

2020

رؤية VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

ANNUAL REPORT



FIPCO (Filling & Packing
Materials Mfg. Co.)

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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Introduction

Dear honored and respected shareholders of FIPCO, may God's peace, mercy and blessings be upon you,

It is such a pleasure for us to present to you the Board of Directors Annual Report of Filling & Packing Materials Mfg. Co. (FIPCO) and submit it to your esteemed General Assembly for discussion and approval. The Annual Report includes a summary of FIPCO's Business areas and activities, FIPCO's subsidiary (FPC Industrial Company) and its business progress in fiscal year 2020. The annual report outlines FIPCO's performance, a comprehensive summary of FIPCO's governance implementation, and detailed information about the members of the Board of Directors and the Board's Subsidiary Committees, in addition to the outline of the objectives and initiatives for all of the operational sectors FIPCO and its subsidiary company during the fiscal year 2020, and also exposition of Coronavirus implications and effects of the virus, and finally presenting brief overviews of our future expectations for the Fiscal year 2021.

The information presented herein in this report relating to the operational performance of FIPCO, the relevant developmental initiatives, and the future expectations in line with the Company's plans are based on what the Board of Directors deem as accurate, according to the given actual circumstances or future updates that may act positively to achieve these results or otherwise, especially those relating to the plans of initiatives and development in the Company's operational departments or the future financial expectations.

It should also be stressed that this report has been prepared based on the Corporate Governance Regulation requirements and rules of registration and inclusion issued by the Capital Market Authority in compliance with the Companies System issued by the Ministry of Commerce and Investment, while holding in high regard the international principles, standards, and best practices in the field of governance. In the process of preparing this report, we have also put in high regard preparing it with the highest extent of transparency and disclosure to provide the respected shareholders, investors, and stakeholders of FIPCO with all that can help them in making their investment decisions, and qualify FIPCO to compete for obtaining awards and appreciation certificates from all the relevant official and non-official parties.

Message of Board of Directors

Dear honored and respected shareholders of FIPCO, may God's peace, mercy and blessings be upon you.

It is a pleasure for FIPCO's Board of Directors to present to the company's valuable shareholders the report of the Board about the business results for the fiscal year ending in 31 December 2020 AD, which reflects the performance of the company within the framework of the company's relentless efforts to achieve its goals and realize its vision.

Despite the challenges of the year 2020, FIPCO has been able to maintain its position in the market as the largest supplier of its products in the Middle East. And this has not been achieved without efforts, but with more efforts and endeavour through reducing costs and reducing profit margins.

In the course of its relentless efforts to maintain its leading position, FIPCO was able to reduce the net loss from 20,3 million SAR for the previous fiscal year to only 3 million SAR for the fiscal year 2020. More detailed financial information are presented in chapter four for a closer and detailed view on FIPCO's financial transformations during the fiscal year 2020.

The Board of Directors' strategy in dealing with the coming stage is based on two axes as follows:

The first axe is to enhance our current position as the largest company working in the field of manufacturing filling and packaging materials in the Middle East, through fulfilling the local and international market needs of the company's products, as well targeting new markets and sectors, in addition to developing productive process and raising the production efficiency.

The second axe is implementing the optimal investment in growth sectors. And we have started that through investing in our FIPCO's subsidiary company (FPC Industrial Company), and this -with God's help and His success according- will be a qualitative leap in developing FIPCO's business and its expansion and growth strategy.

FPC Industrial Project is the first project of its kind worldwide in terms of the production technology, and the largest of its kind in the Middle East and North Africa in terms of the productive capacity and products diversity. The production lines are characterized of being the most modern in the field with latest state-of-the-art European technologies. They are also featured with being designed to manufacture multipurpose products. And we looking forward for more success through this new project which complies with the Kingdom's Vision 2030 as it does not rely largely on manpower in addition to the existence of external market, as we target exporting not less than 60% of sales, besides targeting achieving self-sufficiency in the projects of the Two Holy Mosques represented in the tents of Mina, in addition to having Saudi fingerprints in the Public Investment Fund (PIF) projects such as Neom project, Qiddiya, the Red Sea, Amaala, and The Line project.

Since the launching of the Economic Transformation Program within the Kingdom's Vision 2030, the Board has been devoted to reformulating the strategy, vision, plans, and objectives through which our work is framed in parallel with the initiatives and programs set to achieve the Vision 2030 for the purpose of activating our role as a partner in the national industry.

FIPCO Board of Directors herein stress that the company is working in accordance with a clear strategic vision through which the company can guarantee its commitment to maximizing the value for stakeholders and rooting FIPCO's position as one of the leading Saudi's trademarks in the field of textile both regionally and internationally, while keeping our continuous focus on diversifying our product range, creating new products and solutions for customers in the fields of textile processing industries to meet local and international demand and to achieve sustainable growth.

Finally, we would like to express our sincere thanks and appreciation for your trust in FIPCO. Our thanks extend to our colleagues in the Executive Management and all FIPCO's affiliates for their sincere efforts. We would like also to present our thanks to our valuable clients and shareholders for their trust and support they provided us with which will always be a motivation for us to make more effort for more successes during the year 2021 AD, with full hope to meet you again in the next annual meeting of the General Assembly to answer your questions concerning the contents of this report.

Board of Directors



Our Mission

Extending the scope of our local and international presence through the production efficiency and effective marketing, with the best professional practices, and achieving the stakeholders' desired results.



Our vision

To be a main actor in the field of the processing industries and achieve the competitive competence and the sustainable growth in the regional and international market and achieve weighty presence in the global market.

Pillars of our strategy

Enhancing
our current
position

1

Meeting the demand of
the local and international
market for our company's
products and targeting
new markets and sectors

Reducing the percentage
of employee turnover
through improving the
work environment and
maintaining the qualified
cadres

Increasing the production
efficiency and developing
the productive pocess

Sharing our expertise
with our subsidiary (FPC
industrial Company) and
lifting it up to be a leading
company in the regional
and global market

Diversifying revenue
sources through Cash
Management and entering
in new growth investments

2

Optimal
investment
in growth
sectors



- Incorporation
- Business areas
- FIPCO in numbers
- Strengths & Competitive Advantages
- Excellence Certificates
- Our products
- Our subsidiaries

About FIPCO

Incorporation

Filling & Packing Materials Mfg. Co. (FIPCO) was established as a Saudi joint stock company pursuant to the commercial register issued in Riyadh, Kingdom of Saudi Arabia, under number (1010084155) in 17 Shawwal 1411 AH/ May 1st, 1991 AD, and pursuant to the two Ministerial Decisions (851) and (935) issued in 29 Dhu al-Qidah-1411 AH/ June 12, 1991 AD. The factory operates under the industrial license number (585/ industrial) issued in 13 Dhu al-Qidah 1411 AH/ June 6, 1991 AD , and amended into number (1001009549) in 29 Safar 1441AH/October 28, 2019 AD. FIPCO's main office is located in Riyadh, Kingdom of Saudi Arabia. FIPCO was listed in the Saudi Financial Market since 1998.

FIPCO holds a leading position as one of the largest companies in the field of the production and marketing of woven polypropylene bags. It produces two types of bags, lined and unlined bags, from low-density polyethylene bags for heavy duty uses, in addition to producing Large-sized bags, stripping bands and straps, cable fillers, plastic threads, polypropylene woven rolls, polyethylene lining, besides plastic recycling as an environment-friendly activity. And FIPCO's has a wide customer base both in the domestic market inside Saudi Arabia Kingdom and external markets outside the Kingdom.



Activity

Pursuant to FIPCO' by-law, the company operates in the following areas and carries out the following services:

- The processing industries and their branches, pursuant to the industrial licenses.
- Electricity, gas, water and their branches.
- Mines, petroleum and their branches.
- Transportation, storage, and cooling.
- Construction and building.
- Contracting.
- Operation and maintenance.
- Trade.
- Information technology.
- Finance, business, and the related services.
- Social, group and personal services.
- Agriculture and fishing.

However, FIPCO's current main activity is the production of polypropylene woven bags in two types, bags lined with polyethylene and the unlined bags for heavy duty uses, large-sized bags, stripping bands and straps, cable fillers, plastic threads, polypropylene woven rolls, polyethylene lining, cement valve bags, and plastic recycling.

FIPCO in numbers

Staff



+1000

Human cadres

Other products



2,500,000

Kg annually

Small bags



155,000,000

Linear meter annually

Textile Production



180,000,000

Linear meter annually

External Markets Outreach



+20

Country

Export sales



53,000,000

SAR

Cement Bags



100,000,000

Bag annually

Jumbo Bags



3,000,000

Bag annually



Strengths & Competitive Advantages



One of the first companies listed in the Saudi Financial market and the only company among the companies operating in the field of Filling and Packaging materials



Leadership of the local market with +30 years of success journey



FIPCO supports Saudi Kingdom's Vision 2030



Long-established trade name in the local, regional, and international markets



Abundant human resources both managerial and technicians of +1000 employees from 15 different nationalities



High Saudization ratios which qualified us to be listed in the platinum scope in Saudi Labor Ministry



Wide and diversified customers' base who are marketing and selling our products in 5 continents, and deliver it to more than 20 countries.



One of the largest companies operating in the field of manufacturing Filling and Packaging Materials in the Middle East



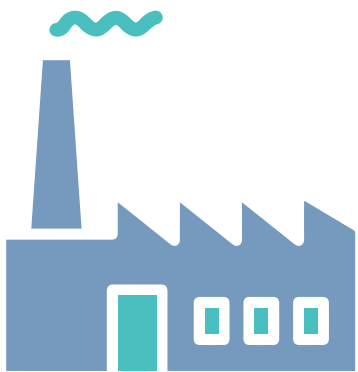
Massive productive capacity estimated at 2500 tons of different products monthly



Our exports make up one-third of the sales volume approximately



Diversity of products and solutions relating to Filling and Packaging as we manufacture more than 20 different products



Huge factories built on an area of 75000 m (equivalent roughly to the area of 10 football fields) including the latest industry technologies and machineries in the second industrial city in Riyadh.



High percentage in the measurement Local Content Index for our products according to the measurement adopted by the Local Content and Government Procurement Authority.

Strong Corporate Credit Rating based on the Investment Grade according to the last rating prepared by SIMAH Rating Agency (TASSNIEF) in December 2018.



A strong reputation for commitment to the highest levels of quality approved by the major international specialized organizations and authorities.

Excellence Certificates ✓

FIPCO has obtained all the credential certificates relating to Quality Management System (QMS) (9001: 2015) and Food Safety Management System (FSMS) (2005: 22000).

FIPCO is fully responsible for the quality of its products before its customers at all stages of products manufacturing; and for increasing reliability, all FIPCO's products have been tested in specialized laboratories and supported technically and technologically by well-reputed international factories such as LABODATA in Germany and others.

The Quality Assurance Team reviews all production stages, monitors specifications and performance at 100% rate, and conducts the examination in a scientific and systematic method to ensure the highest levels of accuracy and quality.



Our products

FIPCO manufactures more than 20 different products for specific purposes and uses of each product type. FIPCO also is always keen on adapting its products to best meet the expectation of its customers, in addition to suggesting the best fit product for customers and presenting recommendations which help the company fulfil the customers' needs at low costs. Following are examples of our main products:



Cement Valve Bags

Valve bags are considered a big breakthrough in the field of Filling and Packaging. These bags are specifically manufactured for filling construction materials such as cement and gypsum, but their usage has soon spread out to other fields such as organic compounds, chemical industries, and petrochemicals.

Most industries have shifted from paper bags to this type of bags because of many reasons, the most eminent of which is reducing production damages and transportation, as the paper bags can be easily damaged and cannot endure humidity or rain, which constitutes a motif in turn for the majority of customers to use this distinguishable type of bags.

This in addition to the fact that many countries stipulate the use of this type of bags for filling both imported and exported materials as they are environment-friendly bags.



Jumbo Bags

They are large-sized woven polypropylene bags with high capacity starting from 500 kg to more than 2000 kg.

These bags are used in various domains including, for example but not limited to, Construction and Building, Food and Grain Industry, Petrochemicals, Chemical Industry, and Mining

For bags design and types, we provide various designs based to the customer's request and the purpose of use



Small Bags

Small-sized woven polypropylene bags are the most used bags because of their multi-usages. They are used in filling food materials such as rice, crops, flour, sugar, salt, and others; and they are also used in chemicals, petrochemicals, reprocessed materials, and construction.

There are many types of these bags depending on the size and type of the materials to be filled. Also, there are types with internal or external impermeable layer that prevents the leakage of water or air into the products filled inside the bag. FIPCO products also comply with the Saudi Standards, Metrology and Quality Organization by adhering to the Saudi standard specifications in producing bags of all sizes and colors from decomposing materials to protect the environment. The capacity of these bags starts from 5 kg to 100 kg.



Strapping Band

Strapping bands are used in securing materials transportation and assuredly sealing the carton packages such as the packages of electrical and electronic devices, as it protects the product from slipping or leaking out of the package during the shipping process, which helps minimize the transportation losses.

This product is divided into two types. The first type is made from PET material and the second is made from polypropylene material. The manufacturing material and sizes of the band vary based on the type of the material to be strapped and secured during the transportation process; and the methods used to fasten the bands vary also either automatic or manual. This product is manufactured with different densities based on our clients' requirements.



Container liner

Container Liners are bags woven for containers. These bags are container cover to fill materials inside it which makes the materials in full security during transportation as the liner prevents the leakage of the materials outside the container, which in turn help preserve the product's value from the country of origins to the delivery destination and consumption. This type of bags is used for grains transportation, floured materials transportation, or crushed materials whatever their type is.

The capacity of these bags are 20 feet and 40 feet based on the container's capacity. And one of these products' advantages is saving time and effort required for loading the containers as the process is done automatically through pumping materials inside the container to fill completely in a few minutes.



Agri Twins

FIPCO provides many products including threads of all types either for agriculture purposes or for strapping or knitting. These products are available in different densities and colors; and they contain high percentage of UV-resistant material which make them more enduring to the natural factors they are being exposed to.



Cable Fillers

This product is used in electrical cables manufacturing. It works on securing the safety of internal cables. This product is manufactured in different sizes with exact measurements that vary based on the types of the cables whether low, medium, or high voltage cables.

This product is rolled around paper or wooden spools based on the size of the filler, then covered with the thermoplastic.

As FIPCO is keen of fulfilling the clients' requirements, it has produced cables without using twist unit, putting FIPCO in the leadership position in manufacturing this type of cables which has recently spread among the largest cable producers

Our subsidiaries

FIPCO carries out its business through one operational sector managed administratively and technically by FIPCO itself. As a consequence of FIPCO's dominance over the minority shares of its subsidiary company, the activity management is now fully under FIPCO administration, the table below presents a detailed statement of the general status of FIPCO subsidiary. The activities of the subsidiary company and updates of its business will be highlighted in a separate chapter of this report.

Subsidiary Name	FPC Industrial Company
Legal Entity	Sole Proprietorship Limited Liability Company
Main Activity	Processing Industries and their branches
Sub-Activity	Manufacturing textiles with technical and industrial characteristics from high density threads and covered with polyvinyl chloride (PVC) and silicon or Teflon (CTF)
Capital	SAR 18,000,000
Incorporation year	AD 2017
Incorporation Country	Kingdom of Saudi Arabia
Country of Operations	Kingdom of Saudi Arabia with a marketing office in Dubai, United Arab Emirates
FIPCO's Proprietorship Percentage (Direct)	100%
Partners and their Proprietorship Percentage*	Not applicable
Total Revenues in 2020 AD	The company started its commercial production in the beginning of spring 2019 and its revenues reached 12.9 million SAR by the end of 2020, while the financial year 2020 recorded 35.4 million SAR revenues.

According to the fundamental events that were announced on the Saudi Stock Exchange website (Tadawul) on March 2, 2020 AD, FIPCO signed an agreement to acquire the entire minority stakes in the subsidiary company, and FPC Industrial Company became wholly owned (100%) by FIPCO after the exit of the partner (Erad Investment Company) according to certain terms and conditions, then on April 27, 2020 AD, FIPCO announced the completion of all the necessary legal procedures to complete the deal to acquire the entire minority stakes in its subsidiary (FPC for Industry).

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Operational Performance Summary

- 1- Operating and Operations Management
 - Production Department
 - Research and Development Department
 - Quality Control Department
 - Maintenance Department
- 2- Sales and Marketing Management

FIPCO's main activity is the production of filling and packaging materials. The company's activities and operations are managed through various departments and managements. The following paragraphs present a summary of the most eminent FIPCO's achievements during the previous year and shed lights on its objectives for the current year as follows:

1- Operating and Operations Management

Undoubtedly, Operating and Operations Management is considered the main engine of FIPCO, as it is the management responsible for manufacturing all FIPCO's products in a way that guarantees quality and efficiency and in line with the clients' needs. For that, Operating and Operations Management rely on four main departments which are working in harmony to achieve FIPCO's objectives. Departments of Operating and Operations Management are as follows:

1st: Production Department

Production Department is responsible for the main production operations as it converts raw materials into finished products based on the specifications of every client. This department has sub-sections each of which is designated to manufacture different products which differ in size, capacity, and usage. FIPCO's main products include woven bags of different types as follows:

- Jumbo Bags
- Small Bags
- AD Star Bags
- Fabrics
- Cable Fillers
- Sling Bags
- Strapping Band made from PP & PET
- Liner Bags
- Bailer Twine
- Agri Twins
- Blown Film
- Sewing Thread
- Lamination of all bags types with layers ranging between 20 to 30 µm

2nd: Research and Development Department

In the shadow of the fierce competition between local and regional companies operating in the field of filling and packaging, it has become a persistent necessity to focus on research and development initiatives to reach the most appropriate operational mechanism for the purpose of increasing the productive capacity and improving the production rates through the Lean Manufacturing typical strategy. This will be implemented through creating the latest international technologies which can improve the production operations, increase the quality of the current products, create new products, and present creative solutions to customers in line with their desires and aspirations.

Since its established, the main objective of Research and Development Department has been to give due care to the activities of product



diversifying and their usages. During the year 2020, this Department intensified efforts in collaboration with the Research and Development Team in the subsidiary company for capacity development in the field of operations evaluation through activating joint work mechanisms and focusing of Research and Development operations.

To achieve these aims, FIPCO's Research and Development Team has arranged joint meetings and workshops with many companies working in the field of manufacturing machinery and production lines, besides conducting a number of practical experiments to reach areas and points of excellence and uniqueness, and finally the standard output equation. And this has

been achieved despite the constraints imposed on movement and travel through replacing field visits by remote/online joint workshops via various online platforms.

FIPCO has always been targeting the activation and actuation of the industrial thought through inserting the systems available in this field and continuous looking forward to Research and Development initiatives and considering them with utmost seriousness to ensure being proactive to continue maintaining its leading position in the local and regional market. In line with this, FIPCO has continued the provision of training for its work team to achieve sustainable development in all of the factory circles at the lowest cost possible and with the ability of practical implementation.

On the other hand, FIPCO's technical cadres have started studying and analysing all energy expenditures continuously since 2017 including energy waste and energy loss, areas of weakness, and efficiency levels to obtain the most accurate results and calculate the optimum cost of energy required for the production process of every production unit, then using the methods of production operations engineering to analyze the points of drainage and consumption using the theory 20% -80%, through which the standard production equation was reached based on the latest technological methods. The areas that have been addressed and achieved success in include the following:

FIPCO Programs for Sustainable Development

Solar Energy (Alternative energy)

Solar energy is deemed one of the main sources of energy that help in stopping the use of electrical energy used in the production operations. Therefore, FIPCO has moved towards activating the solar panels not only to reduce the expenditures but also to activate the Clean Energy Initiative in compliance with achieving FIPCO's objective in sustainable development and providing the permanent solutions which rely on natural sources of energy, and also in compliance with the Kingdom's Vision 2030.

In the course of achieving the desired results, and based on its leading role, FIPCO has started reaping the rewards of the savings achieved as a result of installing solar units. And it is expected that the return on investment will be achieved within 7 years approximately. With regard to the modernity of the technologies used and the updates of the technique related to the solar energy, FIPCO has decided to structure its project into several stages to benefit from price reductions and keeping up with the latest modern technologies.

FIPCO has completely finished the installation of solar energy units with an energy output of 0.5 Mega (500 KW/ hour) as the first stage of the integrative project's stages which has been structured into three stages, through working continuously with the largest companies leading this field globally, for the purpose of completing the second stage which is expected to cover the



largest part of the factory's current consumption of energy and which will guarantee the provision of FIPCO's consumption of energy through solar energy units. And this is expected to be reflected positively in the production costs in FIPCO during the coming years which will guarantee the leadership position, increase profit rates, and contribute to the sustainable development.

Current Machines Reengineering

This is carried out through adjusting work methods to reduce energy consumption and increase machines efficiency, in addition to making some engineering adjustments and automatization of some operations to reduce relying on manpower. Thus, this measures implemented will positively influence the quality of the products, production operations, and finally achieve the optimal objective which is reducing the cost and meeting our clients' requirements with a high level of professionalism.

FIPCO also during the year 2020 has purchased new machines with modern technology. These machines are characterized by using the nanotechnology for bags aeration during the filling process, in addition to other features that can help enable the user to easily open the bag; and this all come in the course of targeting business facilitation. Besides that, FIPCO has also provided more advanced sewing and cutting machines with sophisticated features, which will in turn enhance the competitive level of FIPCO with its local competitors as the modern purchased machines are able to manufacture new products at lower cost and low prices, in addition to their super ability to increase the productive capacity, improve quality, provide the required flexibility to create new products, and present creative solutions based on the local and global market demand.

In this context, FIPCO intends during the year 2021 to move forward in the same path of studying the updates of technology relating to textile industry through investing in new machines to manufacture products for the purpose of meeting the increasing local and global demand, in addition to increasing its productive capacity of various products, improving products features, presenting solutions, raising quality level, and purchasing sophisticated machines that can reduce the time of production requests change, reduce manufacturing loss percentage, and increase the production.

Consolidating FIPCO's Relations with the largest machine manufacturers and suppliers of materials used in bags production:

FIPCO continues developing and strengthening its relations with its current partners and establishes new relations with potential partners on all levels, technically, logistically, and strategically. This comes in the course of targeting keeping up permanently with the good manufacturing updates in the field of filling and packaging, the integration of the modern technologies, and the production equation which realizes growth and continuity of the production operations relying on low energy consumption while achieving high quality levels according to the market requirements. And this is deemed to enhance the competitive position of FIPCO locally, regionally, and globally. For this aim, FIPCO has also strengthened its partnerships with suppliers of materials used in manufacturing bags to achieve the comprehensive quality, in addition to creating additions and enhancements which gives FIPCO superiority over its competitors as it has integrated qualitative specifications on its products that serve its clients of all types.

Increasing the Operational efficiency

During the year 2020, FIPCO has signed a number of long-term contracts with leading clients in the fields of Petrochemicals and Intermediate Industries in addition to expanding its customers base despite the impact of Coronavirus. To meet this increasing demand on FIPCO's products, engineering cadres in Operating and Operations Management have implemented a set of steps which can lay the ground for applying a proactive methodology relating to the clients' technical desires and needs and the quantity needed, in addition to training the cadres. And this has strongly contributed to raising the performance level and the method of dealing with all technical production operations. These steps implemented have led to considering the integration of intermediate production machines such Ultra-Sonic Sewing Machine which FIPCO is considered the first to use it in this field to meet the clients' technical needs in the best manner compared to traditional sewing methods.

Integrating with sister companies and activating the benefit from the subsidiary company products to create new products and present the solutions:

FIPCO managed to invest in the outcomes of the production operation in the sister company (FPC Industrial Company) through remanufacturing them as finished products that serve different categories of the current clients and attract new customers for both companies, and search for new spaces in the field of processing industries. And this is expected to positively influence on the marketing of FIPCO's products locally and globally. In the course of this objective, the Research and Development teams in both companies are working side by side with Sales and Marketing team in consistent and homogeneous effort to formulate a joint strategy that guarantees penetrating markets in a manner that achieves FIPCO's interests and benefit all of the stakeholders.

Investing in Human Capital

Manpower is considered one of the challenges which faced Operating and Operations Management during the previous years, especially that FIPCO is has been devoted to setting all solutions required to develop the production process and increase the production efficiency. For that, the situations of manpower in FIPCO have been studied and invested in throughout all production departments, in addition to increasing skills and training. This manpower qualification process relied mainly on self-administered training programs in a manner that guarantees the right redistribution of workers and the reduction of their cost while maintaining machines operating 24 hours daily 7 days weekly, in addition to integrating some adjustments on some machines to reduce the number of workers required in operating while maintaining the productive capacity through automation.

It is noteworthy that Operations Management has adopted a balanced policy of recruiting new workers in consistency with production requests number, aspiring that they will increase FIPCO's vision relating to increasing the production capacity for high demand products. In addition to this, employee motivation system has been launched and linked with key performance indicators to reduce manpower number and achieve the maximum benefit from the current human cadres. Also, an Administrative Excellence Reward has been launched to motivate experts and competent ones, or those who present initiatives that contribute to the production operation and positively influence the key performance indicators.



Activating the benefit from the economic Transformation Program and initiatives launched by the state to support energy:

FIPCO has participated in most of the event and activities which strongly contribute to developing manufacturing and industry, finding solutions, and realizing the globally leading practices. And this is planned to be achieved through the weighty presence and continuous representation of FIPCO in Saudi Authority for Industrial Cities and Technology Zones (MODON), Saudi Basic Industries Corporation (SABIC), the Saudi Industrial Development Fund (SIDF) and others, which is highly expected to result in concrete achievements in various areas of manufacturing development to reach levels of excellence and leadership.

As a result of these efforts, FIPCO has announced on the website of Saudi Stock Exchange (Tadawul) in 04 February 2020 that FIPCO has been chosen to benefit from the National Productive Program Initiative -one of the programs of the Kingdom's Vision 2030- under the supervision of the Saudi Authority for Industrial Cities and Technology Zones (MODON).

Undoubtedly, the fourth industrial revolution is based on replacing manpower with technological tools and modern techniques and units of artificial intelligence, which is expected to help achieve high rates of economic growth, reduce costs, improve the quality of production, and provide wider range of services in the field. And perhaps the most eminent signs of is accelerating revolution is the e-commerce leap revolution that the world has witnessed over the past two years; and FIPCO was one of the pioneering companies to progress in this project in cooperation with the Saudi Authority for Industrial Cities and Technology Zones (MODON).

According to the agreement signed between FIPCO and the Saudi Authority for Industrial Cities and Technology Zones (MODON) in 03 February 2020, FIPCO has passed the controls and standards developed by the the Saudi Authority for Industrial Cities and Technology Zones (MODON) with the participation of the Saudi Industrial Development Fund (SIDF) and King Abdulaziz City for Science and Technology (KACST) for Science and Technology to engage in the program. Therefore, FIPCO has headed way in implementing the program aimed at industry empowerment and strengthening national productivity through the presentation of studies and transformation plans by a global technical partner, which puts FIPCO in the ranks of national companies contributing to the creation of an industrial environment and sustainable development.

As the program aspires to transform the Kingdom of Saudi Arabia into a leading industrial power and an international logistic platform for logistics international in a number of the promising fields (with a focus on the application of the fourth-generation technologies for the industry), through focusing on infrastructure development, the expansion of the application of digitization procedures, promoting research and innovation and training, and raising the available cadres efficiency, FIPCO has realized that this program outputs will have implications for a positive future that can reduce or eliminate the industrial costs represented mainly in reducing energy costs, reducing the high number of workers, improving product quality levels, besides error detection and addressing them. This is because one of the current challenges facing FIPCO is the high number of employees and workers which exceeds 1000 workers according to the requirements of the textile industries, which makes the company incur an annual salary of 38 million SAR, in addition to an approximate annual mount of 7 million SAR for electrical energy.

Despite the associated economic impacts of the Coronavirus, restrictions on freedom of travel and movement, and the difficulties faced by the team hindering them from dealing precisely with the nature of the industry and the inclusion of production operations in all its challenges and hindering them as well from analyzing the strengths and weaknesses, FIPCO has made exceptional efforts with technical partner officials and held extended workshops and finally reached the final stage of the project and delivered its outcomes late 2020.

FIPCO currently is devoted to studying the proposed initiatives and development plans which resulted from this program, in addition to attracting price proposals, studying all the initiatives technically, operationally, and financially, with impact statement of their implications on the production cost, manpower, and the end-product quality.

It should be noted that FIPCO, as a principle of its belief in the Vision Programs and the plans of the industrial transformation, is working with a number of official parties to benefit from a number of other programs aimed at the development of industry and support local content, especially the Local Content And Government Procurement Authority, the Ministry of Trade and Investment, and the Saudi Industrial Development Fund, to benefit from these initiatives or its subsidiary under the terms and determinants of those programs, particularly those programs and initiatives launched by the state to mitigate the economic effects of Coronavirus.





3rd: Quality Control Department

Quality Control Department holds the same importance as the Production Department to guarantee the quality of our products in compliance with our clients' satisfaction.

We in FIPCO have obtained the accreditation certificate ISO 9001: 2015 & 22000: 2005 related to the Quality Management System & Food Safety System, we have enough laboratory equipment to assure the quality through a highly qualified quality service team. This team works on verifying the quality of the raw materials used in manufacturing, reviewing all stages of the production and the technical specifications, besides ensuring that the produced bags comply with 'heavy duty' usage in accordance with international standards in this field, while keeping in consideration that the selection process passes with utmost preciseness to ensure the accuracy to finally come out with the final product complying with international specifications. For that, we stress that all of our products have been tested in our laboratories and supported through international factories such as LABORDATA factory in Germany.

During the year 2020, FIPCO has received only a very limited amount of clients' complaints. And practical solutions have been developed to deal these complaints and avoid their occurrence in the future. FIPCO is always keen on listening to attentively to clients' remarks and then reconduct the careful examination accordingly to finally make full corrective decisions required.

When comparing clients' complaints volume with clients requests, it becomes clear that the clients' complaints percentage about products has been decreased which reflects the efforts of FIPCO management, its employees', the amendments made to the Operating and Operations Department, and the attention attributed to quality to improve customer satisfaction indicator through periodical visits, communication with clients, and filling in surveys specified for this purpose.

4th: Maintenance Department

Maintenance Department includes a team of engineers and specialized technicians who provide technical and technological support required to operate machines and production lines to ensure business continuity in order to ensure the required products are manufactured according to the schedule specified. Maintenance Department adopts a new policy aimed at reducing the consumption of spare parts and working on the development and adjustments that can reduce energy consumption in accordance with the procedures carried out by FIPCO to reduce the energy costs.

During the year 2020, there was a decrease in consuming spare parts compared to the year 2019, resulting from applying Business Process Re-engineering on some machines to restore them back to their original state for the aim of reaching the maximum productivity rates. In addition to that, number of production lines have been updated through conducting replacement

and renovation of some machines in order to improve their productivity, besides the efforts made to introduce some repairing on some spare parts instead of buying them from abroad, which results in concrete saving value.

Further, the Maintenance Department has made some adjustments to the nature of some machines functioning mechanically and electrically, set a mechanism to calculate their consumption rates on a daily basis, monitor consumption of high consumption machines, develop solutions required for these machines in a way that does not affect their capacity and the quality of products, while continuing to develop electric units and capacitors to control machines energy consumption; and this has resulted in reducing the costs of electrical energy usage. And FIPCO is aspiring for further range of achieving the scientific theory of saving the consumed electrical energy through the inclusion of new alternative energy sources.





Operating and Operations Management Development Plan suggested for the year 2021:



- 1** Continuing to raise the production efficiency and reduce the production process costs, by working on two main axes, namely working on reducing manpower, and the search for machines or making adjustments to the current equipment to for the purpose of reducing manual production stages.
- 2** Communicating with Robot supplier companies to work on transforming time-consuming operations or manpower to automated operations to reduce costs and achieve fast accomplishment.
- 3** Continuing the maintenance of the company's basic infrastructure to ensure the continuity of the production process at a minimum cost and to ensure non-stop in all Facilities and production areas.
- 4** Providing clients with high technical specifications products that exceed their expectations and make FIPCO a success partner with its strategic clients.

- 5** Expanding the cable filler product by adding new production lines that increase production capacity and amend the technical characteristics of the existing machines with the aim of making full use of the machines' energies and reducing purchasing costs of new machines.
- 6** Activating the policy of development and creativity, and adopting a flexible compensation system linked with performance and creative industrial ideas.
- 7** Activating the implementation of Enterprise Resource Planning (ERP) system in collaboration with the Information Technology Department in FIPCO with the aim of creating distinctive productive behavior in terms of the mechanism of production cost calculation, barcode inclusion, Customer Relationship Management (CRM) inclusion to create new products to conquer markets locally and regionally with unprecedented products that can be manufactured without infusing large investments to buy new machines or production lines.
- 8** Working on implementing the digital transformation plans through benefiting from the technical cadres and the supervision of the specialized technical partner.
- 9** Working on reducing the rates of manufacturing losses to the least acceptable percentages in this field.
- 10** Continuing to provide training programs for all members of the production system with the aim of raising awareness and participating in the decision-making process and diversifying training programs to extend to security, environmental safety, and occupational health.
- 11** Reviewing and reducing the stock of semi-finished or finished products, in addition to auditing and reviewing the stock of spare parts and others.

2-Sales and Marketing Management

FIPCO company carries about marketing operations and distribution of its products through a qualified team who are highly experienced and highly efficient including multiple nationalities to serve all categories of FIPCO's clients around the world, as our customers' base include local, regional, and international companies from the five continents around the world. And this comes as a realization of one of FIPCO's most important strategies of expansion and proliferation, relying on the quality of our products and the efficiency of our marketing team.

The main activity of sales and marketing management relies mainly on the marketing, sale, and distribution of FIPCO's main products of different types including bags and other. During the year 2020, the company through its sales and marketing team has expanded in the local and international market, by means coordination, visits, and continuous communication with clients, whether through a pre-sale, on-sale or after-sale service, in order to gain their satisfaction and maintain their market share in the local and international markets in a permanent and satisfactory manner.

In spite of the repercussions and consequences of Coronavirus, FIPCO has continued the implementation of its plans to expand and proliferate. Thus, the company focused mainly on jumbo bags sales, small bags, and cement bags, while making more efforts to sell and market more products types, especially those that do not mainly need manual workers but depend mainly on automated manufacturing machines, in addition to taking advantage of demand increase in the local market as a result of the repercussions of Coronavirus. Further, FIPCO has continued its permanent work to intensify its visits to these clients continuously to gain their trust as well as

arranging visits to potential clients in order to develop a permanent strategy, although these intended visits' schedule has been affected due to restrictions imposed on travel and freedom of movement during the year 2020.

Considering the intensified competition in the local and global markets on such product categories, FIPCO aspires to target the major clients in order to obtain a greater market share to raise the production capacity, based on the efforts made by FIPCO's research and development team in order to improve the products quality to stand out of the competitors crowd with distinguished technical specifications.

And as participations, arrangements, and meetings with potential clients in local and international exhibitions are considered on of the most important pillars which our sales and marketing team relies on to expand our customers base and attract new customers from different parts of the world through the distinguished and effective attendance to the majority of the global events and activities held in the field of our business which are carefully selected according to the geographical diversity, and considering the fact that many of those exhibitions and their accompanying events have been cancelled, in addition to the affected supply chains, and export-import due to the protective procedures implemented regionally and globally, all of these have affected FIPCO's exports and caused the exports decrease from 38% during the year 2019 to 33% during the year 2020 as compared with the company's total sales. This has been the result despite FIPCO's continuous and relentless work on implementing its strategic plan of increasing the percentage of its exports steadily during the few coming years in consistency with the government's direction and the benefit from support programs specified for this purpose.

Since the scope and duration of these effects is still unclear and dependent on future developments that cannot be accurately predicted at the present time, FIPCO will continue monitoring the



situation in the Kingdom of Saudi Arabia and all regions we are dealing with to review and divide the potential risks, in a way that guarantees balance between risk level and plans of expansion and proliferation.

Regarding the customers, FIPCO during 2020 has continued company gaining trust of its clients, with whom FIPCO has established strategic relations for more than 20 years. These relations are often with governmental and quasi-governmental parties through tenders and competitions whose contract periods stretch for long. FIPCO in this course succeeded in entering into contractual relations with large local companies such as milling and wheat companies throughout the regions of the Kingdom. Also, FIPCO succeeded in into contractual relations with clients from the African continent despite the difficulty of competition in those regions. In addition to this, we have also re-established agreements with a number of the dropped clients due to various reasons during the previous years; and the company has already finished re-establishing negotiations and agreements with a number of these clients.

Despite the effects of Coronavirus during the year 2020, FIPCO proceeded to invest in technology, took advantage of social media platforms, and activated e-commerce more through supporting its website with more information and the possibility of inquiry and demand online, with the expansion of the company's online marketing campaigns by means of international companies specializing in e-commerce. FIPCO has also launched promotional videos to introduce the company and its products in order in turn to ensure the expansion of its presence on social media websites.

Concerning our work team, FIPCO has adopted a new strategy with the help of sales representatives who have customers base and have accumulated experience in the same industry field from a number of countries around the world to contribute to the diversity, geographical spread, and the expansion of the customer base in areas that FIPCO has not previously reached.



3

FPC industrial Company

- Project Idea
- Competitive Advantages
- Vision, Mission, and Values
- FIPCO' objectives from the project
- FPC Journey
- Stages of the production process
- The most eminent achievements of the company
For the year 2020
- Certificates of compliance and product quality assurances
- The most prominent authorities that officially approved FPC products
- Exhibitions and events in which FPC was present
- Product series and their applications
- Pictures of some projects implemented by FPC products
- The implications of Coronavirus on business FPC during 2020
- Development plans and initiatives targeted to be implemented during 2021

The project Idea

Manufacturing textile products with technical and industrial characteristics from high density threads coated with polyvinyl chloride (PVC)or silicon or Teflon(CTF).

Competitive advantages



- 1

Production lines are designed to manufacture products for multi-purpose.
- 2

The first factory of its kind in the Middle East in terms the production technique and the fifth of its kind globally in terms of the prodcuton capacity and products diversity.
- 3

The most modern production lines in the field and the latest European technology.
- 4

The only factory in the world that covers textiles with PVC & PTFE under the same ceiling.
- 5

We invest in research and development to manufacture products of added value and non-traditional solutions.
- 6

Professional work team with multiple skills and expertise from differnt countries in this field.
- 7

Benefiting from initiatives and programs launched by the state to support the local content and nationalization of government procurement.
- 8

Nationalization of technical textile industry to meet the local demand including the government and private sectors as a substitute of the imported products.



Vision

We plan to become the leaders of technical textile industry in local, regional, and global mrkets.



Values

Honesty
Respect
Trust

Initiative
Excellence
Collaboration



Mission

To meet the needs of our clients with the highest quality and the best price, and build a long-term relation of trust globally from the heart of the Kingdom of Saudi Arabia.

The objectives of FIPCO from the project:

1. A start to diversify investments and reduce rsiks.

2. More involvement in the fields of the qualitative processing industries through benefiting from its accumulated experiences stretching for more than 30 years in textile industry.

3. Achieving growth and sustainable development, and nationalizing the industry in line with the objectives of the Kingdom's Vision 2030.
4. Raising the returns of investment for shareholders and creating an added value for all relevant parties .

5. Covering the needs of the regional market, and opening new wide export horizons to penetrate the global markets.

6. Targeting exporting not less than 60% of the products in line with the Kingdom's plans of raising the percentage of non-petroleum exports

FPC Journey

2017

January 31

Signing incorporation agreement with an investment capital estimated at 122 million SAR, and an ownership percentage of 80%.

2017

June 07

Signing a fund agreement with Riyadh Bank

2017

October 17

Completing contracts with the main contractors to implement the construction and technical works.

2018

February 27

Raising the capital from 10,000 SAR to 18 million SAR.

2018

June 28

Completing the import and installation of the main production lines of the project and launching the trial operating of the production lines.

2018

December 05

Signing a funding agreement between FPC Industrial Company and the Saudi Industrial Development Fund (SIDF) to fund FPC's project with a capital of 35,300,000 SAR with the schedule of funding payment within 7 years.

2018

December 13

Completing 95% of the project's works and the continuity of trial production operations, and increasing the rates of operating gradually.

2019

April 01

Launching the commercial operating gradually according to the operating requirements and the targeted levels of quality.

2019

December 15

The company obtained the accreditation certificate for its products of anti-fire fabrics of different types from the project of Pilgrims Housing Project in Mina, Makkah.

2020

March 02

Signing the agreement of FIPCO's take-over of all minority shares in FPC Industrial Company and 100% ownership of the project by FIPCO

2020

March 23

The company obtained Aramco's accreditation as a technical fabrics factory.



About FIPCO

Operational Performance Summary

FPC Industrial Company

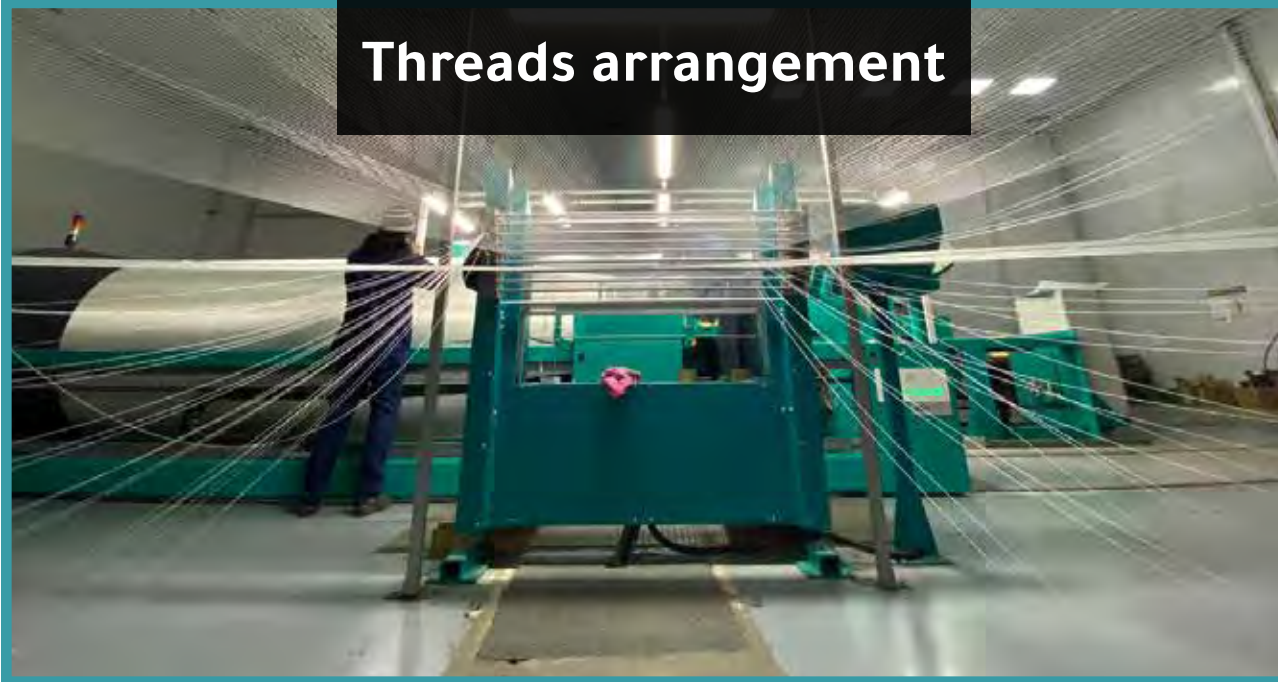
Summary of financial performance

Risks and Sustainability

Governance in FIPCO

Stages of the Production Process:

Threads arrangement

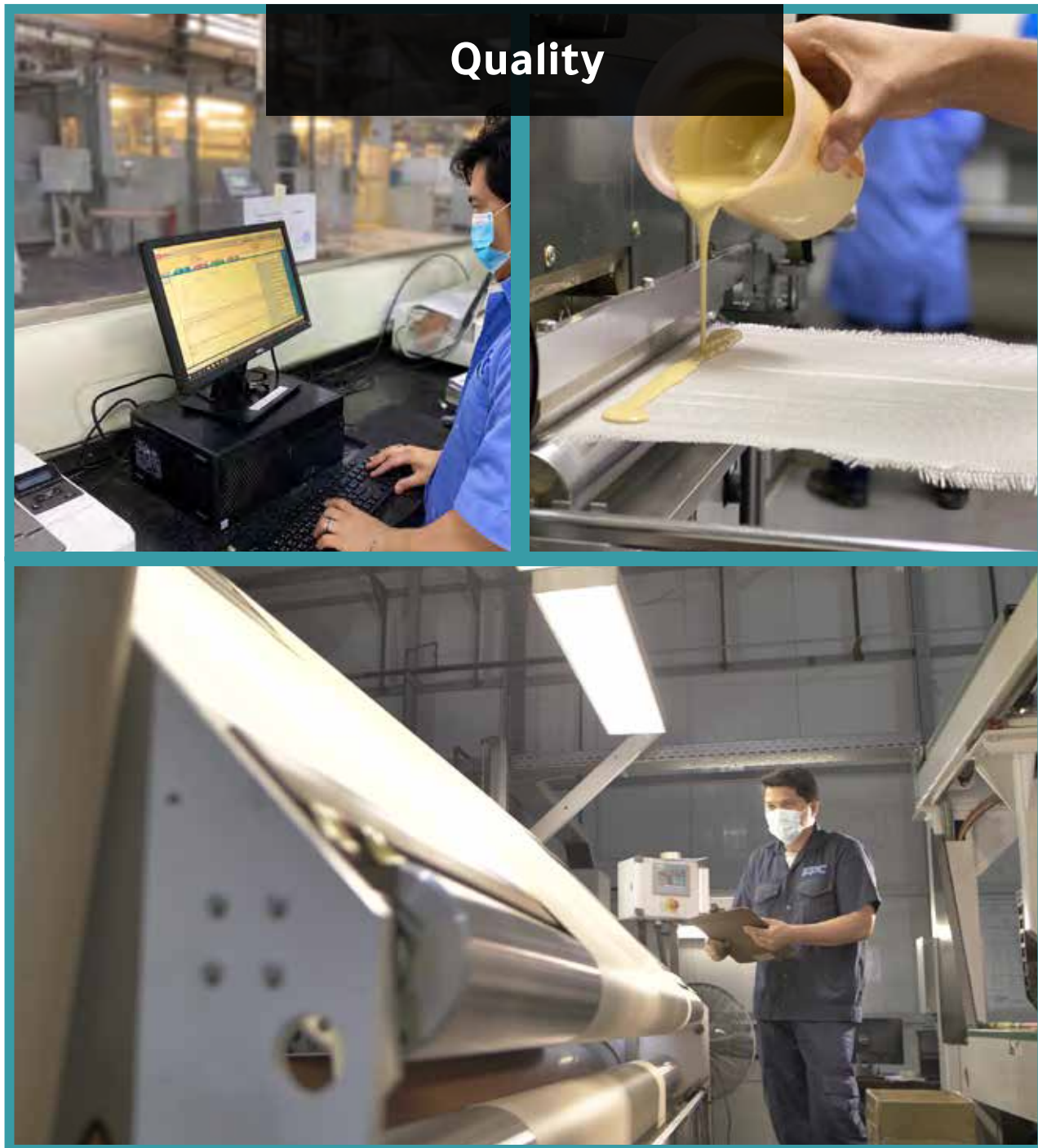


Knitting process



Painting process





Quality



Examination



Storing

The main achievements of the company during the year 2020

1

Assigning Director General, restructuring some jobs, organizing tasks, integrating managements, re-evaluating the team work, and maintaining the good competences only.

2

Assigning Sales Representatives in different parts of the world, for example but not limited to, Germany, Brazil, Nigeria, USA, and others.

3

Evaluating some job positions and reviewing financial benefits and advantages related to them, and linking them with variable objectives.

4

Building Trademarks and registering them for FPC Industrial Company and its commercial bodies to support the plans of expansion and spreading.

5

Creating commissions system to compensate Sales employees based on performance to balance between motivating work team and achieve sales targets.

6

Continuity of operating operations in harmony with Coronavirus peak.

7

Expanding the customers base more than its size in the year 2019.

8

Implementing the plan of liquidating the low-quality inventory manufactured in the beginning of trial operating.

9

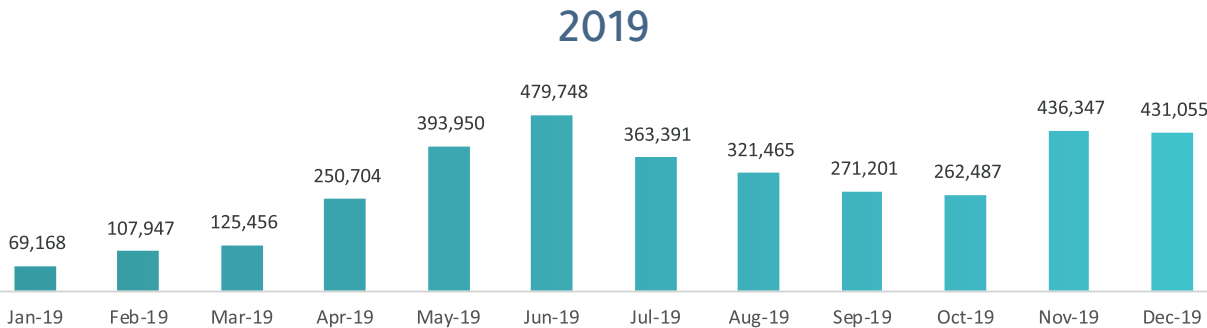
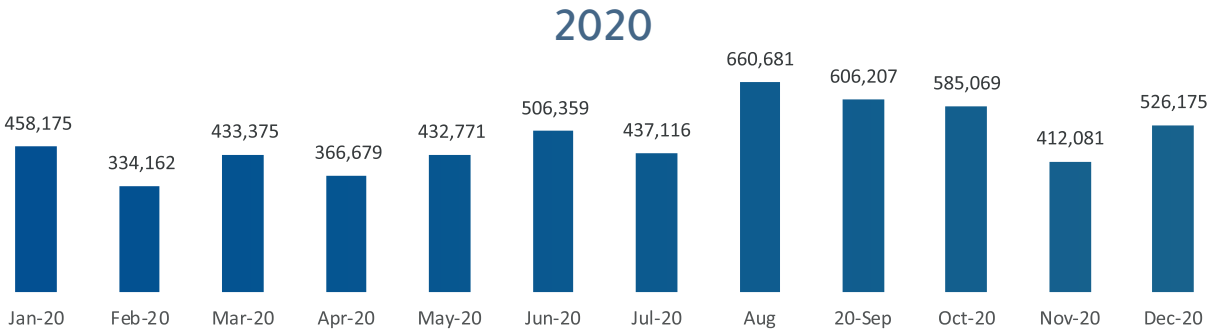
Creating commercial arm for retail sales and small-scale distributors.

10

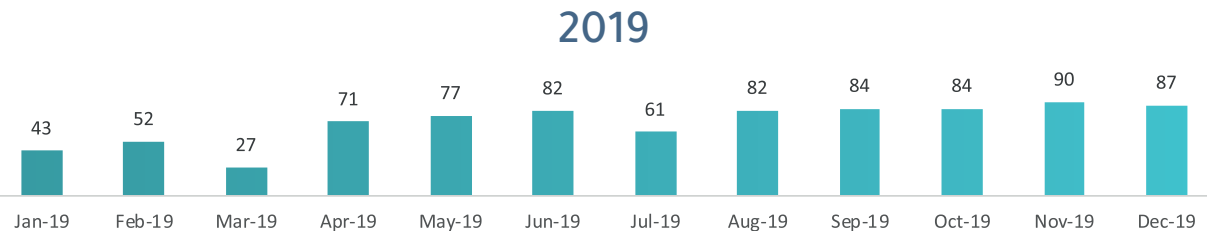
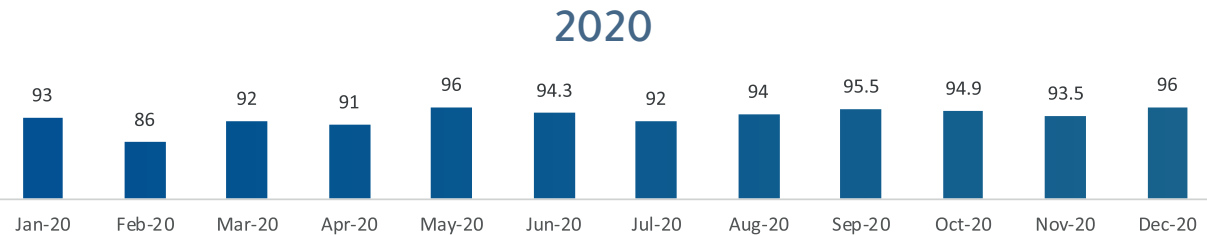
Completing the project of the Enterprise resource planning (ERP) systems for FPC Industrial Company.

Increasing the productive capacity and improving quality levels as illustrated in the following figure

Increasing the productive capacity



improving quality



Registering trademarks of exclusive products for the company, PANAMA and DANA.



Certificate of Conformance and Product Quality Assurance

The most Eminent parties Who Have Officially Approved the Company's Products



Product Series and Their Applications



Technical fabrics for insulators PVC



Multi-usage PTFE Fabric



Architectural Tensile Technical Fabric



Blockout



Agricultural Technical Fabric



Foldable Water Tanks



hajj tents



Sun shades Technical Fabric



Technical Fabric for Military Applications



Facade



Event Tents



Pictures of Some Projects Implemented

Dates Market in (Al Madinah Al Munawwarah)



Starbox Coffee (London)



Al-Ahsa (Hofuf) Railway Station



Field hospital to deal with Corona cases (Sierra Leone - Africa)



King Fahd Causeway (Bahrain Saudi Sea Bridge)



The Implications of Coronavirus on FPC Industrial Company's Business during 2020



The commercial operating of FPC Industrial Company started in the second quarter of the fiscal year 2019 in a gradual manner based on the requirements of production, the levels of the targeted quality, the market share, and the levels of demand on product, but the year 2020 was the year of FPC Industrial Company's first effective operating, which was planned to reach the sales targets especially after the dissemination and penetrating local, regional, and international markets, in addition to reaching suitable productions levels and the maximum levels of quality. However, in the shade of the global epidemiological situation and the spread of Coronavirus spread throughout the whole world -according to official statistics, many effects have touched the business of FPC Industrial Company as follows :

1. Delay in the arrival of some raw materials imported outside the Kingdom of Saudi Arabia for a period of fifteen days during June 2020.
- 2.Restrictions imposed and the precautionary measures imposed by the government of

Saudi Arabia Kingdom have led to the stoppage of production for a period of twenty days approximately.

3.The inability to supply export orders due to a reason general shutdown as a result of Coronavirus pandemic, which resulted in the inability to reach Sales target levels and thus the final products were in overstock.

4.High shipping costs at the locally and internationally, which led to an increase in the operating costs related to supply chains at the procurements and sales level.

5.All targeted government projects in the same year have stopped, including, for example but not limited to, the projects related to the sacred rites because of limitedness of Hajj season this year, especially since the products of FPC have been approved as a conforming product to the projects specifications, in addition to other projects affiliated with the Ministry of Interior, the National Guard and Riyadh Development Supreme Authority.

Plans and Initiatives of development targeted to be implemented during the year 2021

In spite of the continuity of repercussions and effects associated with Coronavirus, the company has ambitious plans and ideas that are expected to lift the company's position, improve its manufacturing operations, expand its customers base, and enhance its local, regional, and international presence. The most eminent milestones of this plan are embodied in the following.

- 1 Expanding the opening of branches locally and regionally, enhancing the company's presence in its Dubai branch in the United Arab Emirates, and building a team to market products in the United Arab Emirates.
- 2 Continuing to nominate sales representatives in the target countries according to market studies and a flexible commissions system linked to the selling targets.
- 3 Expanding retail sales and opening branches in various regions of the Kingdom to sell the company's products of different levels of quality according to the market needs.
- 4 Entering into contractual relations with suppliers of raw materials to obtain preferential advantages and competitive prices, and to give the company an annual return on the volume of its annual purchases in a way that ensures the guarantee of the supply in order to reduce the risk of non-supply of materials required in manufacturing on due time especially in the shade of the continuity of Coronavirus effects in many countries.
- 5 Launching the updated version of the Company's website and developing promotional resources of company's products marketing, and improving the rate of the company's appearance on global search engines and communication networks.
- 6 Praeparing to hold workshops with the Authority of Engineeres Contractors and Commerce Chambers to introduce our products and approve them in order to enter in extended strategic relations.
- 7 Entering into contractual relations with accreditd distributors in a number of countries.
- 8 Increasing the productive capacity to no less than 20% compared with the rates achieved in the year 2020.
- 9 Developing automatic solutions for the company's inventories to facilitate the shipping process, transportation, and distribution.
- 10 Linking all machines and the production lines to the (ERP) and issuing reports required to make the right decisions.

4

Summary of financial performance

- Revenues
- Performance of each activity of the company's business volume
- Operating Income
- Net profit
- Earnings per share in Saudi riyals
- Asset growth evolution
- Assets versus liabilities
- Liabilities versus equity
- Change in equity
- Liquidity ratios and indicators
- Geographical analysis of FIPCO's revenues
- Loans
- Governmental payments
- Disclosure of Zakat & VAT
- Fines
- Deviation from the application of any of the applicable accounting standards
- The implications of the new Corona virus on the company's activities during the year 2020

1st: Revenues

FIPCO revenues reached to 181.5 Million Saudi Riyal at the expired financial year in 31 Dec. 2020 within a comparison with sum of 164.1 Million Saudi Riyal in year 2019 and with Growth rate of 11%

The following table shows the revenues against the Cost of goods sold within the last five years

Million Saudi Riyal

	2016	2017	2018	2019	2020
Revenues	165	153.6	163.5	164,1	181,5
Cost of Goods sold	134.5	126.4	134.6	141,6	152,2
Gross profit	29.8	27.1	29	20,6	29,3
Net Profit	11.2	5.2	-5,9	-20,3	-3

2nd: Perform each activity of the company's business volume

1 Jumbo Bags

The sales of jumbo bags during the year 2020 was rated to 42.9 Million Riyals, compared to the amount of 48.9 million riyals for the year 2019, with a decrease of 12.3 %, because of the decrease in customer demands during the year 2020 compared to the last year after the Corona pandemic, jumbo bags represent approximately 24% of the total sales.

2 Small Bags & Valve

FIPCO sales of small and valve bags amounted to 71.3 million riyals for the year 2020 compared by an amount of 80.3 million riyals for the year 2019, and there was a decrease of 11.2%, because of the decrease in demand for small and valve bags in its variable types during the period, and small and valve bags represent approximately 39% of total sales.

3 Twisted Products

The sales of twisted products (Strapping Band - Agri Twins - Cable Fillers) for the year 2020 amounted to 16.4 million riyals, compared to 10 million riyals for the year 2019, with an increase of 64%, due to the high demand of cable filler during the period, and the twisted products represented approximately 9% of total sales.

4.The contribution of the subsidiary company (FPC Industrial Company) to the volume of the company's activities

The sales of the subsidiary company (FPC Industrial Company) for the year 2020 amounted to 35.4 million riyals, compared to an amount of 12.9 million riyals for the year 2019, with an increase of 274%, due to the increased demand for the company's products and there was a gradual increase of the levels of production and quality, and FPC sales represented approximately 20% of total sales.

3rd: Operating Income

The operating Income for 2020 amounted to 3.8 million riyals, compared to an operating loss of 18.4 million Riyal for the previous year 2019, and the reason for this increase is due to the bearing of the subsidiary company (FPC Industrial Company) of its operating expenses, in addition to the increase in FPC's sales during the current year through comparison with the last year.

4th: Net Income

The net loss attributable to the shareholders of the company during the year 2020 amounted to 3 million riyals, compared to a net loss of 20.3 million riyals for the year 2019, with a decrease in losses estimated at 85%. The reasons for this are mainly due to the following:

- 1.Increase in gross profit by 42% as a result of the growth in sales of the subsidiary (FPC Industrial Company.), and the decrease in production costs due to the exemption of the industrial sector from labor fees (labor compensation).
- 2.Selling and marketing expenses slightly reduced, due to the decrease in expenses for participating in exhibitions and the restructuring of some jobs in the wake of the effects associated with the emerging corona virus.
- 3.Decrease in general and administrative expenses, as the expenses of the subsidiary were charged to the item of general and administrative expenses during the first quarter of the fiscal year 2019 in line with international financial reporting standards. The commercial operation of the subsidiary began as of the second quarter of 2019, in addition to the decrease in the unutilized capacity of the subsidiary as a result of the increase in production quantities, and the adequacy of inventory allocations due to improved quality levels. As well as lower salaries due to the merger of departments following the acquisition of the entire subsidiary.
- 4.Reverse the provision for credit losses for its lack of purpose during the current year, in order to collect the amounts due mainly and to settle credit relations with some customers, and not to form new allocations.



5.Low financing costs due to government initiatives launched by the state (represented by the Saudi Arabian Monetary Agency) to mitigate the effects of the emerging corona virus, related to postponing the payment of due installments of loans without financing interest. This is despite the cessation of capitalization of the loan interest of the subsidiary as a result of the commercial operation in the second quarter of the fiscal year 2019.

6.Decrease in zakat expense as a result of FIPCO's acquisition of the non-controlling interest in the subsidiary company advertised on the Saudi Stock Exchange website (Tadawul) on 02.03.2020.

It is worth noting that the losses of the subsidiary company continued to gradually and steadily decline due to the improvement in production levels and quality arising from the gradual increase in production capacity and the increasing demand for the company's products.

This is despite the decrease in other income arising from the reversal of the allowance for impairment of capital assets that were sold due to their low economic viability during 2019.

On the other hand, the main reason for the decline in total shareholders' equity (after excluding minority rights) during the year 2020 is due to the difference in purchasing the non-controlling interest, which resulted in a potential commitment of 20 million riyals according to the potential commitment assessment study prepared by the end of the fiscal year 2020. As a result of the outcome of the agreement to acquire the entire minority stakes in the subsidiary announced on the Saudi Stock Exchange website (Tadawul) on 02.03.2020, and in accordance with the requirements of the relevant accounting standards and in light of the market variables and the actual results achieved, this commitment will be re-estimated annually.

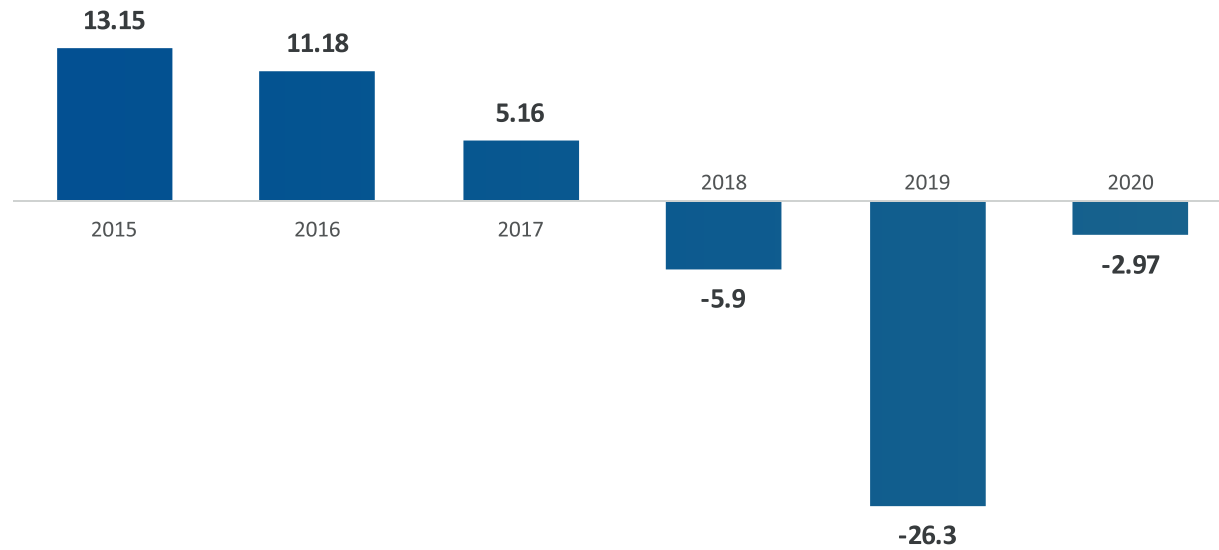


FIPCO would also like to explain to its esteemed shareholders the reasons for the difference in some items of the income statement for the fiscal year 2019 compared to the comparative figures included in the income statement for the same period in the annual consolidated financial statements for the fiscal year 2020, according to the following:

1.Some of the expenses were reclassified under the activity cost and financing expenses instead of general and administrative expenses, which affected the gross profit as shown in note 32 of the annual consolidated financial statements ending on 31.12.2020. In addition, some of the figures presented in the income statement are reclassified due to considering the item of other income and expenses within the items of operating profit.

2.The balance of non-controlling interests has been adjusted as a result of amending the statement of profit and loss in the subsidiary by reclassifying the financing income of the subsidiary in line with International Financial Reporting Standards. This, in turn, was reflected in the net loss attributable to the company's shareholders, shareholders' equity and earnings per share, as shown in disclosure 32 of the annual consolidated financial statements ending on 31.12.2020.

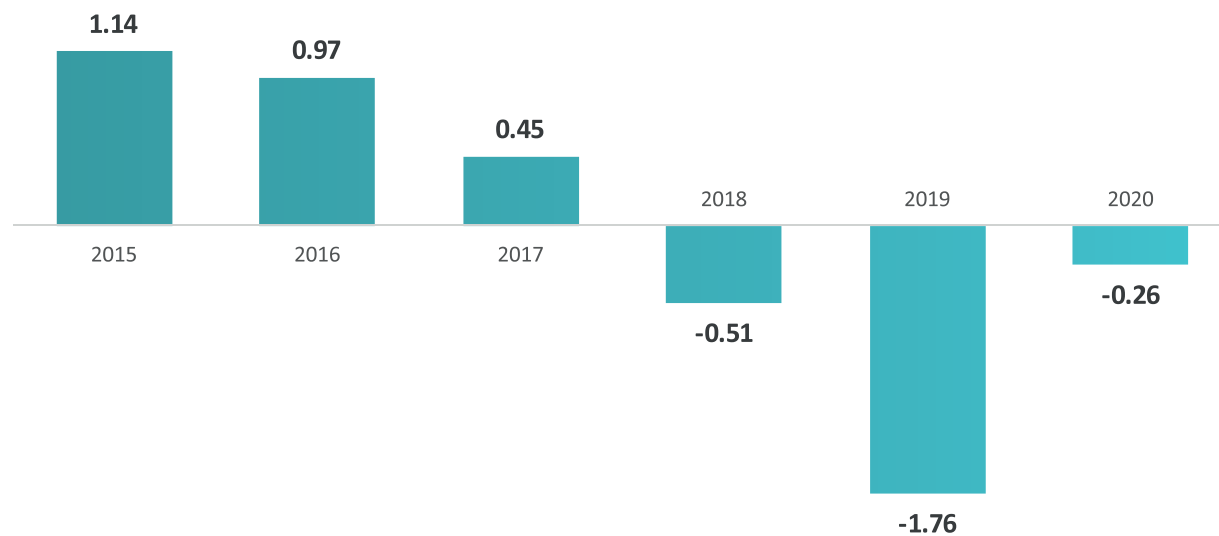
Net Profit



5th: Earnings per share in Saudi riyals

Earnings per share for the year 2020 (- 0.26 riyals / share) compared to (- 1.76 riyals / share) for the year 2019, with an increase of 85%

Earnings per share

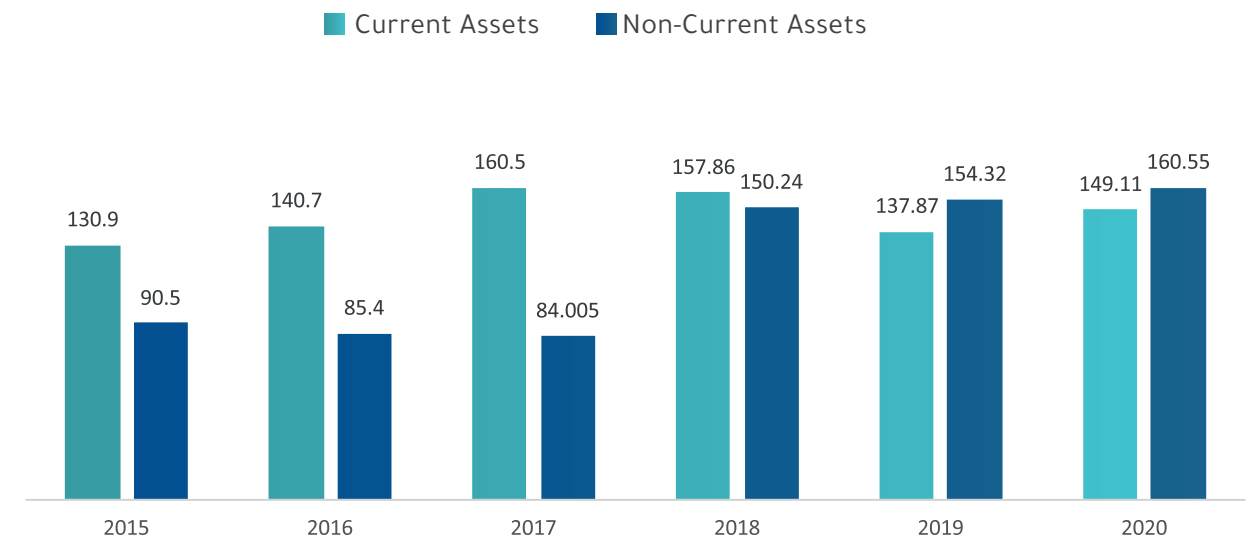


6th: Asset growth evolution

Million Saudi Riyal

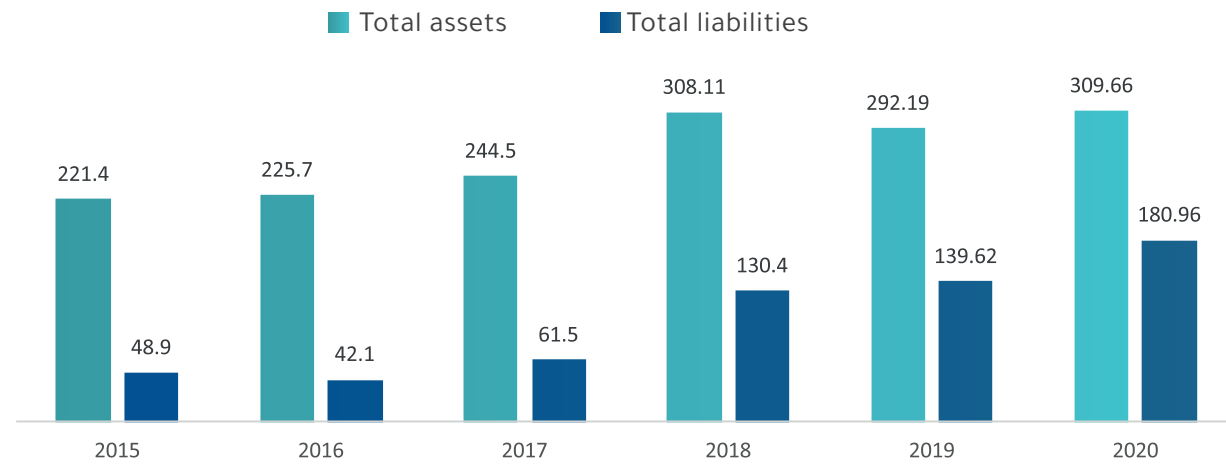
	2016	2017	2018	2019	2020
Current Assets	140.7	160.5	157.86	137.87	149.11
Non-current Assets	85.040	84.005	150.24	154.32	160.55
Total assets	225.7	244.5	308.11	292.19	309.66
Current liabilities	22.2	47.1	76.8	85.2	98.16
Long-term liabilities	19.9	14.4	53.6	54.4	82.8
Total liabilities	42.1	61.5	130.4	139.6	180.96
Shareholders' equity	183.7	183.6	176.9	157.6	128.7
Non-controlling equity	0	(0.576)	0.683	(5.03)	0
Total Equity	183.7	183	177.63	152.57	128.7
Total liabilities and equity	225.7	244.5	308.11	292.6	309.66

Asset growth evolution (in millions riyals)



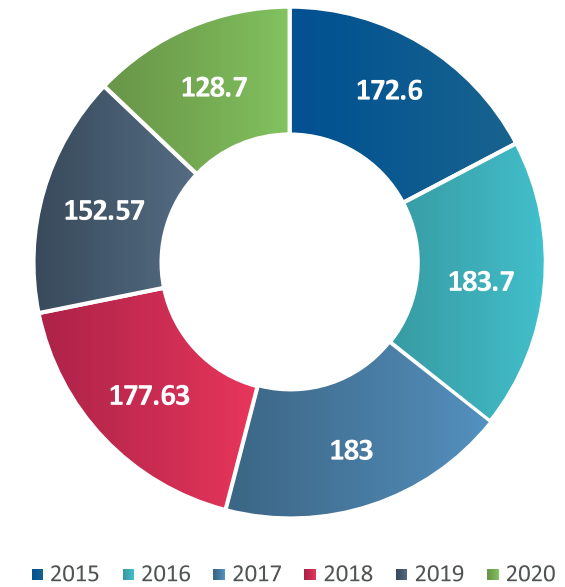
7th: Assets versus liabilities

Total assets and liabilities (in million riyals)



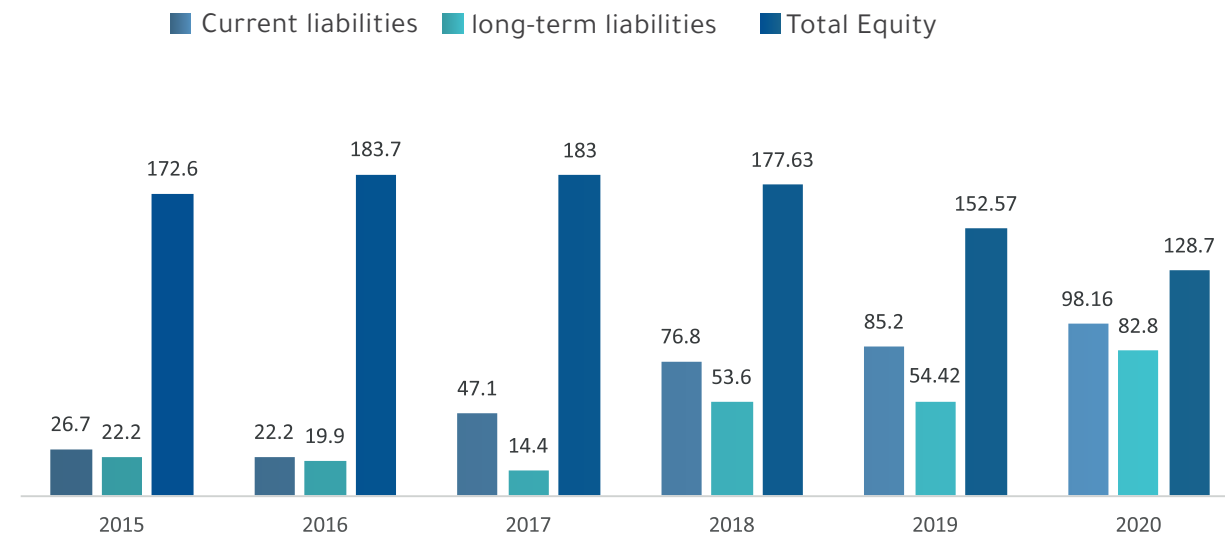
9th: Change in equity

Total Equity (in million riyals)



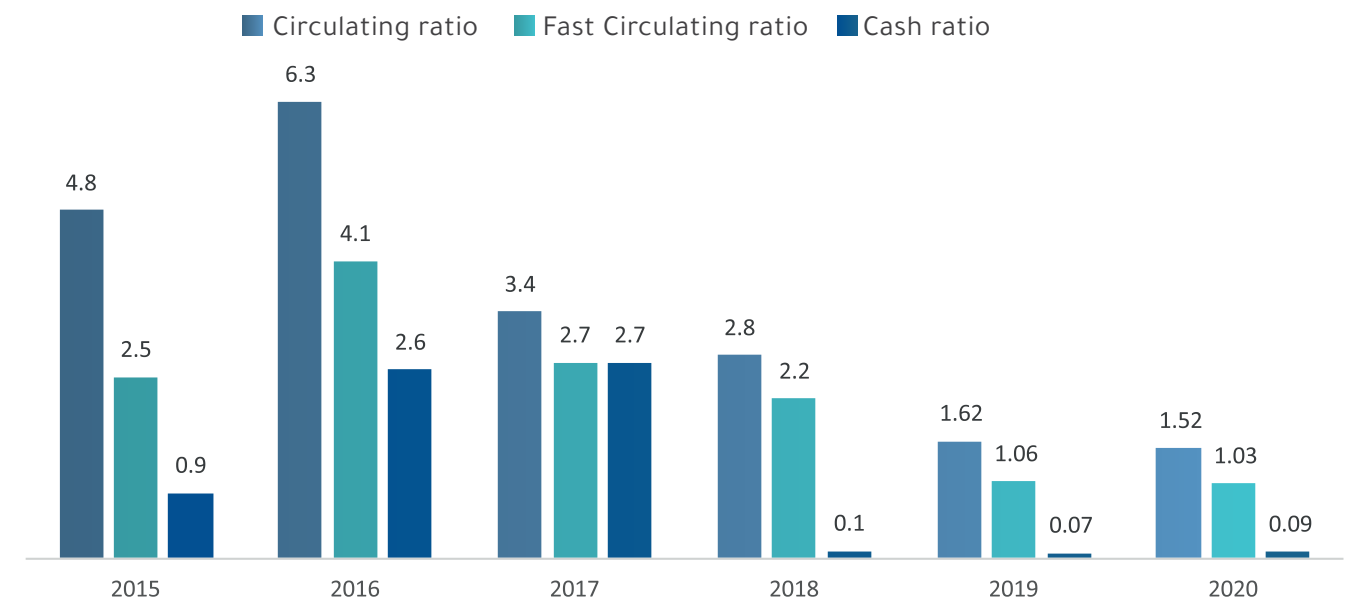
8th: Liabilities versus equity

Growth of liabilities and equity (in million riyals)

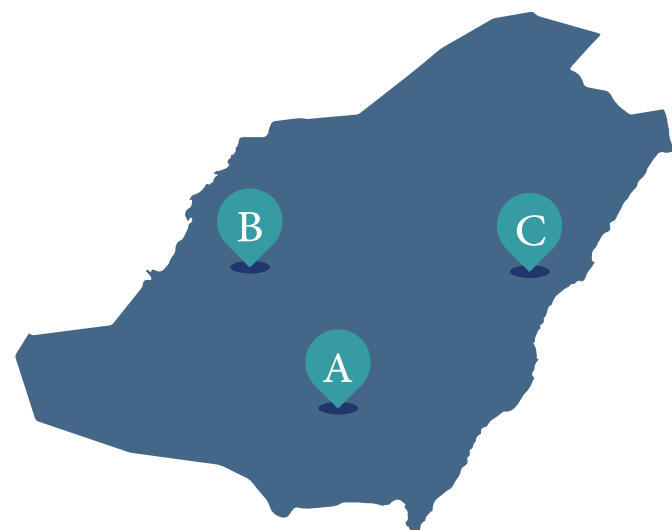


10th: Liquidity ratios and indicators

Liquidity ratios and indicators



Sales within the Kingdom of Saudi Arabia



Central Region

75,2
47,4



Eastern Reigon

21,6
36,5



Western Region

31,9
22,4

Total

128,7
106,3

2020

2019

Million
Saudi Riyals

Sales outside the Kingdom of Saudi Arabia (exports)



Europe

0,6
1,6



Africa

23,3
39,8



North Amarica

0,8
0.5



Gulf States

6,2
1,0



Asia

23,9
10,9

Total

52,8
57,8

2020

2019

Million
Saudi Riyals

12th: Loans

Loans based on FIPCO and its subsidiaries as of 31.12.2020.

Million Saudi Riyal

	Lender	Loan Type	Principal amount of the loan	Purpose		Balance at the beginning of the year	Additions during the year	Payment	Balance at the end of the year	Method of payment*
1	Saudi Industrial Development Fund	Long-Term	38.3	Financing expansions in FIPCO's production lines		1.7	1.2	-	2.9	Unequal semi-annual installments 15.04.1430 to 15.04.1443 startin from
2	Saudi Industrial Development Fund	Long-Term	35.3	Financing the subsidiary company project (FPC Industrial Company.)		26.4	8.9	-	35.3	Unequal semi-annual installments starting from 15.08.1442 to 15.02.1447
3	Riyadh Bank	Long-Term	38			20.1	-	1.4	18.7	Quarterly installments of equal amounts starting from May 2019 to March 2024
4	Riyadh Bank	Short- Term	23			29.6	27.7	21.1	36.2	Revolving loan with a maximum of 6 months
5	Bank Albilad	Short- Term	30			17.5	26	25.7	17.8	Revolving loan with a maximum of 12 months
Total			164.6			95.3	63.8	48.2	110.9	

* The payment schedule for some loans has been modified in line with government initiatives launched by the state (represented by the Central Bank of Saudi Arabia) to mitigate the economic impacts of the spread of the new Corona virus..

Million Saudi Riyals

The current portion of the loan	65.85
The non-current portion of the loans	45.04
Total	110.9



13th: Governmental payments

It includes all the sums that the company has paid or owed to legal entities, whether they relate to the business of the company itself or its subsidiary company.

Million Saudi Riyals

Item	2020	2019	Due by the end of 2020, unpaid		Description	Reasons
Zakat	4,218,612	3,534,597	3,011,577		Paying legal zakat	The amount due is paid after submitting zakat declarations and endorsing them with the Zakat and Income Authority
Social insurance	1,799,457	2,400,687	266,208		Participation of employees and pensions under the Insurance Law	Governmental fees
VAT added tax	1,439,936	Difference between paid and received: an amount recovered of 908,761	1,080,501		Pay the due taxes in accordance with the regulations of the General Authority for Zakat and Income	Governmental fees
Withholding tax	4,735	-	700		Pay the due taxes in accordance with the regulations of the General Authority for Zakat and Income	The company withholding taxes on some transactions with non-resident parties in the Kingdom of Saudi Arabia, as required in accordance with the tax regulations in force in the Kingdom of Saudi Arabia, and withholding tax related to foreign payments is recorded as liabilities.
Passports and Labor Office	5,717,304	8,026,207	-		Approved statutory costs for non-Saudi workers	Governmental fees
Saudi Industrial Development Fund	486,200	4,613,300	-		Payment of loan installments and follow-up fees, and no installments were paid during 2020	The loan is repaid according to what was indicated in the loan schedule according to the agreement, except that the Payment of the loans was postponed during the year 2020 in line with government initiatives to mitigate the economic effects of the emerging corona virus.
The Saudi Stock Exchange Company (Tadawul)	253,661	252,757	-		Fee for trading services and requesting reports	Statutory fees
Customs	1,614,820	545,531	-		Customs duties on imports	Governmental fees



14th: Disclosure of Zakat & VAT

Zakat provision is calculated in accordance with the regulations issued by the General Authority for Zakat, zakat provision is charged to the list of Income and losses, any additional obligations are recorded, and adjustments resulting from zakat assessments (if any) are processed, that may become due upon completion of the assessment in the same fiscal year in which the zakat assessment is approved.

During the year 2020, the group obtained the approval of the General Authority of Zakat and Income to file a consolidated Zakat declaration for the parent company and its subsidiary company.

The company submitted the zakat declaration "from its point of view" for the fiscal year ending on 31.12.2019, and the company obtained a certificate from the General Authority for Zakat and Income valid until 30.04.2021., and the company did not receive any zakat assessments from the General Authority for Zakat and Income for that year until the date this report was released.

Also, all FIPCO tax returns for the years 2018 and 2019 were examined only, and this examination did not result in any differences to be paid or fines arising from mismatched balances.

15th: Fines

During the year 2020, FIPCO and its subsidiary were subjected to fines of 38,500 riyals by the Saudi Passports as a result of the delay in renewing the residency of some employees, due to the Corona pandemic and the delay in completing its procedures, and these circumstances are exceptional and not frequent, and the concerned departments have been alerted to avoid this in the future. The company has not been subjected to any of the penalties, penalties or precautionary restrictions imposed by the Capital Market Authority or any other supervisory, regulatory or judicial authority.

16th: Deviation from the application of any of the applicable accounting standards

FIPCO is committed to applying the accounting standards issued by the Saudi Organization for Certified Public Accountants, and there is no deviation in the application of these standards.

The Board of Directors is obligated to provide the Capital Market Authority with any additional information it requires in the event that the auditor expresses any reservations about the annual financial statements.

17th: The implications of the new Corona virus on the company's activities during the year 2020

In response to the outbreak of the new Corona virus (Covid-19) in early 2020, its outbreak in several geographical regions around the world, and the resulting disruptions to economic activities and businesses. FIPCO has formed a working group to assess the expected effects on the group's business inside the Kingdom, and it has also taken a series of preventive measures to ensure the health and safety of its employees, customers and society to ensure the continuity of its operations.

The effects of the pandemic on the company's activity included the production process being affected relatively for some time as a result of taking precautionary measures directed by government authorities, which mainly represented the isolation of influential workers suspected of being infected, and the application of legal procedures related to travel and movement restrictions. In addition to the delay in the arrival of some raw materials needed for the production process. The effect on selling prices extended in some products, and there was also an impact on demand in other products, in addition to some difficulties that the company faced in its export operations and the high shipping rates.

Since the extent and duration of these effects are still uncertain and depend on future developments that cannot be precisely predicted at the present time. The management and those responsible for corporate governance in the company will continue to monitor the situation in the Kingdom and all the geographical areas that the group deals with in order to review and divide the potential risks related to the supply chain of raw materials, human resources, current stock levels, and to ensure the continuity and operation of the company's production facilities without interruption. And providing stakeholders with developments (when applicable) as required by laws and regulations.

FIPCO also monitors all government support initiatives provided by the government of the Custodian of the Two Holy Mosques to mitigate the effects of the spread of the new Corona virus, and is studying ways to benefit from them in a way that supports the company's activities and the continuity of its business.





5

Risks and Sustainability

- Risks and how to mitigate
- FIPCO's sustainability and business growth
- Human Capital (Human Resources)
- Occupational health and safety and the environment
- Social Responsibility
- The future outlook in line with the 2030 vision

1st: The concept of risk management in FIPCO

Risk management is the process of measuring and evaluating potential risks and developing management strategies to ensure preventive treatment of these risks and facilitate work on early detection of actual problems with the aim of minimizing their negative effects on FIPCO.

Why is FIPCO interested in risk management?

1. Controlling the risks surrounding FIPCO's activities and business.
2. Determine specific treatment for each type of risk.
3. Work to limit losses and accept them to a minimum.
4. Providing appropriate confidence to all stakeholders in FIPCO, especially shareholders, creditors, customers and suppliers, in order to protect the ability to generate Income despite any incidental losses that may lead to diminished or unachieved income.

FIPCO's philosophy in dealing with risks

FIPCO believes that risk is an integral part of any profit-oriented activity, especially in the industrial sector. The optimal approach to risk management from FIPCO's perspective is to adopt an open policy for dealing with risks to ensure that risks that may result in large losses or substantial impacts are addressed, while not neglecting the risks with the least impact..

Therefore, FIPCO deals with risks by classifying them into 4 main points, including the following:

1

Risk Avoidance:

It means trying to avoid activities that may lead to a hazard.

2

Reducing risks:

This is done by reducing the size of the investment that results in that risk or by involving others in bearing the risk

3

Risk Transfer:

insuring means that help in accepting risk, and is usually done through contracts or financial safeguards such as insurance contracts.

4

Acceptance of risk taking:

it means accepting losses when they occur, and this may be acceptable in small risks.



The most important risks facing FIPCO and its subsidiaries

The risks shown below do not include all the risks that FIPCO may face. Rather, additional risks may exist, but they are either unknown to FIPCO at the present time, or FIPCO may consider them not essential and not hinder its work. For this purpose, FIPCO, through its risk management unit, has built a record of the risks that it may face and the control points that will reduce the effects of those risks if they occur or hinder their occurrence, and these risks can be summarized as follows:

1. Global economic fluctuations and financial crises

FIPCO is not only affected by the local economy, but the impact on its operations and expansions extends to global economic conditions, and is definitely affected by the global financial crises that appear from time to time, which may force current and potential FIPCO clients to reduce spending on FIPCO's products and thus affect its profitability, especially since FIPCO has a large percentage of external clients in various countries Continents of the world. The financial institutions that FIPCO deals with may also be affected, and it is not possible to predict the timing, strength or duration of any subsequent economic slowdown or recovery.

2. Regional political and economic situations

The region is witnessing some political fluctuations that extend to many of the countries that FIPCO deals with, which may negatively affect access to some customers in those areas, and thus this affects one of FIPCO's most important strategic goals by targeting new markets and diversifying sources of income.

3. The economic performance of the Kingdom of Saudi Arabia

The government of the Kingdom of Saudi Arabia, its new financial transformation program, which aims to disengage the link between oil and the Kingdom's GDP and create an economic environment that is not completely oil-dependent. However, any fluctuations in oil prices may cast a direct shadow over the Kingdom's economy and all its sectors. Especially the industrial sector that relies heavily on raw materials from petroleum or petrochemical derivatives, which may affect the performance of the company and its main operations and May negatively, affect the company's expectations and business results.

4. Competitive environment

FIPCO's growth and maximizing its Income are closely linked to its ability to compete and maintain its leadership position among other local, regional and international companies by maintaining the quality and diversification of its products. However, the competitive environment may push FIPCO to reduce some of its prices in order to preserve its major customers and market share.

5. Major suppliers

Reliance on a single major supplier of raw materials used by the company in the manufacture of its products is one of the greatest risks that FIPCO pays special attention, especially since the main supplier directly affects the main activities of FIPCO if the supply is stopped for any reason or the supplier refuses any consideration in addition to his exclusive entitlement. In determining the price levels of raw materials. On the other hand, FIPCO does not have sufficient capacity to import these materials from the global market at higher prices due to considerations of customs duties, transportation, storage and other fees. In addition to the difficulty of obtaining the approval of the concerned authorities to import a locally available product.

6. Major customers

Also, relying on key clients to purchase large-scale products from FIPCO is one of the most important risks that FIPCO pays special attention to. To this end, FIPCO is always working to expand its customer base and the difference in the quality of the goods sold, with the aim of reducing reliance on major domestic or international customers to avoid the constant change in price levels and pressure on profit margins.

7. Prices of energy products and raw materials

FIPCO's sales and profitability depend directly on two main factors, namely energy product prices and raw material prices. Those prices that FIPCO cannot anticipate, especially with the recent government decisions that included a rise in the prices of energy products, with no clarity of vision that they could increase in the future. In addition to the fluctuation of the prices of raw materials according to the fluctuation of global oil prices, and this is expected to repeat in the future. FIPCO's performance depends in part on its ability to incorporate these changes in costs into the selling prices of the products.

8. Sudden stalling and malfunction

In FIPCO, work is carried out in a system of division of labor by manpower to ensure the continuity of the factory's work without interruption, around the clock, every day of the week. There are some risks that may negatively affect the operational efficiency of the company, such as natural disasters, breakdowns in machines or computers, accidents related to important employees, and power or water outages, which may lead to increased costs and lower revenues and Income. FIPCO cannot provide any guarantees that its operations will not be disrupted, despite the fact that it fulfills all continuous preventive and periodic maintenance standards.

9. FIPCO Resource Management System (ERB)

All FIPCO departments rely primarily on computer systems to manage their assets and control their activities and financial records. In addition to using in all its financial operations (ERP) the resource, administrative and operational management system. Consequently, any defect that arises in this system or a dispute over its ownership rights or others will negatively affect FIPCO's operations and the smooth running of its work, and to avoid this, FIPCO is keen to make the necessary updates to the system periodically and through one of the specialized consultants. In addition, a contract is being made with a specialized company to store all its information as a backup copy.



10. Currency exchange rates and interest rates

FIPCO deals in all its international imports and exports with currencies closely related to the Saudi riyal, such as the US dollar and the euro. Any fluctuation between the value of the Saudi riyal and any of these aunts may have a negative impact on FIPCO's revenues and Income. Any negative shift in exchange rates in markets that are not dominated by the dollar could have a negative impact on the profitability of the company due to the Saudi riyal's peg to the US dollar. In addition, fluctuations in interest rates between Saudi banks (SIBOR) in addition to global interest rate fluctuations and their impact on financial institutions that FIPCO may deal with now or in the future could increase borrowing costs and have a negative impact on the results of operations.

11. Insurance coverage

The insurance associated with its work in the manufacturing industry, but these policies may not provide complete insurance against all potential risks related to its business because of changing market conditions. Also, insurance premiums and deductibles in some insurance policies can increase significantly in some cases. This may lead to a significant increase in operational costs, which reduces its profitability.



12.Human Resources

The rise in labor wages is one of the most prominent risks facing FIPCO, because the nature of the industry in FIPCO relies heavily on manpower. Therefore, FIPCO has taken several initiatives to reduce labor leakage, which greatly contributed to reducing its risks to FIPCO. Among the most important of these initiatives is improving the work environment for the human cadre in addition to increasing wages and incentives. In addition to automating some production lines to reduce reliance on the human factor.

13.Legislative and regulatory environment

FIPCO operates in a dynamic legislative environment, as FIPCO is subject to the laws and regulations in force in the Kingdom of Saudi Arabia, and these laws and regulations may be subject to change, which may be reflected in FIPCO's business, either positively or negatively. FIPCO may also amend its products or operations in order for its activities to be in line with any future changes in these legislations and laws. In order to reduce the negative effects arising from any of these changes if they exist, FIPCO undertakes permanent compliance with any infringements that occur on the regulations in force locally or in any of the countries to which its activity extends, then it studies the impact of these infringements on the scope of its business and then takes all measures. Necessary to reduce its effects or try to employ it to serve its business.

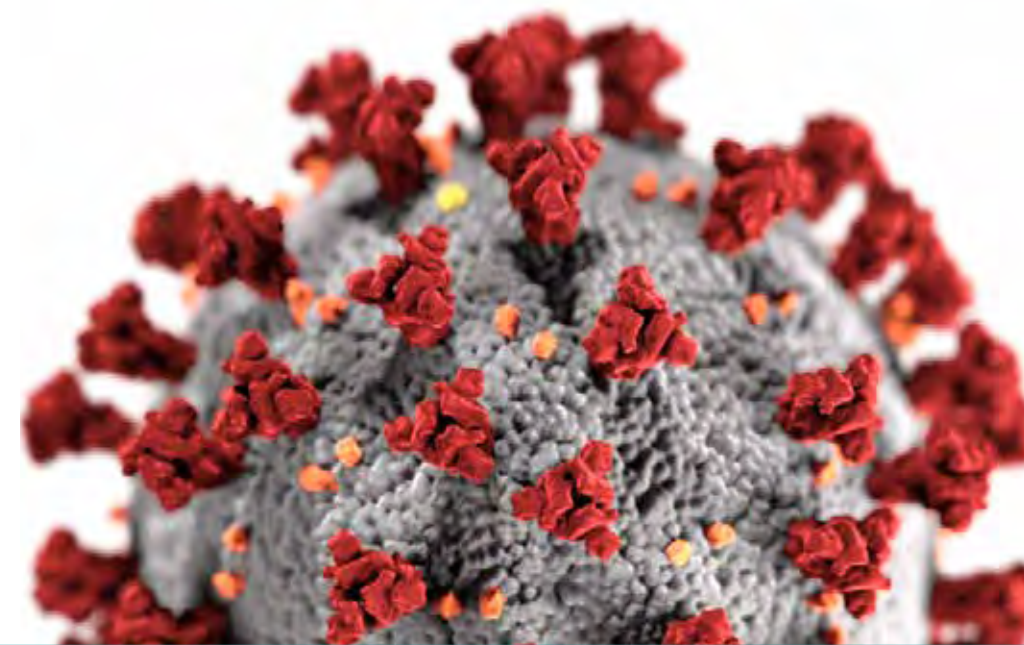
14.Labor laws and regulations

Legislation in the Kingdom of Saudi Arabia requires adherence to achieving a percentage of Saudization of jobs in companies through the Nitaqat program, which requires a percentage of Saudi employees out of the total employees. FIPCO has achieved the required percentage, and it continues its continuous pursuit of the Saudization of a number of administrative jobs, coinciding with its expansion plan that requires many workers in its various departments. FIPCO has also signed an agreement with the Human Resources Development Fund to support the job nationalization plan in line with the regulations and laws issued in this regard.

Despite FIPCO's belief in the importance of Saudization as a national development requirement, it faces difficulties and challenges due to the nature of its industrial activity and its inadequate work for citizens seeking work and its reliance mainly on expatriate workers, which makes it difficult to achieve Saudization ratios. The associated risks persist, particularly with rising labor and recruitment costs.

15.Environment, safety and occupational health

Based on FIPCO's endeavor to implement the highest rates of safety, safety and occupational health, FIPCO has taken upon itself to adopt more stringent standards to provide preventive safety requirements. This is something that raises its costs, which may negatively affect the results of its business and its financial position, and FIPCO's business and financial position may be negatively affected in the event of material losses or damages that may result from dealing with dangerous and toxic materials, or in the event of accidents during production processes. They are not covered by insurance policies, or they are caused by accidents that are not covered by insurance policies. Therefore, FIPCO considers maintaining the health and safety of its employees and human resources as one of its most important strategic priorities, and that all of its facilities are subject to local and international safety standards.



16.Financial results of the subsidiary (FPC Industrial Company.)

FIPCO owns 100% of its subsidiary (FPC Industrial Company.), and FIPCO undertakes the task of financing the entire project through a combination of self-financing and financing the industrial fund as well as bank facilities, and commercial operations started in the second quarter of 2019. This is done gradually until the full production capacity is reached. Therefore, any failure of this project, the inability to enter the market for the company's products, or the stoppage of production for any reason would lead to FIPCO bearing the burdens of financing and investment losses.

17.Risks associated with disease outbreaks

In general, an outbreak of infectious diseases or a similar threat to public health or fear of such events may have a material negative impact on the company's business and financial condition.

A new type of Coronavirus (Covid 19) has been discovered and this disease has spread in most countries of the world, which has led many countries, including Saudi Arabia, to take multiple measures to limit the spread of the virus, which included imposing temporary restrictions such as a travel ban and a lockdown. The magnitude of the impact of Coronavirus on the company's business depends on the development of current events and new information that may appear regarding the seriousness of the virus and the necessary measures to contain or remedy its impact. In the event that the spread of the virus increases and the imposed restrictions continue or new restrictions appear that limit the company's business, its suppliers and customers, this will have a fundamental negative impact on the company's business, its financial position, the results of its operations and its future growth.

2nd: FIPCO's sustainability and business growth

Sustainability is of great importance at both the local and global levels, which in turn motivates FIPCO to continue to carry out its activities and support its future plans with the same passion and vitality.

Sustainability at FIPCO has become an integral part of the company's culture, and it has become a major driver of the decision-making method within FIPCO.

FIPCO's sustainability strategy is subject to periodic review to ensure its continued effectiveness in enhancing the positive impact in the environmental, social and economic aspects. Especially since FIPCO and its subsidiary company began to adopt new mechanisms in the industry to keep pace with the Fourth Industrial Revolution by adding new areas to its strategy, which is «digitization» or automating its operational processes. Benefiting from the programs and initiatives launched by the state to keep pace with the Kingdom's vision 2030. FIPCO announced on the Saudi Stock Exchange (Tadawul) website on 04.02.2020 that it had signed an agreement with the Saudi Authority for Industrial Estates and Technology Zones (MODON) to support the industrial transformation plan as part of the program initiative. National productivity after passing the controls and standards set by MODON in partnership with the Saudi Industrial Development Fund and the King Abdul-Aziz City for Science and Technology to enter the program. Accordingly, the implementation of the program's initiatives aimed at empowering industry and enhancing national productivity was carried out by presenting studies and transformation plans by a global technical partner, which would put FIPCO in the ranks of national companies contributing

to the creation of an industrial environment and sustainable development.

Successive workshops and field visits were completed in late 2020, leading to the stage of obtaining the final outputs of this program, and it is currently under study by the company's management to determine priorities for initiatives that could be undertaken, and to study the size of investment in them. And assessing its implications for the development of the company's business, the quality of its products, the efficiency of its operations, and controlling its costs.

Therefore, FIPCO and its subsidiary are continuing their efforts to achieve the maximum benefit from the outputs of this program, which FIPCO believes will have positive future repercussions that reduce industrial costs. It mainly consists of reducing energy costs, reducing high numbers of workers and improving quality levels

Products, detection and treatment of errors, as the most prominent challenges facing FIPCO are currently the high number of workers that exceeds 1000 workers according to the nature of the industry in FIPCO, which brings the company annual salaries estimated at 38 million riyals, in addition to the cost of electric power of approximately 7 million riyals annually.

On the other hand, FIPCO always adheres to environmental standards, environment, health, safety and security requirements in accordance with its values, objectives, goals, policy and annual key performance indicators. Since the year 2019, FIPCO has successfully passed the tests of degradable plastics for a number of its products at the Saudi Organization for Standardization and Metrology. FIPCO obtained the official license to do so. The subsidiary company's products have

also passed the tests of major international research centers for the conformity of the products to the global environmental and health considerations, which broadens the export horizons for the company's products.

During the year 2020, FIPCO achieved many successes in the fields of environment, health, safety and security, including improving safety measures and sustainable environmental performance, increasing awareness of employee health and product sustainability, and promoting a comprehensive culture. And it will be talked about in detail in the coming lines. The company is working on a continuous decline in the rate of serious accidents in its sites to reach the zero rate of these accidents.

The strategic business units in FIPCO and its subsidiary have achieved an accident rate of less than (1) according to the American OSHA standards, which is a very strong industrial performance. The Environment, Health, Safety and Security teams also provided extensive support to build organizational capacity and foster a strong culture of environment, health, safety and security.

FIPCO is joining forces with some private sector companies and research and development departments to create plastic and environmentally friendly plastic products that are used as support tools in many industries. In addition, and since the promotion of local content is a fundamental pillar for achieving the Kingdom's 2030 vision. FIPCO has begun working with the Local Content and Governmental Procurement Authority to lay the foundations for measuring the company's local content in line with the Kingdom's vision. The company achieved a very advanced level in the local content measurement index after checking its file submitted by one of the bodies licensed by the authority. The authority officially approved its classification in early 2020

Finally, FIPCO believes that leadership in the field of sustainability at the local, regional and global levels requires the optimal direction of the company's resources. This is done by placing sustainability as a key figure in the company's top strategy, which is adopted by the Board of Directors.



3rd: Human Capital (Human Resources)

FIPCO firmly believes that human capital is one of the most important elements of the productive process. In a manner that achieves FIPCO's goals to increase its market value and raise its share in the field of business locally, regionally and internationally, in a manner that guarantees leadership. Therefore, FIPCO has sought to invest in its human resources as follows:

Human capital

FIPCO has realized since its established the importance of the human element in its path, realizing that success is undoubtedly contingent on attention to this vital element, and therefore it pays most of its attention to it through human resources management, which realizes the importance of its role in creating a healthy and successful work environment, and helps the employee in career creativity, And it enhances its production capacity, which contributes to the company's continued success. As it was keen to meet all the basic needs of the employee, in addition to securing health and safety conditions.

FIPCO always strives to create a work environment that gives the employee the ability to participate in the management in decision-making, and to participate in drawing his goals, to be in line with the general objectives of the company, and to create the appropriate environment for him, and to motivate him in any distinguished work he does, and help him highlight his achievements as an important part of the system.

Creating national competencies

It is our firm belief that the private sector is a partner and complement to the success of the public sector. FIPCO has contributed to the creation of national cadres and competencies through its partnerships with the Higher

Institute of Plastic Industries to train national competencies to obtain a diploma and an ambitious career path plan to upgrade these competencies to obtain leadership positions. In addition to raising the quality of their job performance, through information that helps them achieve their goals and the goals of the company, and contributes to the development of their skills and abilities. In addition to the positive impact that reflects on behavior and attitudes, as the individual acquires ideas that contribute to changing his behavior for the better in its practical aspects. This is due to the benefit of his abilities and skills in many situations, whether the skills are technical, intellectual, or behavioral. 50 new employees from the institute have recently joined, in addition to 35 employees who are still under training.

FIPCO has also continued to work with its strategic partners to activate training programs that end with employment, and to urge people of the country to knock on the doors of industrial fields in all their practical stages.

Optimum Efficiency

FIPCO has continued its constant endeavor to raise the level of efficiency and quality through the efforts made by the Human Resources Department in accordance with many plans. This is in order to raise the quality of internal work by developing the objectives system and evaluating performance, restructuring and merging departments, and enhancing the level of efficiency in a way that contributes to achieving the goals of the company.

FIPCO is also keen to set up programs to receive new employees and raise their level of professionalism before joining the work team, and to enable them to obtain all the tools that

help them succeed in the practical and personal fields.

On the other hand, the Human Resources Department was able in 2020 to develop the salary scheduling system to be through the company's resource management system, which was operational in early 2021 to include all company employees.

The department also increased and updated all job descriptions of the company, used new models dedicated to it, and worked on developing the behavioral competency and technical competence systems.

A healthy work environment

FIPCO realizes the need to provide a healthy and attractive environment for work, in order to create a sense of happiness and comfort for the employees, and to enhance their desire to come to the company with passion, and this automatically calls them to work with diligence, dedication and harmony, and contributes to harnessing their competencies and experiences to advance the company and achieve its goals and mission to the fullest. Which will reflect positively on the public interest of work, and contribute to the sustainability of excellence and integrity in all sectors and fields.

The company was keen to provide services and high benefits to its employees, as well as to provide personal and practical needs, especially in light of the developments and preventive measures associated with the repercussions of the new Corona virus in all the company's facilities or workers' accommodation, based on its responsibility towards its human capital and in line with the health instructions issued by the relevant authorities.

To this end, the Security and Safety Department has been restructured to be within the subdivisions of the Human Resources Department. This section has made a number of tangible achievements during 2020, which will be discussed in detail in a separate section of this report.

Women's Empowerment

Saudi women have shown remarkable and tangible superiority in the various scientific and practical experiences that they have gone through, and with their diligence, they have been able to place a significant place for them at the top. It is in this sense of the supervisor. FIPCO has been keen for women to have an important place in their system that they follow along the paths of success, and to be a main partner participating in decision-making, formulating messages and goals, and supporting the system to reach all its aspirations. Empowering women within the company, as they were able to increase the number of Saudi female employees in the production departments by more than 100% over the previous year, in addition to attracting administrative competencies in the other departments of the company, as the number of Saudi women workers constitutes 41% of the total Saudi employees of FIPCO. FIPCO believes that its role in empowering women is a reflection of the Kingdom's rational government's interest in it and its future, and its keenness - may Allah support it - for women to have a space in all fields and sites. By setting laws and regulations that guarantee her rights in her choices in education and work. Therefore, FIPCO is keen to be a pioneer in creating practical opportunities that benefit and suit the aspirations of Saudi women, and which supports and helps them to invest their distinct energies in line with the Kingdom's vision 2030.



Empowering people with special needs

Due to our belief in the importance of integrating people of determination into the work environment and the need to develop the workplace to be suitable for people with special needs and to help them settle down at work. In FIPCO, we have worked to integrate employees of determination into the company, and to establish the principle of supporting the work and employment of people of determination in our culture.



Continuous Improvement

The administration is still in an ongoing development journey, as it aims, during the year 2021, to do the following:

- 1 Update the company's policies, procedures and regulations by applying best practices in human resources and in a way that reflects positively on the company and the employee.
- 2 Updating the organizational structure of the company to include the merging of the joint departments between the company and its subsidiary in a manner that ensures smooth work, increases productivity, reduces costs and fair benefits for employees of one category.
- 3 Increase the level of job satisfaction among employees by developing the work environment.
- 4 Developing a performance indicators measurement system, which depends on updating performance measurement standards and monitoring them continuously throughout the year.
- 5 Developing the job ladder with benefits and rewards according to the market changes imposed by the Corona pandemic.
- 6 Setting a policy on remote work and discussing how to make the most of the cadres and expertise at the lowest possible costs.
- 7 FIPCO is still on the platinum scale with a high Saudization ratio, and the company will continue its endeavors to maintain its position within the higher ranges.
- 8 Investing in human capital through setting up appropriate training programs and refining leadership skills for some important jobs to ensure smooth career succession and raise the level of loyalty.

4th: Occupational health and safety and the environment

Based on FIPCO's interest in providing a healthy and attractive work environment for all its employees, it has made several changes at the administrative and technical levels to create a strong and solid system that works to provide the appropriate environment for work. FIPCO has reformed the administrative structure of the safety department and merged the departments of occupational safety, health and environment in the company and its subsidiary under one umbrella to ensure that all procedures, regulations and legislation are fully implemented in all the company's facilities, in line with the instructions of the competent authorities in this regard. In addition to the development of new policies and related procedures manual, that ensures that the new legislations and regulations issued by the concerned authorities are followed in relation to the safety and health of the work environment. The procedures that were taken included several aspects as follows:

1- Enhancing safety and protection levels through the following:

- 1.Contracting with companies approved by the civil defense to add early warning system devices and fire fighting tools according to the requirements and requirements within the factories (fire boxes and fire extinguishers and providing emergency exits with its complete and fire-resistant equipment).
- 2.Addition of early warning systems and automatic extinguishing devices in transformer rooms and main electrical panels.
- 3.Providing an automatic spraying system for the entire plant and ensuring that all production areas are fully covered.
- 4.Providing a foam protection system for chemical storage areas.
- 5.Contracting with a company that provides preventive maintenance for early warning devices, firefighting and extinguishers to ensure their effectiveness permanently.

6.Adoption of toxic schemes for ways to escape in emergencies.

7.Carrying out a simulation in the event of an emergency and evacuating the facility and submitting the report after the evacuation method is followed up, identifying weaknesses and providing the necessary tools to raise the facility's readiness in emergencies.

2- Providing means of occupational health through the following:

- 1.Providing a private clinic with a daily presence of a doctor who receives employees who suffer from any diseases, follows up on their condition, and provides medicines in a manner that adds interest to the company's employees. We also provide workshops to educate employees on how they work and to do them the right way.
- 2.Providing first aid boxes in all regions and departments of the company under the supervision of trained people from within the departments.
- 3.Putting safety policies and procedures within reach of everyone and translating them into the company's official languages (Arabic, English and Urdu).
- 4.Provide the necessary safety tools for each department according to the work method according to the risk identification schedule.
- 5.Providing brochures translated in a number of languages that enhance the employees' activity and awareness of caring for their physical and psychological health and motivate them to practice sports.
- 6.Providing detergents and sterilizers approved by the Food and Drug Authority and developing leaflets explaining their use.
- 7.To submit reports of injuries, analyze them, and work to find appropriate solutions to prevent their recurrence.
- 8.Follow up the facilities and buildings, conduct their examination, make a plan to implement the



procedures, provide means of protection and comfort, and provide playgrounds and sports equipment to entertain employees during periods of rest and in the workers' accommodation

3- Adopting best practices towards environmental commitment as follows:

- 1.The company contracted with a consultant office accredited by the Meteorology and Environment Authority to conduct a study of the environmental impact of the production operations of the company and its subsidiary company and take the necessary measures according to the suggested recommendations.
- 2.Contracting with an accredited office that undertakes environmental measurements to periodically determine the level of audio, air and water pollution.
- 3.Contracting with a company approved by the Meteorology and Environment Authority to dispose of waste according to the requirements and legislation (chemical waste, industrial waste, and general waste) and dispose of it in the right and correct ways in compliance with the requirements of the authority.
- 4.Provide adequate ventilation within all company facilities, especially production areas, by providing ventilation fans, central air conditioners, and air purifiers.

4- Periodic examination according to risk classification by preparing daily inspection forms to verify the following:

- 1.Cleanliness of places and production areas, and to ensure that there are no obstacles to fire-fighting devices, and to ensure ventilation, lighting, and the passages of ways to escape from any obstacles.
- 2.Chemicals stores and how to deal with them.
- 3.A room for fire pumps and testing the pumps to ensure their effectiveness on a weekly basis.

4.Monitor the water pressure inside the fire fighting system on a daily basis.

5.Monthly test of fire extinguishers and ensure their validity when necessary.

5- Development Initiatives:

- 1.Reviewing and updating the policies and procedures annually to match compliance with all regulations and legislation issued by the relevant regulatory authorities.
- 2.Preparing and updating the risk register for industrial processes and the accompanying activities and finding solutions to determine and reduce the risk as much as possible. The risks are reviewed and identified annually for the entire record, and the high risks are closely followed up and reassessed periodically.
- 3.Conducting periodic meetings to discuss new observations and developments related to employee safety and developing appropriate solutions to them, through a committee formed for this purpose, called the Occupational Health, Safety and Environment Committee, in which the supervisors of the production departments participate in it to discuss problems related to operations inside the factory, discuss injuries and find solutions to reduce their recurrence.
- 4.Spreading the occupational toxicity culture among the employees.
- 5.Implementation of a proposal to replace liquefied gas with natural gas to reduce the risk of tanks containing highly flammable materials and produce harmful substances to the environment. The project has been approved and the room for natural gas requirements has been prepared. The internal network of pipes is being extended and the necessary tests are being carried out according to the required and applicable requirements in the Kingdom of Saudi Arabia.
- 6.Training employees on the use of fire extinguishers, including fire extinguishers and water hoses, and making them aware of the types of fires and the correct ways to extinguish them

4th: FIPCO's social responsibility (CSR)

Based on its keenness to achieve ethical goals, and realizing that investing in the local community will benefit everyone, FIPCO, as a responsible national company since its established, believes that the company's growth and development does not depend only on its financial position, but also on its ability to contribute to the community. In the role assigned to it towards society, by performing the following:

- 1 It provides a competitive and attractive work environment, stimulates development and creativity initiatives, and entrenches concepts of quality.
- 2 assigning some work to charities instead of contracting with commercial companies for mutual benefit.
- 3 Pay great attention to the Saudi female component, as they are relied upon in some of the administrative and production tasks, as the female component constitutes 41% of the total Saudi workforce.
- 4 Communicate permanently with its customers and strategic partners internally and externally to ensure the sustainability of trust, interaction and partnership, and listen carefully to their views and suggestions for developing products and enhancing the mental image.
- 5 It plays its role towards the environment, so it relies on raw materials that do not have environmental damage. It also carries out some recycling work and reduces consumption of natural resources to preserve the environment, in addition to adopting high standards of safety, safety and occupational health.
- 6 It concludes agreements and supports initiatives with industrial and training entities to develop human cadres, and works harmoniously with government agencies and large companies to adopt training initiatives ending with employment and other programs that contribute to the Saudization of the industrial sector.
- 7 It cooperates on a permanent basis with government agencies concerned with the rehabilitation of citizens and their integration into society, such as the National Committee for the Care of Prisoners, Released Prisoners, and Their Families, among others.

5th: Future outlook in line with Saudi Vision 2030

Saudi Vision 2030 is the post-oil plan of the Kingdom of Saudi Arabia that was announced on April 25, 2016, and is based on three main axes, which are the Arab-Islamic depth, the leading investment power, and the three continents linking axis. And it is implemented gradually through several factors, the Kingdom started by announcing the National Transformation Program, which was approved by the Council of Ministers on June 7, 2016, and the subsequent infringements and the launch of accompanying development programs on all sectors in support of the aforementioned axes.

In order to achieve a prosperous economy, the Saudi Vision aims to raise the percentage of non-oil exports from 16% to at least 50% of the non-oil GDP. The Kingdom's ranking in the Logistics Performance Index is ranked from 49th to 25th globally, and No. 1 regionally. To that end, a new export bank was established with a capital of 30 billion riyals to encourage export activity and support industry and mining projects in the Kingdom.

Among the most prominent points around which the ambitious Saudi plan is centered is to increase the private sector's contribution to the GDP from 3.8% currently to 5.77%, increase the participation of women in the labor market from 22% to 30% and reduce the unemployment rate among Saudis from 11.6% to 7%.

With regard to manufacturing industries, the Kingdom has started its gigantic industrial project that aims to transform from an importer of transformative materials and final consumer products to manufacturing and producing them



locally, by exploiting the wealth of raw materials. This opens the horizons for huge investments in the manufacturing industries sector, estimated at 200 billion riyals and providing nearly 100,000 jobs.

And in extension to what has been mentioned and in light of the strategic policy orientation of the Kingdom to support its economy by relying on non-oil means and focus on supporting industry and opening the way to encouraging exports, developing ways to employ the vast wealth of raw materials locally in favor of developing national manufacturing industries, diversifying their final and consumer products, stopping import and providing self-sufficiency. Giving Saudi factories the opportunity to export the surplus, all of these elements support FIPCO's activity and the continued growth of its business, which FIPCO considers optimistic about and works hard to

invest these ingredients to achieve leadership and sustainable development.

FIPCO strives to provide tangible social and economic benefits by adding value to the national economy through business revenues, social consultations, job creation, and improvement of environmental awareness. Especially since most of FIPCO's main operations are all in line with the goals of the Kingdom's Vision 2030 through the fact that its products are environmentally friendly and generate revenues from external exports, which are two main factors in the financial transformation program.

As for FIPCO's future plans, we plan to actively expand the manufacturing and marketing of its products inside and outside Saudi Arabia, despite local and foreign competitions. Emphasizing our determination to continue to develop and grow through the diversification of our products and

the launch of new production lines in the areas of manufacturing industries, which we believe that the market is still thirsty for such projects. In addition to targeting the manufacture of products that are not available in the local market, and their users rely heavily on import, in line with achieving our profitability goals to maximize the return on investment for FIPCO shareholders, and to play the role entrusted to us in supporting the plans and programs of the Kingdom's vision. To this end, our new project was launched by establishing FPC Industrial Company. to engage in the manufacture of new products in the field of downstream industries - and the new project was highlighted in all its details in Chapter Three of this report.

FIPCO also seeks to enter into value-added partnerships in the field of manufacturing industries. FIPCO and its new subsidiary also

intend to expand their participation in local and international exhibitions and forums to maximize our brands and open up local, regional and international investment windows.

On the technical and digital aspects, FIPCO aims to rely on technology developments in the production process to reduce technical and professional errors and to reduce dependence on the human factor in all stages of manufacturing. To this end, we visit exhibitions of global hardware and tools to obey the technical and technical developments that can be used in our factories, even if the plans for these visits have been affected by the restrictions imposed by the Corona pandemic during the current time.

With regard to FIPCO's sales, with the aim of continuing to increase the current growth rates and to alleviate pressure on profit margins, we are implementing a number of initiatives and methods

to maintain effective growth rates by diversifying sources of income and targeting new products with high profit margins. And carrying out more market studies and research to improve the quality of products and reduce the proportions of raw materials used in manufacturing and reduce waste and recycling.

FIPCO is fully aware that achieving these goals depends on a strong and qualified work team, and therefore it continues to invest in human capital and attract qualified human cadres to provide the best value to its customers and investors.

We are committed to supporting growth and development plans, taking advantage of the existing national economic transformations, and looking forward to a promising future as one of the most important national companies operating in the field of manufacturing industries.

* This section of the annual report includes future data and potential studies and is usually subject to risks and uncertainties according to the various economic and political factors that may reflect negatively or positively on the expected results. Therefore, it must be noted.





6

Governance in FIPCO

- FIPCO governance and its applications
- Governance structuring in FIPCO
- Historical development of corporate governance in FIPCO
- Functions of the Board of Directors
- Composition of the Board of Directors and classification of its members
- Names of companies inside or outside the Kingdom of which a member of the board of directors is a member or one of their managers
- FIPCO executive management
- Attendance record of Board of Directors meetings and general assemblies held during the fiscal year 2020
- capital and proprietary disclosures
- Committees emanating from the Board of Directors
- Actions taken by the Board of Directors to inform its members - especially non-executives - of shareholders' proposals and comments on FIPCO and its performance.
- The means adopted by the Board in evaluating its performance and the performance of its committees and members and the external body that carried out the evaluation (if any).
- Dividend policy
- The policy of remuneration for members of the Board of Directors, subsidiary committees, and senior executives, and stating any material deviations
- What board members, committee members and senior executives earned
- Related parties transactions
- Governance and related applications
- Results of corporate governance practices during the year 2020
- Disclosure and transparency policies
- Declarations of the Board of Directors
- Assurances of the Board of Directors
- FIPCO shareholder records requests
- Shareholders' rights and the mechanism for communicating with them

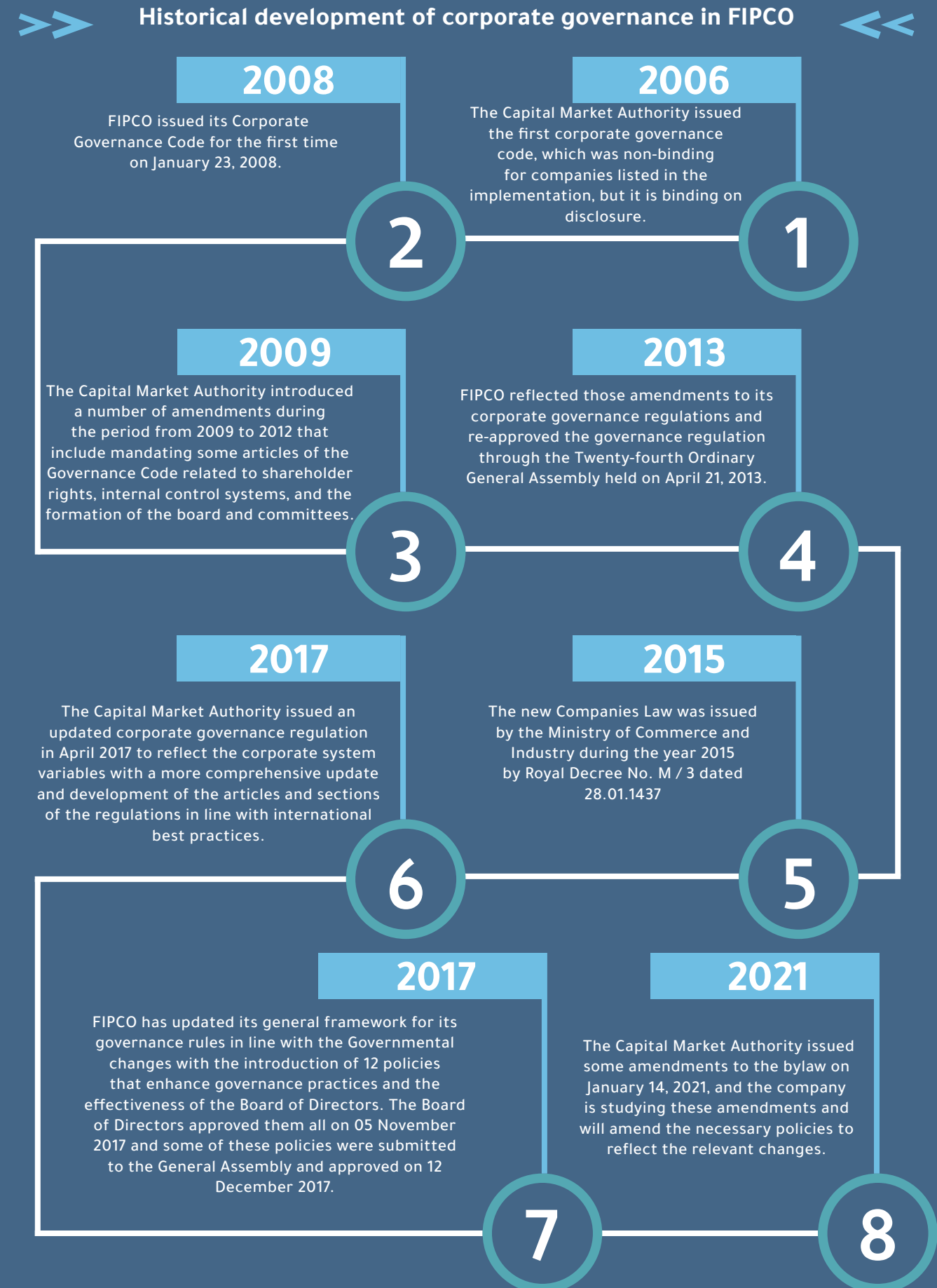
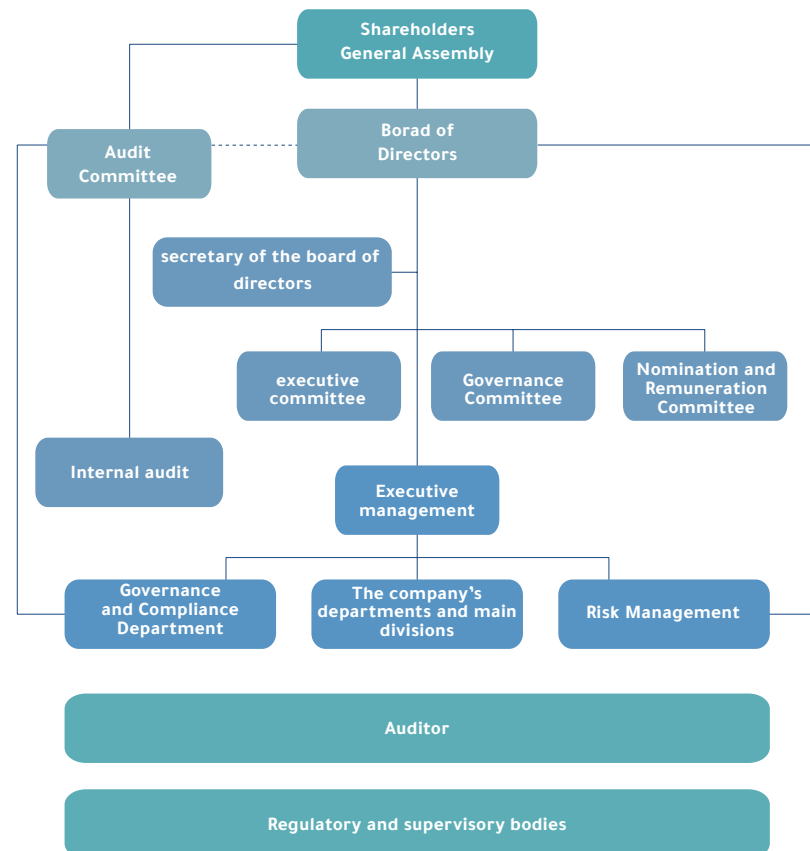
FIPCO governance and its applications

The corporate governance system is defined as “the ideal system through which the company is directed and controlled,” and the governance structure defines the distribution of powers and responsibilities among the various participants in the company. Such as members of the board of directors, directors, shareholders and other parties, and clarifies the rules and procedures for taking decisions in relation to all company affairs.

Therefore, FIPCO firmly believes that full compliance with effective governance systems and adherence to good governance standards and preparation of financial and non-financial reports is the necessary firewall to overcome many potential risks, whether internal or external, with a clear mechanism for separating the tasks between the Board of Directors.

The company's executive management in a way that facilitates the company's affairs, monitors attractive investment opportunities, and speeds up the decision-making process. For this purpose, FIPCO is always keen to adopt governance practices and standards in a manner that ensures the institutionalization of the governance system. Therefore, FIPCO has made great efforts in consolidating some of its work principles and policies to make governance a culture and not an obligation by establishing principles of transparency, disclosure, justice and preserving rights for all stakeholders, and this approach extended to also include the subsidiary company (FPC Industrial Company.), and governance in FIPCO has gone through several Curves throughout its history we review the following:

Governance structuring in FIPCO



The following is a brief summary of the members of the Board of Directors:

	Member's Name	Membership status	Current Title		Previous Titles	Academic Qualification	Practical experiences
1	Ahmed Abdullatif Albarrak	Non-executive	Chairman of the Board of Directors at FIPCO Member of the Board of Directors of FPC Industrial Company. Chairman of the Board of Directors of Dana Ice Cream Company Ltd.		Systems Management Assistant, Saudi Electricity Company. Operations Manager for Bena Factory for Advanced Concrete Products. General Director of the Saudi Building Consulting Office. Vice Chairman and Managing Director of FIPCO	Bachelor of Systems Engineering, King Fahd University of Petroleum and Minerals - Dhahran	Engineering consultancy business. Executive management business
2	Faisal Muhammad Alharbi	Executive	Vice Chairman and Managing Director of FIPCO Chairman of the Board of Directors of FPC Industrial Company.		General Manager of Faya Saudi Company General Manager of Savannah International Trading Company Chairman of the Board of Directors at FIPCO	Bachelor of Business Administration majoring in Marketing MBA - Master of Business Administration	Entrepreneurship and investment in a number of companies.
3	Abdulrahman Ibrahim Almudaimeegh	Independent	Executive Partner of Water Partners Company		Executive Vice President and Vice President of Business Development at Bawan Corporation. Served as Vice President of Business Development and then Acting CEO of Bawan Company for 6 years He participated in establishing the Bena Holding Company, an industrial investment company affiliated to Bawan, and held the position of its General Manager for 4 years. Worked in the Saudi Industrial Development Fund as a credit analyst for 3 years	Bachelor's degree in Financial Management from Prince Sultan University, Saudi Arabia MBA - Master of Business Administration, London from the London Business School, UK	Growth strategies and activities Developing products and developing new products. Establishing companies Entrepreneurship
4	Nimr Nasser Alharbi	Independent	Director General of the Business Climate Corporation		General Manager of Nafaa International Company	Secondary commercial diploma - specializing in office business	Various practical experiences in business and company formation
5	Abdullah Muhammad Alharbi	Executive	Director of Risk Management at FIPCO Co-founder and CEO of Makamin Management Consulting		Director of Public Relations in the Saudi Faya Compan	Bachelor of Business Administration majoring in Marketing MBA - Master of Business Administration with honors	Diverse practical experience in business and economic journalistic writing Management Consulting. Governance and risk management



3rd: Names of companies inside or outside the Kingdom of which a member of the company's board of directors is a member of its board of directors



	Member's Name	Names of companies in which a member of the board of directors is a member of their current boards of directors or of their managers	Company's Headquarters		Legal entity	Names of companies in which a member of the board of directors is a member of their previous boards of directors or of their managers	Company's Headquarters	Legal entity
1	Ahmed Abdul Latif Albarrak	Ice cream Dana est.	Kingdom of Saudi Arabia		Limited liability	Filling and Packing Materials Manufacturing Company (FIPCO)	Kingdom of Saudi Arabia	A listed Saudi joint stock company
		FPC Industrial Company.	Kingdom of Saudi Arabia		Limited liability	-		
2	Faisal Muhammad Alharbi	FPC Industrial Company.	Kingdom of Saudi Arabia		Limited liability	Filling and Packing Materials Manufacturing Company (FIPCO)	Kingdom of Saudi Arabia	A listed Saudi joint stock company
3	Abdulrahman Ibrahim Almudaimeegh	Binaa Ready Mix Concrete Products Company (a subsidiary of Bawan)	Kingdom of Saudi Arabia		Holding	Bawan Corporation	Kingdom of Saudi Arabia	A listed Saudi joint stock company
		The National Building and Marketing Company	Kingdom of Saudi Arabia		Limited liability	-		
		Future Ceramic Company	Kingdom of Saudi Arabia		A closed joint stock company	-		
		Impact Financial Corporation	Kingdom of Saudi Arabia		A closed joint stock company	-		
		National gypsum company	Kingdom of Saudi Arabia		A closed joint stock company	-		
		AL MAATHER REIT	Kingdom of Saudi Arabia		Real Estate Traded Funds	-		
4	Nimr Nasser Alharbi	-			-			
5	Abdullah Muhammad Alharbi	FPC Industrial Company.	Kingdom of Saudi Arabia		Limited liability	Filling and Packing Materials Manufacturing Company (FIPCO)	Kingdom of Saudi Arabia	A listed Saudi joint stock company
		Makamen Management Consulting Company	Kingdom of Saudi Arabia		Professional company	-		

4th: The company's executive management

Name	Current title	Prev. Titles	Qualifications	Expertise
Faisal Muhammad Alharbi	Vice Chairman and Managing Director	It was previously talked about in the section on the Board of Directors		
Abdullah Muhammad Alharbi	Member of the Board of Directors and Director of Risk Management	It was previously talked about in the section on the Board of Directors		
Hassan Ramzi Issa*	Chief Financial Officer	Work for KPMG Egypt, then progressed in the administrative and financial positions at El Sewedy Cables Company, leading to the position of Financial Director of the Group and General Manager of one of its factories.	Bachelor's degree in accounting, then obtaining a master's degree and doctorate in accounting from Ain Shams University - Egypt	years in the 30 field of accounting and financial management
Karim Marquis	General Manager of the Subsidiary Company (FPC Industrial Company.)	Factory manager for Convertex for Plastic Industries and Printing in Lebanon and Romania He held a number of administrative and leadership positions in a number of companies operating in the field of plastic industries, including the National Plastic Company, Al Sharq Plastic Factories, the Saudi Company for Printing and Packaging, and Al-Marabi Group for Industry	Bachelor's degree in mechanical engineering, then obtaining a master's degree in plastics manufacturing from the University of Grenoble in France	30 years in the field of plastic manufacturing and printing between France, Lebanon, Romania and Saudi Arabia
Hani Gabriel*	Deputy General Manager, Operations	Deputy General Manager at the Saudi Factory for Telephone and Electronic Network Supplies	Master of Business Administration / Bachelor of Industrial Engineering	20 years in industry
Hamza Mahdi Baybars	Executive Vice President for Financial Affairs	He worked for Ernst & Young in Jordan and Saudi Arabia, then worked in the internal audit and financial management work	Bachelor's degree in accounting and passing the American Certified Public Accountant (CPA) exams	13 years of experience in the field of external and internal audit and financial management

* The aforementioned employees' relationship with the company ended during the second half of 2020.

5th: Attendance record of Board of Directors meetings and general assemblies held during the fiscal year 2020

During the year 2020, two meetings of the Board of Directors were held by attendance, in addition to the Board taking seven decisions to pass among its members in line with the FIPCO Basic Law to take important decisions, including the approval of the financial statements for the purposes of publication and disclosure. Taking into consideration that the board is always keen to hold regular attendance meetings at the rate of 4 meetings annually, but due to the current circumstances only two meetings were held and decisions were issued in urgent matters by passing.

Also, during the year 2020, there was one meeting of the general assembly of shareholders (an ordinary general assembly) in which the financial results of the company, the auditor's report and the company's board of directors' report for the fiscal year 2019 were approved. Discharging the members of the Board of Directors and appointing an auditor to audit the fiscal year 2020 and the first quarter of the year 2021, and determine their fees. The following is a statement of the dates of the meetings, the attendance of the members of the Board of Directors and the percentage of their participation:

	Name	Dates of the meetings held during the year 2020				The Annual Ordinary General Assembly was held on May 07, 2020.
		2020/03/01	2020/07/28	Attendance times	Attendance Ratio %	
1	Ahmed Abdullatif Albarrak	√	√	2	% 100	√
2	Faisal Muhammad Alharbi	√	√	2	% 100	√
3	Abdulrahman Ibrahim Almudaimeegh	√	√	2	% 100	√
4	Nimr Nasser Alharbi	√	√	2	% 100	√
5	Abdullah Muhammad Alharbi	√	√	2	% 100	√

6th: Share capital and proprietary disclosures

Capital information

The following table shows the capital information of FIPCO and the number of its shares as in 31.12.2020

Capital	
Description	Amount
Authorized Capital (SAR)	115.000.000
Paid Capital (SAR)	115.000.000
Number of issued shares *	11.500.000
Number of free shares **	11.500.000
Nominal value of the share (SAR)	10
Value paid per share (SAR)	10
The financial market in which the stock trades	The Saudi Stock Exchange (Tadawul)
Market type	Main market
The main sector	Basic materials
Share symbol	2180
International symbol	SA0007879352

* All issued shares of FIPCO are common shares, and do not have any preference shares.

** The number of free float shares varies from period to time according to FIPCO's trading movement

Share Details:

The following table shows the company's share trading information during the fiscal year 2020

Trading information	
Description	Amount
Share price is as on 01.01.2020	29.80
Share price is as on 31.12.2020	59.90
The highest share price in 2020	00.65 (recorded on 16.12.2020)
The lowest share price in 2020	28.75 (recorded on 25.03.2020)
Change ratio (%)	126



Comparative chart of the performance of FIPCO's stock with the sector index and market index



Source: TickerChart

Investment restrictions

There are no restrictions on the company's shares according to both the rules governing the investment of qualified foreign financial institutions in listed securities and the instructions governing the foreign strategic investors' ownership of strategic stakes in the listed companies in accordance with the company's by law and instructions issued by the supervisory and regulatory authorities to which the company is subject.

List of major shareholders and change in ownership stakes

FIPCO does not have any of the major shareholders who own 5% or more according to the shareholders register dated 2020 / 12 / 31.

The percentage of ownership and change in shares of board members and senior executives

1 - Board members and their spouses and minor children:

	Name	The number of FIPCO shares owned and in which they have an interest				Debt instruments and financing instruments.
		Beginning of 2020	End of 2020	Change during the year	Change Ratio %	
1	Ahmed Abdullatif Albarrak	12,400	1050	(11,350)	-89	Nothing
2	Faisal Muhammad Alharbi	861,526	0	(861,526)	-100	
3	Abdulrahman Ibrahim Almudaimeegh	20	20	0	0	
4	Nimr Nasser Alharbi	6,510	0	(6,510)	-100	
5	Abdullah Muhammad Alharbi	0	0	0	0	

2- Members of the Audit Committee and their spouses and minor children:

	Name	The number of FIPCO shares owned and in which they have an interest				Debt instruments and financing instruments.
		Beginning of 2020	End of 2020	Change during the year	Change Ratio%	
1	Fawzi Ibrahim Alhobayeb	Nothing	Nothing	Nothing	Nothing	Nothing
2	Abdulaziz Sulaiman Alateeqi	Nothing	Nothing	Nothing	Nothing	
3	Abdulrahman Ibrahim Almudaimeegh	20	20	0	0	

3- Senior executives and their spouses and minor children

	Name	The number of FIPCO shares owned and in which they have an interest				Debt instruments and financing instruments.
		Beginning of 2020	End of 2020	Change during the year	Change Ratio%	
1	Faisal Mohammed Hilal Alharbi	861,526	0	(861,526)	-100	Nothing
2	Abdullah Mohammed Hilal Alharbi	0	0	0	0	
3	Hassan Ramzi Issa *	Nothing	Nothing	Not Applicable	Not Applicable	
4	Karim Marquis	Nothing	Nothing	Not Applicable	Not Applicable	
5	Hani Gabriel *	Nothing	Nothing	Not Applicable	Not Applicable	
6	Hamza Baybars **	Nothing	Nothing	Not Applicable	Not Applicable	

* The aforementioned employees' relationship with the company ended during the second half of 2020 and until the date of their exit, they did not have any shares, debt instruments, or financing instruments.

** He was appointed Vice President for Financial Affairs, initially, to Mr. Hassan Ramzy during the year 2020.

Ownership structure for individuals and institutions by the end of 2020:

1 - Investors according to their nationalities:

	Number	Number of shares	Ownership percentage (%)
Saudis	8,108	11,429,955	99.4
Other nationalities (nationalities 17)	167	70,045	0.6
Total	8,275	11,500,000	100

2- Investors according to their nature:

	Number	Number of shares	Ownership (%) percentage
Companies & establishments	6	32,109	0.28
Individuals	8,269	11,467,891	99.2

7th: Committees emanating from the Board of Directors

In order for FIPCO’s board of directors to perform its duties effectively and according to FIPCO’s need and working conditions, the board of directors has formed specialized committees with some infringements made on them in line with the corporate governance regulation issued by the board of the Capital Market Authority.

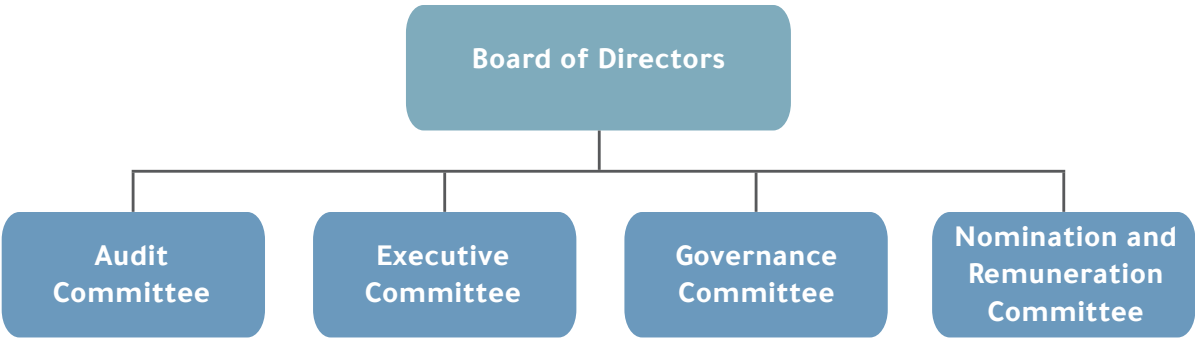
These committees have been formed in accordance with general procedures established by the Board, which include defining the tasks of each committee, the duration of its work, the powers vested in it, and the manner of the Board’s oversight over it.

It is worth noting that the Board of Directors of FIPCO, when forming these committees, took into consideration what was included in the Corporate Governance Regulations issued by the Capital Market Authority, and what is in line with the best systems and practices in force globally, by appointing a sufficient number of non-executive

board members in the committees concerned with the tasks. That may give rise to conflict of interest situations. Such as ensuring the integrity of financial and non-financial reports, reviewing related party deals - if any - and nomination for membership of the Board of Directors, appointing senior executives, determining remuneration and others.

The chairman and members of these committees shall abide by the principles of honesty, honesty, loyalty, care, and concern for the interests of FIPCO and its shareholders and present them in their personal interest.

The Board committees included the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Governance Committee, noting that the term of work of all committees ends at the end of the current session of the Board of Directors, and the regulations governing the work of all committees have been updated to reflect the laws and regulations issued by the relevant authorities.



In the following, we summarize a description of the subordinate committees, a statement of their members, their responsibilities and their meetings held throughout the year 2020.

1- Audit Committee:

According to Article One hundred of the Companies Law issued by the Ministry of Commerce for Investment and Article 54 of the Corporate Governance Regulations issued by the Board of the Capital Market Authority and the corresponding articles of FIPCO’s Articles of Association and the Governance Regulations. The

audit committee was formed by a decision of the eighth extraordinary general assembly held on May 01, 2017 from three members who are not members of the executive board, all of whom are specialized in financial and accounting affairs. With the adoption of the committee’s work bylaw, which determines its work controls and procedures, and the remuneration of its members. Then the committee was reconstituted after the end of the previous session of the committee by a decision of the thirty-first ordinary general assembly held on December 19, 2018 for a period of three years (20192021-), and the formation of the committee came as follows:

Name	Abdul-Aziz Sulaiman Al-Ateeqi	Fawzi Ibrahim Al-Habib	Abdul Rahman Ibrahim Almudaimeegh
Membership	Chairman	Member	Member
Current Titles	Works in financial advisory (licensed by the Ministry of Commerce and Investment) Member of the Audit Committee of Qassim Cement Company	He works in the field of legal review and consultations Member of the Audit Committee of Samba Financial Group Member of the Audit Committee of Abdullah Abdulaziz Al-Rajhi and Sons Holding Company Member of the Audit Committee of the National Agricultural Company - one of the Sulaiman Al-Rajhi Endowments Company (Member of the Audit Committee of the Saudi Falcon Club.	One of the board members whom we talked about previously
Prev. Titles	He worked at the Capital Market Authority for 12 years as Head of Follow-up and Implementation, and after that as Head of Internal Audit Worked as Head of Internal Auditing at the Arab National Bank for more than nine years Worked at Ernst & Young for over three years	Worked for the Financial Market Authority Worked for the Saudi Basic Industries Corporation (SABIC)	
Qualifications	He holds a Bachelor’s degree in Accounting - King Abdul-Aziz University - Passed the CPA exam	He holds a Bachelor’s degree in Accounting - King Saud University He holds a SOCPA fellowship certificate	
Expertise	Significant experience in internal auditing and auditing work in the private and government sectors	25 years of work experience in the private and government sectors	



In particular, the duties of the audit committee include the following:

a) Financial reports

1. Studying the interim and annual financial statements before submitting them to the Board of Directors and giving opinions and recommendations about them.
2. Express a technical opinion - upon the request of the Board of Directors - on whether the report of the Board of Directors and the financial statements of the company are fair, balanced and understandable, and include information that allows shareholders and investors to evaluate the financial position of the company, its performance, business model and strategy.
3. Study any important or unfamiliar issues included in the financial reports.
4. Carefully researching any issues raised by the financial manager, whoever assumes his duties, compliance officer, or an auditor
5. Accounts.
6. Verification of accounting estimates in the material issues included in the financial reports.
7. Study the accounting policies used and give opinion and recommendation to the Board of Directors in this regard.

b) Internal audit

1. Study and follow up on the internal, financial and risk management systems of FIPCO.
2. Examining the internal audit reports and following up on the implementation of corrective actions for the observations contained therein.
3. Control and supervise the performance and activities of the Internal Audit Department in

FIPCO to verify the availability of the necessary resources and their effectiveness in carrying out the work and tasks assigned to it.

c) Auditor

1. Recommending to the Board of Directors to nominate and dismiss auditors, determine their fees, evaluate their performance after verifying their independence and review the scope of their work and the terms of contracting with them.
2. Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
3. Reviewing the auditor's plan and his work, verifying that he does not present technical or administrative works that are outside the scope of the audit work, and expressing its views on this.
4. Answer the inquiries of the FIPCO auditor.
5. Study the auditor's report and his notes on the financial statements and follow up on what has been taken in their regard.

D) Commitment guarantee

1. From the company taking the necessary actions regarding it.
2. Verify the company's compliance with the relevant laws, regulations, policies and instructions.
3. Reviewing the contracts and dealings proposed to be conducted by the company with related parties and submitting their opinions on this to the Board of Directors.
4. Raise whatever issues it deems necessary to take action in their regard to the Board of Directors, and make recommendations on the measures that need to be taken.

In addition, the committee supervises the investigation processes related to fraud or errors that occur in FIPCO, or any other matters that Heaven deems important to investigate. To this end, the committee has set up a mechanism to provide comments on any excess of financial or other reports in secrecy by setting up an email address for this purpose, as well as setting up a fund to present these proposals to the company. And that those observations are reviewed and the extent of their materiality determined by the internal auditor of the company, and his report is submitted to the audit committee, and then the committee performs its role to verify that this mechanism is applied in the correct way, conduct an independent investigation commensurate with the size of the error or excess and adopt appropriate follow-up procedures.

Six meetings of the Audit Committee were held during 2020, and the following is a list of the names of the members and the attendance record:

Name	Title	Dates of the meetings held during the year 2020							
		06.1	18.03	25.4	26.7	19.8	04.11	Attendance times	Attendance (%) Ratio
Fawzi Ibrahim Alhobayeb	Chairman	√	√	√	√	√	√	6	100%
Abdulaziz Sulaiman Alateeqi	Member	√	√	√	√	√	√	6	100%
Abdurahman Ibrahim Almudaimeegh	Member	√	√	√	√	X	√	5	83%

√ - Attended

X- Did not attend

Results of the annual review of the effectiveness of internal control procedures in FIPCO

In order for FIPCO's board of directors to perform its duties effectively and according to FIPCO's need and working conditions, the board of directors has formed specialized committees with some infringements made on them in line with the corporate governance regulation issued by the board of the Capital Market Authority.

These committees have been formed in accordance with general procedures established by the Board, which include defining the tasks of each committee, the duration of its work, the powers vested in it, and the manner of the Board's oversight over it.

It is worth noting that the Board of Directors of FIPCO, when forming these committees, took into consideration what was included in the Corporate Governance Regulations issued by the Capital Market Authority, and what is in line with the best systems and practices in force globally, by appointing a sufficient number of non-executive board members in the committees concerned with the tasks. That may give rise to conflict of interest situations. Such as ensuring the integrity of financial and non-financial reports, reviewing related party deals - if any - and nomination for membership of the Board of Directors, appointing senior executives, determining remuneration and others.

The chairmen and members of these committees shall abide by the principles of honesty, loyalty, care, and concern for the interests of FIPCO and its shareholders and present them in their personal interest.

The Board committees included the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Governance Committee, noting that the term of work of all committees ends at the end of the current session of the Board of Directors, and the regulations governing the work of all committees have been updated to reflect the laws and regulations issued by the relevant authorities.

The audit committee's opinion on the adequacy of the internal control system in FIPCO

Based on the above and based on the work carried out by the internal audit department in the company according to the plan approved by the audit committee during the fiscal year 202, and the comments of the company's external auditor. Bearing in mind that any internal control system, regardless of the level of toxicity of its design and implementation of its procedures, cannot provide absolute assurance about the effectiveness of the internal control systems in place. Accordingly, the audit committee did not discover the existence of a fundamental weakness in the internal control procedures in place within the company. With the continuation of the audit committee's recommendation to the company's management to continuously monitor the development and improvement of the efficiency and effectiveness of the applicable internal controls, the necessity of continuous updating of the company's policies and procedures, and the implementation of the observations received from the committee regarding the internal audit reports in line with the nature of the company's activity. As well as with regard to the subsidiary company (FPC Industrial Company.) and what the early stages of the beginning of the subsidiary's activity require from a continuous evaluation of all the subsidiary's activities in terms of operational, financial, compliance and risk management.

The company's audit committee also confirms that there is no conflict between it and the decisions of the company's board of directors, and that during the year 2020 AD, no recommendations were issued that the board refused to take into account regarding the appointment of the auditor, his dismissal, the determination of his fees, the evaluation of his performance, or the appointment of the internal auditor.

2- Nomination and Remuneration Committee

The Board of Directors approved during its first meeting held on 01 January 2019 the nomination of the members of the committee during the new session of the Board of Directors that started on 01.01.2019 for a period of three years ending on December 31, 2021, and the Nomination and Remuneration Committee consists of three members according to the following table:

Name	Membership	Current title	Prev. Titles	Qualifications	Expertise
Nimr Nasser Alharbi	Chairman (Independent Board Member)	.One of the board members whom we talked about previously			
Ali Saleh Al-Shadokhi	Member (from outside the Board of Directors)	Founder and consultant of Harmony Goals for recruitment and human resources solutions Advisor and Vice President, New Thinkers Company for Content and Ebooks	He worked as a lecturer at the Technical College for 11 years He held the position of Director of Operations and then the position of General Manager at Saudi Bells for 5 years General Manager of the Content Unit at Integral, a Saudi telecom company, for a period of 4 years	Holds a Bachelor's degree in Electrical Engineering - King Saud University He holds a Masters degree in Computer Engineering from the University of New Haven, USA	He has extensive experience in consulting and human resources work in the private and government sectors
Ahmed Abdullatif Albarrak	Member (Non-Executive Board Member)	.One of the board members whom we talked about previously			

Its tasks and responsibilities are summarized as follows:

1. Preparing a clear policy for the remuneration of members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submitting them to the Board of Directors in preparation for approval by the General Assembly, taking into account the use of performance-related criteria when setting these policies.
2. Clarify the relationship between the bonuses awarded and the applicable remuneration policy, and indicate any material deviation from this policy.
3. Periodic review of the remuneration policy, and evaluation of its effectiveness in achieving the objectives envisaged.
4. Recommending to the Board of Directors the remuneration of members of the Board of Directors, the committees emanating from it, and the senior executives of the company, in accordance with the approved policy regarding nominations.
5. Proposing clear policies and standards for membership in the Board of Directors and executive management.
6. Recommending to the Board of Directors to nominate its members and re-nominate them in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.
7. Prepare a description of the capabilities and qualifications required for membership of the Board of Directors and occupying executive management positions.
8. Determine the time that the member should allocate to the work of the Board of Directors.
9. Annual review of the necessary needs of skills or appropriate expertise for board membership and executive management functions.
10. Review the structure of the Board of Directors and executive management and make recommendations regarding possible changes.
11. Annually verifying the independence of the independent members, and the absence of any conflict of interest if the member is a member of the board of directors of another company.
12. Establish job descriptions for executive members, non-executive members, independent members and senior executives.
13. Setting up special procedures in case the position of a member of the board of directors or a senior executive becomes vacant.
14. Identifying weaknesses and strengths in the board of directors and proposing solutions to address them in line with the company's interest

Three meetings of the Nomination and Remuneration Committee were held during 2020

Name	Title	Dates of the meetings held during the year 2020			Attendance times	Attendance (%) Ratio
		17.3	07.07	27.09		
Nimr Nasser Alharbi	Chairman	√	√	√	3	100%
Ali Saleh Alshadokhi	Member	√	√	√	3	100%
Ahmed Abdullatif Albarrak	Member	√	√	√	3	100%

√ - Attended

X- Did not attend

3- Executive Committee:

According to the vision of the Board of Directors and the organization of work within the Board, the Executive Committee was formed of three members. Some tasks have been assigned to it to play its role in allocating more time and effort to discuss specific topics to facilitate decision-making within the board of directors, and among those tasks are the following:

1. Reviewing new investments or returning investments and approving them before submitting them to the Council for approval.
2. Review budgets and annual plans and investigate the material differences related to budgets (if any) before they are presented to the Board of Directors.
3. Follow up and receive reports on the implementation and completion of major projects or major expansion works of the company.
4. Follow up on the company's performance and seek explanations for any deviations from the approved plans, budget and expectations.
5. Assist the council in carrying out its responsibilities, especially with regard to the tasks assigned to it by the council when the time factor is crucial.
6. Recommending amending the company's articles of association (if the need arises).
7. Submit recommendations on mergers and acquisitions to the Board of Directors.
8. Make recommendations regarding the company's purchase of its shares.
9. Review plans to invest in the surplus company's liquidity.
10. Receive periodic reports from the company's management on the company's risk management processes, including assessing risks and the procedures put in place to address and follow up on these risks.
11. Ensure that the administrative committees (if any) in the company are operating effectively.
12. Receiving management reports periodically through the CEO about the company's performance, to be presented at the Executive Committee meetings for discussion and review before submitting them to the Board (if the need arises).
13. Review important financial issues and standards, including harmonization of financing.
14. Reviewing investment and expansion opportunities, in addition to identifying the challenges facing FIPCO's operational activities to ensure product quality.
15. Periodic review of capital expenditures and company assets in mind.
16. Communicating with senior officials in government and private agencies and private sector companies to overcome the difficulties encountered in FIPCO's business and explaining its programs to officials as long as this is within the limits of the laws in force by law.

The committee consists of three members whose qualifications and experiences have already been discussed in the section on members of the Board of Directors. The Executive Committee held only two meetings during the year 2020, as shown in the following table:

Name	Title	Dates of the meetings held during the year 2020		Attendance times	Attendance (%) Ratio
		12.07	14.12		
Ahmed Abdullatif Albarak	Chairman	√	√	2	100%
Abdulrahman Ibrahim Almudaimeegh	Member	√	√	2	100%
Faisal Muhammad Alharbi	Member	√	√	2	100%

√ - Attended

X- Did not attend

4- Governance Committee

FIPCO's rapid response to developing its own governance rules and good governance rules comes from its belief that following the rules of good governance is the solid basis for its management, control of its resources and tight control over them in a way that guarantees the best returns for shareholders and stakeholders. This made the Board of Directors take its decision on 01 January 2019 to form a committee on governance -Although this committee is not required to form a system - to work on reviewing compliance with the governance rules on a regular basis and to allocate more time and effort in this regard, based on FIPCO's keenness to obtain an advanced position in indicators measuring levels of governance issued by the competent centers considered locally and abroad.

The aforementioned Board Resolution provides for the formation of the Governance Committee of three members, and its main tasks are as follows:

- 1) Verify FIPCO's compliance with the laws and regulations issued by the Ministry of Commerce and Investment, the Capital Market Authority, and any other related regulatory or supervisory bodies.
- 2) Reviewing and updating the policies and rules in accordance with the statutory requirements and the best global practices in force.
- 3) Reviewing and developing the rules of professional conduct that represent the values of FIPCO, and other internal policies and procedures to meet FIPCO's needs and in line with best practices for developing the work environment.
- 4) Keeping members of the Board of Directors abreast of developments in the field of corporate governance and the best global practices.

During the year 2020, the Governance Committee held only one meeting, and its statement is shown in the following table:

Name	Title	Dates of the meetings held during the year 2020	Attendance times	Attendance (%) Ratio
		03.12		
Abdullah Muhammad Alharbi	Chairman	√	1	100%
Ahmed Abdullatif Albarrak	Member	√	1	100%
Salah Mohamed Sabry	Member	√	1	100%

√ - Attended

X- Did not attend

Name	Membership	Current title	Prev. Titles	Qualifications	Expertise
Abdullah Muhammad Alharbi	Chairman (Executive Board Member)	One of the board members whom we talked about previously			
Ahmed Abdullatif Albarrak	Member (Non-Executive Board Member)	One of the board members whom we talked about previously			
Salah Muhammad Sabry	Member (executive from outside the Board of Directors)	Director of Governance and Compliance and Secretary of the Board of Directors at FIPCO	<p>Worked in the technical analysis and financial market research department of a company</p> <p>Citi Trade Stock Exchange</p> <p>Worked in the Investor Relations Department and the Board Secretariat of Jarir Marketing Company</p> <p>Worked as Assistant Financial Director for Governance Affairs of the Saudi Automobile Services and Equipment Company (SASCO)</p>	<p>BA in Languages and Translation - Al-Azhar University - Egypt</p> <p>Obtaining an advanced certificate in corporate governance ICSA from the United Kingdom</p> <p>Obtaining the CCGO Certified Corporate Governance Officer certification from the London School of Business and Management</p> <p>Obtaining the secretarial program from the Egyptian Center of Directors of the Financial Supervisory Authority.</p> <p>He successfully passed the disclosure certificate test in accordance with the requirements of trading with the Financial Academy in Riyadh</p>	<p>Multiple experiences in the areas of governance, compliance, business administration, and the secretariat of boards and committees for more than 11 years.</p>

8th: Actions taken by the Board of Directors to inform its members - especially non-executives - of shareholders' proposals and comments on FIPCO and its performance

1. The Company's Articles of Association and FIPCO's Corporate Governance Regulations guarantee to shareholders all rights related to the share. Accordingly, FIPCO has taken a number of measures to inform members of the Board of Directors, especially non-executives, of shareholders' proposals regarding the company and their performance as follows:
2. FIPCO has designated a unit for investor relations in the company that responds to shareholders' inquiries and receive their comments or complaints through the communication channels available by phone, fax or e-mail.
3. These inquiries - if any - are examined and classified and the essential ones are submitted to the Board of Directors during its periodic meetings.
4. FIPCO is always keen to urge all members of its board of directors to attend general assemblies to answer shareholders' questions and to obey their views and observations on the company and its performance, as well as the work regulations of the Board Committees bind the heads of the committees of the Board of Directors or their delegated members to attend the General Assemblies for answers to shareholders' inquiries.
5. The shareholders' questions and inquiries are recorded in the minutes of the general assembly meetings and kept at the company's headquarters, and any shareholder can obey them upon request.
6. FIPCO management intends during the upcoming general assembly meetings (if the assemblies are held in attendance) to distribute cards to the shareholders to express opinion and submit proposals about the company's performance or any observations to be taken into account and inform the members of the Board of Directors.

9th: The means adopted by the Board in evaluating its performance and the performance of its committees and members and the external body that carried out the evaluation (if any)

The Board of Directors in FIPCO is keen to follow what was stipulated in the guiding articles in the Corporate Governance Regulations issued by the Capital Market Authority. Especially with regard to the role of the chairman of the board in listening to the opinions of non-executive board members regarding their observations and perceptions about the company's performance and the evaluation of its executive management. In addition to holding meetings from time to time between members of the council without the council chairman to discuss the council president carrying out the tasks assigned to him.

FIPCO also intends to continue preparing a self-evaluation of the members of the Board through appropriate and effective mechanisms to discover errors, and it is working on the continuous updating of these mechanisms. So that the member evaluates himself and his peers from among the members of the board of directors, then the evaluation form polls the opinion of each member of the board performing its mission, and suggests ways to develop the performance of the board and the effectiveness of its role. In addition, evaluation forms are developed for each of the committees of the Board of Directors to ensure that they perform the roles assigned to them, as stipulated in the work regulations of these committees.

A third party (an external evaluation authority) may be sought if necessary, according to the absolute evaluation of the Nomination and Remuneration Committee and approval of the Board of Directors.

10th: Dividend policy

The dividend distribution process at FIPCO is based on the net Income realized, cash flows and future projections for the principal investments. Taking into account the importance of maintaining a strong financial position to meet any changes in the general situation or exposure to epidemics, or dramatic changes in global financial conditions or any fundamental changes that may affect the market situation and the economic climate in general.

Although FIPCO is keen to maximize the return on investment for all its stakeholders, there are no guarantees for current cash dividends and no guarantees for the value of future distributions, and the dividend policy may change from time to time depending on the financial performance of the company and the vision of the Board of Directors based on an analysis of investment opportunities. And monetary and capital needs and expectations of expansions in core activities. The distribution process is carried out by submitting a proposal from the Board of Directors to the General Assembly, which approves or rejects the proposal. And if it is approved, the distribution shall take place at the place and dates specified by the Board of Directors, in accordance with the instructions and regulations issued by the competent authorities in this regard.

According to paragraph (47) of FIPCO's Articles of Association, which was approved by the Extraordinary General Assembly held on 30.09.2018, the net Income are distributed (annually - semi-annually - quarterly) after authorizing the Ordinary General Assembly of the Board to do so. After deducting all general expenses and other costs, as follows:

- 1) Set aside 10% of the net Income to form the statutory reserve for the company. The Ordinary General Assembly may stop this deduction when the aforementioned reserve reaches 30% of the paid capital.
- 2) The Ordinary General Assembly may, based on a proposal from the Board of Directors, set aside 30% of the net Income to form an agreement reserve to be allocated to support the financial position of the company.
- 3) The statutory reserve is used to cover the company's losses or increase the capital, and if

this reserve exceeds 30% of the paid-up capital. The general assembly of the company may decide to distribute the increase to the shareholders in the years in which the company does not achieve net Income sufficient to distribute the share determined for them in the company's articles of association.

4) The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the company or ensures that fixed Income are distributed as much as possible to the shareholders, and the aforementioned assembly may also deduct from the net Income amounts for the establishment of social institutions for the company's employees or to assist what may exist from these institutions.

5) From the remainder after that, a percentage of not less than 5% of the paid-up capital shall be distributed to the shareholders.

6) The Board of Directors must approve its annual report submitted to the General Assembly, the percentages of Income that were distributed to shareholders during the various periods of the current year, in addition to the percentage of Income proposed to be distributed at the end of the fiscal year and the total of these Income.

7) Zakat regulations and any other tax systems in force in the Kingdom of Saudi Arabia shall be applied.

8) The cash dividends to be distributed to the shareholders are deposited in their accounts linked to their investment portfolios, and the shares granted are deposited in the shareholders' investment portfolios, after the announcement, on the Saudi Stock Exchange website (Tadawul).

It is worth noting that the Board of Directors of FIPCO issued a decision on March 15, 2021, to recommend to the General Assembly not to distribute cash dividends for the fiscal year 2020 due to net losses achieved during the year 2020 and the company's need to support the financial position of FIPCO and its subsidiary currently owned by it by 100% and finance its future expansion. Which largely aims to diversify its products in line with the goals of the company and the aspirations of investors. This recommendation will be presented to the general assembly during its next meeting.

11th: The policy of remuneration for members of the Board of Directors, subsidiary committees, and senior executives, and stating any material deviations

Members of the Board of Directors, subsidiary committees and senior executives on the policy regulating that approved by the General Assembly and the corresponding Company's Articles of Association, which included the following:

- 1) Board members' remuneration consists of a certain amount, attendance allowance for sessions, certain benefits, or a certain percentage of net Income, and it is permissible to combine two or more of these benefits.
- 2) If the remuneration is a specific percentage of the company's Income, this percentage may not exceed (10%) of the net Income, after deducting the reserves decided by the general assembly, and after distributing a profit to the shareholders of not less than 5% of the company's paid-up capital.
- 3) In all cases, the remuneration and financial or in-kind benefits and rewards that a member of the Board of Directors gets shall not exceed an amount of five hundred thousand riyals annually, according to the controls laid down by the competent authorities.
- 4) The remuneration of the members may be of varying amounts to reflect the member's experience, competence, tasks entrusted to him, his independence, the number of sessions he attended, and any other considerations at the discretion of the Board of Directors.
- 5) The report of the board of directors to the general assembly must include a comprehensive statement of all the rewards, allowances, expenses and other benefits that board members received during the fiscal year, and it should also include a statement of what board members received as workers or administrators or what they received in return for technical work. It should also include a statement of the number of council sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
- 6) A member of the Board of Directors may obtain a remuneration for his membership in the audit committee formed by the General Assembly, or for any additional work or executive, technical, administrative or advisory positions) a professional license is required if the nature of the business is advisory (assigned to it in the company, in addition to the remuneration that he can obtain as a member of the Board of Directors

and in the committees formed by the Board of Directors in accordance with the Companies Law and the Company's Articles of Association.

7) The remuneration of independent members of the board of directors should not be a percentage of the Income achieved by the company or be based directly or indirectly on the profitability of the company, according to what is set by the competent authority.

During the year 2020, and based on the recommendation of the Nomination and Remuneration Committee during its meeting held on March 10, 2021 AD and the issuance of the Board of Directors resolution during the Board meeting held on March 15, 2021, the following has been approved:

- disapproving to pay remunerations for the members of the Board of Directors for their membership for the fiscal year 2020.
- Payment of remuneration of committees emanating from the Board of Directors to independent members from outside the Board as illustrated in the below table of benefits.
- Board of Directors resolution No. 6 of 2020 was previously issued by passing to approve paying remuneration to committees heads from board members as illustrated in the below table of benefits.

With regard to the remuneration of the executive management in FIPCO, they are subject to the following:

1. The policies followed by the company in this regard must be taken into account when approving the remuneration of the executive management, and when it achieves the objectives set for it.
2. The remuneration determined for each employee in the executive management may vary according to the results he achieved during the year subject to evaluation.
3. When approving the reward, it should be taken into consideration the companies operating in the sector, as well as the companies operating in the Saudi market.
4. The ceiling for executive management remuneration may be reviewed annually, and any violations proposed to the Board may be raised.
5. This policy must be consistent with the company's strategy and objectives, and in line with the performance and evaluation policy in force, with regard to remuneration for the executive management.

FIPCO believes that the remunerations were distributed during the fiscal year 2020 in accordance with the approved policy, and there are no fundamental deviations from it.



12th: What board members, committee members and senior executives earned

The total sums earned by members of the Board of Directors and members of the committees emanating from the Board of Directors, in addition to five senior executives during the year ending on 31.12.2020 are shown as follows:

Remuneration of Board Members

Saudi Riyals

Membership	Independent Members		Non-executive members	Executive members	
Name	Nimr Nasser Alharbi	Abdulrahman Ibrahim Almudaimeegh	Abdullatif Albarrak	Faisal Muhammad Alharbi	Abdullah Muhammad Alharbi
Fixed rewards					
A certain amount	—	—	*570,000	—	—
Allowance for attending council sessions	6,000	6,000	6,000	6,000	6,000
Allowance for attending committee sessions	9,000	21,000	18,000	6,000	3,000
Benefits in kind	—	—	—	—	—
Reward for technical, administrative and advisory work	—	—	—	—	—
Remuneration for the Chairman of the Board, the Managing Director or the Secretary, if he is a member	—	—	—	500,000	4,500
Total	15,000	27,000	594,000	512,000	13,500
Variable rewards					
percentage of Income	—	—	—	—	—
Periodic bonuses	—	—	—	—	170,000
Short-term incentive plans	—	—	—	—	—
Long-term incentive plans	—	—	—	—	—
Granted shares	—	—	—	—	—
Total	—	—	—	—	170,000
End of service benefits	—	—	—	—	—
Grand total	15,000	27,000	594,000	512,000	320,000
Expense allowance	—	—	—	—	—

* The amount paid to the Chairman of the Board of Directors is equivalent to a monthly bonus of 30 thousand riyals as a lump sum according to the decision of the Board of Directors that was taken by passing on January 21, 2019, in line with the recommendation of the Nomination and Remuneration Committee during its meeting held on January 14, 2019, and this amount was increased to 60 thousand riyals per month as of June of the year 2020, in accordance with what was recommended by the Nominations and Remuneration Committee on July 7, 2020, and the Board's decision on July 28, 2020, based on the exceptional efforts made by the Chairman of the Council in managing a number of files related to the work The company and its subsidiary company in a way that consolidates its strategic relationships and based on the work and efforts it makes of continuous communication with major customers and suppliers as well as some government agencies and given that these works greatly serve the interests of the company and because of the time and effort in it.

Remuneration of members of the committees

Saudi Riyals

Committee	Fixed rewards (without attendance allowance)	Allowance to attend sessions	Total
Members of the Audit Committee			
Fawzi Ibrahim Alhobayeb	125,000	18,000	143,000
Abdulaziz Sulaiman Alateeqi	75,000	18,000	93,000
Abdulrahman Ibrahim Almudaimeegh	-	15,000	15,000
Members of the Nomination and Remuneration Committee			
Nimer Nasser Alharbi	150,000	9,000	159,000
Ali Saleh Alshadokhi	50,000	9,000	59,000
Ahmed Abdullatif Albarrak	—	9,000	9,000
Members of the Executive Committee			
Ahmed Abdullatif Albarrak	—	6,000	6,000
Abdulrahman Ibrahim Almudaimeegh	—	6,000	6,000
Faisal Muhammad Alharbi	—	6,000	6,000
Members of the Governance Committee			
Abdullah Muhammad Alharbi	150,000	3,000	153,000
Ahmed Abdullatif Albarrak	—	3,000	3,000
Salah Muhammad Sabry	—	3,000	3,000



Rewards for senior executives

The table below shows the total amounts earned for five senior executives who received the highest rewards and compensation, including the managing director in charge of the chief executive and the financial director duties, in addition to the deputy general manager of operations, the general manager of the subsidiary and the risk manager. Note that the financial manager was changed and the relationship of the deputy general manager of operations to the company ended during the fiscal year 2020, as follows:

Five senior executives		Saudi Riyals
Fixed rewards		
Salaries	3,050,622	
Allowances	1,093,632	
Benefits in kind	-	
Total	4,143,951	
Variable rewards		
Periodic rewards	150,000	
Income	-	
Short-term incentive plans	-	
Long-term incentive plans	-	
Granted shares	-	
Total	150,000	
End of service benefits	110,955	
Total executives remuneration for the board	670,000	
Grand total	5,074,906	

In this regard, FIPCO management affirms the following:

1. There are no arrangements or agreements whereby a member of the board of directors or a senior executive waived any bonuses, salaries or compensation during the fiscal year 2020.
2. There are no arrangements or agreements under which a FIPCO shareholder waived any rights to Income during the fiscal year 2020.
3. There are no other investments or reserves that have been established for the benefit of FIPCO employees during the year 2020, except for the end of service gratuity according to the regulations issued by the competent authorities.

13th: Related parties transactions

FIPCO confirms that during the fiscal year 2020, no contracts, deals or transactions were concluded in which FIPCO or any of its subsidiaries was a party, and there was an interest in it for any of the members of the Board of Directors, the managing director, the financial director, or for any of the senior executives of the company, or with any person related to any of them.

14th: Results of corporate governance practices during the year 2020

During the year 2020, FIPCO believes that the basic and mandatory provisions and rules of governance have been complied with, and that no breach of these provisions has occurred. Rather, FIPCO is always keen to achieve the guiding materials included in the Governance Regulations, in addition to developing best practices that are internationally applicable during the year 2020, in recognition of the importance of governance and its role in achieving sustainable development, and for this, FIPCO has already done the following:

1. Creating a Governance Committee for the Board of Directors and adopting its bylaw.
2. Establishing disclosure and transparency policies and determining appropriate procedures to ensure that shareholders are kept informed of the latest developments in FIPCO's activities and business developments.
3. Establishing a risk management unit and defining its terms of reference.
4. Holding a meeting for the Board of Directors led by the Chairman of the Board and without the presence of any of the Executive Board members.
5. Holding a meeting for all members of the board without its chairman to evaluate the performance of the council chairman.
6. Developing a list of confirming the implementation of tasks for all committees of the Board of Directors and reviewing it periodically to ensure that these committees carry out the tasks assigned to them.
7. Establishing the necessary mechanisms to evaluate the board of directors through evaluation forms prepared for the purposes of

self-evaluation and peer evaluation in the council, as well as evaluating the performance of the board as a whole on an annual basis according to appropriate performance measurement indicators.

8. Establishing appropriate training programs for members of the Board of Directors, whereby training courses are given to the Board member responsible for the Risk Management Unit on relevant topics, and the executive members are dispatched to attend conferences and workshops related to the technical matters necessary for managing the company, and the Chairman of the Board has been included in the Master of Business Administration program Also, the members of the Board are keen to attend the workshops and lectures that were held recently remotely that were held by governmental and non-governmental bodies related to the company's business.

9. Establishing appropriate training programs for the company's executive management team according to the competence of each department so that employees in the financial department are trained on international standards for financial reporting, and those responsible for technical management and operations on machines and new production lines are trained and registered to attend seminars and interactive workshops remotely to keep abreast of all developments in the nature of the industry, FIPCO is also interested in research and development initiatives and sends representatives to follow up on them, in addition to training administrative staff on executive management programs, office work, computer programs, law and governance, etc.

FIPCO is also keen on undertaking social work initiatives and has some social responsibility initiatives and has devoted a dedicated part to the report for this. The company also plans to develop programs to develop and stimulate the participation and performance of the company's employees within the plans of its human resources department during the year 2021.



15th: Disclosure and transparency policies

Disclosure and transparency policies are an integral part of FIPCO's governance regulation, believing in the shareholder's right to obtain all the information with the clarity and detail necessary to build investment decisions on it while ensuring non-discrimination in providing information to all shareholders. FIPCO publishes its quarterly and annual financial results on the Saudi Stock Exchange website (Tadawul) during the statutory periods necessary for publishing. It is also committed to publishing all information related to statutory disclosures. Or substantive developments in a timely manner as soon as they occur without any delay, whether they are related to FIPCO itself or its subsidiary, or any variables that significantly affect FIPCO's activities and operations negatively or positively. The company's management is also working continuously to improve the level of disclosure through the nature, quality and timing of the information it provides. It is disclosed and continues to enrich the website with all the information that may help all stakeholders in knowing FIPCO's activities and business developments in order to help them make their investment decisions.

FIPCO is also keen to always include all information in its annual report in more detail. According to the fact that the annual report is one of the most important disclosure tools that enable stakeholders to know accurately the company's activities and business developments, whether related to it or its subsidiary. In addition to highlighting the reasons for the change in results and setting reasons for the strategic decisions that the Board of Directors or the executive management of the company may take during the fiscal year, or the important material events prior to or after the end of the fiscal year 2020.

In the following table, we list what FIPCO has done in the disclosures during the year 2020.

Disclosure Date	Disclosure Type	Disclosure nature
04.04	Fundamental developments	Signing an agreement with the Industrial Estates and Technology Zones Authority (MODON) to support the industrial transformation plan within the initiative of the National Productivity Program after passing the controls and standards from the relevant authorities
020.3	Fundamental developments	Signing an agreement to acquire the entire minority stake in its (.subsidiary (FPC Industrial Company
23.03	Fundamental developments	The subsidiary company (FPC Industrial Company.) obtained .Aramco certification as a manufacturer of technical fabrics
30.03	Financial results	Consolidated annual financial results for the fiscal year 2019
12.04	General assemblies	Invite the shareholders to attend the thirty-third ordinary general assembly meeting
20.04	Bank facilities	Renewal of the Sharia-compliant banking facilities agreement with Riyadh Bank
27.04	Appendix announcement	Completion of all necessary legal procedures to complete the transaction of the acquisition of the entire minority stakes in its (.subsidiary (FPC Industrial Company
28.04	Financial results	Consolidated quarterly financial results for the first quarter of .fiscal year 2020
28.04	Bank facilities	Renewal of the Sharia-compliant banking facility agreement with Bank Albilad
10.05	General assemblies	Results of the thirty-third ordinary general assembly meeting
28.07	Financial results	The consolidated quarterly financial results for the second .quarter of the fiscal year 2020
05.11	Financial results	The consolidated quarterly financial results for the third quarter .of the fiscal year 2020
25.02.2021	Financial results	Consolidated annual financial results for fiscal year 2020

16th: Declarations of the Board of Directors

The Board of Directors acknowledges that:

1. That the account records were prepared correctly.
2. The internal control system was prepared on a sound basis and was effectively implemented.
3. There is no doubt about FIPCO's ability to continue its activity.

17th: Assurances of the Board of Directors

In line with the Corporate Governance Regulations issued by the Capital Market Authority and the FIPCO Governance Regulations, the Board of Directors confirms the following:

1. FIPCO is committed to protecting the rights of shareholders and not to discriminate between shareholders who own the same class of shares, and not to withhold any right from them in the form of fair treatment for all shareholders.
2. FIPCO did not receive from shareholders owning 5% or more of a request to convene the general assembly during the previous year, and it did not take place.
3. FIPCO did not receive from shareholders owning 5% or more a request to add one or more topics to the agenda of the general assembly meeting when preparing it.
4. FIPCO has not put in place any procedure that may impede the shareholder's use of his right to vote.
5. FIPCO did not offer any cash loan of any kind to any of its board members, nor did it guarantee any loan made by one of its board members with others.
6. Loans with maturities exceeding three years have not been concluded, and no real estate owned by FIPCO has been sold or pledged.
7. The Board's decision was issued by passing on September 30, 2020 AD to approve the write-off of old debts due to the company since the fiscal year 2016 with the General Organization for Grains with a value of 102,000 (one hundred

and two thousand riyals) and excluding those amounts from the company's financial accounts during the third quarter of the fiscal year 2020. No other FIPCO debtor was released from any of their obligations towards it during the year 2020.

8. FIPCO or any of its subsidiaries did not issue any shares or debt instruments during the year 2020.
9. FIPCO or any of its subsidiaries did not inform any person (other than members of the Board of Directors, senior executives and their relatives) that they have any interest or rights in the category of shares eligible to vote during the year 2020.
10. There are no interest, contractual securities and rights issues of board members and senior executives in shares or debt instruments of FIPCO or any of its subsidiaries during the year 2020.
11. Neither FIPCO nor any of its subsidiaries has transferable debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by FIPCO or any of its subsidiaries during the year 2020.
12. There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by FIPCO or any of its subsidiaries during the year 2020.
13. FIPCO or any of its subsidiaries does not have any refund, purchase or cancellation of any refundable debt instruments.
14. FIPCO does not have concession shares or shares that enjoy special priority in voting, whether for the shareholders or members of the Board of Directors, and that all FIPCO shares are ordinary shares of equal nominal value and equal voting rights and other rights according to the system.
15. FIPCO is subject to zakat in accordance with the regulations of the General Authority for Zakat and Income in the Kingdom of Saudi Arabia, and it records the Zakat provision due annually and uploads it to the income statement, and the infringements that occur upon the final assessment of Zakat - if any - are recorded in the period in which the assessment is made.

16. During the fiscal year 2020, the company's external auditor did not provide any consulting services to the company and did not receive any fees in this regard.

17. The company's external auditor's report did not include any reservations or draw attention to the annual financial statements for the fiscal year 2020.

18. FIPCO did not receive from the auditor a request to hold the general assembly during the ended fiscal year, and it did not take place.

19. No recommendation was issued by the Board of Directors to replace the external auditor before the end of the period for which he was appointed.

20. There are no lawsuits filed for or against FIPCO whose value exceeds 5% of its net assets during the year 2020.

21. FIPCO does not have any treasury shares to hold during the fiscal year 2020 or any previous years.

22. There are no subsequent material events affecting the soundness of FIPCO's financial position and the results of its operations that occurred after the end of the year and were not explained, other than what is included in this report.

23. Income owed to shareholders that were previously decided to be distributed to them by the General Assembly of shareholders and whose owners did not receive them until the date of 12/20/2031/ due to the failure to update the data amount to 5,151,746 riyals.

18th: FIPCO shareholder records applications during the year 2020.

Application date	Application reason
02.1	Update the shareholder register and ownership data for board members, senior executives and their minor wives and children in order to prepare the annual report for the fiscal year 2020.
03.02	Corporate Procedures
02.03	Corporate Procedures
02.04	Corporate Procedures
07.05	List of shareholders who have the right to vote at the 33rd Ordinary General Assembly meeting
18.06	Corporate Procedures
26.07	Corporate Procedures
12.08	Corporate Procedures
17.08	Corporate Procedures
30.08	Corporate Procedures
09.09	Corporate Procedures
06.10	Corporate Procedures
01.12	Corporate Procedures

19th: Shareholders' rights and the mechanism for communicating with them

Towards shareholders in a way that achieves communication based on a common understanding of FIPCO's strategic goals and interests. It has included all the rights of shareholders and stakeholders in its articles of association, and these rights have been focused in detail in the shareholders' guide. All these documents can be viewed on the Fipco website www.fipco.com.sa. There is also a special department at FIPCO to follow up on the affairs of its shareholders, which carries out its duty through continuous communication, responding to inquiries and following up on any potential problems that may face shareholders regarding the distribution of Income or others. The Department of Shareholders Affairs can be contacted by e-mail fir@fipco.com.sa or by contacting us directly over the phone 0112652299/ Ext.: 770 & 777. The shareholders can also follow our important news and events and direct questions and inquiries through our Twitter account [fipcoksa](https://twitter.com/fipcoksa). Whereas FIPCO is keen to protect the rights of its shareholders and all its stakeholders, an e-mail secret@fipco.com.sa has been launched and announced on its official website for the purpose of disclosing any misleading or suspicious transactions or otherwise, and these cases are dealt with directly by FIPCO Senior Management.



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FIPCO Company

Conclusion

in conclusion, we hope that the presentation on FIPCO's activities and business developments has met your satisfaction, and we also assure that all efforts will continue to be made to chart a bright future for FIPCO and to maximize investment returns for its shareholders. In this regard, the members of the FIPCO Board of Directors extend their thanks to the shareholders for their confidence in FIPCO and their investment in it, and thanks are extended to all FIPCO employees, suppliers, clients, financing agencies, governmental and non-governmental organizations related to it for their continuous support and cooperation. FIPCO, with the help and success of Allah, will continue to achieve its goals and plans for expansion and growth.

Board of Directors



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