
Abdulah Mohammed Nasser Al-Hawas	0	30,000	6,000	0	0	0	36,000	0	150,000	0	0	0	150,000	0	186,000	0
Nabil Abdullah Muraihel Al Mubarak	0	20,000	6,000	0	0	0	26,000	0	150,000	0	0	0	150,000	0	176,000	0
Turki Nasser Suliman Al-Dahmash	0	30,000	12,000	0	0	0	42,000	0	150,000	0	0	0	150,000	0	192,000	0
<b>Total</b>	<b>80,000</b>	<b>110,000</b>	<b>54,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>244,000</b>	<b>0</b>	<b>600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600,000</b>	<b>0</b>	<b>844,000</b>	<b>0</b>
<b>Non-Executive Members</b>																
Mohammed Saleh Al-Suhaibani	0	30,000	0	0	0	0	30,000	0	150,000	0	0	0	150,000	0	180,000	0
Abdul Aziz Mohammad Al Khalifa	0	30,000	0	0	0	0	30,000	0	150,000	0	0	0	150,000	0	180,000	0
<b>Total</b>	<b>0</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,000</b>	<b>0</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>0</b>	<b>360,000</b>	<b>0</b>
<b>Executive Members</b>																
Haitham Mohammed Saleh Al-Suhaibani	100,000	25,000	6,000	0	0	0	131,000	0	150,000	0	0	0	150,000	0	281,000	0
<b>Total</b>	<b>100,000</b>	<b>25,000</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>131,000</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>281,000</b>	<b>0</b>

### 8-1 Executives Rewards

Senior Executive Positions	Rewards				Variable Rewards						End of Service Reward	Total Executive Remuneration About the Board, if any	Grand Total
	Salaries	Allowances	Benefit in Kind	Total	Regular rewards	Profits	Short term incentive plans	Long term incentive plans	Granted Shares (Value)	Total			
CEO	600,696	0	0	600,696	100,000	0	0	0	0	100,000	0	150,000	850,696
Financial Director	379,308	21,292	0	399,600	101,150	0	0	0	0	101,150	0	0	500,750
SMACC Executive Director Secretary of the Board of Directors	360,000	0	0	360,000	60,000	0	0	0	0	60,000	0	0	420,000
Programming Manager	307,375	56,845	0	364,220	0	0	0	0	0	0	0	0	364,220
Administrative Affairs Director	222,733	0	0	222,733	0	0	0	0	0	0	0	0	222,733

### 8-2 Committees Members Rewards:

Name	Fixed Rewards (Except Meeting Allowance)	Meeting Allowance	Total
<b>Audit Committee Members</b>			
Ahmed Suleman Mohammed Al-Jasser	80,000	24,000	104,000
Nasser Abdullah Al-Awfi	80,000	21,000	101,000
Khaled Abdel Aziz Suleman Al Hoshan	80,000	24,000	104,000
<b>Total</b>	<b>240,000</b>	<b>69,000</b>	<b>309,000</b>
<b>Rewards Nomination Committee Members</b>			
Abdullah Mohammed Nasser Al-Hawas	0	6,000	6,000
Ahmed Suleman Mohammed Al-Jasser	0	6,000	6,000
Turki Nasser Suliman Al-Dahmash	0	6,000	6,000
<b>Total</b>	<b>0</b>	<b>18,000</b>	<b>18,000</b>
<b>Risk Management Committee Members</b>			
Haitham Mohammed Saleh Al-Suhaibani	0	6,000	6,000
Nabil Abdullah Muraihel Al Mubarak	0	6,000	6,000
Turki Nasser Suliman Al-Dahmash	0	6,000	6,000
<b>Total</b>	<b>0</b>	<b>18,000</b>	<b>18,000</b>

## 9- Any penalty, precautionary measure or precautionary restriction imposed on the company

There is no penalty, precautionary measure or precautionary restriction imposed on the company.

## 10. The results of the annual review of the effectiveness of the company's internal control procedures, in addition to the audit committee's opinion on the adequacy of the company's internal control system

Arab Sea Company is working continuously on developing the internal control system and implementing it effectively. The internal audit department in the company ensures the application of the appropriate control systems and provides advice independently and objectively in order to add value, improve operations and achieve the company's higher goals.

The Board of Directors confirms, through its annual review of the effectiveness of the company's internal control procedures, that there are no substantial results of significant impact that require disclosure regarding the integrity of the financial, accounting and internal control systems.

The Audit Committee's opinion: The internal control procedures applied in the company during the financial year 2022 are highly effective and efficient, and in light of the work done by the Committee, it does not have any substantial observations regarding the internal control procedures that require warning or disclosure.

## 11. The Audit Committee's recommendation regarding the need to appoint an internal auditor in the company in case there is none

No recommendation



## 12-Recommendations of the Audit Committee that conflict with the decisions of the Board of Directors

There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors.

## 13- The company's social contributions details, if any

There are no social contributions done by the company during 2022.

## 14-Dates of the general assemblies of shareholders held during the last financial year and the names of the members of the board of directors present at these assemblies

Name	Position	General Assembly	Notes
		06/06/2022	
Mohammed Saleh Al-Suhaibani	Chairman of the Board	✓	
Abdul Aziz Mohammad Al Khalifa	Deputy Chairman of the Board	✓	
Haitham Mohammed Saleh Al-Suhaibani	CEO	✓	
Abdullah Mohammed Nasser Al-Hawas	Member	*	
Ahmed Suleman Mohammed Al-Jasser	Member	✓	
Nabil Abdullah Muraihel Al Mubarak	Member	*	
Turki Nasser Suliman Al-Dahmash	Member	*	

## 15- A description of the company's main types of activities and its impact on the company's business volume and its contribution to the results

Name	Activity revenues	The percentage
<b>Systems</b>	<b>39,189,754</b>	<b>95.94%</b>
<b>Devices</b>	<b>1,657,706</b>	<b>4.06%</b>
<b>Total</b>	<b>40,847,398</b>	<b>100%</b>

## 16- A description of the company's important plans and decisions for 2022 and the future expectations of the company's business.

- The approval of the members of the Board of Directors on the annual financial consolidated results ending on 31-12-2021.
- The approval of the members of the Board of Directors on the Interim Financial consolidated Results for the period ending on 31-3-2022 (three months).
- The approval of the members of the Board of Directors on the Interim Financial consolidated Results for the period ending on 30-6-2022 (six months).
- The approval of the members of the Board of Directors on the Interim Financial consolidated Results for the period ending on 30-9-2022 (nine onths)
- The Board of Directors authorized the establishment of a division in Egypt.
- The company signed a non-binding memorandum of understanding with a member of the Board of Directors, Mr. Mohammad Saleh Al-Suhaibani (a related party) to acquire a real estate asset that will be the company's headquarters.
- Mr. Mohammad Saleh Al-Suhaibani, one of the company's major shareholders and a member of the Board of Directors, sent the company a letter in which he pledged not to sell or transfer his shares for the next two years.
- Era Data Information Technology, one of the subsidiaries, has contracted with a local company to operate and maintain the data center that will host cloud computing services.
- The company signed an agreement to acquire a real estate asset in Riyadh , owned by the Chairman of the Board of Directors, Mr. Mohammed bin Saleh Al-Suhaibani By increasing the capital through the acquisition of the real estate asset in exchange for issuance of shares For Mr. / Mohammad bin Saleh Al-Suhaibani.
- The board of directors agreed to appoint ITQAN Capital as a financial advisor.



Arab Sea Information Systems has finished the establishment of a digital payments company, having obtained the final license from the Central Bank of Saudi Arabia, and will begin operational and sales activities in 2023.

Furthermore, company has created a cloud computing company with the goal of hosting clients in the Kingdom of Saudi Arabia. The company's board of directors authorized the creation of a branch in Egypt as part of its growth strategy, and it also developed its systems to meet with the Egyptian market and tax services.

The organization and administrative structure of the company were additionally developed in order to improve performance and output levels, as well as to work on developing systems of high quality that fit its working processes, using contemporary technologies that keep up with global technologies.

The company has established a special section for government suppliers, where it will work to secure contracts and bids with government organizations for the provision of computers and accessories, which will increase the company's profits.

Arab Sea Information Systems will continue to provide modern and distinct high-quality services to its customers in the public and private sectors achieving success and growth for business and enhancing the confidence of shareholders and customers, which will positively affect the market value of the company.



# Risk Management Procedures

## Risk identification:

The first step is to identify the risks that the company is exposed to in its field of work. There are many risks, including legal risks, environmental risks, market risks, regulatory risks, and others. It is important to identify the largest possible number of these risk factors in a manual or automated risk register. The company's stakeholders from the Board of Directors, the Risk Committee and the Executive Management are shared with the latest risk developments.

## Risk analysis:

Once the risks are identified, it is important to analyze them, determine their scope and understand the relationship between them and the various factors within the company. In order to determine the severity of the risk, it is necessary to know the number of business functions affected by the risk. There are risks that can bring the entire work to a halt if it is achieved, while there are risks that will have no effect.

## Risk assessment:

Classification, evaluation and prioritization of risks is done according to the severity of the risks.

## Risk handling:

After the process of identifying and evaluating the risks, they are dealt with in the following ways:

**Avoidance:** It means to stop the activities that lead to the occurrence of a risk. An example of this is to stop a product, or an activity that has a real high risk.

**Transferring:** In this case, the impact of the risk is transferred to another party. For example, insurance or transferring the task to a third party who carries out the task, and this method is resorted to if the impact in the event of the accident is very high, but the probability is very low.

**Reducing:** In this case, the risk is managed by setting control measures to ensure reducing both the probability of occurrence and the result of the risk if it occurs.

**Acceptance:** It means accepting the risk as it is without putting any action in place. This action is chosen when the impact of the risk if occurred is very low and the probability of occurrence is also low.

## Risk monitoring and reviewing:

Not all risks can be eliminated. Some risks are always present. Market risk and environmental risk are just two examples of risks that always need to be watched for. The executive management closely monitors all risk factors.



## 17- Risks the company faces and the policy for managing and controlling these risks

### Risks are managed by the Risk Management Committee

#### and the higher management in accordance with policies approved by the Board of Directors

where the management identifies, evaluates, and hedges risks through close cooperation between the departments of Arab Sea. Then, they will assess the possibilities of these risks' occurrence and estimate the effects that may result from them. After that, the necessary measures are taken to reduce, avoid and contain these risks as much as possible to avoid any damages that they may cause if they occur. There are many risks associated with Arabi Sea activities, including:

#### 1- Economic risk:

The risks to which the economy is exposed in general, whether inside or outside the Kingdom, which have an impact on individuals and institutions' spending, and which have an impact on suppliers and manufacturers.

#### 2- Strategic risk:

These risks include not being aware of economic variables, taking wrong strategic decisions, or applying strategies incorrectly. Arab Sea is keen to take note of economic variables through studying the market and the economic situation, and using distinguished expertise to meet any strategic risks.

#### 3- Operational risk:

All the errors and deficiencies facing operational operations, and the ability to work in a competitive environment, and these risks include:

#### 4- Currency risk:

The risk of change in the value of financial instruments due to the change in currency exchange rates. Most of the transactions of Arab Sea are in Saudi riyals, US dollars and euros. Subsidiaries are also exposed to currency conversion risks.

#### 5- Credit risk:

It is the inability of one party of a financial instrument to fulfill its obligations, which leads to the other party incurring a financial loss. To avoid credit risk, cash is deposited with banks with a high credit rating, and receivables are restricted after deducting doubtful debts.

#### 6- Financial liquidity risk:

It is the risk of difficulty in securing the necessary liquidity to meet its obligations. Liquidity risk is managed by ensuring periodically that sufficient liquidity is available to meet any future obligations.

#### 7- HR risks:

The ability to attract and maintain distinguished qualified human cadres. The company continuously recruits and trains national cadres, and develops a motivational reward to support the continuity and efficiency of employees.

#### 8- Legal risks:

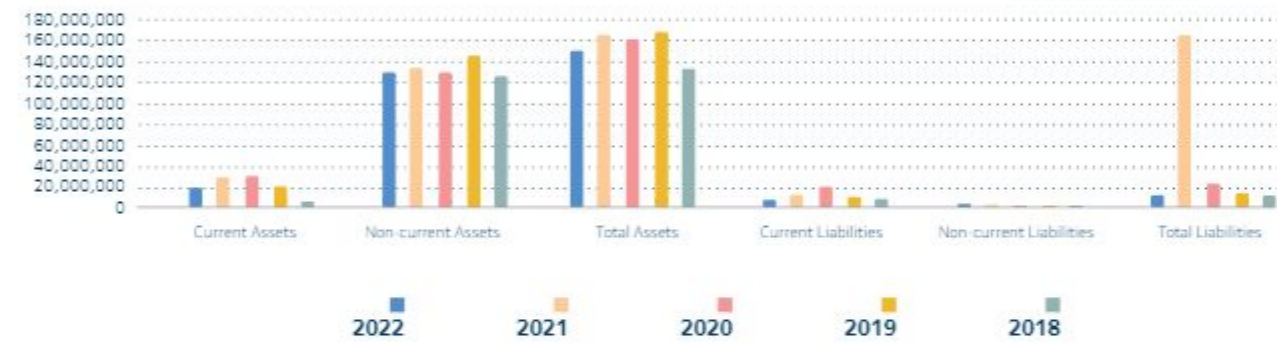
Risks related to legislative and legal changes in the Kingdom or the countries in which Arab Sea Company operates, whether they are taxes, labor laws, or others.



## 18- The company's assets, liabilities and business results in the last five financial years

Data	2022	2021	2020	2019	2018
Current Assets	20319912	30990999	31711352	21797214	6756218
Non-current Assets	130017667	134543056	129688956	146029613	126492211
Total Assets	150337579	165534055	161400308	167826827	133248429
Current Liabilities	8857377	13726682	21405679	12475589	10201966
Non-current Liabilities	5197408	4591534	3667671	3274000	2890000
Total Liabilities	14054785	165534055	25073350	15749589	13091966

The company's assets, liabilities



## 19- Comparing business results in a table

Data	2022	2021	2020	2019	2018
Revenues	40847398	57450145	24122503	38687418	40882233
Revenues Cost	(21378361)	19945402	18663441	16277646	19053479
Overall Profit	19469037	37504743	5459062	22409772	21828754
Net Profit	10439023	21549524	15878515	24149109	23410607

## 20. Geographical analysis of the company's total revenue

City	Riyadh	Khobar	Jeddah	Khamis	Qassim	Tabuk	Dubai	Egypt	Total
Total Revenue	31369518	2567779	2765450	1325769	1238164	1070971	326054	183693	40847398

## 21- Fundamental differences between the operating results and the results of the previous year or any expectations announced by the company

Data	2021	2022	Changes (+) or (-)	Change Percentage
Sales / Revenue	57450145	40847398	-16602747	-28,89%
Cost of Sales / Revenue	19945402	(21378361)	+1432959	7,18%
Overall Profit	37504743	19469037	-18035706	-48,80%
Operating Revenue - Other	-	-	-	-
Operating Expenses - Other	26833883	(28914824)	+2080941	7,75%
Operating Profit (Loss)	10670860	(9445787)	(20116647)	-188,51%

## 22- Clarification of any difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants

There is no difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants.

## 23- Company's policy on the distribution of dividends

The net annual profits of the company shall be distributed after deducting all general expenses and other costs, including Zakat, as follows

- (10%) of the net profits shall be set aside to form a statutory reserve. The Ordinary General Assembly may discontinue this deduction when the said reserve reaches half of the capital.
- By a decision of the ordinary general assembly of shareholders based on the proposal of the board of directors, it is permissible to set aside (10%) of the net profits to form a consensual reserve to be allocated for the benefit of the company. This deduction shall cease when the said reserve reaches half of the capital.
- The remainder is then distributed to the shareholders as an additional share of the profits, or it is carried over to the coming years as approved by the General Assembly.
- The company's board of directors recommended distributing a dividend of 5% of the capital, equivalent to 0.5 riyals per share with a total profit of 5 million riyals.

### 23-1 Dividend payout ratio

There are no dividends distributed in 2022.

## 24- Description of any interest in the voting shares belonging to persons other than members of board of directors and senior executives and their relatives during the last financial year who informed the company of those rights under Article 45 of the registration and listing rules

There is no interest in the voting shares belonging to persons other than the members of the board of directors and senior executives and their relatives during the last financial year who informed the company of it.



## 25- Description of any interest, contractual securities and subscription rights belonging to the members of the board of directors, senior executives and their relatives in shares or debt instruments for the year 2022

The name of the person to whom the interest contractual papers or subscription rights belong	Beginning of the year		End of the year		Net Change	Change Percentage
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
Mohammed Saleh Al-Suhaibani	1,400,100	0	1,400,100	0		0
Abdul Aziz Mohammad Al Khalifa	124,073	0	124,073	0		0
Haitham Mohammed Saleh Al-Suhaibani	240,002	0	230,272	0	9,370-	-4,05%
Abdullah Mohammed Nasser Al-Hawas	6,582	0	4,932	0	1,650-	-25,07%

## 26- Information related to any loans on the company

The company declares that it has no loans.

## 27- A description of the classes and numbers of any convertible debt instruments, contractual securities, subscription notes or similar rights issued or granted by the company during the financial year

There are no convertible debt instruments, contractual securities, subscription notes, or similar rights issued or granted by the company during the last financial year.

## 28- A description of any conversion or subscription rights under convertible debt instruments, contractual securities, subscription notes, or similar rights issued or granted by the company

There are no conversion or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.

## 29- A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments

There is no redemption, purchase or cancellation by the company of any redeemable debt instruments.

## 30- Number of Board meetings for the year 2022

Name	Position	Meeting Dates						Total Attendance	Notes
		2022/01/12	2022/04/20	2022/05/31	2022/8/17	2022/10/19	2022/11/16		
Mohammed Saleh Al-Suhaibani	Chairman of the Board	✓	✓	✓	✓	✓	✓	6	
Abdul Aziz Mohammed Al Khalifa	Deputy Chairman of the Board	✓	✓	✓	✓	✓	✓	6	
Haitham Mohammed Saleh Al-Suhaibani	CEO & Member	*	✓	✓	✓	✓	✓	5	
Abdullah Mohammed Nasser Al-Hawas	Member	✓	✓	✓	✓	✓	✓	6	
Ahmed Suleman Mohammed Al-Jasser	Member	✓	✓	✓	✓	✓	✓	6	
Nabil Abdullah Muraihel Al Mubarak	Member	✓	✓	*	*	✓	✓	4	
Turki Nasser Suliman Al-Dahmash	Member	✓	✓	✓	✓	✓	✓	6	

## 31- The number of company's requests to the shareholders' register and the dates and reasons for those requests

No. of shareholder register requests	Request Date	Request Reasons
1	31/03/2022	Company procedures
2	05/06/2022	Company procedures
3	06/06/2022	General Assembly Meeting Procedures
4	08/06/2022	Company procedures
5	16/06/2022	Company procedures
6	27/06/2022	Company procedures
7	05/09/2022	Company procedures
8	25/09/2022	Company procedures
9	10/11/2022	Company procedures
10	29/11/2022	Company procedures
11	15/12/2022	Company procedures
12	20/12/2022	Company procedures

## 32- A description of any transaction between the company and a related party

On 04/09/2022, the company signed a sale and purchase agreement with a member of the Board of Directors, Mr. Mohammad Saleh Al-Suhaibani (a related party), for the acquisition of a real estate asset owned by him and located in Riyadh, Al-Sahafa district, for (52,500,000 Saudi riyals) (including real estate transaction tax) by increasing the company's capital by (4.375%) and issuing (437,500) shares and issuing shares at an offering price of (120) Saudi riyals, On 04/09/2022 the company revealed the terms of the deal on the Capital market website (Tadawul).

\*It should be noted that the company is expecting permission from the Capital Market before presenting it to the General Meeting of shareholders.

## 33- Information related to any business or contracts in which the company is a party or in which a member of the company's board of directors or senior executives had an interest.

The company declares that there are no business or contracts in which the company is a party, or in which a member of the company's board of directors or its senior executives had an interest.



**34- A statement of any arrangement or agreement whereby a member of company's board of directors or a senior executive waived any remuneration**

There are no arrangements or agreements whereby a member of the company's board of directors or a senior executive waived any remuneration.

**35- A statement of any arrangement or agreement whereby one of the company's shareholders has waived any rights in profits**

There are no arrangements or agreements whereby any of the company's shareholders waive any rights in profits.

**36- A statement of the value of paid and due statutory payments for the payment of any zakat, taxes, fees or any other dues that have not been paid until the end of the annual financial period.**

Data	2022		Summary	Causes
	Paid	Not paid and due until the end of the annual financial period		
Zakat	1093432.65	957328.00	2022 Zakat	
Tax	7144104.86	840348.38	Fourth quarter 2022	
General Organization for Social Insurance	1227585.83	111583.68	Social Insurance Dec, 2022	
Visa and passport costs	91300			
Labor office fee	747069			

**37- A statement of value of any investments or reserves established for the benefit of company's employees**

There are no investments or reserves established for the benefit of the company's employees.

**38- Declarations**

The company declares the following:

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

**39- If the auditor's report contains reservations about the annual financial statements**

The auditor's report did not include any reservations or observations on the annual financial statements for the year 2022.

**40- Recommendation of the Board of Directors to change the auditor before the end of the period for which he was appointed**

There is no recommendation from the Board of Directors to change the auditor before the end of the period for which he was appointed.

**41- Disclosure of the details of the treasury shares held by the company**

There are no treasury shares held by the company.

**42- Contact info for our shareholders**

Out of the company's keenness to pay attention to the rights of the valued shareholders and to open channels of communication with them, the company has established a department to follow up on shareholders' affairs and respond to their inquiries. They can communicate with the Shareholders Affairs Department through:

- Phone: 920000559 Ext (111)
- Email: IR@arabsea.com

## Closing Word

The Board of Directors presents its thanks to the honorable shareholders for their precious support and trust, and to the company's employees for their distinguished and fruitful efforts. The company, God willing, will continue to achieve its goals and future plans that it seeks, through which we seek to meet the expectations of the company's shareholders.

**Boards of Directors**  
On their behalf/  
Chairman of the board of directors





