



The National Company for Glass Industries "Zoujaj"

Board of Directors' Report

for The Year Ended 31st December 2020

CHAIRMAN'S LETTER



Distinguished Shareholders,

Peace, mercy, and blessings of God be upon you.

The board members are pleased to present to you the company's annual report for the financial year ending 31-12-2020, including the company's performance, activity, and financial results.

The year 2020 was a difficult year for the company, requiring a lot of effort and work. Despite the corona pandemic, which affected the business directly by the decrease in demand for the company's products, and the decrease in production capacity as a result of the company's commitment to preventive measures and the presence of some technical problems that require the purchase of equipment and the delay of technicians from abroad to maintain and develop the machinery of the factory in order to keep pace with the changes in quality and demand, as the board of Directors approved the development plan and the necessary amounts for it .

Because of the corona pandemic, the development plan implementation got delayed for several months which forced us to run the production machines at lower capacity.

We also expect after the completion of the development of the factory machines to keep pace with the quality of customers ' demands, that production will return to normal by operating the five production lines at full capacity while raising production efficiency.

The management of the company pays attention to export to neighbouring countries, where the export rate of Riyadh glass bottle factory reached 21% and there are plans to increase the export rate in the coming years.

As for the associated companies, although many construction projects of other countries are disrupted or delayed, which our associated companies provide with insulating glass, their business in the kingdom was only affected for a limited time during the corona pandemic due to the Saudi

government's wise policy of increased spending on new construction projects as well as increased demand from the private sector.

We also expect demand for our products in the future due to government regulatory policies in the urban sector requiring consumers standards correspond to what we produce in our business associates which has the required certificate in Saudi Arabia.

On this occasion, myself, Board of Directors, management and employees of the company extend their sincere gratitude to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud, and Crown Prince, His Highness Prince Muhammad bin Salman bin Abdulaziz Al Saud for their continuous support to the economic sectors, especially the industrial sector, to contribute effectively to effectively to the Kingdom's 2030 vision and their keenness to transform the Kingdom into a leading industrial powerhouse in the world.

In the end, I extend my thanks to all the shareholders of the company for their confidence in the company and their support to us with comments and feedback. We assure you of our continuing development and modernization, and the search for new opportunities, thereby added value to their shares in the company. I also thank the Board of directors, company management and employees for their best efforts and sincerity towards work. Together, we can and will make a bright future, progress and success in our business and profitability to our company.

We wish you all good health and success.

Chairman of The National Company For Glass Industries (Zoujaj)

Riadh Mohammed Al Humaidan



Board of Directors' Report for the year ended 31/12/2020.

1) Introduction

The Articles of Association of The National Company For Glass Industries (Zoujaj), a Saudi Joint Stock company was established on 20/03/1409H (corresponding to 30/10/1988G).

Zoujaj was incorporated by Ministerial Resolution No. 529 dated 20.06.1410H (corresponding to 17.01.1990G) issued by His Excellency Minister of Commerce approving the establishment of the company under commercial registration number 1010075300.

The sphere of company's activities are as follows:

- 1) Production of returnable and non-returnable glass bottles.
- 2) Production of all types of flat glass.
- 3) Mining and manufacturing of all materials for the glass industry including raw materials, gases etc. after obtaining the necessary licenses.
- 4) Engaging in the manufacture related to the glass and plastic industry.

Zoujaj started its activities in 17/10/1990 by establishing The National Factory For Glass Bottles, in the second Industrial city of Riyadh, producing returnable and non-returnable flint glass bottles with an annual production capacity of 54,000 MT per annum. The Plant was modernized continuously until it reached the production capacity of 66,000 MT per annum in 2006. In year 2015, a major capacity expansion was carried out by adding one more furnace and two more production line with production capacity of 57,000 MT per annum to reach the total production capacity to 123,000 MT per annum. The factory produces glass containers for the soft drinks and juices in addition to food sector products and jars. The glass containers are marketed inside and outside Saudi Arabia.

On 01/06/1992, and within the framework of its expansion plans, Zoujaj purchased Dammam Factory For Glass Bottles which is the second factory for the manufacture of glass containers. The Plant was modernized to produce returnable and non- returnable green glass containers with a capacity of 18,000 MT per annum.



In December 2019, due to non-economical operations, the Board of Directors decided to permanently close the factory and announced in Saudi Stock exchange "Tadawul" dated 19 December 2019.

In the other glass manufacturing avenues, efforts were made to achieve the goals set forth. In 07/04/1994, a Joint Venture Agreement was signed between Zoujaj and the other two partners viz., Guardian Glass Investments SA, one of the subsidiaries of the Guardian Industries USA, and the Eastern Company For Industrial Investment. The company under the name of The Saudi Guardian International Float Glass Company Limited "Gulf Guard" was established to produce flat glass and patterned glass. Later, mirror and coated glass were added to the range of products. The company is in Jubail Industrial City on an area of 20,000 Square Meters. The Paid-up capital of the company is SAR 122 million and Zoujaj had initially 45% share in the capital. The production of this factory began in 01/01/1997. The current production capacity of the factory is 131,000 MT annually, a real value addition to Saudi industrial sector and economy. This factory is pioneer in the manufacturing of flat glass in the middle east and gulf region. The factory caters to the needs of Saudi construction industry and export market.

In year 2017, Zoujaj increased its stake in Gulf Guard to 55% through acquiring the shares of Eastern Company For Industrial Investment Ltd.

In view of the success from the Joint venture of Gulf Guard, Jubail, Zoujaj Board of Directors decided to enter another Joint venture with the same partners to establish a new flat glass Plant in Ras Al Khaimah in the United Arab Emirates. Guardian Zoujaj International Float Glass Company LLC (Guardian RAK) was formed to meet the increasing demand for Flat glass. Zoujaj initially owned 45% of the Paid-up Capital of AED 220.2 million. The foundation stone for the project was laid down on 12/02/2006 and production started on 25/09/2007 with a production capacity of 190,000 MT per annum.

In 2017, Zoujaj increased its stake in Guardian RAK to 55% through acquiring the shares of Zamil Group Holding company.



Affiliated companies outside the Kingdom of Saudi Arabia

Company Name	Activity	Head Quarter	Country
Guardian Zoujaj International Float Glass Company LLC	Production of Flat glass, mirror, reflective glass, enamelled and insulant glass	Ras Al-Khaimah	UAE

Description of types of Business activity and their Impact on the Profits

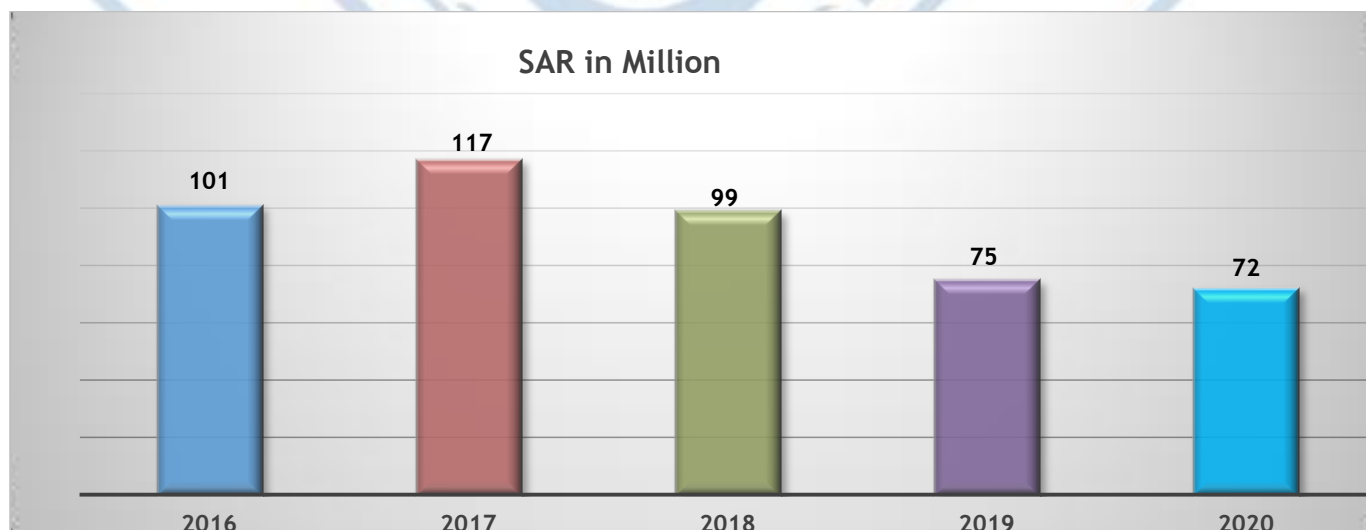
Type of business activity	Profit (Loss) before Zakat (SAR in Million)
Glass container Business	(15.5)
Associated companies in Float Glass Business	9.8
Associated company – The Saudi National Lamps and Electricals Company Limited, Hofuf – Reversal of Provision for Investment loss	10.7

2) The results of the company's business from the main business activity are as follows:

1) Sales:

Sales amounted SAR 72 million in year 2020 as compared to SAR 75 Million in year 2019.

The past 5-year sales are as follows:



2) Inventory:

Inventory includes the stock of finished goods intended for sale, raw materials, spare parts, consumables, and work in progress amounted at the end of 2020 to SAR 24.2 million as compared to SAR 24.4 million in year 2019.

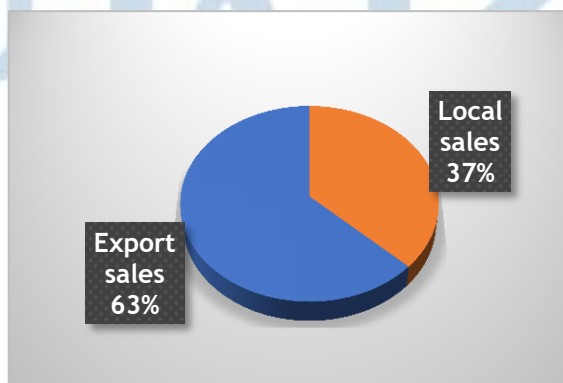
There is a provision available of SAR 4 million towards non-moving and slow-moving spare parts inventory as of year 2020. The company has written off finished goods and raw materials obsolete inventory in year 2020 amounted to SAR 2.4 million.

3) Geographical distribution of sales for the year 2020

Glass container sales



Sales including Associated Companies

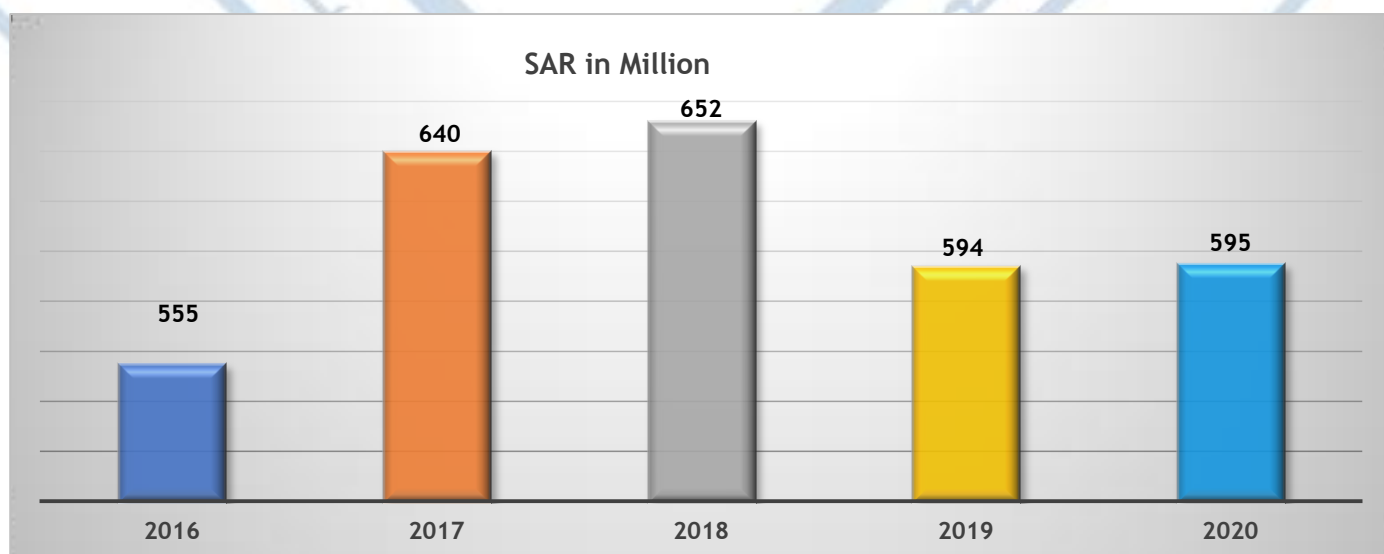


4) Financial results:

The following is a brief review of the Statement of Financial Position for the fiscal year 2020, which have been reviewed by the statutory auditor Al-Kharashi & Co – Mazars SA. at Riyadh as compared to the last four years.

SAR in Million	Years				
	2016	2017	2018	2019	2020
<u>Assets</u>					
Current Assets	75.5	92.0	105.9	88.3	94.2
Non-Current Assets	645.8	716.6	698.9	650.8	615.7
<u>Total Assets</u>	721.3	808.6	804.8	739.1	709.9
<u>Liabilities</u>					
Current Liabilities	57.7	64.5	78.4	93.3	100.3
Non-Current Liabilities	108.7	104.0	73.9	51.9	14.3
Shareholders' Equity	554.9	640.1	652.5	593.9	595.3
<u>Total Liabilities & Shareholders' Equity</u>	721.3	808.6	804.8	739.1	709.9

The following is a graphic presentation of the change in shareholders' equity during the past five years from 2016-2020:





The following is a summary of the Statement of Comprehensive Income and earnings per share for the past five years from 2016-2020:

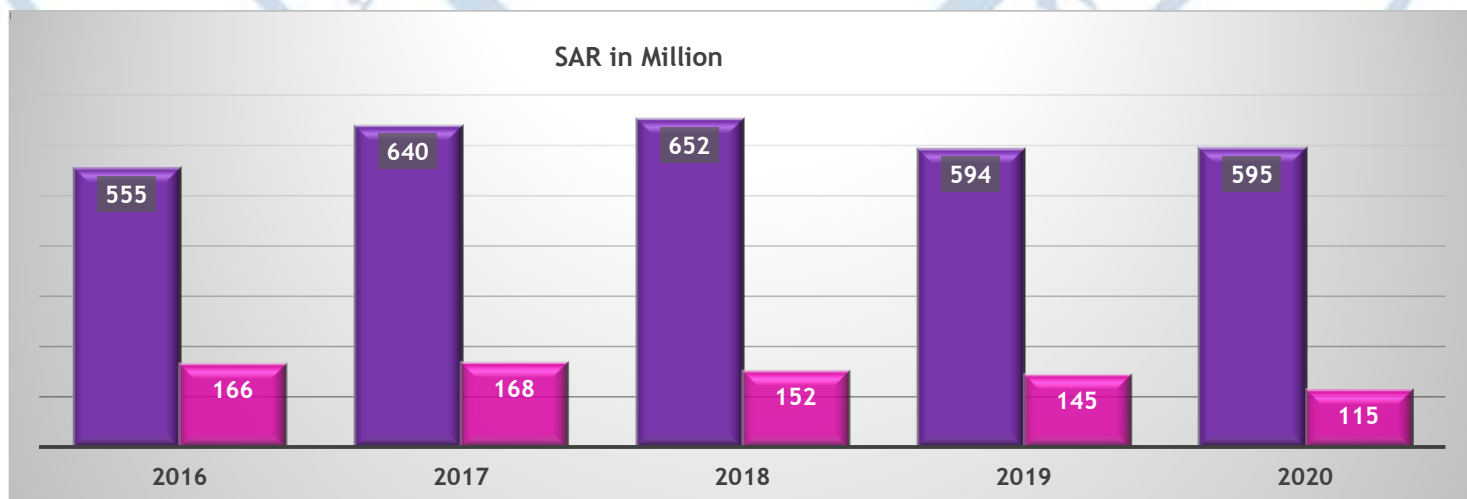
SAR in Million	2016	2017	2018	2019	2020
Revenue from Sale of goods	100.8	116.9	98.7	74.9	71.7
Cost of sales	(73.8)	(90.6)	(69.0)	(69.6)	(69.7)
Gross Profit (loss)	27.0	26.3	29.7	5.3	2.0
General administrative sales and marketing expense	(12.3)	(14.9)	(12.8)	(11.5)	(12.0)
Inventories write off					(2.4)
Other Income (Expenses)		(2.9)	(0.1)	0.2	0.2
Operating Profit (loss)	14.7	8.5	16.8	(6.0)	(12.2)
Finance cost	(1.8)	(2.9)	(2.3)	(3.2)	(3.3)
Cost of temporary cessation of operation	(5.9)		(21.0)	(2.6)	
Associated company Profit (loss) share	24.0	42.3	51.8	14.0	9.8
Profits from an additional 10% investment in associated companies		26.7			
(Provision) Provision reversal for investment loss in associated companies (SANLEC)	(1.2)	(0.8)	(0.7)	(0.6)	10.7
Provision for Associated company loan receivable (SANLEC)	(5.0)	(5.0)	(10.0)		
Associated company loan receivable write-off (SANLEC)				(20.3)	
Zakat	(3.1)	(3.6)	(4.0)	(3.2)	(2.9)
Net Profit (loss) after Zakat	(21.7)	65.2	30.6	21.9	2.1
Profit (loss) from discontinued operation				(9.4)	
Net profit (loss) for the period	21.7	65.2	30.6	(31.3)	2.1
Other comprehensive Income				0.7	0.9
Total comprehensive Income (loss)	21.7	65.2	30.6	(30.6)	3.0
Earnings per share from continuing and discontinued operations	0.72	2.05	0.93	(0.95)	0.06

Note: Previous year figures reclassified to match with year 2020.

3) Loan information:

Lending Institution – SAR in Million	Principal loan	Loan 01 Jan 2020	Receipt	Paid	Loan 31 Dec 2020	Period
The Saudi Industrial Development Fund (SIDF)	108.5	62.5		30.7	31.8	2016-2020
Islamic loans from Banks – Long term	8.0		6.7		6.7	2020-2025
Islamic loans from Banks – Short term	40.0	9.8	20.0	0.9	28.9	2020-2021 (Revolving loans)
Dividend Loan from Banks – Short term	16.0	8.0			8.0	2019-2021 Repayment postponed – Covid 19 Government relief measure
Total	172.5	80.3	26.7	31.6	75.4	

4) Shareholders' Equity to Total Liabilities



5) Investment in Associated Companies




Zoujaj expanded in glass related business by investing in two associated companies manufacturing flat glass, pattern glass, mirror, and coated glass to diversify its sources of income.

The Saudi Guardian International Float Glass Company Limited (Gulf Guard) Jubail recorded a profit of SAR 53.5 million.

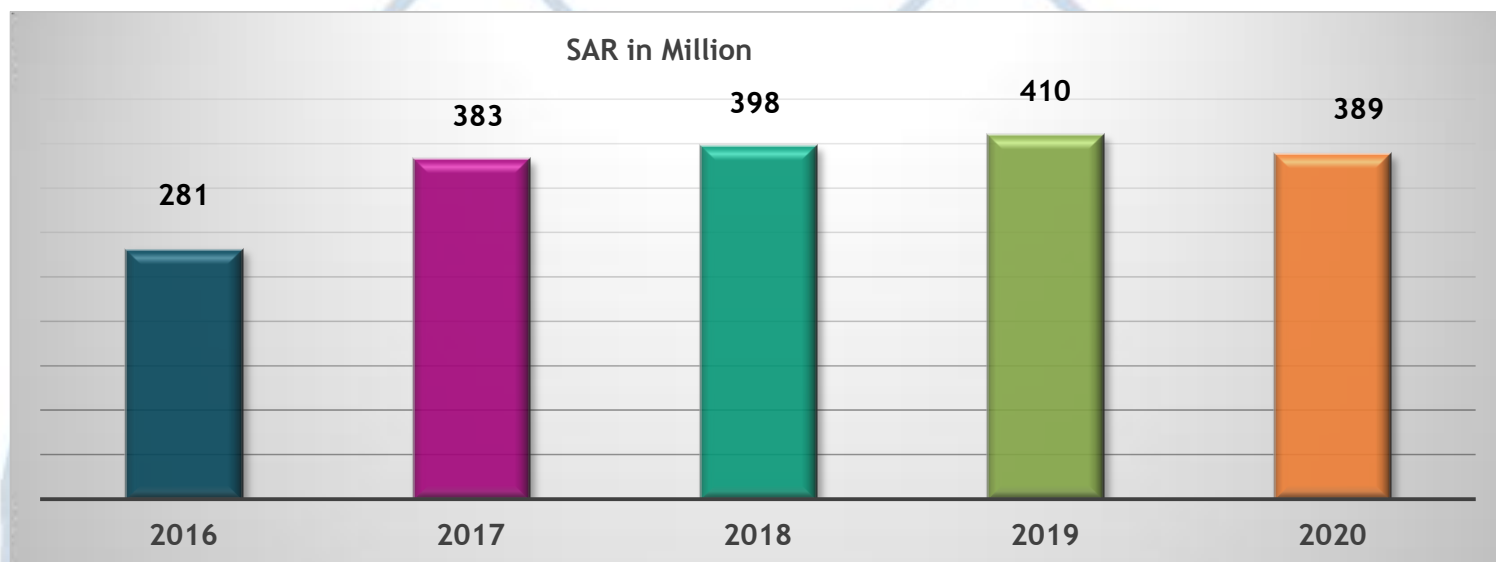
The Zoujaj Guardian International Float Glass Company LLC (Guardian RAK) in Ras Al Khaimah, UAE recorded a net loss of (SAR 31.1 million) from restricted trade activities due to Covid 19.

Zoujaj discontinued accounting losses in its associated company – The Saudi National Lamps and Electricals Co. Limited (SANLEC), Hofuf as their losses exceeded the company's net investment. SANLEC is under court liquidation process.

Zoujaj Investment in Associated companies:

	Company Details	Capital Share	Ownership	Place of Incorporation	Legal status
	The Saudi Guardian International Float Glass Co. Ltd (Gulf Guard)	SAR 122 million	55%	Saudi Arabia	Limited liability
	Guardian Zoujaj International Float Company LLC (Guardian RAK)	AED 220.2 million	55%	UAE	Limited liability
	Saudi National Lamps and Electricals Company Limited (SANLEC)	SAR 10 million	50%	Saudi Arabia	Limited liability

The following is a graphical presentation of the Zoujaj Investment in associated companies as for the past 5 years.



Associated companies' Loans:

Lending Institution – SAR in Million	Principal Loan	Loan 01 Jan 2020	Received	Paid	Loan 31 Dec 2020
Islamic loans from local Banks	168.8	7.9		7.9	
Total	168.8	7.9		7.9	

6) Regular payments to Government Agencies and fines:

SAR in Million	2019	2020
Customs Duty	1.1	1.3
Zakat	5.6	3.2
GOSI	1.1	1.2
Passports and visas	1.6	0.2
Chamber of Commerce	0.02	0.06
Industrial land – lease	0.2	0.2

7) Corporate Governance:

- 1) Zoujaj corporate governance framework is established by the Provisions of the corporate governance regulations issued by the Saudi Capital Market Authority (CMA) including:
 - a) Cumulative voting, where the company amended the Article 8, Paragraph B of its Article of Association to make applicable cumulative voting to nominate members of the board of Directors, as per the Capital Market Authority and the Ministry of commerce.
 - b) The rules for the selection of members of the audit committee, nomination and remuneration committee, the duration of their membership and the working style of the committees as approved by the general assembly.
 - c) Board membership policy, standards and procedures approved.
- 2) The Internal Audit Committee of the company has filed its report on the company's performance.
 - a) It was confirmed that there were no substantial notes affecting the performance of the work or financial reports.
 - b) The company's work has been confirmed according to the rules and regulations of the work.
- 3) Name of Board Members, committee members, Executive Management, and the previous and current Positions:



3.1) Board of Directors

Name	Current Position	Previous Position	Qualification	Areas of Expertise	Membership of Committees
Riadh Mohammed Al Humaidan	Businessman - Chairman of The National Company For Glass Industries (Zoujaj)	Chairman of the Board of Directors of Al-Hayat Pharmacies Group	Bachelor's degree in Management and Economics	Chairman of the Board of Directors of Al-Hayat Pharmacies Group & Zoujaj Company	
Bandar Abdulrahman Al Zamil	Vice President, Zamil Group Holding	Project Engineer for Zamil Architectural Industries, General Manager, Real Estate Investment and Development, Zamil Holding Group	Bachelor of Industrial Engineering	Vice President ,Zamil Group Holding	Nominations and Remuneration Committee, Risk Management Committee and Executive Committee
Ahmed Yaqoub Al Furaih	Businessman	Executive Director of Technical Solutions Office	Bachelor's degree in Electrical Engineering	Saline water conversion corporation (SWCC)	Risk management committee
Bassam Mohammed Al Bassam	Assistant Governor for Real Estate Affairs in the General Real Estate Authority	Executive Director, Al Ra'idah Investments Company, Vice President, Buildings Development Company, General Manager of Products at the Ministry of Housing, CEO and Managing Director of Al-Rajhi Development, Director of the Saudi Ceramic Company Factory, Director of Production Development at Shell Petroleum	Master of Business Administration and Bachelor of Engineering	The banking sector, Real Estate Investment, Industrial Investment, Industrial, engineering and management consulting	Risk Management Committee, Executive Committee
Omar Riadh Al Humaidan	General Manager of Abraj Al Hayat Trading Est.	Director General of the Trans-Arabian Peninsula Foundation	Bachelor of Sharia and Law	Management and Planning	Executive Committee
Abdulatif Ali Al Fawzan	Corporate Investment Manager, Al-Fawzan Holding Company	Corporate Banking Manager, Saudi Fransi Bank Mergers and acquisitions consultant, Ernst & Young	Bachelor of Economics	Fransi bank credit analyst, M&A advisor, Ernst Young	Nomination and Remuneration Committee
Mohammed Sulaiman Al Harbi	Industrial consultant	CEO - Takween Advanced Company	Bachelor of Industrial Engineering	In the industrial field	Executive Committee and Audit committee
Mazin Abdulaziz Al Manie	Businessman	The field of construction and real estate development	Architect	The field of construction and real estate development	Nomination and Remuneration Committee



3.2) Committee members from outside the Board of Directors

Name	Current Position	Previous Position	Qualification	Areas of Expertise	Membership of Committees
Othman Riadh Al Humaidan	Businessman	Investment Manager for Abraj Al Hayat For Contacting company.	Bachelor of Finance	Financial affairs	Audit committee
Mohammed Ahmed Al Sheikh	Businessman	CEO of Qaid Al Obaid Certified Public Accountants	Bachelor of Accounting	Financial affairs	Audit committee

3.3 Executive Management

Name	Current Position	Previous Position	Qualification	Areas of Expertise	Membership of committees
Yousef Mohammed Al Tuwaijri	General Manager	Plant Manager Bawan Company	Bachelor of Mechanical Engineering	Factory Management	
Hatim Aiydh Al Fadli	Group Finance Manager	Financial Director of Al Arabiya Company	Bachelor of Accounting	Financial affairs	
Konstantinos Moustakeas	Plant Manager	Plant Manager	Bachelor's in Chemical Engineering	Manufacture of glass containers	
Anil Kumar	Technical Plant Manager (Acting)	Maintenance Manager for The National Factory For Glass Bottles	Bachelor's in Mechanical Engineering	Manufacture of glass containers	
Ziyad Taha Al Humaidan	HR Manager	HR Supervisor in PTC company	Bachelor of Finance	HR Management	



4) Board Committees:

a) Audit Committee:

The Audit Committee supervises the financial affairs and internal controls, and its responsibilities include reviewing and discussing the quarterly and annual financial statements of the company and submitting the results to the Board of Directors. The Audit committee also recommends to the Board of Directors for appointing statutory Auditor. The Audit committee consist of 3 members including one member from the Board of Directors held meetings during 2020 as follows:

Member Name	Position	No. of meetings	27/04/2020	26/07/2020	19/10/2020	09/12/2020	14/12/2020
Mohammed Suliman Al Harbi	Committee President	5					
Mohammed Ahmed Al Shaikh	Member	5					
Othman Riadh Al Humaidan	Member	5					

Name of members of the Audit committee in the session ended 08.04.2020:

Member Name	Position	No. of meetings	27/02/2020
Mohammed Ahmed Al Shaikh	Committee President	1	
Omar Riadh Al Humaidan	Member	1	
Mashhor Mohammed Al Obeikan	Member	1	
Othman Tariq Al Qasabi	Member (outside the Board)	1	



b) Nomination and Remuneration Committee:

The Nominations and Remuneration Committee reviews the structure of the Board of Directors and the performance of its members, submits recommendations to the Board, identifies weaknesses and strengths, assures its independence that there is no conflict of interest with company activities and also receives nomination to Board of Directors upon the expiration of the Board membership and examine them. The committee consists of 3 members from the Board of Directors, and during the year it held its meetings according to the following schedule:

Member Name	Statement	No. of Meetings	18/08/2020
Abdulatif Ali Al Fawzan	Committee President	1	
Bandar Abdulrahman Al Zamil	Member	1	
Mazin Abdulaziz Al Manie	Member	1	

c) Risk Management Committee

The Risk Management Committee is responsible for identifying, measuring, and following up the risks that the company might be exposed to. One of its tasks is to develop a comprehensive strategy and policies for risk management, verify their implementation, review, and update them, verify the viability of the continuation of the company and successfully continue its activity, as well as prepare detailed reports on exposure to risks and the proposed steps to manage these risks and submit them to the Board of Directors. The Committee consists of three members and meetings were held during the year as per the following table:

Member Name	Position	No. of Meetings	20/04/2020	22/07/2020
Ahmed Yaqoub Al Furaih	Committee President	2		
Bandar Abdulrahman Al Zamil	Member	2		
Bassam Mohammed Al Bassam	Member	2		



d) Executive Committee:

The Executive Committee follows up the Board's policies and decisions and follows up on the executive management without prejudice of the general powers of the Board and the executive management. The Executive committee shall report to and manage the communication with the Board of Directors. The Executive Committee consists of 5 members, all of whom are members of the Board of Directors. During the year 2020, the Executive committee held its meetings according to the following schedule:

Member Name	Position	No. of Meetings	27/08/2020	10/09/2020
Ahmed Yacoub Al Furaih	Committee President	2		
Omar Riadh Al Humidan	Member	2		
Mohammed Sulaiman Al Harbi	Member	2		
Bandar Abdulrahman Al Zamil	Member	2		
Bassam Mohammed Al Bassam	Member	2		

Name of members of the Executive in the session ended 08.04.2020:

Member Name	Position	No. of Meetings	10/02/2020
Riadh Mohamed Al Humaidan	Committee President	1	-
Ahmed Yacoub Al Furaih	Member	1	
Mohammed Sulaiman Al Harbi	Member	1	
Mohammed Ahmed Al Sheikh	Member	1	



5) Board of Directors:

The Board of Directors consists of eight members. The proposed remuneration for the Board of directors amounted to SAR 1.6 million. The Board of Directors held 4 meetings during the year 2020.

The current session of the Board is for a period of 3 years starting from 09/04/2020 to 08/04/2023. The current Board of Directors are as follows:

Member Name	Membership Status	Membership in other companies	Status
Riadh Mohammed Al Humaidan	Chairman	Chairman of the Board of Directors of: 1) The Saudi Guardian International Float Glass Co. Ltd, Jubail, Saudi Arabia 2) The Zoujaj Guardian International Float Glass Co LLC, Ras Al Khaimah, UAE	Non-executive
Bandar Abdulrahman Al Zamil	Member	Zamil Group Holding Company	Non-executive
Ahmed Yaqoub Al Furaih	Member	--	Non-executive
Omar Riadh Al Humaidan	Member	Member of Board of Directors of : (1) Fetaihi Group, a Saudi Joint Stock company (2) Al-Jouf Agricultural, a Saudi Joint Stock company (3) The Saudi Guardian International Float Glass Co. Ltd, Jubail, Saudi Arabia (4) The Zoujaj Guardian International Float Glass Co LLC, Ras Al Khaimah, UAE	Non-Executive
Bassam Mohammed Albassam	Member	Member of Board of Directors of : (1) Water endowment (2) Tuwaiq Reserve	Non-executive
Abdulatif Ali Al Fawzan	Member	--	Independent
Mohammed Sulaiman Al Harbi	Member	Member of Board of Directors of : (1) The Saudi Guardian International Float Glass Co. Ltd, Jubail, Saudi Arabia (2) The Zoujaj Guardian International Float Glass Co LLC, Ras Al Khaimah, UAE	Independent
Mazin Abdulaziz Al Manie	Member	--	Independent



Statement of the attendance of the Board of Directors, which began its session on 09/04/2020 and their attendance percentage are as follows:

Member Name	No. of Meetings	09/04/2020	28/07/2020	20/10/2020	21/12/2020	Attendance
Riadh Mohammed Al Humaidan	4					100%
Bandar Abdulrahman Al Zamil	4					100%
Ahmed Yaqoub Al Furaih	4					100%
Omar Riadh Al Humaidan	4					100%
Bassam Mohammed Albassam	4					100%
Abdulatif Ali Al Fawzan	4					100%
Mohammed Sulaiman Al Harbi	4					100%
Mazin Abdulaziz Al Manie	4					100%

6) The shares of the members of the board of directors and their spouses and underage children in the current session, which started on 09/04/2020 are as follows:

Name	Stocks at the beginning of the year		Change during the period		Spouses & underage children	Stocks at the end of the year	
	No. of Shares	%	No. of Shares	%	No. of Shares	No. of Shares	%
Riadh Mohammed Al Humaidan	8,531,500	25.932%	(1,940,500)	(5.898%)		6,591,000	20.033%
Ahmed Yaqoub Al Furaih	516,000	1.568%	(515,000)	(1.565%)		1,000	0.003%
Omar Riadh Al Humaidan	2,000	0.006%	173,818	0.528%		175,818	0.534%
Mohammed Sulaiman Al Harbi	1,000	0.003%				1,000	0.003%
Mazin Abdulaziz Al Manie	1,173,205	3.566%	(1,172,205)	(3.563%)		1,000	0.003%
Bassam Mohammed Albassam	1,662	0.005%				1,662	0.005%



7) Rights of members of the Board of Directors and their spouses and minor children in the previous session:

Name	Stocks at the beginning of the year		Change during the period		Spouses & underage children	Stocks at the end of the year	
	No. of Shares	%	No. of Shares	%	No. of Shares	No. of Shares	%
Riadh Mohammed Al Humaidan	8,531,500	25.932%	(1,940,500)	(5.898%)		6,591,000	20.033%
Ahmed Yaqoub Al Furaih	516,000	1.568%	(515,000)	(1.565%)		1,000	0.003%
Omar Riadh Al Humaidan	2,000	0.006%	173,818	0.528%		175,818	0.534%
Mohammed Sulaiman Al Harbi	1,000	0.003%				1,000	0.003%
Khalid Saad Al Fadli	113,200	0.344%	(113,200)	(0.344%)	336,000		
Mohammed Ahmed Al Sheikh	1,000	0.003%				1,000	0.003%

Major shareholders of the company:

Name	No. of Shares
Riadh Mohammed A. Al Humaidan	6,591,000
Zamil Group Holding Company	1,120,000
Human Resources Development Fund	1,116,000
Social Development Bank	720,000
Companies and investment funds	498,489
Charities	150,000



Nature of Investors

Type	Investor's No.	No. of Shares
Major contributors	1	6,591,000
Saudi companies and funds	7	505,094
Foreign companies and funds	30	1,212,209
Charities	1	150,000
Individuals	10256	24,441,697
Total	10,295	32,900,000

Investors by size of ownership:

Ownership Size/Share	No. of investors	No. of shares	Ownership %
More than 1 million	3	8,827,000	26.83%
From 500K: Less than 1 million	1	720,000	2.19%
From 100K: Less than 500K	20	4,100,023	12.46%
From 50K: Less than 100K	28	1,996,829	6.07%
From 10K: Less than 50K	363	6,886,856	20.93%
From 5K: Less than 10K	474	3,088,794	9.39%
From one Thousand: less than 5K	2,845	5,606,470	17.04%
Less than one Thousand	6,561	1,674,028	5.09%
Total	10,295	32,900,000	100.00%

8) Remuneration for the Board of Directors and five senior executives and members of the committees:

Members do not receive any allowances or bonuses except as stipulated in Article 22 of the company's bylaw regarding the payment of annual bonus, which amounted to SAR 1.6 million to all members, in addition to the assignments and attendance allowances for all committees. Their breakdown are as follows:



1) Compensation and Remunerations paid to the Board members and committee members during the year 2020:

Name of Board Members	Fixed Rewards				
	Board Attendance fees	Committee Attendance fees	Ticket and allowances	Remuneration to Chairman of the Board, Managing Director or Secretary, if he is a member	Total (SAR)
<u>Independent Directors</u>					
Mazin Abdulaziz Al Manie	12,000	3,000			15,000
Mohammed Sulaiman Al Harbi	12,000	21,000	4,650	200,000	237,650
Abdulatif Ali Al Fawzan	12,000	3,000	1,650		16,650
Total	36,000	27,000	6,300	200,000	269,300
<u>Non-Executive Directors</u>					
Riadh Mohammed Al Humaidan	12,000	-	1,650	200,000	213,650
Ahmed Yacoub Al Furaih	12,000	12,000	3,300	200,000	227,300
Bandar Abdulrahman Al Zamil	12,000	15,000			27,000
Bassam Mohammed Albassam	12,000	12,000			24,000
Omar Riadh Al Humaidan	12,000	9,000	3,300	200,000	224,300
Total	60,000	48,000	8,250	600,000	716,250
<u>Members of the Previous Board ended 08 April 2020</u>					
Mohammed Ahmed Al Sheikh		3,000		200,000	203,000
Mashoor Mohammed Al Obeikan		3,000		200,000	203,000
Khaled Saad Al Fadli				200,000	200,000
Mugad Abdullah Al Khamees				200,000	200,000
Total		6,000		800,000	806,000
<u>Committee Members who are not Board of Directors</u>					
Othman Tariq Al Qasabi (Audit committee)		3,000			3,000
Othman Riadh Al Humaidan (Audit Committee)		15,000			15,000
Mohammed Ahmed Al Sheikh		15,000			15,000
Grand Total	96,000	114,000	14,550	1,600,000	1,824,550

2) Compensation and bonuses disbursed during the year 2020 to five senior executives, including the General Manager and Financial Director:

The bonus and allowances disbursed during the year 2020 to five senior executives, including the General Manager and Financial Manager are as follows:-

Senior Executives	Fixed Remuneration			
	Salaries	Allowances	Bonus and compensation	Total (SAR)
Five Senior Executives including General Manager and Finance Manager	1,263,050	429,964	30,000	1,723,014

- The company is committed to disclosing the compensation for executives in accordance with the statutory requirements contained in Article 93 of the Corporate Governance Regulations.

9) Zakat

The Zakat paid related to year 2019 in year 2020 amounted to SAR 3.2 million, and declarations were submitted accordingly. The company received provisional Zakat certificate valid till 30 April 2021.

10) Company Achievements

- Signed an agreement with the Human Resources Fund to support the company with Saudization, and a group of Saudi engineers have already been hired.
- Obtained food safety FSSC 22000 certifications for The National Factory For Glass Bottles, Riyadh.
- Increased new products, customers, and export sales in glass container business.
- Social Responsibility: For the company to fulfill its duty towards social responsibility, the Board of Directors approved an amount of SAR 100,000 which was distributed to the following societies: -



Association Name	Amount in SAR
Saudi charity Association for Alzheimer's disease	20,000
Collaborative Advocacy and Guidance office in New industrial City	20,000
Saudi Cancer Society	20,000
Down Syndrome Charitable Association DSCA	20,000
Disabled Children's Association	20,000

11) General Assemblies of the shareholders and the names of the attendees of the Board of Directors:

The 28th ordinary general assembly, which was held on 01/04/2020 (08/08/1441(H), was attended by all members of the Board of Directors, except for Mr. Khalid Saad Al Fadli and Mr. Mashhour Mohammed Al Obeikan.

12) Future Projects:

- 1) Developing a plan to place Saudis in important jobs that require specialized training to keep pace with Vision 2030 and to contribute to Saudization by raising the efficiency of the Saudi employee.
- 2) Application of the highest quality standards for the manufacture of glass containers and obtaining quality certificates in the management of operations and food safety.
- 3) Application of the best digitalization and automation practices to improve productivity.

13) Company Declaration

- 1) Proper books of account have been maintained.
- 2) The internal control system is prepared on a sound basis and has been effectively implemented.
- 3) There are no significant doubts concerning the ability of the company to continue its activity.
- 4) There is no contract in which there is a substantial interest for one of the members of the board of directors, the executive management, or anyone related to them.

14) Auditors:

The ordinary meeting of the shareholders of the company approved in its annual general meeting held on 01/04/2020, the appointment of the Statutory Auditors M/S. Al-Kharashi & Co. – Mazars SA, Riyadh as the company's auditor for the financial year ending 31/12/2020. The general assembly will consider in its next meeting, the reappointment of the current auditors or selecting others and determine their fees for the audit of the company's accounts for the year 2021 after reviewing the recommendations of the Audit Committee and the Board of Directors.

15) Expected Risks:

Types of expected risks that the company may face:

- 1) Continued effects of the corona pandemic.
- 2) High raw material prices.
 - ✓ There are some basic raw materials used in the glass industry that are imported from abroad that may be subject to price fluctuations because of the impact of the global market.
- 3) to be affected by geo-political situations affecting the export process
- 4) in the event of natural disasters.
- 5) lower profits of associates due to lower prices, competition, and production stoppages due to maintenance or for any emergency reason.
- 6) high prices for energy, insurance, and transportation.

16) Profit Distribution Policy:

The extraordinary assembly authorized the Board of Directors to distribute interim dividends on a semi-annual basis for each financial year after deducting all general expenses and other costs as stated in the company's Articles of Association and as follows:

- 1) 10% of the net profits shall be set aside towards statutory reserve, and the ordinary general assembly may stop this retention when the said reserve balance reaches 30% of the share capital.
- 2) From the remainder, the equivalent of 5% of the paid-up capital shall be distributed to the shareholders.
- 3) After allocating the above mentioned, a percentage not exceeding 5% of the remainder as remuneration to the Board of Directors.

The following table illustrates the historical information of the cash dividend paid from year 2016:

Year	Net Profit (SAR in Million)	Dividend per share in SAR	Dividend Paid (SAR in million)	Dividend % to Net Profit
2016 First Half	21.7	0.75	22.5	104%
2017 First Half	65.2	0.50	16.45	25%
2017 Second Half		0.50	16.45	25%
2018	30.65	0.75	24.67	80%
2019	(31.3)			
2020	2.1			
Total Distributions	88.35	2.5	80.07	91%

- In the end, the Zoujaj Board of Directors extends their gratitude and thanks to the Saudi government for the support and encouragement to the industrial sector. Zoujaj Board also extend thanks to the shareholders of the company for their confidence in the Board, as well as to the Executive Management and all the employees of the company.