

ARABIAN PLASTIC INDUSTRIAL COMPANY

Annual Report

2022

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Speech of the Chairman of the Board of Directors

Messrs./ Shareholders of Arabian Plastic Industrial Company (APICO)

Greetings,

I would like to offer our sincere thanks and appreciation to the shareholders of Arabian Plastic Industrial Company (APICO) for their trust in the Management of the Company and I would like to thank all its employees for their efforts that enabled us, thanks to Allah, from achieving our goals.

I am pleased to provide you with the report of the Board of Directors for 2022 AD ending on 31 December in which the activities, most notable works, and financial results of the Company (APICO) are reviewed.

Thanks to Allah, 2022 AD was a distinguished year in the journey of the Company through which the shares of Arabian Plastic Industrial Company (APICO) were listed and traded in the Parallel Market "Nomu" in last October.

In the coming days, we are looking forward to the contributions of (APICO) in achieving the Kingdom of Saudi Arabia's Vision 2030 through the expansion of its scope of works and contribution to boosting the economy in general.

We pray for Allah to keep our country safe and perpetuate security and safety for us under our wise leadership. I would like also to offer the warmest thanks and gratitude to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al-Saud, and His Highness, the faithful Crown Prince, Prince Muhammad bin Salman bin Abdulaziz Al-Saud, for their constant support in all fields and everything that would raise the status of our beloved Kingdom and put it on the list of major countries of the world.

Allah is the Grantor of Success

Khalid Omar Balubaid
Chairman of the Board of Directors

Chief Executive Officer Message

I would first like to thank the custodian of two holy mosques for facilitating and development of all industries in the Kingdom of Saudi Arabia. In line with the Kingdom's ambitious vision of 2030, we are committed to extending our services to cover new trends in the markets.

I am pleased to present to you the Annual Report of Arabian Plastic Industrial Co. (APICO) for the year ending December 31, 2022. In FY 2022 there were certain economic fluctuations and inflation remained higher. Given the circumstances, FY 2022 for APICO was a year of mix of growth and resilience during which our business has successfully experienced growth due to diversified and expansion in the profitable product portfolio and shareholder value was preserved on account of the company's rapid adaptation to changes in the market conditions. APICO posted revenue of SR 155 million and a net profit of SR 9.3M which is 32.47% and 19% higher, respectively, than the previous year. Despite the increase in material prices, APICO ensured the availability of raw materials to meet the increasing demand of customers.

APICO is an organization where quality and commitment are given the utmost importance. The infrastructure is designed to assist the requirements of the whirling nature of the plastic industry. The management is a unique amalgamation of skill and expertise blended with multitalented professionals. We operate here, with a sense of serving the community we live in; by covering the growing demands of the market, and we are determined to produce multipurpose plastic products that are user and environmental friendly.

At APICO there is a continued focus on people development. The Company launched different events to help employees to manage their career trajectories. Emphasis was also given to develop creative, teamwork, inclusive, and diverse workplace. APICO conducted an employee training program to improve Soft Skills in FY 2022. We, at APICO, are very confident and in continuous development to augment employees careers through various initiatives and programs.

Our efforts were lauded through listing APICO on Nomu market Tadawul in October 2022 which also line up the company among growing companies.

I would like to extend my gratitude to our Chairman, Vice Chairman, and the Board of Directors for steering us through a challenging year. To the APICO family, I commend each one of you for an astounding level of resilience and commitment to excellence.
thank you.

Venu t. K.
Chief Executive Officer

1. APICO Business Process Overview

1.1 - Brief Introduction

Arabian Plastic Industries Company (APICO) is a listed Saudi joint stock company. Company has four various production line facility i.e. Injection and Blow molding, Film and Thermoforming with cumulative production capacity of 22,195 MT. APICO geared up manufacturing unit under Balubaid Group of Companies umbrella in Y1998. APICO has experienced vast expansion due overwhelmed customers demand.

The Company's current share capital is fifty million (50,000,000) Saudi Riyals, divided into five million (5,000,000) fully paid ordinary shares, each of which is ten (10) Saudi Riyals, and the company's main address is as mentioned in the Commercial Register in Jeddah – Industrial City 1, Phase 3, Jeddah, Kingdom of Saudi Arabia.

• Company Vision

Arabian Plastic Industrial Co. seeks to be the leading and reliable supplier of plastic products to its customers in the retail, food, and lubricant packaging sectors by maintaining a long-term relationship with customers and using environment friendly technologies.

• Company Mission

Arabian Plastic Industrial Co. aims to accomplish its mission by meeting customer needs by maintaining the quality of its products, increasing the company's market share, adopting the latest technologies, motivating employees, and focusing on sustainability and environmental protection goals.

1.2 - Company's Strategy

- Maintaining the market share of the company while also expanding footsteps to untapped regions of kingdom. More focus on expansion in western region to meet higher customer needs.
- Provide products requested from its customers at competitive prices.
- Providing high quality products to its customers in the Kingdom and maintaining the highest levels of quality.
- Providing value-added products to the market.
- Increase the company's market share in major cities in the Kingdom such as Riyadh and Dammam.
- The use of advanced and environmentally friendly technologies in production.
- Invest in new molds to meet the demand for different types of products for new and existing customers.
- Retention and strengthening the relationship with major suppliers such as SABIC to obtain high-quality raw materials.

1.3 - Strengths and competitive advantages

- Working in four different lines of plastic products such as thermoforming, films, injections, and blow molding.
- Experience and presence in the market for more than 26 years.
- Latest technology machines throughout the production process, from manufacturing to quality control.
- The company has more than 350 different molds, where the company continuously invests in new molds to meet the demand for different types of products for new and existing customers.
- High customer retention by maintaining customer satisfaction and striving to meet their needs.
- The company has a highly experienced management with more than two decades of operational experience in the plastics industry, which in turn makes continuous efforts to meet customer needs while adhering to industry standards, regulation and quality control.
- The company enjoys a good relationship with major suppliers which has been developed over the years, to ensure a supply of high-quality raw materials.
- The company conducts continuous market research to meet market demands.
- Invest in new technology machines to achieve higher profitability and raise operational efficiency.

1.4 - Detailed description about each category

A brief description of APICO products categories is provided below

i Injection Molding:

Injection molding is a method to obtain molded products by injecting plastic materials molten by heat into a mold, and then cooling and solidifying them. The method is suitable for the mass production of products with complicated shapes, and takes a large part in the area of plastic processing. It is the rapid method of producing a large number of plastic products with high precision.

Machines: APICO has machines from Austria, Taiwan & India. Machine tonnage ranges from 120T to 1200T. APICO has high speed Injection molding machine up to 500T to produce thin wall injection molding products.

Products: In Injection molding section, APICO produce dairy crates, bakery basket, poultry trays, supermarket deli containers, bottle caps, thin wall food containers, in mold label food containers, in mold label paint pails, medical pails and various products as per customer demand.



Generic Crate # 1
Dimension: 60 X 39 X 19 cm
Material: PP / HDPE
This is used widely in the Fruits & Vegetable industries.



Generic Crate # 2
Dimension: 60 X 39 X 15 cm
Material: PP / HDPE
This is used widely in the Bakery & Poultry industries.



Generic Crate # 3
Dimension: 59 X 39 X 15 cm
Material: PP / HDPE
This is used widely in Bakery & Poultry industries.



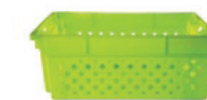
Generic Crate # 9
Dimension: 57.5 X 37.2 X 22 cm
Material: PP / HDPE
This is used widely in the Fruits, Poultry & Agro industries.



Generic Crate# 7



Generic Crate # 4
Dimension: 51.8 X 39.8 X 24.8 cm
Material: PP / HDPE
This is used widely in the all type of industries.



Generic Crate # 5
Dimension: 58 X 38 X 21 cm
Material: PP / HDPE
This is used widely in the Fruits, Poultry & Agro industries.



Generic Crate # 6
Dimension: 72 X 64 X 15 cm
Material: PP / HDPE
This is used widely in the Bakery industries.



Generic Crate# 10



Generic Crate# 8

ii. Thermoforming

Thermoforming section has 3 sub-process.

Extrusion: sheet or foil extrusion is the process that produces sheets which could be thermoformed at a later stage. Sheet extrusion is a technique for making flat plastic sheets from a variety of resins. In APICO we extrude sheet with plastic material of PET, PS & PP.

Thermoforming: The process of heating a thermoplastic material and shaping from the mold known as thermoforming. Thermoforming process performed with high pressure forming & vacuum energies to desirable shape such as plastic cups & trays. Later design waste trimmed to get usable products with auto trimming & stacking on the same machine.

Printing: APICO decorate plastic cups with UV dry offset printing technology. APICO has one of the world renowned advanced highspeed printing cups with the speed up to 650cups/min to cater mass production demand.

Machines: APICO has machines from Germany, Italy, Canada, Netherland & Asian Continent. APICO has inhouse facility to produce PS, PP & PET extrusion sheets for thermoforming & equipped to decorate up to 8 colours printed cups.

Products: APICO produces yogurt printed cups, juice printed cups, ice cream printed cups, biscuit trays, dairy carrier/display trays, commodity disposable plates and various other products.



iii. Blow Molding:

Blow molding is the forming of a hollow object by inflating or blowing a thermoplastic molten tube called a “parison” in the shape of a mold cavity. The process consists of extruding or “dropping” a parison on which female mold halves are closed. The female mold halves contain the shape of the product to be produced. In Extrusion Blow Molding (EBM), plastic is melted and extruded into a hollow tube (a parison). Air is then blown into the parison, inflating it into the shape of the hollow bottle, container, or part. After the plastic has cooled sufficiently, the mold is opened and the part is ejected.

Machines: APICO has machines from Italy & Asian Continent. Bottles could be produced from 250ml to 30Litre. Additionally, APICO has Automatic UV silk printing machine & label application machine to decorate the bottles as per client requirements. Products: In blow molding section, APICO produces lubricant, food container & detergent bottles along with caps as per client demand.



iv. Film Section:

FILM section has 3 sub-process.

Extrusion: Blown film extrusion is one of many polymer manufacturing processes. This method is used to produce commodity and specialized polymer films that are typically used in packaging such as shrink, stretch, barrier films (used to protect deli meat), frozen food packaging, and shopping bags.

Printing: APICO printing has been using flexographic technique. Flexography is one of the most foolproof methods used to print on plastic film substrates. The shopping bags, direct rolls, jumbo bags, slitting rolls, shrink rolls and all of film products printed in this section and the quality is one of the best possible that has in plastics film industry.

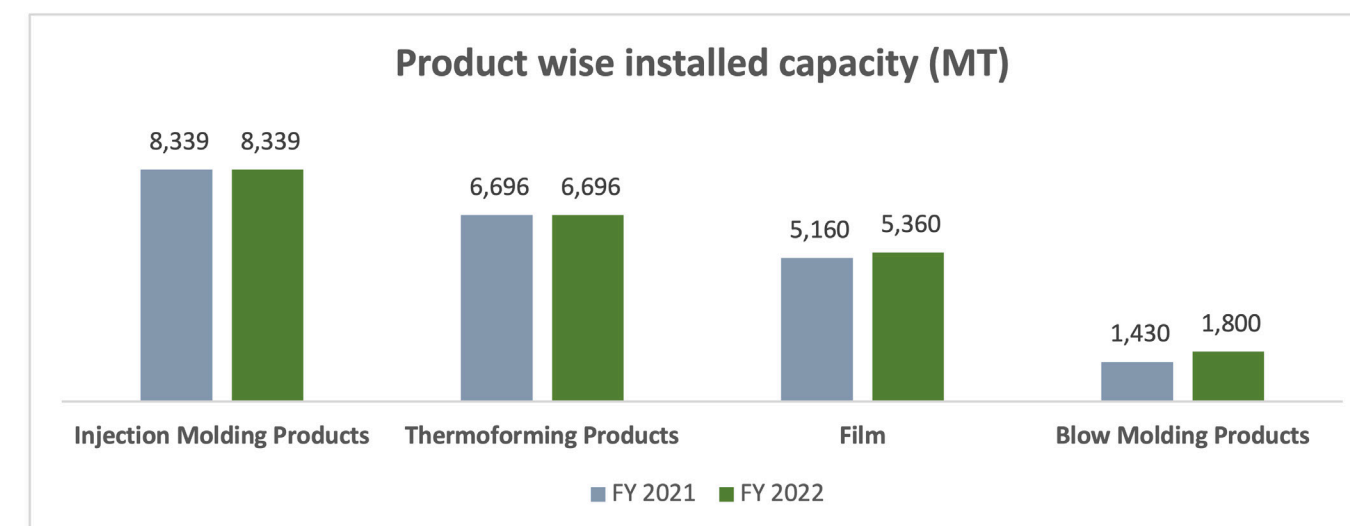
Bag Cutting: Bag cutting or bag making is the third step with pressing the two printed or unprinted sheets together to create the sides of the bag. The plastic Film can then be wound and cut to the most suitable size and shape based on the actual use or application for the bag. grip hole bag or loop handle bag or bakery bag or slit roll or whatsoever could be custom made from variety of bag making machines as per end user requirement.

Products: APICO produces shopping bags, shrink film, printed rolls, e-commerce bags, trash bags etc.,

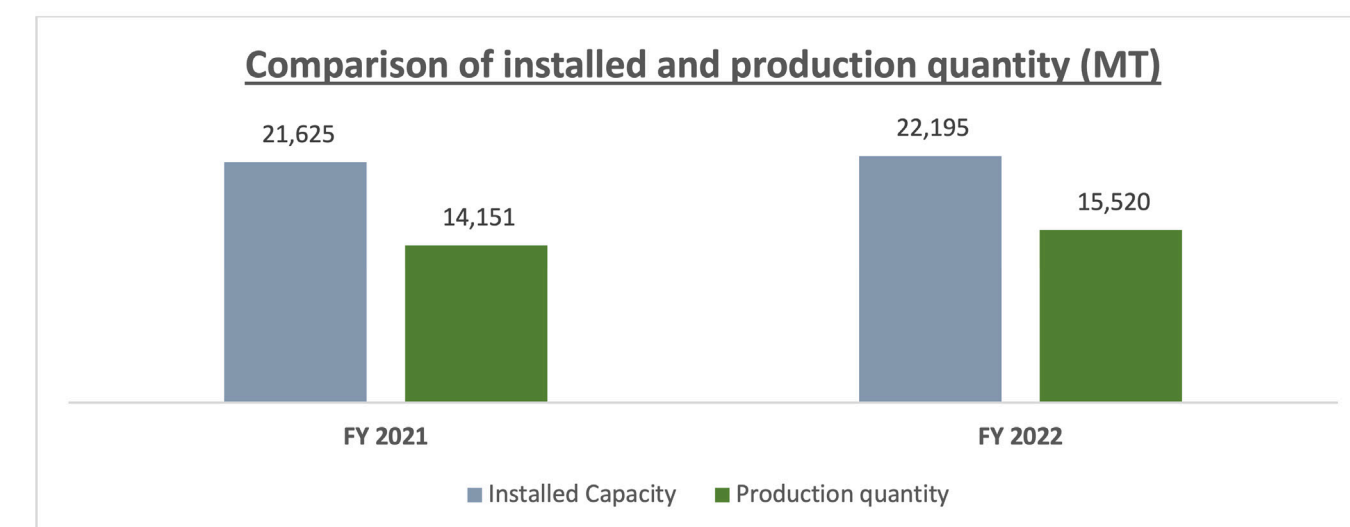


2. APICO Installed Machine Capacity.

Since its inception, APICO is giving more importance to the advance technology machines as well addition into the installed capacity to meet the growing needs of customers in Saudi Arabia. In this regard company has made decent investment into machines in recent past years. In FY 2022 company has increased installed capacity mainly in Blow molding section by 26% due to increase in demand as well as expansion of sales force to various regions of kingdom.

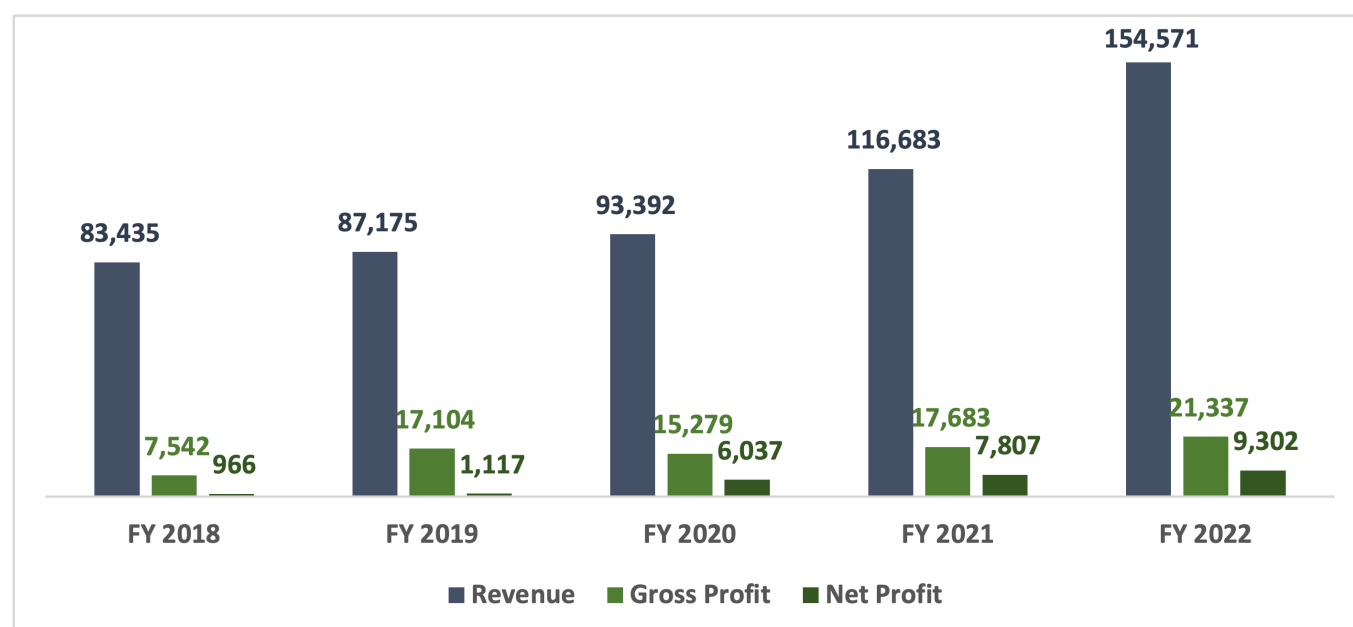


Additionally, APICO has also successfully enhanced its machine utilization both overall and in almost all categories.



3. Financial Highlights

- APICO revenue is increase by 32.47% compared to FY 2021 bringing the total revenue equivalent to SR 155 million in FY 2022. Increase in revenue is mainly due to enhancement of sales across all production categories i.e., Injection, Blow molding, Thermoforming and Film. APICO has also expanded its footsteps to new regions and markets of kingdom which also helped to enhance revenue significantly. Additionally, customer base has also increased. Management took strategic initiatives to enhance the product mix to focus on more profitable products which would further help to enhance the gross profit of company.
- The cost of goods sold increase by 34.58% in FY 2022 bringing the total to SR 133 million. The increase in COGS is due to increase in turnover as well as increase in material and consumable costs. Additionally, direct staff cost has also increased to enhance manpower to fulfill customer demand.

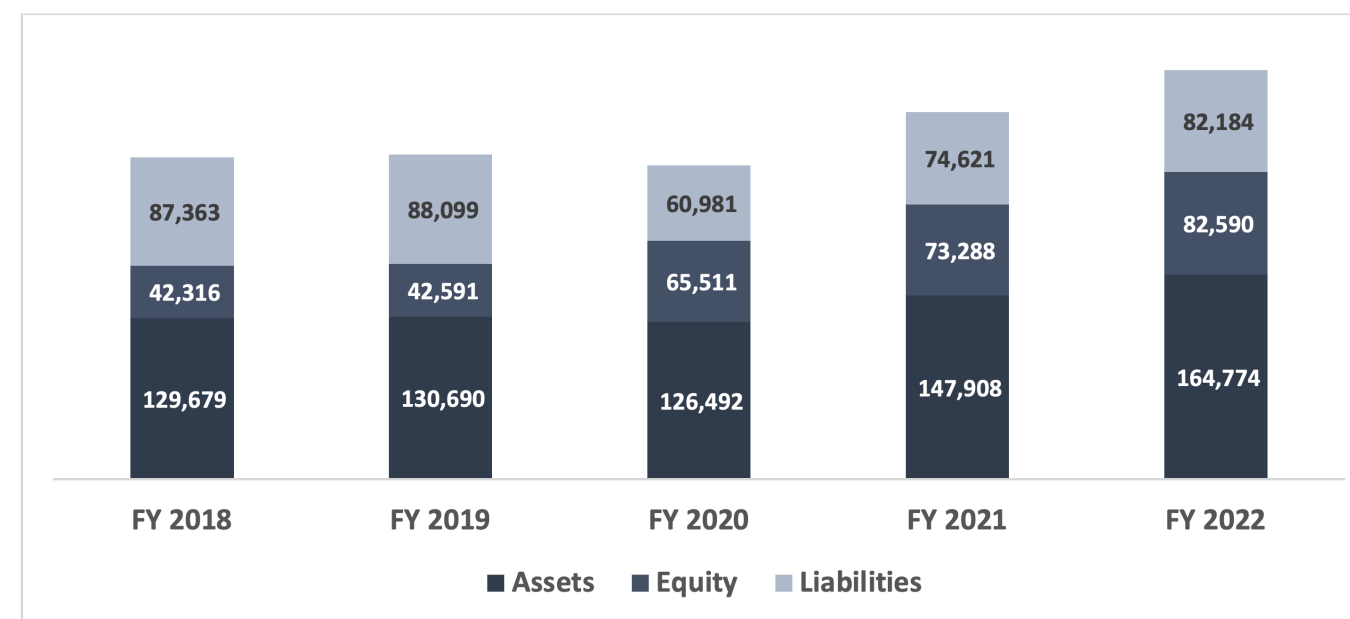


Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	83,435	87,175	93,392	116,683	154,571
Gross Profit	7,542	17,104	15,279	17,683	21,337
Net Profit	966	1,117	6,037	7,807	9,302

*Figures are in SR k

- APICO gross profit successfully increased by 21% in FY 2022 compared to previous year, bringing total gross profit to SR 21.3 million. The increase in gross profit is mainly due to increase in revenue, focusing on profitable products which helped to cater increase in material prices.
- APICO net profit also increased by 19% in FY 2022 compared to FY 2021 which is mainly due to increase in revenue. The company has successfully managed to enhance net profit while also bearing for the challenges of increase cost of sales force to enhance footsteps to various regions of kingdom which is expected to add positive impact in future company performance. Additionally due to hikes in SIBOR rates, company also faced higher financed cost compared to previous year.

APICO Assets, liabilities, and Equity (FY 2018 to FY 2022)

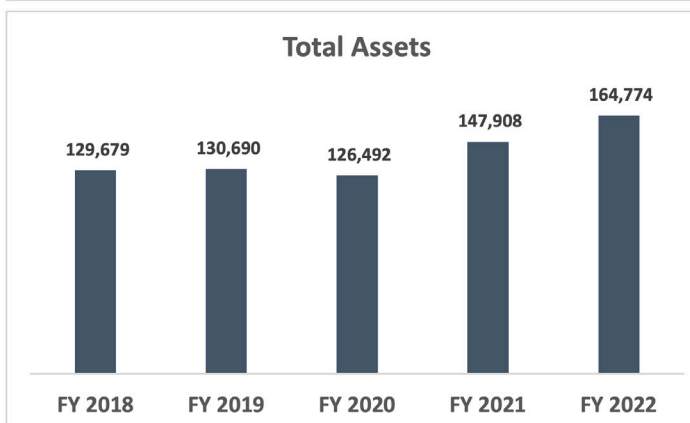
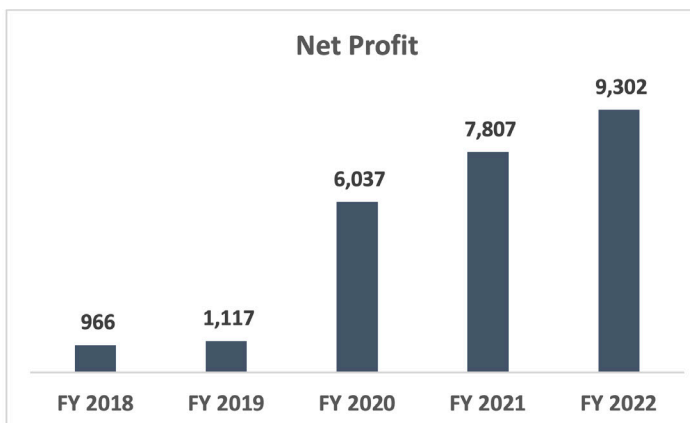


	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Assets	129,679	130,690	126,492	147,908	164,774
Equity	42,316	42,591	65,511	73,288	82,590
Liabilities	87,363	88,099	60,981	74,621	82,184

*Figures are in SR k

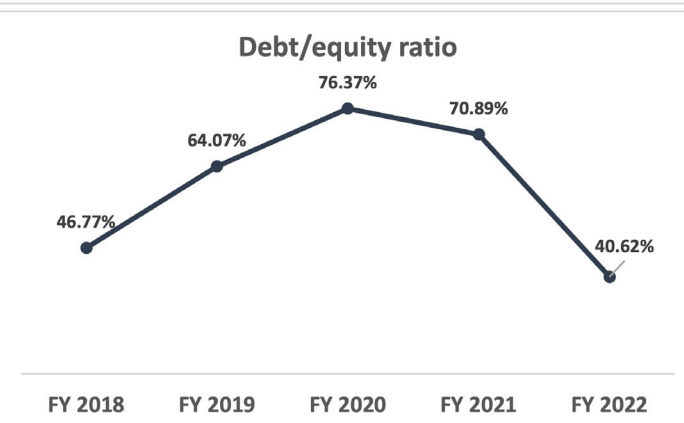
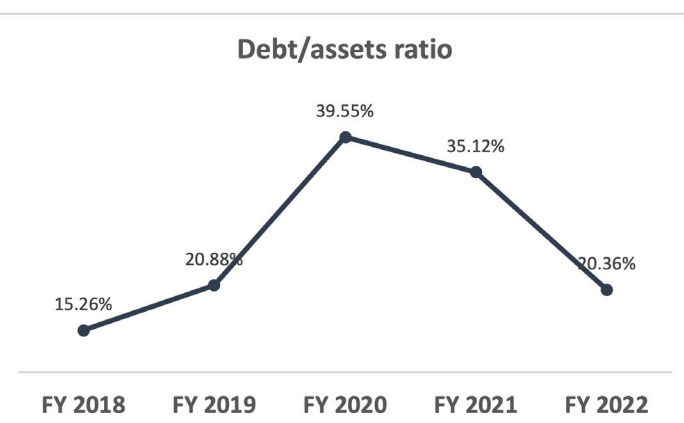
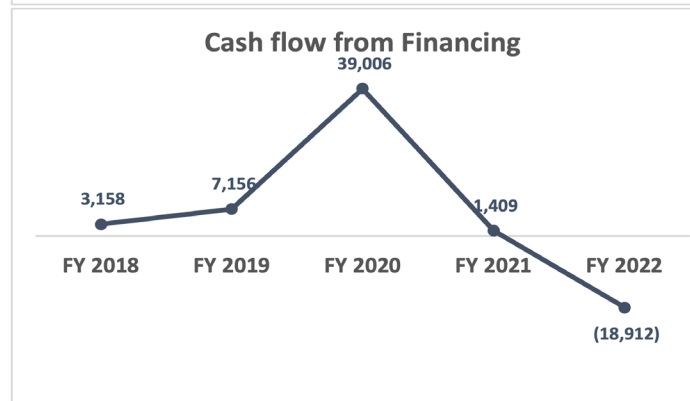
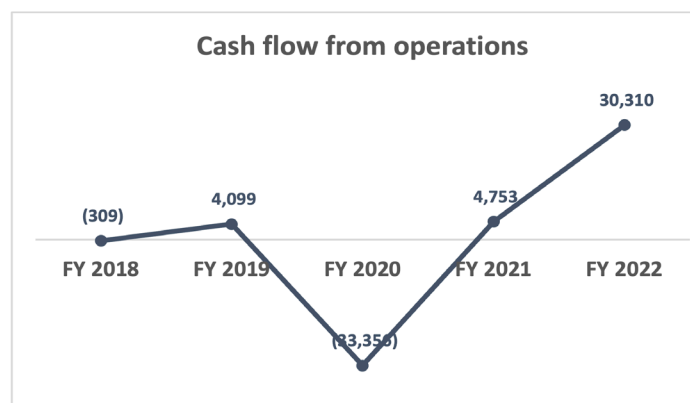
- APICO assets are increase by 11.40% in FY 2022 which are mainly due to increase in company receivables and inventory resulted in enhancement of company sales and operations. Additionally, company has also invested SR 10.7 million in machines, molds, equipment's and payment for land lease contract in Riyadh Al Kharj in FY 2022.
- Equity is increased by 12.69% which is mainly due to increase in net income of the company during FY 2022 which was made part of retained earnings.
- Company has successfully repaid loan of SR 18 million during FY 2022 which lead to decrease in leverage and liabilities. However, company payables have increased by more than 3 folds in FY 2022 and related party balances have also enhanced by SR 8.86 million during FY2022.
- Overall company liabilities increased by 10.14% to reach SR 82 million where payables, related party and loan comprise of 23.28%, 23.33% and 40.82% respectively.

*Figures are in SR k



APICO has successfully paid SR 18 million long term loans in FY 2022 which has helped to reduce company leverage significantly. Company debt to asset ratio has improved to 20.36% in FY 2022 compared to 35.16% in FY 2021. Current company loan is majorly working capital loan.

APICO Cash flow trend



- Enhancement in profitability and effective working capital management has helped APICO to significantly increase its cash flow from operations to SR 30 million in FY 2022 compared to SR 4.7M in FY 2021
- Cash flow from investments is showing company strategic objective of investments into latest technology machines. APICO has invested SR 5.8 million in FY 2022
- Additionally, APICO has also made payment of SR 4.9M for acquiring land lease title for its expected new production facility in Industrial area of Riyadh Al-Kharj.
- APICO has successfully repaid its long-term loan with SIDF equivalent to SR 16 million and SAIB SR 2 million in FY 2022

4. Related Party Transactions

Party's Name	Transactions Type	Transactions 2022	Books	Audited FS	Classification in FS
Balubaid Holding	Payment 'On Behalf Of'	829	423	244	Due from Balubaid Holding
	Supplier	(180)	(179)		
APLG	Supplier	(279)	(369)	302	Due from APLG
	Payment 'On Behalf Of'	936	671		
Aswaq Al Hijaz	Payment 'On Behalf Of'	175	(81)	(81)	Due to Aswaq Al Hijaz
Saudi Finance House (SFH)	Supplier	75	-	(148)	Due to SFH
	Payment 'On Behalf Of'	(25)	(148)		
OABC - Transportation	Supplier	190	(55)	(55)	Due to Balubaid Trans.
OABC - Limited	Payment 'On Behalf Of'	302	(92)	(18,941)	Due to OABC
	Transfers	26,443	(18,849)		

*Figures are in SR k

• Balubaid Holding

The nature of transactions with Balubaid Holding are Payments 'On Behalf Of' of certain operational expenses.

• Arabian Plant for Lubricants and Greases (APLG)

APLIG is a supplier and customer at the same time (1) Supplier: APLG supplies APICO with oil & grease products (2) Customer: APLG buys from APICO Oil Gallon as a finished product.

• Aswaq Al Hijaz Commercial Company

Payment 'On Behalf Of' is the nature of transaction with Awsaq Al Hijaz whereas Aswaq Al Hijaz pays certain operational expenses on behalf of APICO.

• Saudi Finance House Company (SFH)

The nature of transaction with SFH is payment of certain operational expenses.

• Omar Abubakr Balubaid Co. (OABC)

The nature of transaction with OABC – Transportation is freight service provided to APICO. Additionally, the nature of transactions with OABC is also payment 'On Behalf Of' and occasional fund provider.

5. Human Resource Development

During 2022, the Human Resource department won many achievements, initiated many programs at various levels, and was able to keep pace with the set goals and strategic plans. Despite being a challenging year, new and flexible work patterns were developed, represented in the automation of a number of Human Resource systems and the launch and design of many distance-training programs.

APICO is working to build a creative environment that contributes to finding innovative products and services and creative solutions to challenges, through programs aimed at encouraging innovation. These programs target two (2) main categories: Group staff and Management.

APICO provided training across all employees' levels, such as:

- **Soft Skills:** Supporting the professional development of APICO staff and help them discover their strengths, whether in their current career path or in another career path.
- **Leadership Skills:** It was held for all managers in the Company. The counseling sessions in it amounted to 3 sessions, in addition to the induction session. This contributes to the development of their leadership capabilities, knowledge of strengths and development.
- **Negotiation Skills:** The benefit of the training to help the team to reach certain decisions, agree on a specific matter, or generate creative ideas within a short period of time.

APICO seeks to encourage innovation inside and outside the company, to include society and colleges. Selected programs are stated below:

- **Hiring disabilities employees:** As part of APICO social responsibility, we are helping people with special needs to conquer the daily challenges of their life. we can celebrate their successes and help them through the difficult times.
- **Cooperative Training:** This program is intended to train male and female students, in majors related to the business and Industry fields.

APICO culture and work environment.

The Company aims to provide an environment that stimulates creativity, initiative, and ideas, the exchange of opinions, experience, and knowledge among both existing and future employees and that achieves a high level of support, development, and continuous training for employees by providing various training programs. These programs are provided by accredited institutes and held on a continuous basis inside and outside the Kingdom to improve skills and capabilities. The Company aims to enhance the skills of its employees by providing a range of programs.

The Company also pays great attention to all matters that contribute to maintaining the work environment that distinguishes APICO from many of its competitors. This interest is based on a strong belief that employees are the true capital of the Company. As an entity is characterized by its own identity and culture, the Company develops and improves the employees' experience to provide a work environment that stimulates creativity and innovation and operates as an integrated system to achieve a distinct experience for employees. The Company believes that the work culture is felt on a daily basis. APICO applies a range of policies, programs, and initiatives that contribute to achieving a distinguished employee experience, including, but not limited to, the following initiatives:

- **Housing Loan Support:** APICO supports its employees in acquiring suitable housing for them and their families.
- **Healthcare:** The Company is concerned with the health of its employees, bearing a portion of the costs of their personal health initiatives such as costs related to joining fitness clubs and subscribing to healthy meals.
- **Safety concerns:** Under the slogan of safety first, APICO is concerned with safety and provide safety training to the employees.

6. Company Future prospects

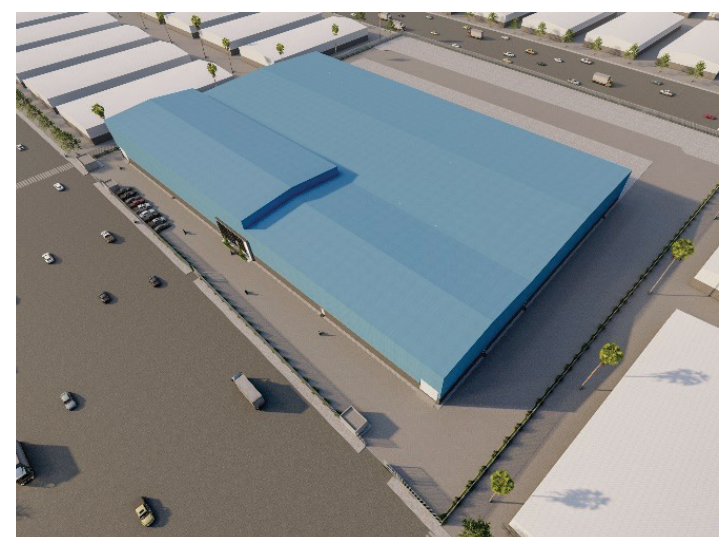
New Production Facility in Al-Kharj city – Riyadh.

APICO plans to have a new plant to fulfill the growth and demand from central and eastern regions of Kingdom. A land lease contract, for twenty years, with the Saudi Authority for Industrial Cities and Technology Zones "MODON" was made on October 30, 2022. The land is located in the industrial area of Al-Kharj city - Riyadh, Saudi Arabia.

The new expansion is expected to add 6,500+ MT in production capacity. The financial impact of the project is expected to start upon the completion of developments and start of operations. Furthermore, this project is expected to increase the revenue by 40% over first 3 years of operations.

APICO has also secured working capital loan facility of SR 55.5 million from SAIB with sublimit of SR 49.95 million as medium term loan in two phases (Phase 1 & 2).

APICO management is in continuous search and study for strategic collaboration with important market players of plastic industry.



7. Risk Management

APICO focus on its enterprise risk management where management study and analyze strategic and operational risks so that they don't affect the implementation of company future plans to achieve its goal of amongst the major market player of plastic manufacturing industry. Company implements the strategy of identifying the potential risks (internal and external), study them, apply appropriate mitigations measures to reduce residual risk to as much extent as possible.

Followings are the risks that APICO may face during its business operations.

7.1 - Risks related to the company's activity and operations.

A company's ability to increase its revenues and improve its profitability depends on its ability to successfully implement the company's strategic plan and improve existing production lines or expand by adding new product lines. The Company's ability to expand its business in the future depends on its ability to continue to implement and improve operational, financial and management information systems efficiently and in a timely manner, as well as on its ability to increase, train, motivate and manage its workforce.

Management gives more importance to the future strategic plans for future growth of company therefore periodic review is made by the management and audit committee of any potential risk and mitigation measures are implemented.

7.2 - Risks associated with increased production costs.

The production of plastic through Injection and Blow molding, Thermoforming and Film and its costs associated with the raw materials that the company relies on to obtain from external parties and other costs associated with production such as the value of rents, fuel, water and electricity consumption costs, service charges, labor costs, repair and maintenance costs are subject to fluctuations. Management watch risk of increase in production cost, try to pass through the increase in production costs to customer through increase in product prices based the prevailing market circumstances. Additionally, by making strategy for product sales mix management was able to reduce this risk to substantial level.

7.3 - Technological advancement in manufacturing of plastic

APICO aspires and adopt change in modest manner, the rapid advancement and use of innovative technologies in materials, processes and machineries to create existing and new products are overwhelming, the initiative to buy new machines, automation of processes are partly inducted to existing machine and mandatory required for new one. The introduction of cost-effective and environment suitable materials for sustainability is also taken into the manufacturing strategic plan.

7.4 - Managing risk by manufacturing optimization

Productivity are being optimized with the implementation of scheduling, optimization of batch size from sales orders, run cycles and throughput, and planned changeover time are being exercise to get better results.

7.5 - Risks related to receivables.

Due to the operational nature of company and expansion of sales, company receivables reach to SR 48 million net as of December 31, 2022 which are 29% of total assets. There may be a credit risk in several temporary or permanent cases, including the existence of debit balances from customers, failure of other parties to meet its obligations to the Company.

Management focus on its effective credit and collection policy which helped to reduce the credit risk of customers. Management is very confident of its active receivables therefor less risk of receivable default.

7.6 - Customer Concentration Risks

Management is continuously focusing on expansion of its sales footsteps to new regions of kingdom and to expand the customer base. Management is of firm believe that expansion of customer network will help to reduce concentration risk and will also help to increase profit through offering different variety of products to customer base.

7.7 - Risks associated with financing agreements.

APICO enjoys strong relations with financing institutes. During FY 2022, APICO has successfully repaid the long-term loan for SIDF and SAIB which has also improved the leverage of company and therefore increase the capacity to take financing when needed. Management is well confident in low financing risk. Company current loan facility is majorly for working capital financing.

7.8 - Statutory and regulatory compliance

As any other business entity doing in the kingdom, APICO function to the pre-defined legal framework, which is legal compliance. APICO adheres to all regulations, laws and policies set by the authorities in terms of commercial transactions (business), product and industrial bodies requirements and for laws governing employees. The only constant in regulatory landscape is changes, it has quick intervals. APICO stays updated with the changing regulations through regular document and management reviews, internal and external audits.

7.9 - Labor nationalization

The point of Saudization is to balance the workforce and increase Saudi Arabia's employment rates. Part of the Vision 2030 reforms. Saudization places an obligation on private corporations and enterprises to fill up their workforces with Saudi citizens up to a certain quota. This requirement is a very challenging lead that APICO is undergoing, the company exert all resources in supporting various program from the government such as student support (previous) and Tamheer program. In addition to complement the program every department has its own part in undertaking their shares of having locals in this nationalization campaign.

8. Board and Audit Committee Members Brief

Brief CVs of APICO Board Members and Audit Committee members are provided below.

8.1 - CVs of Board Members

Member Name	Mr. Khalid O. Balubaid
Membership	Chairman - board of directors
Qualification	Diploma in Business Technology from Mount Watchset Community College, USA in 1974.
Experience	- 34+ Years of diversified experience in automobile, real estate, plastic manufacturing, financing.
Membership in other companies	- Chairman of Balubaid Group Holding Co. Ltd. - Chairman of Omar A. Balubaid Co. Ltd. - Chairman of Aswaq Al Hijaz Commercial Co. - Chairman of Arabian Plant for lubricants & Grease Co. Ltd. - Chairman of Saudi Finance House Co. Ltd. - Chairman of Balubaid Automotive Co. Ltd. - Chairman of National Finance House Co. - Chairman of Wateen Al-Tamayouz Trading

Member Name	Mr. Ahmed O. Balubaid
Membership	Vice Chairman - board of directors
Qualification	Bachelors in business administration from New York Institute of Technology, USA, in 1982.
Experience	- 34+ Years of diversified experience in automobile, real estate, plastic manufacturing, financing in Balubaid group of companies.
Membership in other companies	- Vice chairman of Balubaid Group Holding Co. Ltd. - Vice chairman of Omar A. Balubaid Co. Ltd. - Vice chairman of Aswaq Al Hijaz Commercial Co. - Vice chairman of Arabian Plant for lubricants & Grease Co. Ltd. - Vice chairman of Marsana Rent a Car. - Vice chairman of Saudi Finance House Co. Ltd. - Vice chairman of Auto mark Co. - Vice chairman of Balubaid Automotive Co. Ltd. - Vice chairman of Service Equipment Company Ltd - Vice chairman on National Finance House Co. - Chairman on Arabian Mab Trading

Member Name	Mr. Saeed O. Balubaid
Membership	Board member
Qualification	High school education from a community high school in the United States of America in 1989
Experience	- 34+ Years of diversified experience in automobile, real estate, plastic manufacturing, financing in Balubaid group of companies.
Membership in other companies	- Board member of Balubaid Group Holding Co. Ltd. - Board member of Omar A. Balubaid Co. Ltd. - Board member of Aswaq Al Hijaz Commercial Co. - Board member of Arabian Plant for lubricants & Grease Co. Ltd. - Board member of Marsana Rent a Car. - Chairman on Awaan Al-Khair Trading

Member Name	Mr. Waleed K. Balubaid
Membership	Board member
Qualification	- Master's in business finance from Bentley University, USA, in 2012. - Bachelors in computer science from Fairleigh Dickinson University, USA, in 2005.
Experience	- 16+ years of diversified experience in Finance, investments, governance, IT at Balubaid group of companies. - 2012 till date - Group Chief Financial Officer (CFO) at Balubaid group of companies - 2010-2011 Financial Advisor at Bentley University - 2006-2009 Chief financial officer at Saudi Finance House Company
Membership in other companies	- Board member of Aswaq Al Hijaz Commercial Co. - Board member of National Finance House Co.

Member Name	Mr. Mohammed Al-Haj
Membership	Board member
Qualification	- Bachelor's degree in industrial engineering from the Hashemite University in Jordan in 2004. - 2018 till date Balubaid group of companies. Current position Group Chief Executive Officer
Experience	- 2017-Vice President, Organizational Transformation at Astra Industrial Group - 2013-2017-Head of Organizational Development and Change Management at Bin Laden Holding Company - 2009-2013-Head of Organizational Development Department at Al Mutlaq Group
Membership in other companies	- Board member of National Finance House Co.

Member Name	Mr. Venugopal T.K.
Membership	Board member
Qualification	- Postgraduate degree in plastic testing and conversion technology from the Central Institute of Petrochemical Engineering and Technology in India in 1992. - Bachelors in chemistry from the University of Madras, India, in 1990.
Experience	- 2002 till date – Arabian Plastic Industrial company. Current Position Chief Executive Officer - 1999-2002 Production Manager at Saudi Paper Cups and Containers - 1995-1999 3D PACKAGING (VORA PACKAGING)
Membership in other companies	

Member Name	Mr. Naji Sourati
Membership	Board member
Qualification	- Master's in business administration, Finance and Strategy, University of Chicago. - Bachelor of Science in Industrial and Operations Engineering from the University of Michigan.
Experience	- 2015 till date-Partner at High Impact Advisory Co. - 2014 till date Cofounder at Royal Purple Roastery LLC. - 2015-2015 Board member at Savola Plastic Company - 2007-2014 Head of the Communications Department at Bain & Company - 1994-2005-Managing director at Booz Allen & Hamilton.
Membership in other companies	- Board member of Booz Allen & Hamilton. - Board member of Royal Purple Roastery LLC. - Board member of High Impact Advisory Co.

Member Name	Eng. Azhar Medo Mohyaldeen Kenji (*)
Membership	Board member
Qualification	- Bachelor's degree in industrial engineering from King Abdul Aziz University "1985"
Experience	- 35+ years of technical and managerial experience in the manufacturing industry, especially in plastic. - 2015-2018 Served Takween Advanced Industries in various capacities. - 2015-2018 consultant to CEO - 2018-2020 Advisor to MD - 1985-2019 served Savola group in different capacities i.e. - 2018-2019 consultant to CEO - 2010-2015 Chief Executive Officer - 2005-2010- President - 2000-2005- General Manager - 1995-2000- Assistant General Manager - 1985-1995-Operations Manager General Manager, president, CEO
Membership in other companies	- Independent board member at Saudi Cable Company - Head of Executive committee at Ahmed Mohamed Saleh Baeshen & Co. - Independent board member at Ahmed Mohamed Saleh Baeshen & Co. - Independent board member at Bin Yamani group holding company. - Board member National Centre for Non-Profit Sector

8.2 - Audit Committee Members

Member Name	Mr. Hassan Ibrahim
Membership	Audit Committee Member
Qualification	- Member of the Saudi Organization for Certified Public Accountants in the Kingdom of Saudi Arabia in 2009. - Master's degree in accounting from King Abdulaziz University, Saudi Arabia, 2008. - Bachelor's degree in accounting from King Abdulaziz University, Kingdom of Saudi Arabia, 1999
Experience	+20 years of diversified experience in finance and audit.
Membership in other companies	- Executive Director in the office of Abboud Abu Bakr Baeshen and Partners since 2010.

Member Name	Mr. Abdul Rahman Mohammadi
Membership	Audit Committee Member
Qualification	- Bachelor's degree in accounting from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia in 2009
Experience	+15 years of diversified experience in finance.
Membership in other companies	

9. Remuneration of Board and Audit Committee members

9.1 - Board of Directors meetings record and remuneration

i. Board meetings Record and Participation

Following table shows the number of meetings of board of directors for FY 2022

Name	Designation	23/04/2022	06/07/2022	30/08/2022	19/12/2022
Mr. Khalid O. Balubaid	Chairman	✓	✓	✓	✓
Mr. Ahmed O. Balubaid	V. Chairman	✓	✓	✓	✓
Mr. Saeed O. Balubaid	Board Member	✓	✓	✓	✓
Mr. Hassan O. Balubaid (*)	Board Member	✓	✓	✓	✓
Mr. Waleed K. Balubaid	Non-Executive Member	✓	✓	✓	✓
Mr. Mohammed Al-Haj	Non-Executive Member	✓	✓	✓	✓
Mr. Venugopal T.K.	Executive Member	✓	✓	✓	✓
Mr. Naji Sourati	Indep. Board Member	✓	✓	✓	✓
Eng. Azhar Medo Mohyaldeen Kenji(*)	Indep. Board Member	✗	✗	✗	✗
Mr. Abubakr M. Balubaid	Secretary of BOD	✓	✓	✓	✓

*The resignation of Mr. Hassan O. Balubaid from membership of board of directors was accepted and Mr. Azhar Medo Mohyaldeen Kenji was appointed as independent board member through board resolution dated January 22, 2023 corresponding to 29-06-1444.

ii. Board members remuneration

Independent members of board were remunerated for SR 20,000 in FY 2022.

	Total fees (SR)
Mr. Naji Sourati	20,000

9.2 - Audit committee meetings record and remuneration.

i. Audit Committee meetings Record and Participation

Following table shows the number of meetings of audit committee for FY 2022

Name	Designation	13/04/2022	28/06/2022	25/08/2022	16/11/2022
Mr. Waleed K. Balubaid	Chairman	✓	✓	✓	✓
Mr. Hassan Ibrahim	Audit Committee Member	✓	✓	✓	✓
Mr. Abdul Rahman Mohammadi	Audit Committee Member	✓	✓	✓	✓

ii. Audit Committee Members Remuneration

Audit committee members were remunerated SR 35,000 in FY 2022.

	Total fees (SR)
Mr. Hassan Ibrahim	19,000
Mr. Abdul Rahman Mohammadi	16,000
Total	35,000

iii. Senior Executives

Senior executives were paid of SR 542,510 in FY 2022

Dupont Analysis

