



## **Bahrain Flour Mills Company B.S.C (Al-Matahin)**

### **Board of Directors Report for the year ending 31 December 2021**

Dear Shareholders,

On behalf of the Board of Directors of Bahrain Flour Mills Company B.S.C. (Al-Matahin), I am pleased to present to you the annual report for the fiscal year ending 31 December 2021.

#### **Company Performance:**

Despite general hopes that the impact of COVID-19 would significantly ease in 2021, it continued to have a meaningful effect on the state of global health and economies, especially during the earlier part of the year. Taking this into account, Al-Matahin continued to implement a series of precautionary and preventive health and safety measures aimed at reducing the spread of Coronavirus and preserving the safety of its employees and the continuity of its operations. These measures collectively ensured that we are able to meet the daily needs of the local market, protect the company and its stakeholders against undue operational and financial risk, and further reinforce Al-Matahin's role as a trusted and dependable supplier.

On a related note, the successful implementation and conclusion of the government's strategic wheat stock initiative which continued into the early part of 2021 also assisted Al-Matahin to mitigate the impact of global supply chain interruptions and ensure that the Kingdom's food security objectives in respect of wheat and flour availability were well met in spite of uncertainty with international grain markets.

Although demand for flour in the local market was suppressed at the start of the year because of Covid-19 related market dynamics and general precautionary measures across the local economy, Al-Matahin ensured that additional cost control measures were undertaken to preserve its operating profitability. These measures were integral in the achievement of operating profits of BD 226,832 for the year.

Overall, Al-Matahin achieved a net profit for the year amounting to BD 3,946,872. In line with the results achieved, the Board of Directors has made the following recommendations to the shareholders for the year ending 31 December 2021:

- Distribute cash dividends to shareholders at the rate of 25 fils per share (or 25% of the paid-up capital) totaling BD 620,640.
- Allocate an amount of BD 60,000 as a remuneration for the members of the Board of Directors
- Allocate an amount of BD 20,000 for charitable works
- Transfer an amount of BD 3,246,232 to the Retained Earnings Account.



## **Bahrain Flour Mills Company B.S.C (Al-Matahin)**

### **Board of Directors Report for the year ending 31 December 2021**

#### **Company Directions and Future Plans:**

As we move into a new year the Board of Directors and the Executive Management at Al-Matahin are as determined as ever to continue developing and expanding the company's activities and ensuring that we are well placed to serve Bahrain's flour requirements for years to come. We also remain committed to adhering to the highest standards in governance, the implementation of control policies and internal systems, and the application of quality across the company's health and safety systems. The collective aim of which is to ensure the preservation of the company's leading market position and the fulfilment of its commitment to maintaining ample flour supply for our beloved Kingdom. The company also remains committed to implementing its plans to modernize its manufacturing facility.

#### **Social Responsibility:**

Our social priorities are focused on supporting the community that we are a part of. As such, and in-line with our strong sense of social responsibility, we collaborated with the Royal Humanitarian Foundation (RHF) to distribute 8,000 Ramadan baskets to needy families during the holy month of Ramadan. In addition, Al-Matahin expressed its pride in the care, support, and services provided by the Alia Center for Early Intervention (ALIA) for people with special needs between the ages of 5 and 20 years, with a special focus on autistic youth. In support of ALIA, the company participated in the center's celebration on the occasion of Bahrain National Day by distributing symbolic gifts to the center's students during the ceremony, wishing them every success.

#### **Thanks and Gratitude:**

On behalf of myself and the Board of Directors and the Shareholders, I would like to express our greatest and most sincere appreciation to His Majesty King Hamad bin Isa Al Khalifa, The King of the Kingdom of Bahrain, and His Royal Highness Prince Salman bin Hamad Al Khalifa, The Crown Prince, Deputy Supreme Commander and Prime Minister for their tremendous leadership, wisdom, and support.

We also would like to extend our thanks to the Ministers, agents, managers, and heads of departments in the Ministries and Government organizations of the Kingdom for their wise guidance, cooperation, and continuous support.

We also assure you that the company's success is not possible without the hard work and dedication of its management and staff, and extend our many thanks, appreciation, and gratitude to the management of the company and all its employees for their dedication and hard work which has led to these achievements and assured the best possible results for 2021. We are fortunate to have such a committed and outstanding team and we are confident that this organization will continue to achieve success in the future.

**Board of Directors Report for the year ending 31 December 2021**

As part of the Company's obligation to maintain utmost transparency with our valued shareholders, we are pleased to attach the table below that shows the remuneration of members of the Board of Directors and the Executive Management for the fiscal year ending 31 December 2021:

**First: Board of Directors' Remuneration Details:**

Name (BHD)	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance	
	Remunerations of the chairman and BOD *	Total allowance for attending Board and committee	Salaries	Others	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans				Others
<b>First: Independent Directors:</b>												
1- Marwan Khalid Tabbara	13,889	9,000	-	-	22,889	-	-	-	-	-	22,889	-
2- Salah Mohammed Al Kulaib	7,222	10,200	-	-	17,422	-	-	-	-	-	17,422	473
3- Ayman Abdulhameed Zainal	7,222	4,500	-	-	11,722	-	-	-	-	-	11,722	-
4- Khalid Abdulaziz Aljassim	7,222	10,900	-	-	18,122	-	-	-	-	-	18,122	-
5- Jassim Salman Alshaikh <sup>1</sup>	6,667	8,500	-	-	15,167	-	-	-	-	-	15,167	-
6- Eyad Redha Faraj	7,222	12,500	-	-	19,722	-	-	-	-	-	19,722	-
7- Raghdan Saleh Qassim	7,222	10,000	-	-	17,222	-	-	-	-	-	17,222	-
<b>Second: Non-Executive Directors:</b>												
8- Marwa Khalid Al Sabbagh <sup>2</sup>	3,333	5,500	-	-	8,833	-	-	-	-	-	8,833	-
<b>Total</b>	<b>60,000</b>	<b>71,100</b>	<b>-</b>	<b>-</b>	<b>131,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,100</b>	<b>473</b>

<sup>1</sup> Until 15<sup>th</sup> August 2021

<sup>2</sup> Resigned on 20<sup>th</sup> June 2021 / Remuneration paid to Bahrain Mumutalakat Holding Company B.S.C. (closed)

**Notes:**

- The Company does not have any variable remuneration payments and end of service benefits.
- The Board Remuneration is subject to the AGM approval.



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**Board of Directors Report for the year ending 31 December 2021**

**Second: Executive Management Remuneration Details:**

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2021	Aggregate Amount
Top 6 remunerations for executives, including CEO and Senior Financial Officer	331,561	37,324	11,952	380,837

With the Grace of God,  
**Marwan Khaled Tabbara**  
Chairman  
24 February 2022