



# The National Company for Glass Industries "Zoujaj"

## Board of Directors' Report

*for The Year Ended 31<sup>st</sup> December 2022*



## **CHAIRMAN'S STATEMENT:**

The board members are pleased to present the company's annual report for the financial year ending 31-12-2022, including the report of company's performance, activities, and financial results.

Zoujaj has maintained a great momentum in the year of 2022 and sales turnover grown up by 29% over 2021 despite off all the negative impact of Ukraine war on the raw materials availability and the entire supply chain activities that yielded unprecedented increases in the raw materials prices specifically the Soda Ash price. Zoujaj has deployed a focus strategy to develop the best mix of products and sales channels to fulfil their commitments toward sustainable business growth. Zoujaj haven't spared any effort to continue their expansion on the export markets which contributed 48% of its sales turnover on consistent pattern.

Zoujaj has continued their commitments toward investments and developments upscaling the Riyadh bottles factory to maintain the highest possible good manufacturing practices to fulfil food and safety standards affiliated by recognised certifications bodies like FSSC 22000, ISO 9001:2015, ISO 45001:2018 certifications. Our state-of-the-art plant is equipped with the latest equipment and furnaces mostly supplied from industry prominent OEMs in Germany and Italy; all together have contributed to the position that we are holding today as a main regional glass containers manufacturer in the food & beverages market. Not to mention the in-house expertise and the tools and enterprise's software have also supported Zoujaj to cope with the new trends that are demanding light containers and eye-catching market appeal.

In today's increasingly environmentally aware world, the benefits of glass packaging are fundamentally supporting sustainability requirements as its fully and infinitely recyclable, reusable, and refillable. Zoujaj have also took the initiative last year engaging with the Saudi Investment Recycling Company (SIRC) to establish a joint company focusing on processing glass waste, that's progressing and accomplished all the preliminary market research and assessment, and proceeding further through the planned gateway as all the initial indications



are very supportive and aligned with the objected outcomes in terms of the commitments to the environment, and in terms of the commitments toward building a circular economy; from the raw material to finished products and recycling which will be a great value addition not only to our shareholders but to society at large and expanding the industrial footprint in KSA. The company also secured commercial registration for silica sand mining project, a major raw material for glass manufacture.

On this occasion, myself, board of directors, executive management, and all the 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 boosting the economy at large, and the industrial sector in specific which contributes effectively to the Kingdom's 2030 vision and their keenness to transform the Kingdom into a leading industrial powerhouse in the world.

At last, I would like to extend my thanks to all the shareholders of the company for their confidence in the company and their support to us with comments and continuous feedback. We assure you that we are continuing our developments towards modernization and technological advancement, and the search for new and the right investment opportunities that are sustainable, futuristic, and aligned with the local content. I also thank the Board of directors, the executive management and all the employees for their efforts and their sincerity towards their work responsibilities. Together, we can build a bright future for our company, and continue progressing and succeeding will definitely turn into a sustainable business growth and rewarding returns on the company's shares and assets.

*Wish you all a good health and continuous success.*

**Chairman of Board of Directors**

**Omar Riadh Al Humaidan**



## Board of Directors' Report for the year ended 31/12/2022

### 1) Introduction

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

Zoujaj was incorporated by Ministerial Resolution No. 529 dated 20/06/1410 (corresponding to 17/01/1990) 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 2022, the asset excluding land was disposed of and the vacant land rented off on 15-year lease.

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, mirrors and coated glass were added to the range of products. The company is in Jubail Industrial City in 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. 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**

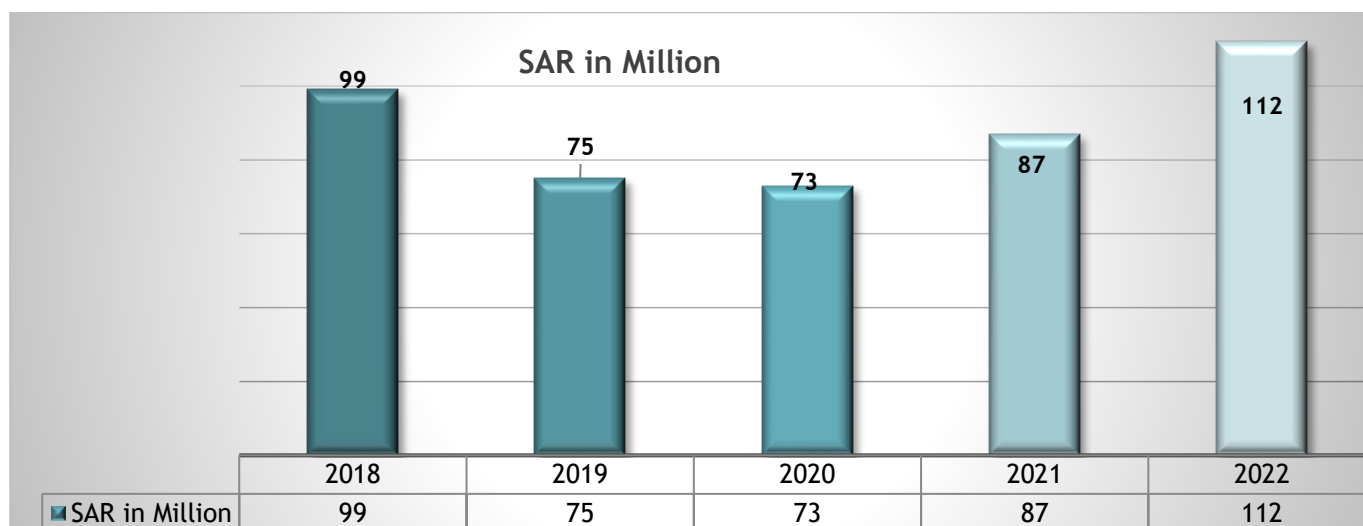
Type of business activity	Profit (Loss) before Zakat (SAR in Million)
Glass container Business	(13.9)
Associated companies in Float Glass Business	126.8

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

**1) Sales:**

Sales amounted SAR 112.3 million in year 2022 as compared to SAR 86.9 million in year 2021

The past 5-year sales are as follows:





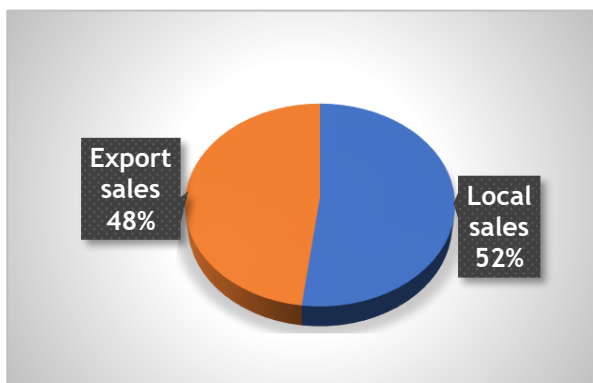
## 2) Inventory:

Inventory includes the stock of finished goods intended for sale, raw materials, spare parts, consumables amounted at the end of 2022 to SAR 25.2 million as compared to SAR 23.4 million in year 2021.

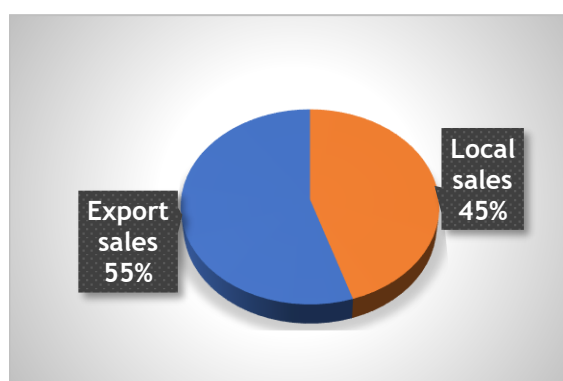
There is a provision available of SAR 4 million towards non-moving and slow-moving spare parts inventory as of year 2022. The company has written off finished goods and raw materials obsolete inventory in year 2022 amounted to SAR 2.3 million.

## 3) Geographical distribution of sales for the year 2022

Glass container sales



Sales including Associated Companies



## 4) Financial results:

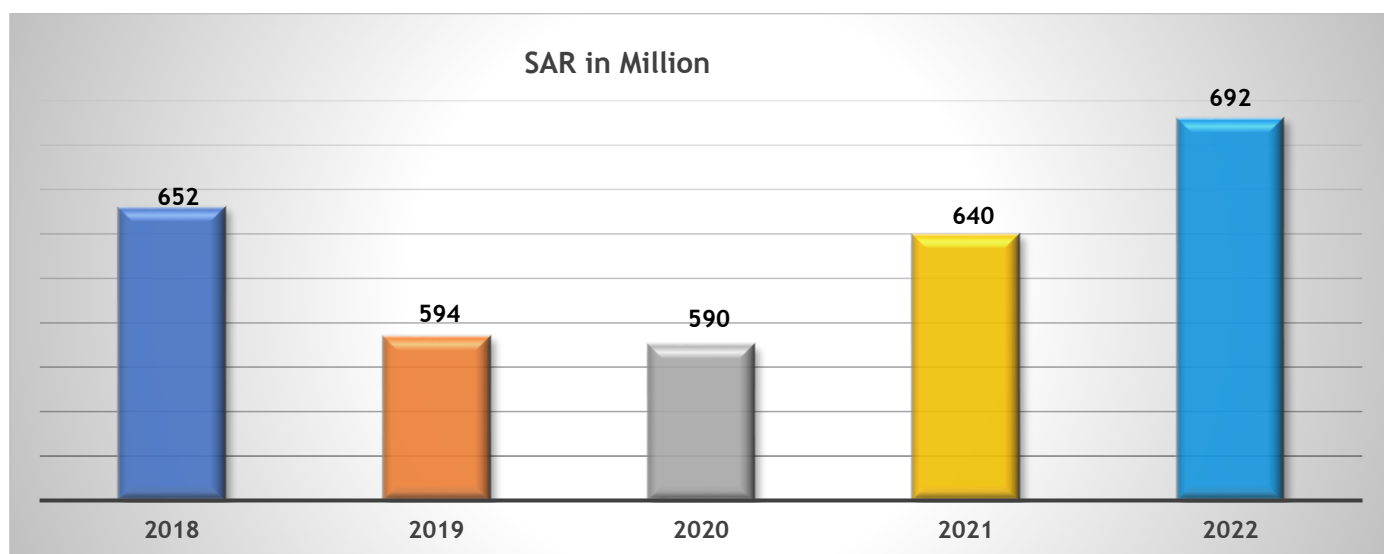
The following is a brief review of the Statement of Financial Position for the fiscal year 2022, which has been reviewed by the statutory auditor Baker Tilly MKM & Co. at Riyadh as compared to the last four years.

SAR in Million	Years				
	2018	2019	2020	2021	2022
<b>Assets</b>					
Current Assets	105.9	88.3	79.6	88.4	101.2
Non-Current Assets	698.9	650.8	628.1	678.8	718.9
<b>Total Assets</b>	<b>804.8</b>	<b>739.1</b>	<b>707.7</b>	<b>767.2</b>	<b>820.1</b>



<u>Liabilities</u>					
Current Liabilities	78.4	93.3	103.1	90.2	120.0
Non-Current Liabilities	73.9	51.9	14.3	36.8	8.4
Shareholders' Equity	652.5	593.9	590.3	640.2	691.7
<b><u>Total Liabilities &amp; Shareholders' Equity</u></b>	<b>804.8</b>	<b>739.1</b>	<b>707.7</b>	<b>767.2</b>	<b>820.1</b>

The following is a graphic presentation of the change in shareholders' equity during the past five years from 2018-2022:



The following is a summary of the Statement of Comprehensive Income and earnings per share for the past five years from 2018-2022:

SAR in Million	2018	2019	2020	2021	2022
Revenue from Sale of goods	98.7	74.9	73.3	86.9	112.3
Cost of sales	(69.0)	(69.6)	(75.5)	(84.1)	(108.9)
<b>Gross Profit (loss)</b>	<b>29.7</b>	<b>5.3</b>	<b>(2.2)</b>	<b>2.8</b>	<b>3.4</b>
General administrative sales and marketing expense	(12.8)	(11.5)	(12.6)	(12.0)	(14.0)
Impairment loss on financial assets			(1.0)	(5.1)	(0.7)
Other Income (Expenses)	(0.1)	0.2	0.8	1.3	0.9
<b>Operating Profit (loss)</b>	<b>16.8</b>	<b>(6.0)</b>	<b>(15.0)</b>	<b>(13.0)</b>	<b>(10.4)</b>





## Board of Directors' Report for 2022

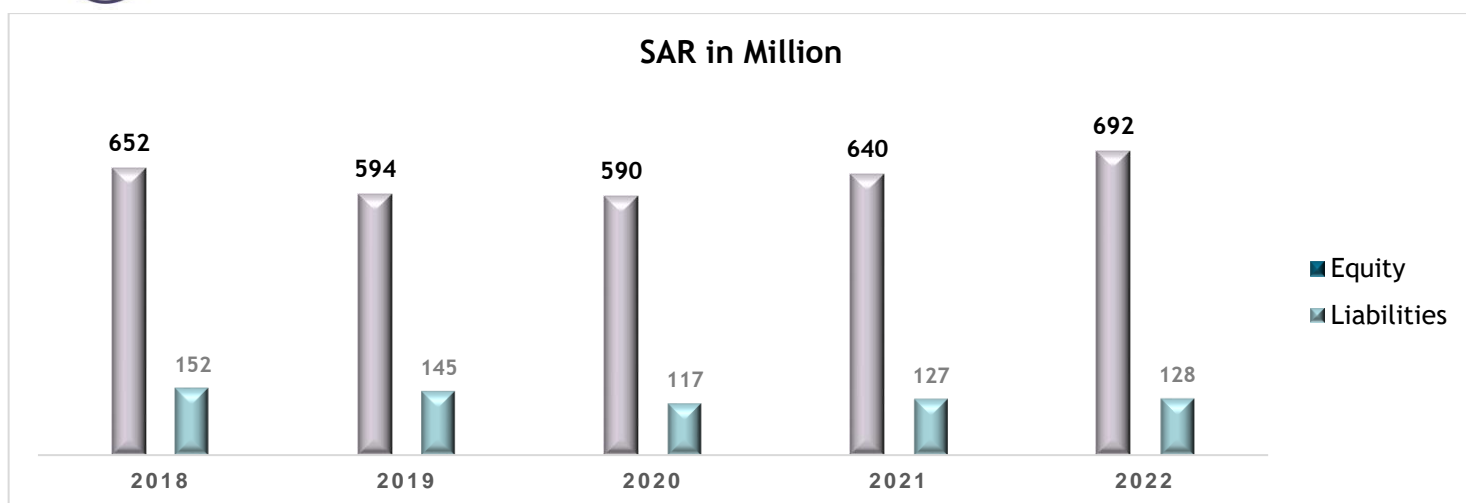
Finance cost	(2.3)	(3.2)	(3.4)	(2.5)	(3.5)
Cost of temporary cessation of operation	(21.0)	(2.6)	-	-	-
Associated company Profit (loss) share	51.8	14.0	10.2	73.2	126.8
Provision for investment loss in associated companies (SNLEC)	(0.7)	(0.6)	-	-	-
Provision for Associated company loan receivable (SNLEC)	(10.0)	-	-	-	-
Associated company loan receivable write-off (SNLEC)	-	(20.3)	-	-	-
Zakat	(4.0)	(3.2)	(2.9)	(4.2)	(2.9)
<b>Net Profit (loss) after Zakat</b>	<b>30.6</b>	<b>21.9</b>	<b>(11.1)</b>	<b>53.5</b>	<b>110.0</b>
Loss from discontinued operation		(9.4)		(2.4)	(5.7)
<b>Net profit (loss) for the period</b>	<b>30.6</b>	<b>(31.3)</b>	<b>(11.1)</b>	<b>51.1</b>	<b>104.3</b>
Other comprehensive Income		0.7	0.9	(1.2)	(3.5)
<b>Total comprehensive Income (loss)</b>	<b>30.6</b>	<b>(30.6)</b>	<b>(10.2)</b>	<b>49.9</b>	<b>100.8</b>
Earnings per share from continuing operations	0.93	(0.67)	(0.34)	1.63	3.34

Note: Year 2021 figures reclassified in financial report 2022.

### 3) Loan information:

Lending Institution – SAR in Million	Principal loan	Loan 01 Jan 2022	Receipt	Paid	Loan 31 Dec 2022	Period
The Saudi Industrial Development Fund (SIDF)	108.5	31.3	-	18.9	12.4	2016-2023
Islamic loans from Banks – Long term	8.0	5.9	-	1.7	4.2	2020-2025
Islamic loans from Banks – Short term	40.0	28.0	49.0	44.4	32.6	2020-2022
Dividend Loan from Banks – Short term	16.0	8.0	-	-	8.0	2019-2022
<b>Total</b>	<b>172.5</b>	<b>73.2</b>	<b>49.0</b>	<b>65.0</b>	<b>57.2</b>	

#### 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 102 million due to better financial performance.

The Zoujaj Guardian International Float Glass Company LLC (Guardian RAK) in Ras Al Khaimah, UAE recorded a profit of AED 111 million due to better financial performance.

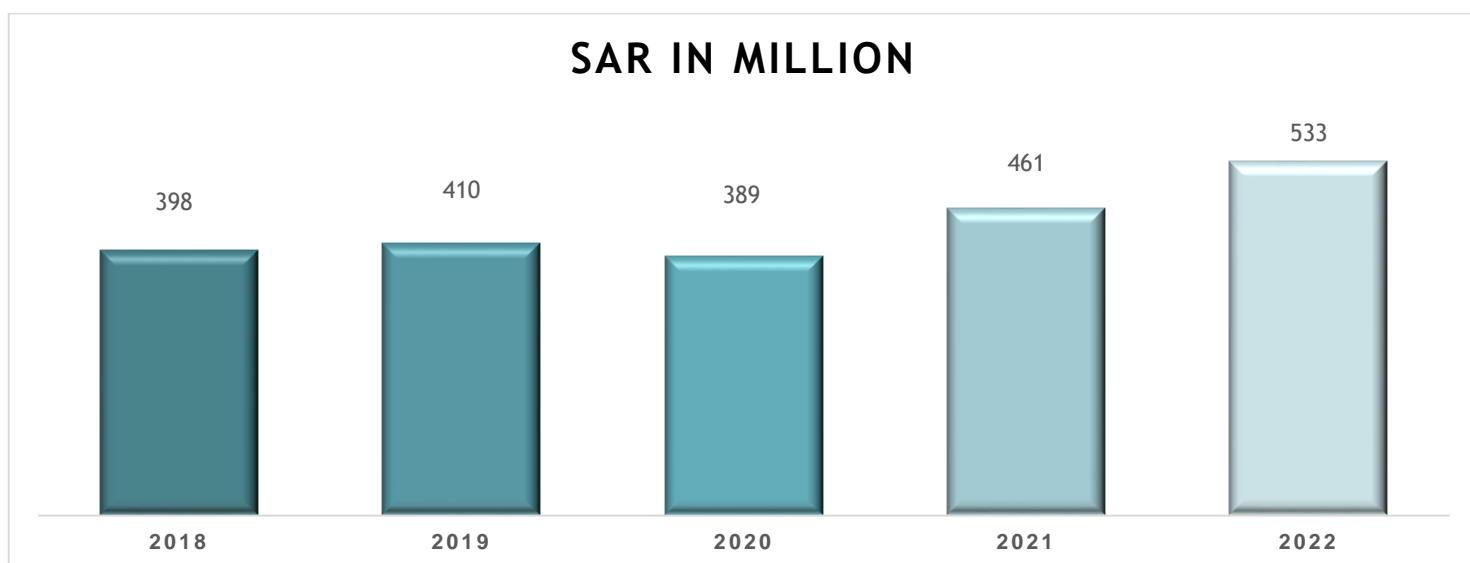
Zoujaj discontinued accounting losses in its associated company – The Saudi National Lamps and Electricals Co. Limited (SNLEC), Hofuf as their losses exceeded the company’s net investment. SNLEC is under a court liquidation process.

#### 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

 <b>GUARDIAN</b> <small>Glass • Automotive • Building Products</small>	Guardian Zoujaj International Float Company LLC (Guardian RAK)	AED 220.2 million	55%	UAE	Limited liability
 <b>SANLEC</b>	Saudi National Lamps and Electricals Company Limited (SNLEC)	SAR 10 million	50%	Saudi Arabia	Limited liability

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



**6) Regular payments to Government Agencies and fines:**

SAR in Million	2021	2022
Customs Duty	0.7	0.6
Zakat	2.8	0.8
GOSI	1.3	1.3
Passports and visas	0.2	0.3
Chamber of Commerce	0.06	0.05
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
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	Chairman & Executive Committee
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	Deputy chairman, 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)	Executive committee and risk management committee



Bassam Mohammed Al Bassam	Investments Consultant	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 and Investment 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, Audit committee and Investment 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
Uthman Riadh Al Humaidan	Investment Manager, Financial Analyst	Al Hayat Contracting Towers, Al Hayat Pharmacies Group, Nacem Investment Company	Bachelor of finance	Management	Audit Committee and Investment committee

### 3.2) Committee members from outside the Board of Directors

Name	Current Position	Previous Position	Qualification	Areas of Expertise	Membership of Committees
Mohammed Ahmed Al Sheikh	Businessman	CEO of Qais 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
Bassam Mohammed Al Bassam	Board Member & Managing Director (01 Jan 2022 to 30 April 2022)	Board Member	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, and Investment committee



Khalid Mohammed Al Qaisi	Sales & Marketing Director (01 Jan 2022 to 30 April 2022) Acting General Manager (from 01 May 2022)	Commercial Director / Takween Advanced Industries	MBA International business and supply chain performance	Sales, marketing, Business development & strategy formulation	-
Hatim Aiydh Al Fadli	Finance Director	Financial Director of Al Arabiya Company	Bachelor in Accounting	Financial affairs	-
Hani Khalil Salim Sammour	Sales Manager (From 02 Oct 2022)	Sales Manager	Bachelor's in computer information system	Sales and marketing	-
Konstantinos Moustakeas	Plant Director	Plant Manager	Bachelor's in chemical engineering	Manufacture of glass containers	-
Anil Kumar	Technical Plant Manager	Maintenance Manager for The National Factory For Glass Bottles	Bachelor's in Mechanical Engineering	Manufacture of glass containers	-

#### 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 appointing statutory Auditor. The Audit committee consist of 3 members including one member from outside the Board of Directors and held meetings during 2022 as follows:

Member Name	Position	No. of meetings	16/02/2022	07/03/2022	29/03/2022	25/04/2022
Mohammed Suliman Al Harbi	Committee President	4				
Mohammed Ahmed Al Shaikh	Member	4				
Uthman Riadh Al Humaidan	Member	4				



**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 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	Position	No. of Meetings	24/08/2022
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	27/03/2022	21/07/2022	25/08/2022
Ahmed Yaqoub Al Furaih	Committee President	3			
Bandar Abdulrahman Al Zamil	Member	3			
Bassam Mohammed Al Bassam	Member	3			



**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 2022, the Executive committee held its meetings according to the following schedule:

Member Name	Position	No. of Meetings	06/03/2022
Ahmed Yacoub Al Furaih	Committee Chairman	1	
Omar Riadh Al Humaidan	Member	1	
Mohammed Sulaiman Al Harbi	Member	1	
Bandar Abdulrahman Al Zamil	Member	1	-
Bassam Mohammed Al Bassam	Member	1	

**e) Investment committee**

The Investment committee was constituted to investigate avenues of diversified Investment opportunities on behalf of the company which adds value to its shareholders. The committee consists of 3 members from the Board of Directors and their responsibility is to report their studies, findings, and suggestions to the Board of Directors. The Investment committee meeting were held during the year as per table below:

Member Name	Position	No. of Meetings	21/12/2022
Bassam Mohammed Al Bassam	Chairman	1	
Mohammed Sulaiman Al Harbi	Member	1	
Uthman Riadh Al Humaidan	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 2022.

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
Omar Riadh Al Humaidan	Chairman	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 The Zoujaj Guardian International Float Glass Co LLC, Ras Al Khaimah, UAE	Non-Executive
Bandar Abdulrahman Al Zamil	Deputy chairman	Zamil Group Holding Company	Non-executive
Ahmed Yaqoub Al Furaih	Member	-	Non-executive
Bassam Mohammed Albassam	Member	- Real estate investment advisor - Chairman of the Board of the Saudi Utilities Company and Chairman of the Executive Committee - Member of the Board of Directors of the King Abdullah Financial District Development (KAFFD) Company - Member of the Board of the Smart Accommodation Residential Company - Member of the Executive Committee of the Real Estate Registry – (RER) Company - Member of the Water Endowment Council	Independent
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



Uthman Riyadh Al Humaidan	Member	Fetaihi Group, a Saudi Joint Stock company	Non-executive
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Statement of the attendance of the Board of Directors and their attendance percentage are as follows:

Member Name	No. of Meetings	18/05/2022	21/06/2022	08/11/2022	27/12/2022	Attendance
Omar Riadh Al Humaidan	4					100%
Ahmed Yaqoub Al Furaih	4					100%
Bandar Abdulrahman Al Zamil	4					100%
Bassam Mohammed Albassam	4					100%
Mohammed Sulaiman Al Harbi	4					100%
Abdulatif Ali Al Fawzan	2	-	-			50%
Mazin Abdulaziz Al Manie	4					100%
Uthman Riyadh Al Humaidan	4					100%

6) The shares of the members of the board of directors and their spouses and underage children in the current session 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	4,721,000	14.350%	810,000	2.46%	-	5,531,000	16.81%
Ahmed Yaqoub Al Furaih	1,000	0.003%	-	-	-	1,000	0.003%
Omar Riyadh Al Humaidan	1,000	0.003%	5,000	0.015%	-	6,000	0.018%
Mohammed Sulaiman Al Harbi	1,000	0.003%	-	-	-	1,000	0.003%
Mazin Abdulaziz Al Manie	1,000	0.003%	-	-	-	1,000	0.003%



Bassam Mohammed Albassam	1,662	0.005%	1,500	0.004%	-	3,162	0.009%
Uthman Riyadh Al Humaidan	15,000	0.045%	-	-	-	15,000	0.045%

**7) Major shareholders of the company:**

Name	No. of Shares
Riadh Mohammed A. Al Humaidan	5,531,000
Human Resources Development Fund	1,116,000
Social Development Bank	360,000
Companies and investment funds	2,725,350
Charities	150,000

**Nature of Investors:**

Type	Investor's No.	No. of Shares
Major contributors	1	5,531,000
Saudi companies and funds	43	4,201,350
Foreign companies and funds	26	596,040
Charities	1	150,000
Individuals	10,381	22,421,610
<b>Total</b>	<b>10,452</b>	<b>32,900,000</b>

**Investors by size of ownership:**

Ownership Size/Share	No. of investors	No. of shares	Ownership %
More than 1 million	3	7,833,419	23.81%
From 500K: Less than 1 million	3	1,902,559	5.78%
From 100K: Less than 500K	33	6,781,137	20.61%
From 50K: Less than 100K	44	2,922,934	8.88%
From 10K: Less than 50K	303	5,614,755	17.07%
From 5K: Less than 10K	346	2,287,436	6.95%



From one Thousand: less than 5K	1,990	4,042,249	12.29%
Less than one Thousand	7,730	1,515,511	4.61%
<b>Total</b>	<b>10,452</b>	<b>32,900,000</b>	<b>100.00%</b>

**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 2022:**

Name of Board Members	Fixed Rewards				Total (SAR)
	Board Attendance fees	Committee Attendance fees	Ticket and allowances	Remuneration to Chairman of the Board, Managing Director or Secretary, if he is a member	
<b><u>Independent Directors</u></b>					
Mazin Abdulaziz Al Manie	12,000	3,000	2,047	200,000	217,047
Mohammed Sulaiman Al Harbi	12,000	18,000	5,430	200,000	235,430
Abdulatif Ali Al Fawzan	6,000	3,000	-	200,000	209,000
Bassam Mohammed Al Bassam	12,000	15,000	2,047	200,000	229,047
<b><u>Non-Executive Directors</u></b>					
Omar Riadh Al Humaidan	12,000	3,000	6,598	200,000	221,598
Ahmed Yacoub Al Furaih	12,000	12,000	4,468	200,000	228,468
Bandar Abdulrahman Al Zamil	12,000	12,000	2,047	200,000	226,047
Uthman Riadh Al Humaidan	12,000	15,000	6,598	200,000	233,598
<b><u>Member of the committee out of the board</u></b>					
Mohammed Ahmad Al Sheikh (audit committee)	-	12,000	-	-	12,000
<b><u>Grand Total</u></b>	<b>90,000</b>	<b>93,000</b>	<b>29,235</b>	<b>1,600,000</b>	<b>1,812,235</b>



**2) Compensation and bonuses disbursed during the year 2022 to five senior executives, including the General Manager and Financial Director:**

The bonus and allowances disbursed during the year 2022 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 Managing Director for 2022	1,668,680	904,029	-	2,572,709

- 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 2021 in year 2022 amounted to SAR 0.8 million, and declarations were submitted accordingly. The company received Zakat certificate up to year 2021. The company finalized zakat returns and received final zakat certificate till year ended 2018.

**10) Company Achievements**

1. The company leased its land in Dammam at an amount of SAR 2.5 million annually, with an increase of 5% every three years for a period of 15 years.
- 2) Signed an agreement with the Human Resources Fund to support the company with Saudization program, and a group of Saudi engineers have already been appointed.
- 3) National Factory For Glass Bottles (NFGB) has maintained all the required accreditations for GMP (good manufacturing practices), and food & safety; FSSC 22000 and ISO 9001:2015, ISO 14001:2018 certificates.
- 4) NFGB sales revenue has grown up by 29% over year 2021 with a determination to continue growing at the same pace for years to come to hold a recognized position in the industry of glass containers packaging.



- 5) NFGB continued their developments in the export markets with key food and beverages producers in Iraq and GCC countries and pursuing serious plans for overseas export developments outside middle east markets in 2023 and the following few years.
- 6) Zoujaj fulfilled their social responsibilities and commitments by early engagement that's endorsed by the Board of Directors to contribute with an amount of 200,000 SAR distributed to the social societies and charities.

Association Name	Amount in SAR
Hayat Charity Association in Medina	100,000
Children with Disability Association	50,000
Saudi Cancer Society	50,000

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

The 30<sup>th</sup> ordinary general assembly, which was held on 18/05/2022, was attended by 7 members of the Board of Directors out of 8 members.

#### **12) Future Projects:**

- 1) Zoujaj have took the initiative last year engaging with the Saudi Investment Recycling Company (SIRC) to establish a joint company focusing on processing glass waste, that's progressing and accomplished all the preliminary market research and assessment and proceeding further through the planned gateway.
- 2) Zoujaj commitment toward developing circular economy has evolved and initiated backward integration project to produce silica for their own demand and to supply the external demand as well. This project was kicked off in 2022 and started the exploration for the quarry that has the required silica specs for Zoujaj glass factories. The company obtained commercial registration for Silica mining Project.
- 3) Developing a continuous learning program to prepare Saudi calibres to attain key jobs that require specialized training to keep pace with Vision 2030 and to contribute to Saudization by raising the efficiency of the Saudi employee.



- 4) Zoujaj is also committed to upscale the plant infrastructure and manufacturing practices to meet the highest quality standards pertaining glass packaging and facilitating the high accreditations with certified bodies in good manufacturing practices and food & safety measures.
- 5) Developing robust autonomous system to support digitalizing all the workflow processes and improve traceability and efficiency.

### 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 18/05/2022, the appointment of the Statutory Auditors Baker Tilly MKM & Co. SA, Riyadh as the company's auditor for the financial year ending 31/12/2022. 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 2023 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) Increased raw materials prices especially imported ones which's subject to price fluctuations because of the impact of the global market.
- 2) Increased prices of energy, insurance, and transportation.
- 3) Geo-political situations that impacted the export business and international transactions.
- 4) Shortage of natural gas supply in the event of natural disasters.
- 5) lower profit margins from the associates due to decreased prices, competition, and underutilized assets.

**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 2018:

Year	Net Profit (SAR in Million)	Dividend per share in SAR	Dividend Paid (SAR in million)	Dividend % to Net Profit
2018	30.65	0.75	24.67	80%
2019	(31.3)	-	-	-
2020	(11.0)	-	-	-
2021	51.1	0.5	16.45	32%
2022	101.6	1.0	32.9	32%
<b>Total Distributions</b>	<b>141.05</b>	<b>2.25</b>	<b>74.02</b>	<b>52%</b>

- 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.

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