



RED SEA
International

Board of Directors' Report
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**Repositioned
for Performance & Growth**

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About Red Sea International

Established in 1978, Red Sea International (RSI) is a global leader in designing, planning, producing, managing and operating temporary and permanent modular buildings. Primarily, RSI operates through 4 principal streams of operation: manufacturing, international facilities management, infrastructure services (First Fix), and innovative modular solutions for the hotel and hospitality segment, through our partnership with the RABLA platform in Saudi Arabia.

Our Vision and Mission

RSI strives to be the supplier of choice for all major regional and multinational companies throughout the world. With a strong reputation in designing, manufacturing, executing and operating both temporary and permanent projects, we aim to provide our customers with superior innovative solutions for environmentally conscious building requirements delivered globally. Our goal is to become the number 1 FM provider in the region.

RSI is a leading provider facilities management services, supporting the energy, construction and the resource extraction and defense sectors of Saudi Arabia's economy for many decades. We also have an established history of a worldwide project delivery over the years and have supported UN projects in many challenging situations and delivered solutions that were very well received.

With its long history and highly qualified teams at its helm, RSI sees itself as a key enabler of Saudi Vision 2030 and the Kingdom's transformation and economic diversification. In addition to Saudi Arabia, we leverage our expertise and know-how to provide affordable housing to communities who are in need, all across the globe. Although RSI is headquartered in Riyadh with operating facilities in Saudi Arabia and the UAE, our proud team of over 15,000 highly talented staff – over the decades of our operation and experience – has delivered over US\$ 1 billion worth of building projects in 65 countries.

We provide efficient and sustainable building solutions for many leading international organizations in the oil and gas sector, including infrastructure support, government real estate projects, the construction and mining sector, the hotels and hospitality industries, and the real estate segment, which covers apartments, offices, schools, medical centers and more. This is complemented by an array of customizable turnkey hospitality amenities, such as utilities, catering and entertainment, manufacturing, infrastructure, solutions-integrated service deliveries, and facility management.

Committed to sustainable growth and continuous improvement, we endeavor to meet the needs of our clients and create value for all our stakeholders by providing unparalleled customer service and delivering high-quality, timely, reliable, innovative, and durable products. Centered on our 4 key domains – manufacturing, infrastructure, facilities

management and the hospitality industry – our focus revolves around efficiency, recalibration, the introduction of automation and fast-paced construction of superior quality through the use of new technologies and integrated service

delivery. This perfectly aligns with our aspirations of a fully integrated approach to the business and offering unique full service-integrated solutions to our clients. In our rapidly evolving region, RSI is well placed, and has emerged as a single-point optimal provider of choice without parallel.

RSI is a publicly listed company on the Saudi Exchange (Tadawul) since 2006.

Chairman's Statement



Investing in Scale, Integrating Solutions, Driving Performance

Our journey in 2023 was a year of intense reflection and decisive action. Following an unsettled period of underperformance, we have created the framework, resources and the team to re-establish our leadership position within the sector. With recharged vigor and vitality, we moved from a passive, reactive business to a progressive, proactive enterprise, with a competitive edge and a renewed purpose.

Following Red Sea International's mid-year review by the Board, it was agreed that a major transformation was required for the company to realize its true potential. In recruiting a dynamic new leadership team, with market insight and industry expertise, we began that transformation on our path to renewed profitability, expansion and market leadership.

Our performance in the latter half of 2023 reaffirmed our conviction that we are succeeding in our aims and have already achieved many of the ambitious targets we had set ourselves.

Reinforcing our commitment to growth, our milestone acquisition of First Fix – a market leader in mechanical, engineering and plumbing (MEP) company – has been a key component in positioning Red Sea International as a fully integrated operation with end-to-end modular solutions. With this acquisition, we have created a unique advantage to secure critical large projects through a single supplier, thereby substantially strengthening our competitive advantage and increasing the profitability of the business.

In redefining our focus and realigning our direction, we have not only strategized a vision for our future, we have also taken forceful, positive action to execute our goals.

As we continue the drive to increase our share of the market, we re-opened our Jubail factory in December, following refurbishing and refitting, further augmenting our Jebel Ali facility in Dubai. As one of the largest factories in the Kingdom and 1 of only 3 to be approved by Aramco, Jubail is the arm of the RSI oil and gas sector and is perfectly placed on the East Coast to serve NEOM, Jeddah, Makkah and Riyadh.

Positive financial momentum

With an unsatisfactory performance in 2022, our primary aim for last year was to improve our financial results through escalating efficiencies and reducing non-profitable aspects of the Group, including exiting our less-than-profitable subsidiary, Premier Paints. The acquisition of First Fix has strengthened our performance immensely and, in 2023, our gross revenue of SAR 1,378 million was a 241% increase compared to 2022. After witnessing a net loss of SAR 198 million in 2022, we oversaw a 101% turnaround, achieving net profits of SAR 2 million by 2023.

In response to the significant effort and direction of the new Management team at RSI, under the direction of the transformation plan, we achieved profitability in Q4, indicating a highly positive trajectory.

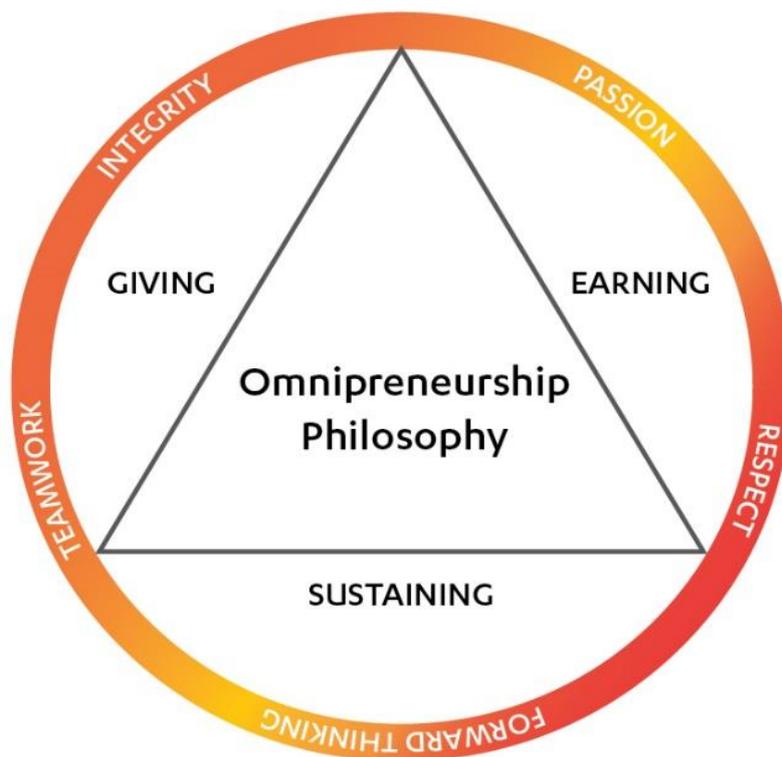
Contributing to Vision 2030

Our ambitions and strategies align perfectly with Saudi Vision 2030 as we enhance efficiency and accountability. As a company, which has operated for more than four decades, we are committed to the Vision of supporting the growth of infrastructure, innovation, housing and hospitality, and tourism. In addition, our support of the entertainment sector through stadium seating structures and residential solutions, including the Cloud 7 resort at AlUla, continues to increase our contribution.

In our role as a conscientious and responsible business, with sustainability as a pillar of our values and a key element of Vision 2030, we published our first ever stand-alone sustainability report in 2023. This marks a substantial effort in our commitment to the environment and further endorses our positive contribution to the world around us, as we strive to embed a culture of sustainability across the Red Sea International workforce.

In 2023, RSI worked with Morgan Stanley Capital International (MSCI) to compare our ESG management with industry peers. We will present a full ESG evaluation audit in 2024 and will continue to do so on an annual basis.

By nurturing a culture of leadership through the ‘Omnipreneurship’ program, we institutionally embrace innovative ideas that build sustainable ecosystems to promote a better future. We constantly pursue internal innovation to fulfill our ambitions to be net zero and nature positive by 2030. ‘Omnipreneurship’ embodies a philosophy of building a meaningful life, with its 3 principles of Giving, Earning and Sustaining, and 5 values – Integrity, Respect, Passion, Teamwork and Forward-thinking – and 10 Golden Rules, thereby giving us the platform to build on the Group’s efforts.



Our people enabling our transformative journey

Our operational accomplishments and strategic successes in 2023 have set strong foundations for growth on a local, regional and international scale and our people are fundamental in realizing our goals. They are the enablers behind our change and the hearts behind our operations. Therefore, we endeavored to reward dedication and prolonged service to the company, maintain morale and drive RSI to become the industry champion in Saudi Arabia.

Having regrouped and repositioned our direction, their skills, work ethic and commitment to RSI will play an instrumental role in restoring our leadership status. As always, the well-being

of our colleagues has always been our top priority and I am pleased to report there were zero health and safety incidents last year.

Our future impact

We have already made a substantial impact on our efficiencies and effectiveness; through our remarkable progress, including the acquisition of First Fix, our path to profitability is now well established. Our fully integrated offering to the market is unprecedented and our entry into new sectors is a testament to the quality, speed and cost of our solutions.

In terms of sustainability, we will continue to drive our mission for positive environmental action. By 2030, our ambition is to receive an AAA rating from MSCI, above 95% by the Boston Consulting Group (BCG) – the leading global innovation index – and 95% by Great Place to Work (GPTW) as we create unrivalled sustainability practices and positively impact the lives of 3 million people.

In 2023, we combined revolution with resolution and have a clear sight of our goals and, more importantly, how we will achieve them. Our new leadership team has an endless energy for success and the business acumen to restore Red Sea International to a leading organization in its sector, locally, regionally and internationally.

In addition, by the end of 2025, we aim to become the number 1 MENA service provider for sustainable temporary and permanent modular solutions, facility management and electromechanical services.

Finally, we remain committed to our vision and unwaveringly dedicated in our drive to make it a reality.

H.E. Mr. Amr Abdullah Al Dabbagh – Chairman

CEO's Message



Repositioned for Performance and Growth

We will remember 2023 as the year Red Sea International took its first giant strides on a journey of transformation, realignment and consolidation, with performance, profitability and growth at its core. We have increased our cohesion and efficiency, expanded our capabilities and diversified as never before, bringing a unique proposition to the market. Our acquisition of one of the Kingdom's foremost mechanical, electrical and plumbing (MEP) service providers has created vast new opportunities and ensured immense support to our end-to-end solutions.

In 2023, RSI initiated a fundamental restructuring of the top management, heralding the dawn of a new company direction with a focus on not just returning to profitability, but also reclaiming its leadership status within the sector. In order to achieve this, our first critical step was to review our business model by streamlining and restructuring to create greater synergy and efficiency, according to our strategic expansion and market appeal.



As a result, we have radically changed the makeup of the organization, improving our individual business stream performance and management, including manufacturing, MEP, integration and facilities management (FM), where our goal is to become the number 1 FM provider in the region.

Centered on our 4 key domains of manufacturing – FM, real estate, hospitality and construction – the new management outlook revolves around efficiency, recalibration, the introduction of automation and new technologies.

In a pivotal move to drive our expansion and exponentially enhance our competitive advantage, RSI acquired First Fix, a highly profitable international MEP company, aligning perfectly with our aspirations of a fully integrated approach to the business. We have created a solution rather than a product. Through our 51% share of First Fix, we have boosted our workforce from 3,000 to 15,000, substantially expanded our regional footprint and built an entirely holistic value chain.

RSI has integrated its delivery capabilities with process streamlining through a circle of efficiency.

- Design and engineering
- Supply chain integration and logistics productivity
- In-house manufacturing in KSA and UAE
- Construction and MEP proficiency under one roof
- Life support and FM services

New ventures, new markets

While oil and gas remain our primary focus, the company has made significant strides in diversifying into hotels and resorts. As one of the few modular construction companies to venture into hospitality, RSI is involved in the sphere of mid-range hotels and resorts. The Cloud7 Residence hotel and resort at AlUla is testimony to our capabilities' as was our project for the 'MDLBeast Soundstorm' events gallery. Our key differentiators of quality have provided the perfect platform to take advantage of the emphasis on tourism in line with Vision 2030.

Having proven our quality and delivery of the Cloud7 resort, our focus will be on service excellence and the harnessing of the partnership with RABLA offers us a strong platform entry into the great potential of the fast-growing hotel and hospitality segment in the Kingdom. Through the RABLA window, RSI carries the potential to become a unique provider of modular solutions to design and build 'boutique' hotels through construction solutions of quality and speed. We are confident that our association will help us prosper in this segment.

The power of innovation

Throughout 2023, RSI worked in tandem with the innovation vertical of the Group, resulting in significant progress in stronger platform interaction, heightened security and integrated information-sharing capabilities. Our overall objective is to shift from being a legacy-centric business to a modern, digital organization with the ability to sustain and progress in a fast-changing world of data, speed and transformed deliveries.

Technology is playing a pivotal role in our industry, and, in every aspect of our work, we have ensured we put innovation at the heart of our operations – particularly engineering and supply chain efficiencies – which ties in with our sustainability goals. In addition, we have initiated our Innovation Roadmap action plan and completed our hybrid data center project across Saudi Arabia and the UAE, which will expedite the installation of the Jubail factory's servers and backup.

As a testament to our achievements, RSI received the Aramco Cybersecurity Certificate through its efforts to tighten its technological security, in alignment with international standards. This will be a major advantage for RSI when competing for projects, not just for Aramco, but for all contracts across the MENA region.

The beginning of our future

We can look back on 2023 as much more than a year of planning. We have initiated many of the elements that will enhance our brand, expand our growth and increase our profitability.

This year of transformation has achieved a remarkable series of successes, which have massively amplified our competitive edge. Our peerless quality and understanding of the market have enhanced our presence in the hospitality sector and the reopening of the Jubail facility has restored our full value to the oil and gas sector.

With new leadership and vitality to the business, we have put into place the mechanisms and operations that will return RSI to its rightful status as the sector's number 1 modular solutions provider. We will also reduce our dependence on third parties and continue to increase our skill sets and resources to sustain our competitive edge while cutting costs.

Following the execution of our strategies next year, we will focus on achieving revenues of SAR 10 billion by 2034 through greater efficiency, organic and inorganic growth, and diversification.

In terms of sustainability, we will continue to invest in our duty of care to the environment and constantly review and act on contributing to our ESG commitments. Through our investment in innovation, we will enhance our support to sustainability by reducing waste and conserving our resources.

Technology will play a fundamental role in our operations to achieve our true potential. It is a primary focus of investment and will be a key differentiator in the quality, speed, cost and effectiveness of the products and solutions we provide.

We have set ourselves ambitious targets but now have the resources, direction and leadership to achieve them. We have enormous belief in our abilities and look forward with great anticipation and confidence to the performances and results ahead.

Acknowledgements

I would like to thank our Chairman, H.E. Mr. Amr Abdullah Al Dabbagh, for his vision and the Board of Directors of RSI for their faith and confidence during the transformational phase. It is a collective vision that has helped RSI to grow in 2023 through the acquisition of a key entity. This is essential to our expansion as we look ahead.

Our appreciation goes to the Chairman and Board of Directors at MBL, under whose vision we achieved the acquisition of First Fix. Our thanks and gratitude also to our people who have worked tirelessly to deliver our successes over the years.

Mr. Marwan Sayegh – Chief Executive Officer

Governance

Names of members of the Board, Committees, Executive Management, and their current roles, qualifications and previous experience

H.E. Mr. Amr Abdullah Al Dabbagh

Position: Chairman of the Board (Non Executive)

Committee memberships: Executive Committee

His Excellency Mr. Al Dabbagh is the CEO and Chairman of Al Dabbagh Group (ADG), a family conglomerate headquartered in Jeddah, Saudi Arabia. ADG was founded in 1962.

Over the course of a 30-year career, His Excellency has served in public office for two 4-year terms as Governor (with a rank of Minister) of the Saudi Arabian General Investment Authority (SAGIA). He was elected for 2 terms to the Jeddah Chamber of Commerce and appointed for 2 terms to the Makkah Regional Council.

Mr. Sami Ahmed BinMahfooz

Position: Vice Chairman (Non-Executive)

Committee memberships: Executive Committee, Audit Committee, NRC Committee

Mr. BinMahfooz earned his bachelor's degree in finance from Ohio State University and excelled in the Executive Program in Darden School University in the United States.

He possesses solid experience that exceeds 30 years in banking operations, credit instruments and policies. He served in different leading positions in National Commercial Bank until becoming the Chief Risk Officer.

Mr. Taher Mohammed O. Agueel

Position: Board member (Non Executive)

Committee memberships: Executive Committee

Mr. Agueel earned master's and bachelor of Science degrees in Industrial Engineering from the University of Texas, at Arlington (U.S.A.), trained at Chase Manhattan Bank (NY), and attended development programs at world-class institutions like Harvard, Oxford and INSEAD.

Mr. Agueel has distinguished background and experience in the finance, investment, real estate and corporate arena in Saudi Arabia, gained through working for leading financial institutions in the Kingdom in the field of investment banking (Deutsche Alazizia Financial Services, CEO and the National Commercial Bank, Head, Structured Finance), as well as serving on the Boards of several private and listed companies including the Kingdom Holding Company, Gulf General Cooperative Insurance Company, Bank of America's Merrill Lynch Kingdom of Saudi Arabia, and Bidaya Home Finance Company.

Mr. Peter Walichnowski**Position:** Board member (Independent)

Mr. Walichnowski holds a bachelor's degree in architecture from the University of New South Wales, Australia and a number of management and governance training courses from Harvard University in America and IMD in Switzerland.

He has more than 40 years of experience, most of which was spent in leadership positions within the region; he was the CEO of Majid Al Futtaim Properties in Dubai where he was responsible for developing a number of real estate mega projects such as hotels and commercial complexes, including the Mall of the Emirates, and the CEO of Al Ghurair Investment. He also held leadership positions in Australia, United Kingdom, Korea and China.

Mr. Mujahid Abdul Karim Al-Gain**Position:** Board member (Independent)**Committee memberships:** NRC Committee

Mr. Mujahid earned a degree in Industrial Management from Whitworth University, Washington State, is a Harvard Alumni, an Oxonine, and has completed several advanced management programs for senior executives from top international school such as Harvard Business school, Said Business School Oxford, Stanford University Graduate School of Business, and Chicago University, trained in Japan and Ireland. He also participated in many local and international specialized forums and workshops.

He started his career with the Royal Commission for Jubail and Yanbu and held several executive positions until he became an advisor to the Chairman and Assistant Director General of Operation and Maintenance. He also worked at the Saudi Arabian General Investment Authority and held the position of Deputy Governor for Regional Development and Deputy Governor for Strategy and Planning, and Supervisor of the Finance Department. During his career, he held the position of CEO and Head of the Foundation Team of Al-Qassim Development Company and an advisor to the President of the Saudi Commission for Tourism and Antiquities, as well as the Chief Investment and Business Development Officer in charge of developing business model and vision realization in King Abdullah City for Atomic and Renewable Energy.

Mr. Mohammed Zaher Salahuddin Al-Munajjed**Position:** Board member (Independent)**Committee memberships:** Audit Committee, NRC Committee

A graduate in Business Administration (MBA) from Harvard Business School, Mr. Al-Munajjed also holds a master's in French International Law from the St. Joseph University in Beirut. He is also the Chairman of the Harvard Business School Club of the GCC.

He has over 30 years of experience in leading positions, playing key roles in building and developing businesses and advising large family business groups in Saudi Arabia. He also has hands-on knowledge of business reorganization and restructuring, turnaround situations and acquisition deals, in addition to being a Board member in a number of joint stock companies.

Mr. Osama Zakaria Jamjoom**Position:** Board member (Independent)**Committee memberships:** Executive Committee

Mr. Jamjoom earned a bachelor's degree in Mechanical Engineering from King Abdulaziz University, a Master's degree in Industrial Engineering, and continued his postgraduate studies in System Engineering at Northeastern University, Boston.

He is the Founder and CEO of Project Management and Development House Company, in addition to being the Co-Founder and Executive partner of Wessal Real Estate Development and Marketing Company. He held numerous executive positions in renowned companies such as Al-Sulaiman Group, Dallah Albarakah Group, Urban Development Company, Al-Rasim Company and Saudi Bechtel.

Mr. Jamjoom possesses extensive experience and knowledge that surpasses 20 years in corporate through participation in local and international Boards and committees. Part of the list of companies that he was a member in its Board or committees includes Halwani Brothers Company, Ghassan Ahmad Al Sulaiman Furniture Company (IKEA), Cities Centers Development, Dallah Albarakah and Saudi Global Star.

He has more than 40 years of experience, most of which was spent in leadership positions within the region; he was the CEO of Majid Al Futtaim Properties in Dubai where he was responsible for developing a number of real estate mega projects such as hotels and commercial complexes, including the Mall of the Emirates, and the CEO of Al Ghurair Investment. He also held leadership positions in Australia, United Kingdom, Korea and China.

Mr. Khalid Mohammed Fagih***Position:** Managing Director. He was Chief Executive Officer until 19th Nov 2023**Committee memberships:** Executive Committee

Mr. Fagih is the Managing Director and CEO of Red Sea International Company and Chairman of Premier Paints Company. He has over 27 years of experience leading business management, corporate and investment banking, risk management, digitization and project finance management.

Throughout his career, Mr. Fagih has successfully consummated a large number of high-profile transactions with the government, and across several private sector companies over the last various economic cycles. He has a solid track record of achievement in leading corporate transformation and has successfully built and led numerous business initiatives in a record time span. Mr. Fagih is a member of the Commercial Committee of the Riyadh Chamber of Commerce.

Educated at King Abdulaziz University in Jeddah, he holds dual bachelor's degrees in Statistics and Computer Science. He also enrolled in various management and leadership programs at Harvard Business School, INSEAD, London Business School and Stanford University.

Mr. Mohamed Husnee Jazeel**Position:** External member**Committee memberships:** Audit Committee

Mr. Jazeel earned his Certificate from the Chartered Institute of Management Accountants in the UK. He acquired a solid experience in the field of accounting that surpasses 25 years.

He served in several managerial roles in PricewaterhouseCoopers (PwC) in different offices across the world. In 1999, he joined Al Dabbagh Group and was appointed as the Chief Financial Officer. He also serves as a Board member for Gulf General Cooperative Insurance Company and Tanmiah Food Company.

Dr. Mazen Ibrahim Hassounah**Position:** External member**Committee memberships:** Audit Committee

Dr. Hassounah holds a bachelor's degree in Civil Engineering from the University of Petroleum and Minerals in Dhahran, KSA (1982), and a master's (1988) and PhD. (1992) in Planning from the University of Toronto, Canada.

He has over 40 years of experience in engineering, planning, corporate advisory, banking, investment banking and asset management services in various academic and non-academic positions in Saudi Arabia, Canada and the UK. Prior to his current positions as the Managing Partner of Mawakher Development Company (a project development company), the Managing Director of Alissa Group Companies, and the Acting Managing Director of Alyusr for Leasing and Finance, he held the position of CEO and Managing Director of Rana Investment Company for the period 2000 to 2008, and the position of Deputy CEO for the period 1995 to 2000.

In addition to his membership in the Audit Committee of Red Sea International, Dr. Hassounah is the Chairman of the Board of directors of SHUAA Capital KSA, a member of the Board of Best Trading Company, Abdullatif Alissa Group Holding Company, Alyusr for Leasing and Finance, Almanara Communication and Information Technology, and Arab Palestinian Investment Company (APIC). He serves as the Chairman of Audit Committees of APIC and Almanara. Until very recently, he served as the Chairman of Audit Committee and Compliance Committee at AXA Cooperative Insurance. Further, for several years, Dr. Hassounah served as a Board member of Etihad Etisalat (Mobily), AXA Cooperative Insurance Company, and as a member of the Investment Committee of the Riyadh Chamber of Commerce and Industry.

Mr. Mahmood Siddiqui**Position:** Group Chief Financial Officer

Mr. Siddiqui is a chartered accountant from the Institute of chartered accountants in Pakistan in 1996, and holds a bachelor's degree in Business Administration from the University of Karachi in 1991.

He served in several managerial roles at PricewaterhouseCoopers (PwC) in different offices across the world. In 2000, he joined Ghassan Al Sulaiman Furniture Trading Company (IKEA) and was later appointed as the Chief Financial Officer. He also served as CFO in Flow Progressive Logistics. Before Joining Red Sea International, he served as Group CFO for Re/Max Builders and Developers in Pakistan.

Mr. Marwan Sayegh**

Position: Chief Executive Officer – from 19 November, 2023

Mr. Sayegh is a visionary entrepreneur with over two decades of experience across the construction industry across the geographies of Saudi Arabia, the UAE and other parts of the greater MENA region. His proven expertise and success as consultant with Viamena are exemplary and he has since extended his expertise across multiple premier construction and facility management enterprises across the region in the fields of Infrastructure, MEP, Fit-Outs, and Landscapes.

Mr. Sayegh carries a reputation for Building strong relationships with clients, partners, investors, and other stakeholders while steadfastly championing the adoption of sustainable practices, green technologies, and innovative solutions, leading organizations in their commitment to contributing positively to the environment and the communities we serve.

*Mr. Khalid Fagih was the CEO until 19 November, 2023

**Mr. Marwan Sayegh was appointed as the CEO from 19 November, 2023

Names of companies inside or outside the Kingdom of which the Board member is a member (currently or previously) or companies they manage.

Name	Current companies	Local/ International	Legal form
H.E. Mr. Amr Abdullah Al Dabbagh	Petromin Corporation	Local	Closed joint stock
	SAED International for Istigdam (previously)	Local	Closed joint stock
	Tanmiah Food Company	Local	Public joint stock
	Al Dabbagh Group Holding Company	Local	Holding company
	Petrolube Oils Company	Local	Closed joint stock
	Tanmiah Commercial Group Company	Local	Limited liability
	Amr Bin Abdullah Al Dabbagh Company Ltd.	Local	Limited liability
	United Seven Investment Company	Local	Limited liability
Mr. Sami Ahmed BinMahfooz	First Fix (Fundamental installation for Electric work Co.)	Local	Limited liability
	Rawasi Financial Solutions	Local	Establishment
	Itqan Capital [Itqan Fund] (previously)	Local	Closed joint stock
	United Pipes Company (previously)	Local	Limited liability
Mr. Khalid Mohammed Fagih	Premier Paint Company	Local	Limited liability
	Red Sea company for Specialized Investments	Local	Limited liability
	Red Sea Building Materials and Equipment Trading Company	Local	Limited liability
Mr. Peter Walichnowski	-	-	-
Mr. Osama Zakaria Jamjoom	Project Management & Development House Company	Local	Closed joint stock
	Al Dyar Al Arabiyah	Local	Closed joint stock
	Halwani Brothers (previously)	Local	Public joint stock
	Ghassan Ahmad Al Sulaiman Furniture Company (previously)	Local	Closed joint stock
	Cities Centers Development Company (previously)	Local	Closed joint stock
	Dallah Albarakah Company (previously)	Local	Closed joint stock

	Saudi Global Star (previously)	Local	Closed joint stock
Mr. Mujahid Abdulkarim Al-Gain	-	-	-
Mr. Mohammed Zaher Salahuddin Al-Munajjed	Gulf General Cooperative Insurance Co.	Local	Public joint stock
	Kindasa Water Services Company	Local	Closed joint stock
	Ajil Financial Services Company	Local	Closed joint stock
	Omaco Omar Kassem Alesayi Co. Ltd.	Local	Closed Joint Stock
	Urjuan Real Estate Development Co	Local	Closed joint stock
	Credit Suisse Saudi Arabia (previously)	Local	Closed joint stock
	Grameen Jameel Micro Finance (previously)	International	Limited ability
ALJ-Abdul Latif Jameel Co. (previously)	Local	Private	

Mr. Taher Mohammed O. Agueel	Kingdom Holding (previously)	Local	Public joint stock
	Gulf General Cooperative Insurance Company	Local	Public joint stock
	Merril Lynch Saudi Arabia	Local	Closed joint stock
	Bidaya Home Finance	Local	Closed joint stock
	Global Textiles Co	Local	Mixed limited liability
	Al Nahdi Company (Family Office)	Local	Limited liability

Classification of members of the Board: Executive, Non-Executive, Independent

No.	Member name	Membership classification	Committee memberships
1	H.E. Mr. Amr Abdullah Al Dabbagh (Chairman)	Non-Executive Board member	Executive Committee
2	Mr. Sami Ahmed BinMahfooz (Vice Chairman)	Non-Executive Board member	Executive Committee Audit Committee NRC Committee
3	Mr. Khalid Mohammed Fagih	Executive Board member	Executive Committee
4	Mr. Osama Zakaria Jamjoom	Independent Board member	Executive Committee
5	Mr. Peter Walichnowski	Independent Board member	-

6	Mr. Mohammed Zaher Salahuddin Al-Munajjed	Independent Board member	Audit Committee NRC Committee
7	Mr. Mujahid Abdulkarim Al-Gain	Independent Board member	NRC Committee
8	Mr. Taher Mohammed O. Agueel	Non-Executive Board member	Executive Committee

Measures taken by the Board, especially Non-Executives, with recommendations received from shareholders pertaining to the Company and its performance

The Chairman of the Board and the Senior Management of the Company periodically inform the Board of Directors of the views, proposals or comments received from the shareholders regarding the Company and its performance and outcomes of any discussions held with the shareholders, if any. The Chairman of the Board also briefs and communicates the views of shareholders to the Board of Directors during the meetings of the Board without the presence of any members from the Senior Management if needed.

Brief overview of Committees' roles and responsibilities

Three committees were formed from the Board of Directors in compliance with the companies law, CMA rules and corporate governance regulations. These committees include the Executive Committee, the Nomination and Remuneration Committee, and the Audit Committee. Their primary purpose is to effectively support the Board in fulfilling its assigned responsibilities and making the most of their members' expertise. Additionally, these committees are tasked with creating policies and strategies, ensuring compliance with regulatory guidelines and providing recommendations to the Board when needed.

Executive Committee

As per Article 4 of the Executive Committee Charter, the formation of the Executive Committee occurs through a resolution passed by the Board of Directors. The committee must consist of a minimum of 3 members and a maximum of 5 members. These members can be either existing members of the Board or individuals from outside. The committee is entrusted with the task of proposing significant executive and strategic decisions to the Board of Directors, within the framework of their designated powers. Following this, the committee presents its recommendations to the Board for approval.

No meetings of the Executive Committee occurred during 2023:

No.	Name	Membership Classification
1	H.E. Mr. Amr Abdullah Al Dabbagh (Chairman)	Non-Executive
2	Mr. Sami Ahmed BinMahfooz (Vice Chairman)	Non-Executive
3	Mr. Khalid Mohammed Fagih (Member)	Executive
4	Mr. Osama Zakaria Jamjoom (Member)	Independent
5	Mr. Taher Mohammed O. Agueel (Member)	Non-Executive

Audit Committee

In accordance with Article 2 of the Audit Committee Charter, the committee members are elected by a resolution passed during the Company's General Assembly Meeting. This resolution should outline the committee's responsibilities, work procedures, members' remuneration, and the duration of their membership. The Board of Directors recommends these provisions. The committee must consist of at least 3 members but no more than 5 members. Additionally, committee members cannot be part of the Executive Committee, whether they are shareholders or from other backgrounds.

The primary role of the committee is to supervise the Company's accounting and financial reporting practices, ensuring compliance with legal and regulatory obligations. It also oversees the activities of both internal and external audits. The committee regularly evaluates the sufficiency and effectiveness of the internal control system and procedures, providing ongoing assessments of the system and its efficiency.

The following table summarizes the meetings of the Audit Committee that were held in 2023.

Name	Membership classification	Attendance record for meetings held in 2023							
		1st Meeting 26/03/2023	2nd Meeting 13/04/2023	3rd Meeting 17/05/2023	4th Meeting 20/06/2023	5th Meeting 27/07/2023	6th Meeting 7/08/2023	7th Meeting 7/11/2023	8th Meeting 12/12/2023
Mr. Sami Ahmed BinMahfooz (Chairman)	Non-Executive	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Mazen Hassounah (member)	Independent member from outside the Board	✓	✓	✓	✓	✓	✓	–	✓
Mr. Mohamed Husnee Jazeel (member)	Non-Executive member from outside the Board	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mohammed Zaher Al-Munajjed (member)	Independent	✓	✓	✓	✓	✓	✓	✓	✓

Nomination and Remuneration Committee

As per Article 2 of the Nomination and Compensation (NRC) Committee Charter, the committee is established through a resolution passed by the Board of Directors. The committee must have a minimum of 3 members and a maximum of 5 members. These members can be existing Board members or individuals from outside. The primary responsibility of the committee is to review all matters, policies, programs and prerequisites pertaining to the Board members and their membership.

Furthermore, the committee is entrusted with the task of formulating clear policies regarding the compensation and remuneration of Board members and Senior Executives. These policies are then recommended to the Board for their approval.

The following table details the meetings of the Nomination and Remuneration Committee that were held in 2023.

	Name	Membership classification	Attendance record for meetings held in 2023			
			1st Meeting 23/03/2023	2nd Meeting 16/05/2023	3rd Meeting 06/08/2023	4th Meeting 06/11/2023
1	Mr. Mohammed Zaher Al-Munajjed (Chairman)	Independent	✓	✓	✓	✓
2	Mr. Sami Ahmed BinMahfooz (Member)	Non-Executive	✓	✓	✓	✓
3	Mr. Mohamed Husnee Jazeel (Member)	Non-Executive member from outside the Board	✓	✓	–	✓
4	Mr. Mujahid Abdulkarim Al-Gain (Member)	Independent	✓	✓	✓	✓

The means which the Board of Directors have used to evaluate the performance of the Board, its members and committees

The Board has developed an evaluation mechanism which relies on the feedback received from members of the Board through the self-evaluation surveys circulated among Board members on an annual basis to assess the performance of the Board, its members and committees. The evaluation mechanism uses key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the effectiveness of the Board and their understanding of the roles and responsibilities of the Board to identify weaknesses and strengths, and accordingly, propose the corrective action plans in the best interests of the Company.

Disclosure of the remuneration of Board members and Senior Executives in accordance with Article (90) of Corporate Governance Rules

According to the Remuneration Policy of the Red Sea International Company, approved by the General Assembly during its meeting held on 24 August, 2021, a member of the Board of Directors receives a fixed annual remuneration of SAR 200,000 in addition to SAR 5,000 as an allowance for attending meetings. The remunerations are paid quarterly and approved by the shareholders in the general assembly. The Board may also review these remunerations whenever needed, in a manner that does not conflict with the Company's bylaws and other applicable regulations in this regard, especially regarding complying with

higher ceiling for the remuneration paid to members. The remuneration shall be paid to the resigning or newly joined member, based on the number of days he/she served as a member of the Board of Directors during the period. In respect of these remunerations, the Board shall follow all the regulations and laws mentioned in the Listing and Registration Rules approved by the Capital Market Authority and based on the recommendations of the Nomination and Remuneration Committee. Based on the recommendations of the Nomination and Remuneration Committee, which was approved by the general assembly, the Company's Remuneration Policy states the following: the Chairman of the Board receives an additional annual remuneration of SAR 200,000; the Vice Chairman of the Board receives an additional annual remuneration of SAR 200,000; the Managing Director receives an additional annual remuneration of SAR 100,000; each Audit Committee member receives an additional remuneration of SAR 100,000 and SAR 3,000 for each attended meeting.

The Executive Committee members are not entitled to annual remuneration; however, each member receives SAR 3,000 for each attended meeting. The Nomination and Remuneration Committee members are not entitled to annual remunerations; however, each member receives SAR 3,000 for each attended meeting.

The Secretary of the Board does not receive any remuneration against his duties or attendance of meetings. Executive Management compensation comprises of: (a) a fixed element, which includes base salary, allowances and benefits; and (b) a bonus component that is linked to performance and is variable.

The compensation package is approved by the Nomination and Remuneration Committee based upon comparative packages for similar positions within the sector and region and is designed to attract and retain management talent.

The following table details the remuneration and compensation paid to Board members during 2023.

Amounts in SAR'000s

Name and designation	Fixed remuneration							Variable remuneration-						End-of-service award	Aggregate Amount	Expenses
	Specific amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind benefits	Remuneration for technical managerial and consultative work	Remuneration of the Chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares	Total			
Independent Directors																
Mr. Peter Walichnowski	200	40	-	-	-	-	240	-	-	-	-	-	-	-	240	-
Mr. Osama Zakaria Jamjoom	200	30	-	-	-	-	230	-	-	-	-	-	-	-	230	-
Mr. Mujahid Abdulkarim Al-Gain	200	40	12	-	-	-	252	-	-	-	-	-	-	-	252	-
Mr. Mohammed Zaher Salahuddin Al-Munajjed	300	40	36	-	-	-	376	-	-	-	-	-	-	-	376	-
Total	900	150	48	-	-	-	1,098	-	-	-	-	-	-	-	1,098	-
Non-Executive Directors																
H.E. Mr. Amr Abdullah Al Dabbagh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Sami Ahmed BinMahfooz	400	40	36	-	-	-	476	-	-	-	-	-	-	-	476	-
Mr. Taher Mohammed O. Agueel	200	-	-	-	-	-	200	-	-	-	-	-	-	-	200	-
Total	600	40	36	-	-	-	676	-	-	-	-	-	-	-	676	-

Executive Directors															
Mr. Khalid Mohammed Fagih	300	35	-	-	-	-	335	-	-	-	-	-	-	1,359	-
Total	300	35	-	-	-	-	335	-	-	-	-	-	-	1,359	-

The following table details the remunerations and compensations paid to Committee members during 2023.

Amounts in SAR'000s

Members	Fixed remunerations (excluding attendance allowance)	Remunerations per meeting	Total
Audit Committee			
Mr. Sami Ahmed BinMahfooz	100	24	124
Dr. Mazen Ibrahim Hassounah	100	21	121
Mr. Mohammed Husnee Jazeel	-	-	-
Mr. Mohammed Zaher Al-Munajjed	100	24	124
Total	300	69	369

Nomination and Remuneration Committee			
Mr. Mohammed Zaher Al-Munajjed	-	12	12
Mr. Sami Ahmed BinMahfooz	-	12	12

Mr. Mohammed Husnee Jazeel	-	-	-
Mr. Mujahid Abdulkarim Al-Gain	-	12	12
Total	-	36	36

Executive Committee			
H.E. Mr. Amr Abdullah Al-Dabbagh	-	-	-
Mr. Sami Ahmed BinMahfooz	-	-	-
Mr. Osama Zakaria Jamjoom	-	-	-
Mr. Taher Mohammed O. Agueel	-	-	-
Mr. Khalid Mohammed Fagih	-	-	-
Total	-	-	-

The following table details the remuneration and compensation paid to Senior Executives during 2023.

Amounts in SAR '000s

Name of the Senior Executive	Fixed remuneration				Variable remuneration						End-of-service benefits	Total remuneration from Board membership, if applicable	Grand total
	Salaries	Allowances	Other benefits	Total	Periodical	Share of profits	Short-term incentive plans	Long-term incentive plans	Granted shares (value)	Total			
Previous CEO (Until 31/12/2023)	2,400	-	-	2,400	-	-	-	-	-	2,400	1,024	335	3,759
Current CEO (from 19/11/2023)	300	-	-	300	-	-	-	-	-	300	-	-	300
CFO	1,056	369	-	1,425	-	-	-	-	-	1,425	-	-	1,425
Director General of Facilities and Services	1,111	388	-	1,499	-	-	-	-	-	1,499	-	-	1,499
Director General of Engineering and Pricing Department	924	156	-	1,080	-	-	-	-	-	1,080	-	-	1,080
Director Strategic	793	519	-	1,312	-	-	-	-	-	1,312	-	-	1,312
Total	6,584	1,432	-	10,716	-	-	-	-	-	10,716	1,024	335	12,075

Article (34) of this report summarizes the remunerations that were waived by Board and sub-committee members. We would like to mention that there is no significant deviation between the awarded remuneration and compensation and the applicable policies.

Any sanctions, penalties or precautionary measures imposed on the Company by CMA, supervisory, regulatory or legal authority; and its reasons and the measures considered to preventive reoccurrence

There were no sanctions or penalties with substantial impact imposed on Red Sea International Company 2023.

Results of annual review of the effectiveness of internal controls applied by the Company, in addition to the opinion of the Audit Committee on the adequacy of the Company's internal controls

The Company's operations in 2023 were subjected to periodic reviews by the Internal Audit department to ensure the effectiveness of internal control procedures in protecting the assets of the Company, assess operational risks and measure efficiency of overall performance. The external auditors have also evaluated the effectiveness of systems and procedures as part of their review of the consolidated financial statements. The Audit Committee regularly and continuously monitors and evaluates the performance of Internal Audit department to ensure that audit operations are conducted efficiently and effectively.

Based on the aforementioned, and after reviewing the periodic reports of the executive management, internal audit reports, and external auditors' reports and findings for the company's fiscal year 2023, the Audit Committee believes that the current internal control system in the company is operating effectively with the need for improvement in some areas to evolve the efficiency.

Recommendations of the Audit Committee on the need to appoint an internal auditor for the Company, in case he has not already been appointed

No recommendation was issued by the Audit Committee regarding the extent of the need to appoint an internal auditor owing to the presence of a department and a specialized team for internal auditing in the Company. The Internal Audit department prepares its periodic reports for the Audit Committee to take the necessary action regarding the observations contained therein.

Recommendations of the Audit Committee that conflict with Board's resolutions, or those of which the Board has refused to take a decision for the appointment, removal or remuneration of the Company's external auditor, and the reason for the refusal

There was no conflict between the Audit Committee's recommendations and the resolutions issued by the Board in 2023.

Dates of the AGMs held in the latest financial year and names of members of the Board who attended

No.	Name	Attendance record for 2023
		Ordinary General Assembly 16/8/2023
1	H.E. Mr. Amr Abdullah Al-Dabbagh	✓
2	Mr. Sami Ahmed BinMahfooz	✓
3	Mr. Khalid Mohammed Fagih	✓
4	Mr. Peter Walichnowski	X
5	Mr. Osama Zakaria Jamjoom	✓
6	Mr. Mujahid Abdulkarim Al-Gain	✓
7	Mr. Mohammed Zaher Salahuddin Al-Munajjed	✓
8	Mr. Taher Mohammed O. Agueel	✓

Description of the main activities of the Company and its subsidiaries, and in case of stating more than 1 activity, full disclosure of these activities needs to be included together with the impact on the financial results

Red Sea International Company is a Saudi public joint stock company that was founded in accordance with the Ministerial Decree No. 2532 dated 09/02/1427 corresponding to 25 September, 2006. Before becoming a joint stock company, it was a limited liability company registered in the Kingdom of Saudi Arabia. The Company's headquarters are currently located in Riyadh, Saudi Arabia.

The Company derives its revenue from the seamless synergy of its Industrial Housing Division and Facilities Management Division. The Industrial Housing Division provides housing facilities and related infrastructure in remote areas for local and international clients within mining, oil

and gas, manufacturing, government, building and construction, infrastructure, defense, health and education sectors, which includes rental of properties and sale of modular units; and enable them to relocate their workforce to designated sites as required. The Company uses products manufactured in its state-of-the-art manufacturing facilities to achieve the quality aspired by its customers. The Company also specializes in the production of fuel/water storage tanks, chiller/freezer and incineration units, to ensure availability of all elements to deliver projects according to client specifications, free of defects and within the set timelines. The Company generates revenue from facility management and camp operations which falls into 2 main categories: fixed compound accommodations, which are designed to be semi-permanent facilities. These compounds are built, owned and operated by Red Sea International Services Company for the purpose of accommodating senior and junior staff in districts where quality accommodation is in short supply.

In addition to supplying residential and office needs, our compounds include restaurants and catering services, laundry, recreation facilities, security services, entertainment and dependable communications facilities. Remote site accommodation solutions are leased to customers for a specific period of time. It can be fully managed by Red Sea International Company if requested by its clients. These are generally purpose-built facilities with all services provided by professional workforce. The Company operates and maintains the facility over the course of the lease, and upon expiration of the contract, all the buildings and infrastructure are removed; salvaging whatever can be relocated and utilized in other sites. The buildings and equipment are refurbished and sold or held in inventory until a new lease is secured to restart the cycle.

During 2013, the Company ventured to add its Building Materials division, extending its activities and engaging in the production and distribution of paint and coating products, which include architectural paint, and industrial and marine coating, by entering into a shareholder's agreement with Sherwin-Williams when it acquired 81% share of Premier Paint Company. The division has a trained team of professional painters capable of providing reliable paint application services for medium and large-scale projects in the housing, commercial and industrial sectors.

During 2016, the Company developed an innovative modular building system to construct multi-level steel frame buildings for hotels, apartments, schools and other building types. The Vertical Modular system features structural steel frames that can be stacked to 12 levels with concrete floors and fire-rated walls, in compliance with all relevant building codes. This new Vertical Modular system enables clients to take advantage of the significant time and cost savings that modular construction can deliver. The Company's largest manufacturing facility is located in the city of Jubail, Saudi Arabia. In addition, the Company has 2 manufacturing facilities strategically located in Jebel Ali – Dubai. The operating facilities have a total production capacity that exceeds 1,000,000 square meters per year.

The company's largest manufacturing facility is located in the city of Jubail, Saudi Arabia. In addition, the company has two manufacturing facilities strategically located in Jebel Ali – Dubai. The operating facilities have a total production capacity that exceeds 1,000,000 square meters per year. The company's products and services spread over more than 65 countries has helped in taking advantage of the available housing opportunities and the ability to deliver housing solutions in numerous targeted areas. The ability of the company to coordinate between the different manufacturing facilities, shipping services and construction sites has made the company a leader in the field of providing comprehensive modular solutions in remote areas around the world.

In 2023, Red Sea international (along with acquired subsidiary First Fix) currently employs around 15000 skilled employees. The management carries a high level of expertise in the field of manufacturing modular solutions in addition to possessing a competent workforce who are well specialized across local and international markets. The company's extensive knowledge in the fields of designing, planning, production and execution of projects are some of the elements that enable the company to provide high quality and trustworthy products and services. Its subsidiary company First Fix is a local market leader delivering world class projects via end to end solutions that provide integrated infrastructure design, engineering and construction disciplines of mechanical, electrical & plumbing (MEP) services.

The following table summarizes the Company's revenues from the main activities it performs.

Amounts in SAR Thousands

Total revenues from main activities for the company	Revenue	%
General Construction	869,246	62.87%
Building Sales Revenue	358,014	25.90%
Rental Revenue	151,229	10.94%
Paint Revenue (Discontinued operations)	4,031	0.29%
Sub total	1,382,520	100%
Less: Paint revenue (discontinued operations)	(4,031)	
Total revenue reported as per financial statements	1,378,489	100%

The following table summarizes the company's revenues from the main activities generated from operations in the Kingdom of Saudi Arabia:

Amounts in SAR Thousands

Total revenues from main activities in KSA	Revenue	%
General Construction	869,246	65.47%
Building Sales Revenue	304,084	22.90%
Rental Revenue	150,353	11.32%
Paint Revenue (discontinued operations)	4,031	0.3%
Sub total	1,327,714	100%
Less: Revenue for discontinued operations	(4,031)	
Total	1,323,683	100%

The following table summarizes the company's revenues from the main activities generated from operations of its subsidiaries:

Amounts in SAR Thousands

Total revenues from main activities in UAE	Revenue	%
Building Sales Revenue	53,415	99.55 %
Rental Revenue	240	0.45 %
Total	53,655	100.00 %

Amounts in SAR Thousands

Total revenues from main activities in Ghana	Revenue	%
Building Sales Revenue	286	100.00 %
Rental Revenue	-	-
Total	286	100.00 %

Amounts in SAR Thousands

Total revenues from main activities in Algeria	Revenue	%
Building Sales Revenue	229	47.46%
Rental Revenue	254	52.54 %
Total	483	100.00 %

Amounts in SAR Thousands

Total revenues from main activities in Oman	Revenue	%
Building Sales Revenue	-	-
Rental & Facility Management Revenue	382	100.00 %
Paint Revenue	-	-
Total	382	100.00 %

Description of the Company's important plans and decisions (including changes in the organization structure, expansion, or suspension of operations) and expectations of the Company's future business

Repositioning for Efficiency

In 2023, Red Sea International took its first giant strides on a journey of transformation, realignment and consolidation with performance, profitability and growth at its core. We have increased our cohesion and efficiency, expanded our capabilities and diversified as never before, bringing a unique proposition to the market. Our acquisition of one of the Kingdom's foremost Mechanical, Electrical and Plumbing (MEP) service providers (First Fix) has created vast new opportunities and ensured immense support to our end-to-end solutions.

People & Leadership

In 2023, RSI initiated a fundamental restructuring of the top management, heralding the dawn of a new company direction with a focus on not just returning to profitability but also reclaiming its leadership status within the sector. In order to achieve this, our first critical step was to review our business model by streamlining and restructuring to create greater synergy and efficiency, according to our strategic expansion and market appeal.

As a result, we have radically changed the make-up of the organization, improving our individual business stream performance and management, including manufacturing, MEP, integration and facilities management (FM), where our goal is to become the number 1 FM provider in the region.

Business Focus

Centered around our 4 key domains of manufacturing, FM, real estate and hospitality, and construction, the new management outlook revolves around efficiency, re-calibration, the introduction of automation and new technologies.

In a pivotal move to drive our expansion and exponentially enhance our competitive advantage, RSI acquired First Fix, a highly profitable international MEP company, aligning perfectly with our aspirations of a fully integrated approach to the business – we have created a solution rather than a product. Through our 51% share of First Fix, we have increased our workforce from 3000 to 15000, substantially expanded our regional footprint and built an entirely holistic value chain.

RSI has integrated its delivery capabilities with process streamlining through a circle of efficiency.

- Design and engineering
- Supply chain integration and logistics efficiency
- In-house manufacturing in KSA and UAE
- Construction and MEP efficiencies under one roof
- Life support and FM services

Business Approach

While oil and gas remain our primary focus, the company has made significant strides in diversifying into hotels and resorts. As one of the few modular construction companies to venture into hospitality, RSI is involved in the sphere of mid-range hotels and resorts. The Cloud 7 hotel & resort at AlUla is testimony to our capabilities and so was our project for the mdblbeast 'soundstorm' event gallery. Our key differentiators of quality have provided the perfect platform to take advantage of the emphasis on tourism in line with Vision 2030.

Having proven our quality and delivery of the Cloud 7 resort, our focus will be on service excellence and the harnessing of the partnership with RABLA offers us a strong platform entry into the great potential of the fast growing hotel and hospitality segment in the Kingdom. Through the RABLA window, RSI carries the potential to grow into a unique provider of modular solutions to design and build 'Boutique' hotels through modular construction solutions of quality and speed. We are confident that our association will help us grow in this segment.

The power of Innovation

Throughout 2023, RSI worked in tandem with the innovation vertical of the Group, resulting in significant progress in stronger platform interaction, increased security and integrated information sharing capabilities. Our overall objective is to shift from being a legacy-centric business to a modern, digital organization with the ability to sustain and progress in a fast-changing world of data, speed and transformed deliveries.

Technology

Technology is playing a pivotal role in our industry and in every aspect of our work we have ensured that we put innovation at the heart of our operations, particularly engineering and supply chain efficiencies, which tie in to our sustainability goals. In addition, we have initiated our Innovation Road Map action plan and completed our hybrid data center project across Saudi Arabia and the UAE, which will expedite the installation of the Jubail factory's servers and backup.

Furthermore, RSI is wholly aligned with the Group's Omnilab directive, which engages with some of the foremost technology companies, gathering best practices and innovation insights.

As a testament to our achievements, RSI received the Aramco Cybersecurity Certificate through its integration of the Al Dabbagh Group roadmap to tighten its technological security, aligning with international standards. This will be a major advantage for RSI when competing for projects, not just for Aramco, but for all contracts across the MENA region.

Commitment to Sustainability

In terms of sustainability, we will continue to invest in our duty of care to the environment and constantly review and act on contributing to our ESG commitments. Through our investment in innovation, we will enhance our support to sustainability by reducing waste and conserving our resources.

Technology will play a fundamental role in our operations in order to achieve our true potential. It is a primary focus of investment and will be a key differentiator in the quality, speed, cost and efficiency of the products and solutions we provide.

We have set ourselves ambitious targets but now have the resources, direction and leadership to achieve them. We have enormous belief in our abilities as a company and as a major contributor to the Group and look forward with great anticipation and confidence to the performances and results ahead.

Looking Ahead

2023 has been a year of planning. We have initiated many of the elements which will enhance our brand, expand our growth and increase our profitability.

This year of transformation has achieved a remarkable series of successes massively increases our competitive edge. Our peerless quality and understanding of the market have enhanced our presence in the hospitality sector and the reopening of the Jubail facility has restored our full value to the oil and gas sector.

With new leadership and a new vitality to the business, we have put into place the mechanisms and operations which will return RSI to its rightful status as the sector's number 1 modular solutions provider. We will also reduce our dependence on third parties and continue to increase our skill sets and resources to enhance our competitive edge while cutting costs.

Following the execution of our strategies next year, we will focus on achieving revenues of SAR 10 billion by 2034 through greater efficiency, organic and inorganic growth and diversification.

Details of the risks facing the Company, whether operational, financial or market related and the Company's applied policies to mitigate and control these risks

The Company's business and financial condition or results of operations could be materially affected by any of the following risks. While the list is not exhaustive, it indicates some of the major risks encountered by the Company.

Operational overview

Our outlook explores the identification, assessment and prioritization of risks in the various business divisions and the subsequent use of resources to minimize, control the likelihood or impact of risks to benefit opportunities. The scope of our risk management outlook is applicable across the departments of RSI and each division identifies and contributes to highlight risks in business operations that are related to market situations and other external factors. We endeavor to evaluate the outlook for effective management to optimize the utilization of available resources so as to ensure RSI's commitment to corporate and market risk factors as best as possible, in accordance with the circumstances and factors within our perspective and control.

Business

RSI as a business is dependent on the efficient operation of our manufacturing facilities in Saudi Arabia, and the UAE. Inherent risks include natural disasters, war, accidents to key personnel, power, water supply and computer equipment failure. Although RSI maintains insurance policies consistent with industry norms and has put safety and protective measures in place to minimize the effects of such risks, these measures may not adequately compensate RSI for losses that may occur, and any losses or damages incurred could have a material adverse effect on revenues.

Supply chain challenges

Prices and availability of raw materials to manufacture and supply our solutions can change significantly as a result of fluctuations in supply and demand. RSI had historically been able to have an adequate supply of raw materials by maintaining good relations with its vendors and stockpiling high-volume materials. Over the past year, several factors have proven to affect our speeds of manufacture and delivery, and these issues persist. The continuing Russia-Ukraine conflict has affected a number of industries and in our line of business, the metal and food chains are most challenged. In general, the scarcity of raw materials also poses

manufacturing problems when we intersect a situation of reduced raw resources in a global sense. Added to these complications, in some cases, hyperinflation tends to affect the purchase power of manufacturing and service industries. This is also a challenging scenario. At RSI, we have also seen a logistics scenario turn difficult when higher fuel prices induce fewer transport vessels, particularly on water in our context. The reduced number of operating vehicles translates to a lower efficiency cost for our business. The inability to raise the price of our products and to maintain a proper supply of materials could have a negative impact on sales, operating results and cash flows.

Competition

RSI operates in multiple competitive markets. Historically, our sustaining edge over other competitors has been high-quality products, reliable solutions and unparalleled customer service. Today, in an evolved market scenario, RSI has many direct competitors, and such competition forces pressure on the margins for RSI products. Performance is also under pressure from domestic and international competitors, which fight the market on price; a move that consequently impacts pricing negotiations.

Credit risk

The availability of adequate open credit lines, and the assurance of guarantees of availability at short notice continue to be a risk we look out for. RSI examines foreign exchange risk management tools and applies hedging strategies when needed; however, it still affects the profitability owing to the added cost of employing the tools. Profitability is dependent on positive pricing as it is a business of manufacturing and service delivery.

Liquidity risk

RSI continues to operate under extremely focused cost control and spending at every stage, internally and in business terms. Our challenge is to build and maintain a balanced liquidity risk and, to this end, all our efforts on business infrastructure rollouts are monitored and evaluated regularly.

Governmental regulations

The Company and its subsidiaries are subject to various governmental regulations. Implementation of new regulations or amendments to existing regulations could significantly increase the cost of the Company's products. In addition, failure to comply with present or future regulations could result in fines or potential civil or criminal liability. Both scenarios may negatively impact sales, operating results and cash flows.

Currency exchange

The Company's expenses and revenues involve several currencies owing to procuring the raw materials from different markets, having the manufacturing facilities located in more than 1 country, and sales being generated from a number of different markets. A significant movement of exchange rate between the Saudi Arabian Riyal and other currencies in which the Company might do any trade may have a material adverse effect on the Company's profitability. The Company examines foreign exchange risk management tools and applies hedging strategies when needed; however, it still affects the Company's profitability due to the added cost of employing such tools.

Cross-border risk

These are risks associated with investment outside the country of domicile owing to prevailing conditions in the country in which the company invests. Within that context, comes the country risk, which is the risk that a foreign government will significantly alter its policies or other regulations so that it negatively impacts the business climate in that country or the returns on a particular industry, company, or project. Macro-country risk deals with policy changes that harm, say, exporters or foreign-owned businesses in general; while micro-country risk implies a government will deliberately target a particular foreign company due to political conflicts.

Summary in the form of table or chart for the Company's assets, liabilities, financial results for the past 5 years

The following table summarizes the financial performance of the Company over the past 5 years.

Amounts in SAR'000s

YEAR	2023	2022	2021	2020	2019
Revenues	1,378,489	404,207	468,201	533,520	606,066
Cost of Revenues	(1,241,149)	(460,803)	(496,545)	(561,868)	(565,360)
Impairment loss	(23,047)	-	-	-	-
Gross Profit/(Loss)	114,293	(56,596)	(28,344)	(28,348)	40,706
Gross Profit /(Loss) %	8.29%	-14.00%	-6.05%	-5.31%	6.72%
Selling and Marketing	(10,513)	(14,948)	(18,049)	(29,363)	(32,087)
General & Administrative	(60,742)	(69,461)	(62,987)	(72,606)	(59,608)
Impairment of Intangible Assets	-	-	-	(8,234)	(4,962)
Impairment of Investment Properties	-	-	-	-	-
Loss from Operations	36,334	(189,838)	(109,380)	(138,551)	(55,951)
Other income /(expense)- Net	(854)	12,418	1,618	855	4,153
Share in result of investment in associates	-	(616)	(2,225)	(2,454)	-
Impairment of Investment in Associate	-	(7,305)	-	-	-
Financial Income	530	33	58	350	1,688
Financial charges Net	(17,087)	(9,455)	(10,537)	(13,662)	(14,700)
Loss before foreign income taxes, zakat and minority interest	18,923	(194,763)	(120,466)	(153,462)	(64,810)
Foreign income taxes	(1,989)	(41)	(113)	-	958
Zakat	(1,347)	(2,965)	(11,788)	(8,664)	(5,500)
Net loss from continuing operation	15,587	(197,769)	(132,367)	(162,126)	(69,352)
(Loss)/Profit from Discontinued Operations	(13,447)	-	-	180	(9,609)
Net profit/(loss) for the year before Minority Interest	2,140	(197,769)	(132,367)	(161,946)	(78,961)
Minority Interest	37,267	1,637	1,928	3,623	4,110
Net Loss for the year	(35,127)	(196,132)	(130,439)	(158,323)	(74,851)
Net Loss/Sales (%)	-3%	-46.75%	-27.86%	-29.68%	-12.35%

The following tables and charts summarize the total assets and liabilities for the past 5 years.

Amounts in SAR'000s

	2023	2022	2021	2020	2019
Current Assets	1,386,731	401,632	477,027	489,966	538,080
Non-Current Assets	1,095,207	377,112	474,946	551,127	614,686
Total Assets	2,481,938	778,744	951,973	1,041,093	1,152,766
Current Liabilities	1,817,038	603,140	573,620	482,078	419,227
Non-Current Liabilities	337,025	81,930	91,764	138,189	147,797
Total Liabilities	2,154,063	685,070	665,384	620,267	567,024

The following tables and charts summarize total revenue and net loss for the past 5 years.

Amounts in SAR'000s

	2023	2022	2021	2020	2019
Revenues	1,378,489	404,207	468,201	533,520	606,066
Cost of Goods Sold	(1,241,149)	(460,803)	(496,545)	(561,868)	(565,360)
Impairment loss	(23,047)	-	-	-	-
Gross Profits	114,293	(56,596)	(28,344)	(28,348)	40,706
Net (loss)/Profits attributable to shareholders of Parent Co.	(35,127)	(196,132)	(130,439)	(158,323)	(74,851)

Revenue by geographical area for the Company and its subsidiaries

Year	Red Sea International, KSA (Consolidated)						Amounts in SAR'000s
	Total Revenue	KSA	UAE	Oman	Ghana	Algeria	
2023	1,378,489	1,329,464	47,874	382	286	483	

Amounts in SAR'000s

Year	Red Sea International, KSA					
	Total Revenue	KSA	UAE	Oman	Ghana	Algeria
2023	1,323,683	1,323,683	-	-	-	-

Amounts in SAR'000s

Year	Red Sea Housing Services Company FZE, UAE					
	Total Revenue	KSA	UAE	Oman	Ghana	Algeria
2023	53,655	5,781	47,874	-	-	-

Amounts in SAR'000s

Year	Red Sea Housing Services, Ghana Limited, Ghana					
	Total Revenue	KSA	UAE	Oman	Ghana	Algeria
2023	286	-	-	-	286	-

Amounts in SAR'000s

Year	SARL Red Sea Housing Services Algeria Limited Algeria					
	Total Revenue	KSA	UAE	Oman	Ghana	Algeria
2023	483	-	-	-	-	483

Year	Red Sea Housing Services Oman LLC, Oman						Amounts in SAR'000s
	Total Revenue	KSA	UAE	Oman	Ghana	Algeria	
2023	382	-	-	382	-	-	

Details of material variances in operating results between the last financial results and previous year

The following table summarizes the material variances in operating results between the last financial results and previous year.

Amounts in SAR'000s

	2023	2022	Difference	Difference %
Revenues	1,378,489	404,207	974,282	241%
Cost of Revenues	(1,241,149)	(460,803)	780,346	169%
Impairment loss	(23,047)	-	23,047	100%
Gross Profits	114,293	(56,596)	170,889	302%
Operating Expense – Others	(77,959)	(129,476)	(51,517)	-40%
Profit / (Loss) from continuing operations	15,587	(189,514)	204,101	108%
Loss after tax for the year from discontinued operations	(13,447)	(8,255)	5,192	63%

Details of any variances in the implemented accounting policies from those approved by SOCPA

The financial statements for the year ending 31 December, 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia.

Details of each subsidiary, its capital, percentage ownership of the Company, main activity and country of establishment

Red Sea International Company (the “Company”) holds a group of companies located in different locations throughout the world (the “Group”). Below are the details of the Company’s subsidiaries as at 31 December, 2023.

Red Sea Housing Services (Ghana) Limited

Incorporation country: Accra, Ghana

Incorporation date: 2005

Main activities: Manufacturing of site master 25, Steel Roughneck and Seaway Series buildings. This facility predominantly serves our customers located in North and West Africa.

Main country of operation: Ghana

100% owned by Red Sea International Company.

SARL Red Sea Housing Services Algeria Limited (Algeria)

Incorporation country: Algiers, Algeria

Incorporation date: 2006

Main activities: Importing of the Company's products for local sales and rentals, and to support the parent company by way of executing the local installation of prefabricated buildings and general contracting works. It also manages and operates Desert Palm Hotel located in Hassi Masoud.

Main country of operation: Algeria

98% owned by Red Sea International Company, while Mr. Jamal Abdullah Al Dabbagh owns the remaining 2%.

Red Sea Housing Services Company Nigeria Limited

Incorporation country: Nigeria

Incorporation date: 2008

Main activities: General contracting, construction and general maintenance, construction of utilities and civil work and subcontracting.

Main country of operation: Nigeria - 97% owned by Red Sea International Company.

Red Sea Housing Services Company FZE, Dubai

Incorporation country: UAE, Dubai, Jebel Ali Free Zone

Incorporation date: 2009

Main activities: Manufacturing of prefabricated housing units, in addition to general contracting, construction and general maintenance, construction of utilities and civil work and subcontracting.

Main country of operation: UAE, Saudi Arabia, Oman and Kuwait

100% owned by Red Sea International Company.

Red Sea Housing Services Company (Libya)*

Incorporation country: Libya

Incorporation date: 2009

Main activities: Manufacturing of prefabricated housing units, in addition to general contracting, construction and general maintenance, construction of utilities and civil work and subcontracting.

90% owned by Red Sea International Company.

*Owing to the deterioration of the security situation in the region, which resulted in the deferral of numerous anticipated projects in the oil and gas sector, the Company announced it was unable to finalize the maintenance and preparation process for the factory. Operations shall commence once the security situation stabilizes and business conditions improve in the region.

Red Sea Building Materials and Equipment Trading Company

Incorporation country: Saudi Arabia

Incorporation date: 2012

Main activities: Wholesale and retail trading of sanitary and electrical equipment, in addition to all types of paints and coating. It also specializes in building machinery and equipment.

Main country of operation: Saudi Arabia

100% owned by Red Sea International Company.

Premier Paints Company

Incorporation country: Saudi Arabia

Incorporation date: 2012

Main activities: The production and distribution of architectural paints, and industrial and marine coating.

Main country of operation: Saudi Arabia

81% owned by Red Sea International Company.

Red Sea Specialized Investments

Incorporation country: Saudi Arabia

Incorporation date: 2013

Main activities: Investing in industrial, commercial, agricultural, services and real estate projects.

100% owned by Red Sea International Company.

Red Sea Housing Services (Mozambique)

Incorporation country: Mozambique

Incorporation date: 2013

Main activities: The construction of industrial camps; import, sell, lease, install and maintain prefab buildings and related equipment.

Main country of operation: Mozambique

100% owned by Red Sea International Company.

Red Sea Housing Services (Oman)

Incorporation country: Oman

Incorporation date: 2013

Main activities: The subsidiary specializes in the construction of industrial camps; import, sell, lease, install and maintain prefab buildings and related equipment.

Main country of operation: Oman

100% owned by Red Sea International Company.

Red Sea Affordable Housing Company

Incorporation country: Saudi Arabia

Incorporation date: 2014

Main activities: The subsidiary specializes in the investment and development of real estate, including the purchase, lease, development and sale of properties; investments through the sale of such properties or lease to the Company; the construction of buildings and the execution of affordable housing projects; and other relevant real estate development projects.

100% owned by Red Sea International Company.

Red Sea Residential City Company

Incorporation country: Saudi Arabia

Incorporation date: 2014

Main activities: General contracting, investment and real estate development, including the purchase and lease of buildings and properties; and the construction of buildings and housing projects and other real estate development projects.

100% owned by Red Sea International Company.

Red Sea Housing Services Company Ltd.

The company was formerly known as Red Sea Housing Projects Company

Incorporation country: Saudi Arabia

Incorporation date: 2014

Main activities: Construct, manage and operate the integrated residential complexes and other real estate development projects, and general contracting for buildings, residential and commercial constructions.

100% owned by Red Sea International Company.

Red Sea Modular Rentals LLC

Incorporation country: UAE

Incorporation date: 2018

Main activities: Trading and rental activities of prefabricated houses.

Main country of operation: UAE

49% owned by Red Sea Housing Services Company FZE, Dubai.

Red Sea Modular Rentals WLL, Kuwait

Incorporation country: Kuwait

Incorporation date: 2019

Main activities: Trading and rental activities of prefabricated houses.

Main country of operation: Kuwait

49% owned by Red Sea International.

Red Sea Housing Malaysia Sdn. Bhd. (Erstwhile AM Modular SDN. BHD.)

Incorporation country: Malaysia

Incorporation date: 2016

Main activities: General contracting, construction, installation, construction of utilities and civil work and subcontracting.

Main country of operation: Malaysia

49% owned by Red Sea Housing Services Company Dubai FZE.

First Fix :

Incorporation Country: Kingdom of Saudi Arabia

Incorporation Date: 2014

Main Activities: Construction, general construction, electrical works, power generation, lighting, telecommunications, electronic, fiber optic, information technology, maintenance and repair of electrical installations, telephone networks, storage and cooling warehouses.

Main Country of Operation: Kingdom of Saudi Arabia

51% owned by Red Sea International.

Details of shares and debt instruments issued for each subsidiary

The following table provides details of the shares that represent the share capital of each of the Company's subsidiaries. None of the subsidiaries has issued any classes of shares or debt instruments during the period ending 31 December, 2023.

Name	Paid-up capital	Number of shares
Red Sea Housing Services (Ghana) Limited	USD 50,000	450,000
SARL Red Sea Housing Services Algeria Limited	DZD 20,000,000	20,000
Red Sea Housing Services Company Nigeria Limited	NGN 2,000,000	2,000,000
Red Sea Housing Services Company Dubai FZE	AED 1,000,000	1
Red Sea Housing Services Company Libya	LYD 300,000	10,000
Red Sea Building Materials and Equipment Trading Company	SAR 50,000	500
Premier Paints Company	SAR 10,000,000	10,000
Red Sea Specialized Investments	SAR 50,000	500
Red Sea Housing Services (Mozambique), LDA	MT 15,000,000	-
Red Sea Housing Services LLC (Oman)	OMR 250,000	250,000
Red Sea Affordable Housing Company	SAR 50,000	500
Red Sea Residential City	SAR 50,000	500
Red Sea Housing Services Company Ltd.	SAR 50,000	500
Red Sea Housing Malaysia Sdn. Bhd.	RM 6,122,450	6,122,450
Red Sea Modular Rentals LLC	AED 300,000	300
Red Sea Modular Rentals WLL (Kuwait)	KD 1000	100
The Fundamental Installation for Electric Work Company Limited (First Fix)	SR. 100,000	100

Description of the Company's dividend distribution policy

The Company's annual cash dividends are distributed after deducting all general and other expenses as follows.

An amount of 10% (ten percent) of the annual net profits shall be set aside to form a statutory reserve. Such provisions may be discontinued by the Ordinary General Assembly when the said reserve reaches (30%) of the Company's paid-up capital.



The Ordinary General Assembly may, based on a recommendation by the Board of Directors, set aside a certain percentage of the annual net profits to form a conventional reserve allocated to support the Company's financial position.

The Ordinary General Assembly may resolve to form other reserves in such an amount as to ensure the Company's best interest or ensure distribution of as steady dividends as possible to the shareholders. That same assembly may also withhold amounts from the net profits for the creation of social organizations for the Company's employees and workers or for supporting such organizations as may already be in existence.

The remaining amounts thereafter shall be distributed to the shareholders, in a percentage not less than (5%) of the Company's paid-up capital.

Subject to the provisions prescribed in the Company's bylaws and the Companies Law, and following the aforementioned, a percentage not exceeding 10% (ten percent) out of the remaining shall be allocated to the remuneration of the Board of Directors, provided that the entitlement to the remuneration shall be proportional to the number of meetings (sessions) attended by the member.

The distribution of dividends is linked to the results of the Company and does not take place unless there are profits, and accordingly, no dividend was distributed in the year 2023.

Description of any interest in the class of shares with voting rights belonging to persons (other than the members of the Board, Senior Executives and their relatives)

The following table includes the list of major shareholders, other than Board members and Senior Executives of the Company or any of their relatives, who have previously disclosed their interests of shares in the Company and own 5% or more of the total number of issued shares as of 31 December 2023.

	Name	Number of shares at the 1 January, 2023	Number of shares at 31 December, 2023	Remarks
1	Al Dabbagh Group Holding Company	15,419,544	15,419,544	No change
2	Tanmiah Commercial Group Limited	2,721,093	2,721,093	No change
3	Marketing and Commercial Agencies Limited	3,023,436	3,023,436	No change

Description of any interest or contractual financial paper or subscription rights pertaining to members of the Board, Senior Executives, or their relatives in the Company or its subsidiaries shares or debt instruments, or any changes in these interests or rights in the past financial year

With respect to the Company and its subsidiaries, none of the Board members, Senior Executives or any of their spouses and minor children were entitled for share options or rights during 2023.

The interests of Board members, their wives and minor children in the Company's shares, debt instruments or any of its subsidiaries, in addition to the changes of ownership during 2023 are shown in the following table.

Description of Board members' interests in the Company's and its subsidiaries in the form of shares or debt instruments							
Board member	Start of year		End of year		Net change	Percentage change	
	No. of shares	Debt instruments	No. of shares	Debt instruments			
1	H.E. Mr. Amr Abdullah Al-Dabbagh	-	-	-	-	-	
2	Mr. Sami Ahmed BinMahfooz	1,176	-	1,176	-	0%	
3	Mr. Khalid Mohammed Fagih	-	-	-	-	-	
4	Mr. Peter Walichnowski	-	-	-	-	-	
5	Mr. Osama Zakaria Jamjoom	0	Non	0	Non	0%	
6	Mr. Mohammed Zaher Salahuddin Al-Munajjed	-	-	-	-	-	
7	Mr. Mujahid Abdulkarim Al-Gain	-	-	-	-	-	
8	Mr. Taher Mohammed O. Agueel	Nil	Nil	Nil	Nil		

Details pertaining to credit facility loans taken by the Company

The below table provides details of the availed loans as at the Year End.

Amounts in SAR'000s

	Lending party	Original loan amount		Amounts paid in 2023	Remaining amount
1	Saudi Arabian British Bank (medium-term loan)	35,000	54months	-	19,500
2	Banque Saudi Fransi (medium-term loan)	60,000	70 months	5,142	-
3	Saudi Arabian British Bank (short-term loan)	15,000	180 days	12,000	500
4	Banque Saudi Fransi (short-term loan)	50,000	360days	61,219	-
5	Alawwal Bank (short-term loan)	12,000	180days	3,317	2,752
6	Banque Saudi Fransi (short-term loan)	35,000	300 days	35,000	-
7	Banque Saudi Fransi (medium-term loan)	64,500	1,400days	16,250	59,750
8	Al Rajhi Bank (medium-term loan)	250,000	2,500days	-	250,000
9	Al Dabbagh Holding Company	81,225	360 days	-	81,225
10	Total	602.725	-	132,928	413,727

Description of the classes and numbers of any convertible debt instruments and any contractual securities, notes, rights issued or granted by the Company during the financial year

The Company, including all of its subsidiaries, did not grant, issue nor convert any convertible debt instruments, options, warrants or similar rights issues during the year 2023.

Description of any rights of transfer or subscription under convertible debt instruments or securities, contractual or subscription rights, or similar rights issued or granted by the Company

The Company, including all of its subsidiaries, did not issue or grant any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights during the year 2023.

Description of any refund, purchase or cancellation by the Company for any redeemable debt instruments

The Company or its subsidiaries have not redeemed, purchased or cancelled any redeemable debt instruments, whether listed or unlisted, during the year 2023.

Number of Board meetings held during the year, convention dates and attendance record

	Number of Board meetings held in 2023								Total
	1st Meeting 27/03/2023	2nd Meeting 10/04/2023	3rd Meeting 18/05/2023	4th Meeting 02/08/2023	5th Meeting 08/08/2023	6th Meeting 20/09/2023	7th Meeting 09/11/2023	8th Meeting 28/12/2023	
H.E. Mr. Amr Abdullah Al Dabbagh	✓	✓	✓	✓	✓	✓	-	✓	7
Mr. Sami Ahmed BinMahfooz	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Khalid Mohammed Fagih	✓	✓	✓	✓	✓	✓	✓	-	7
Mr. Peter Walichnowski	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Osama Zakaria Jamjoom	-	-	✓	✓	✓	✓	✓	✓	6
Mr. Mohammed Zaher Salahuddin Al-Munajjed	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Mujahid Abdulkarim Al-Gain	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Taher Mohammed O. Agueel	✓	✓	✓	✓	✓	✓	✓	✓	8

Number reports of shareholders' records requested, dates and reasons

No.	Date	Reason
1	16/8/2023	General Assembly Meeting
2	15/8/2023	General Assembly Meeting
3	14/8/2023	General Assembly Meeting

Details of any transaction between the Company and a related party

The breakdown of the amounts due from and due to related parties are as follows.

<i>Amount due from related parties presented under prepayments and other receivables (note 21)</i>	
Innovative contractors for advanced dimensions	3,566
Board of Directors	420
<i>Amount due to a shareholder</i>	
Al Dabbagh Group Holding Company Limited	81,225
<i>Amount due to related parties presented under trade payables (note 29)</i>	
Al Dabbagh Group Holding Company Limited	1,028
National Scientific Company	45
Sherwin-Williams Protective and Marine Coatings	6,055

Information relating to any business or contracts to which the Company is a party, whereby there is an interest for a member of the Board or one of the Senior Executives or a person related to any of them

During 2023, the company continued engaging in a contract, whereby only one formal Board member had direct or indirect interests in. This contract has been renewed during this year and considered extensions of ongoing relationships that started prior to 2022. This contract is described in the table below. It is worth mentioning that the membership of Mr. Saleh Mohammed Binladen in the company's Board has ended on 09/05/2021.

Nature of the Transaction	Value	Duration	Special Terms	Name of the Board Member
Red Sea International Company leased a plot of land in Rabigh Province from Mr. Saleh Mohammed Binladen to construct a labor camp for the employees of the companies operating in the area.	883,391	Annual	Nil	Mr. Saleh Mohammed Binladen

Details of any arrangement whereby a member of the Board or a Senior Executive has waived his right to receive any of the entitled remuneration

Below is the list of Board members who have waived their right to receive entitled remunerations for the cycle ended December 31, 2023.

Name	Details of waived remuneration	Amount waived
H.E. Mr. Amr Abdullah Al Dabbagh	Remuneration for the Chairman of Board	200,000
	Remuneration for Board membership	200,000

It is worth mentioning that according to the Remuneration Policy, approved by shareholders in the General Assembly held on August 24, 2021, Executive Committee members are not entitled to remuneration for their membership in the committee.

Details of any arrangement whereby a shareholder has waived his right to receive any of the entitled dividends

There was no arrangement whereby a shareholder has waived his right to receive any of the entitled dividends in 2023.

Details of the statutory obligations paid or entitled for payment to GAZT, customs or any other fees or payables for the year, with a brief description of these obligations and their reasons

The Company and its Saudi Arabian subsidiaries are subject to zakat in accordance with the regulations of the General Authority of Zakat and Tax (GAZT). Zakat, for the Company and its Saudi Arabian subsidiaries, is calculated based on the higher of approximate zakat base and adjusted profit. Foreign shareholders in the Company and its Saudi Arabian subsidiaries are subject to income taxes. Zakat and income tax is charged to the consolidated statement of profit or loss. Additional amounts, if any, are accounted for when determined to be required for payment.

The Company also settles all statutory payments due for the payment of any zakat, taxes, fees or any other entitlements according to the regulations issued by the relevant authorities.

Statutory obligations paid or entitled for payment to GAZT, customs or any other fees or payables for the year, with a brief description of these obligations and their reasons.

Name	Settled amounts	Due at the end of the period	Description
Zakat	959	35,557	Amounts settled or carried for the year in accordance with the regulations of ZATCA.
Income tax	41	7,130	Amounts settled or carried for the year in accordance with the regulations of ZATCA.
GOSI	5,502	342	Amounts settled or carried for the year in accordance with the regulations of GOSI.
Visa and passport services	3,966	-	Amounts settled or carried for the year in accordance with the regulations of Passport General Department.

Details of investments or reserves made for the Company's employees

The Company allocates reserves for its employees in line with the requirements of the labor law in both the Kingdom of Saudi Arabia and the United Arab Emirates. The end-of-service benefit provisions are based on the employees' final salaries and benefits and their cumulative years of service at the date of their end of service as determined by the conditions stipulated in the labor laws of the Kingdom of Saudi Arabia and the United Arab Emirates.

The following table summarizes the reserves allocated by the Company for its employees as at 31 December, 2023 compared to the previous year.

Amounts in SAR'000s		
End-of-service benefits	2023	2022
Start of the year	21,855	31,331
Acquisition of a subsidiary	34,351	-
Net benefit expense	9,386	3,722
Benefits paid	(6,412)	(8,344)
Remeasurement loss on employees' defined benefit liabilities	(29)	(4,854)
Liabilities directly associated with the assets held for sale	(1,655)	-
End of the year	57,496	21,855

General Disclosures as Per CMA charters

The Company's records were prepared in an accurate manner.

The internal control system has been prepared on a sound basis and implemented effectively.

That there is no doubt in the Company's ability to continue its activity.

Any reservations mentioned in the external auditor's report

External auditors report added a matter of emphasis paragraph which states: We draw attention to Note 2.1 in the consolidated financial statements, which indicates that as of 31 December 2023, the accumulated losses of the Company amounted to SR 206.8 million (31 December 2022: SR 172.5 million) which represent 68.4% (31 December 2022: 57%) of share capital as of the same date. Further, at 31 December 2023, the Group's current liabilities exceeded its current assets by SR 430.3 million (31 December 2022: SR 201.5 million). As stated in Note 2.1, these events or conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In case the Board has recommended changing the external auditor before the agreed auditing term

The Board did not make any recommendations in 2023 to change the external auditor before the expiry of the agreed audit term.

Disclosure of details of treasury shares held by the Company and details of the uses of such shares

The Company has not acquired and does not hold any treasury shares.

List of Corporate Governance Rules that have been implemented and those that were not implemented, with the reasons for non-compliance

Red Sea International Company continuously works to ensure compliance with the rules and regulations related to corporate governance as stipulated in the Companies System issued by the Ministry of Commerce and Investment, as well as the relevant regulations of the Capital Market Authority. The company is also committed to shareholder rights and transparency. However, the company has faced some challenges in meeting deadlines at times. Nevertheless, we have updated our internal policies to enhance compliance and ensure adherence to the rules stipulated in the corporate governance regulations issued by the Capital Market Authority.

Information related to any competitive business conducted or previously conducted by the Company or any branch of its activities, as well as any member of the Board, including the names of members involved in competitive business, the nature and conditions of such business. If there are no such businesses, the Company must submit a declaration thereof

There were no transactions with competitive business in 2023.

End of report



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