

الذرف السعودي  
Saudi Ceramics



# Annual Report

2023

عمر بن الخطاب





**The Custodian of the Two Holy Mosques  
King Salman bin Abdulaziz Al Saud**

God Save Him



**His Royal Highness Prince  
Mohammed bin Salman bin Abdulaziz**

God Save Him





## Contents

### 1

- |      |                    |      |                              |
|------|--------------------|------|------------------------------|
| 1.01 | Chairman's Message | 1.04 | About Saudi Ceramics Company |
| 1.02 | CEO's Message      | 1.05 | Overview of the Strategy     |
| 1.03 | Board Members      | 1.06 | Company Strategy             |

### 2

- 02 Operational Performance**
- |      |                                  |      |                                |
|------|----------------------------------|------|--------------------------------|
| 2.01 | Key Operational Figures          | 2.06 | Water Heater Sector            |
| 2.02 | Stages of Growth and Development | 2.07 | Other Sectors                  |
| 2.03 | Sectors and Production           | 2.08 | Quality                        |
| 2.04 | Ceramic and Porcelain Sector     | 2.09 | Industrial Security and Safety |
| 2.05 | Sanitaryware Sector              |      |                                |

### 3

- 03 Business Sector**
- |      |  |      |                                       |
|------|--|------|---------------------------------------|
| 3.01 | Sales                                  | 3.07 | Warehouses and Logistics Operations   |
| 3.02 | Expansion and Prosperity               | 3.08 | Supply Chains                         |
| 3.03 | E-commerce                             | 3.09 | Digital Transformation and Automation |
| 3.04 | Projects                               | 3.10 | Marketing                             |
| 3.05 | Export                                 | 3.11 | Business Development                  |
| 3.06 | Geographic Distribution of Exhibitions | 3.12 | Human Capital                         |

### 4

- 04 Financial Performance**
- |      |                                   |      |                                  |
|------|-----------------------------------|------|----------------------------------|
| 4.01 | Overview of Financial Performance | 4.06 | Investments                      |
| 4.02 | Summary of 2023 Results           | 4.07 | Financial and Accounting Systems |
| 4.03 | Key Financial Indicators          | 4.08 | Loans                            |
| 4.04 | Main Activities                   | 4.09 | Financial Statements             |
| 4.05 | Subsidiary Companies              |      |                                  |

### 5

- 05 Business Governance Framework and Environmental and Social Governance**
- |      |  |      |   |
|------|--|------|---|
| 5.01 | Business Governance Framework and Shareholders' Rights   | 5.06 | Compensation for Board Members, Committees Derived from it, and Executive Management    |
| 5.02 | Important Disclosures During 2023  | 5.07 | Description of any Interest for Board Members and Senior Executives and their Relatives |
| 5.03 | Shareholder Associations   | 5.08 | Risk Management   |
| 5.04 | Names of Board Members, Committee Members, Executive Management, their Current and Previous Positions, Qualifications, and Experience. | 5.09 | Environmental Responsibility  |
| 5.05 | Committees Derived from the Board of Directors   | 5.10 | Environment and Sustainable Development   |
|      |  | 5.11 | Social Responsibility   |
|      |  | 5.12 | Declarations According to the Governance Regulations for the year 2023                  |



# The Chairman's Message



Dear Esteemed Shareholders of Saudi Ceramics Company,  
Peace be upon you,

The year 2023, praise be to God, witnessed continued economic growth in the Kingdom, especially in non-oil activities, as most non-oil economic activities achieved positive growth rates. Estimates indicate that this growth will continue and increase in rates through the year 2024, which will lead to an increase in demand for the company's products in the real estate and residential sectors.

The company faced some challenges in 2023 including the unfortunate second sanitary ware factory fire incident. As a result, an allocation of 165 million riyals was formed for the damaged assets and inventory. This accident resulted in some different operational challenges, which are currently being dealt with effectively by the company's strategy. In addition, one of the company's subsidiaries, the Ceramic Pipe Company, recorded impairment losses in the value of its assets amounting to 78 million riyals to hedge future operating losses, and the company's share of it, according to its ownership percentage, was 58 million riyals.

Despite the recent increase in production capacities for tile and porcelain products in the Kingdom, along with rapid market changes and the increase in the number of competitors, the company, praise be to God, has succeeded in maintaining its leadership position in this sector by implementing its strategic plan, which includes continued growth in the retail sector and geographical spread by increasing the number of points of sale reached 57 showrooms by the end of the year. The company also focuses on developing logistical operations and enhancing the efficiency of supply chains.

The company also continued to move forward in implementing its expansion strategy, which includes establishing a porcelain factory, which is expected to be completed in mid-2024. This factory will add a production capacity of eight million square meters annually and will contribute significantly to the diversification of the company's product range, and this will help achieve the company's plan to expand its customer base. In addition to this, there is ongoing development work on the company's production lines and the plan to enter into a partnership with one of the global entities in the sanitary ware sector, through which expertise will be combined, various products will be provided, and new markets will be reached.

In conclusion, I extend my deepest thanks and gratitude to the Custodian of the Two Holy Mosques and his trustworthy Crown Prince, may God protect them, for the great support they provide to advance the national industry towards new horizons and the growth and development of the Kingdom is enjoying in all fields.

I would like to extend my thanks and gratitude to the company's shareholders and customers for their trust and continued support, and my thanks go to my fellow members of the Board of Directors for their efforts and continuous support, as well as the executive management and employees of the company for their effort and sincere work to serve customers and achieve the shareholders' aspirations.

**We ask Allah to help and guide.**

**Youssef bin Saleh Aba Al-Khail  
Chairman of Board of Directors**

# CEO's Statement



During this year, the company managed to achieve good performance despite the difficulties in the rise of production inputs and logistical operations, and low selling price which affected many companies and the business sector in general. The initiatives adopted by the company and its strategic plan outlined in the previous period played a role in minimizing the impact of these difficulties on the company's performance.

The company continued to grow and expand in several sales channels, particularly in retail, export, and e-commerce. Additionally, the company focused on developing its products, whether in terms of tiles or sanitary ware, through unique designs introduced throughout the year in various shapes and sizes.

On the technical performance front, the company completed several projects initiated during the previous period, specifically in the development of cutting-edge projects in tile production lines. Furthermore, it enhanced production lines in sanitary ware and heater factories. Additionally, the company approached completion of the digitization project for some of its factories, which is a significant project in automating operational processes. The company also expanded its production of faucets and increased its market share in the Saudi market. Moreover, it continued to develop its support departments and joint operations through warehouses, information technology, and elevating Saudiization levels and employee satisfaction, emphasizing its investment in human capital and belief in the importance of developing national competencies.

In conclusion, I extend my gratitude to the members of the Board of Directors for their continued follow-up and support of the company's objectives. I also cannot overlook thanking all employees of the company for their efforts in achieving the shareholders' aspirations and continuing the company's success in its operations.

**Wishing everyone success and guidance.**

**Eng. Azam bin Saud Al Medheem  
CEO**



## Members of the Board



Mr./Yousif Bin Saleh Aba AlKhail  
Chairman



Mr./Abdulaziz Bin Abdulkarim Al Khiraiji  
Vice chairman



Mr./ Mutaib bin Muhammad Al-Shathri  
Public Investment Fund Representative  
& Member of the Board of Directors



Mr./ Sami Ibrahim AlEssa  
GOSI Representative & Member  
of the Board of Directors



Mr./ Majid Bin Abdullah AlEssa  
Member of the Board of Directors



Mr./ Muhammed Abdulmohsin Al-Qurainees  
Member of the Board of Directors



Mr./ Majid Bin Mohamed AlDikhail  
Member of the Board of Directors



Mr./ Asim bin Saad Al Jareed  
Representative of the General  
Organization for Social Insurance,  
Member of the Board of Directors

## A brief overview of Saudi Ceramics Company

**ESTABLISHMENT** The story of Saudi Ceramics Company began in 1977, when the company was established as a leading Saudi joint-stock company in the field of industry.

**PRODUCTS** The company produces a wide range of products that cater to the needs of wholesale, project sectors, as well as individuals across the Kingdom and beyond. These products include ceramic and porcelain tiles, sanitary ware, electric water heaters, plastic and accessories, pre-fabricated bathrooms, red bricks, in addition to mining activities.

**MODERN TECHNOLOGIES** The company is committed to utilizing modern and advanced technologies in the manufacturing sector, ensuring its continued leadership and attainment of further quality certifications.

**SALES CHANNELS** The company possesses diverse sales channels on a wide scale, including local exhibitions, projects, wholesale distribution, and exports to numerous countries worldwide, in addition to e-commerce.

**VISION** The company endeavors to contribute to realizing the objectives of the Saudi Arabia Vision 2030, which aims to transform the Kingdom into a leading industrial powerhouse.

**SOCIAL RESPONSIBILITY** The company is committed to supporting the national economy and localization efforts by providing employment opportunities for Saudis across technical and administrative positions.





# An Overview of the Strategy

THE COMPANY AIMS, THROUGH ITS STRATEGY, TO ACHIEVE SUSTAINABLE GROWTH AND ENHANCE ITS POSITION IN THE CONSTRUCTION SECTOR, CONTRIBUTING TO THE REALIZATION OF THE SAUDI ARABIA VISION 2030.

## THE STRATEGY IS BASED ON THREE MAIN PILLARS.

Winning Customer Satisfaction and Expanding Market Presence

Enhancing Research and Development and Diversifying Investments

Enhancing Research and Development and Diversifying Investments

# The Company's Strategy

THE COMPANY HAS DEVELOPED A CLEAR-CUT STRATEGY TO ENHANCE GROWTH, ACHIEVE OBJECTIVES, MEASURE PERFORMANCE, IMPROVE SHAREHOLDER RETURNS, AND PRESERVE COMPANY ASSETS AND INVESTMENT VALUE.

THIS STRATEGY IS DIVIDED INTO FOUR MAIN AXES, ALONG WITH A SET OF ENABLERS THAT ASSIST THE COMPANY IN ACHIEVING THEM.

## THE CORE AXES OF SAUDI CERAMICS COMPANY'S STRATEGY



Product development and diversification



Expansion locally and internationally



Preparing structure and managing transformation and change.



Diversification in investments

# 02

## Operational Performance

- Key Operational Figures
- Stages of Development and Expansion
- The company's sectors
- The Ceramics and Porcelain Sector
- The Sanitary Ware Sector
- The Electric Water Heaters Sector
- Other Sectors
- Quality
- Industrial Security and Safety



## Key Operational Figures



**1**

**15 factories Equipped with the latest technologies**

**3.6 million Pieces of sanitary ware**

**2**



**3**

**2 million Water heaters including central and solar heaters**

**60 million Square meters of ceramic and porcelain production annually**

**4**



**5**

**100 million Mixers and plastic pieces**

Saudi Ceramics Company is considered one of the largest industrial companies and a key leading company in world-class manufacturing solutions. It offers ceramic and porcelain products, sanitary ware, water heaters, red bricks, and mining services.

With over 45 years of experience in the industrial field, Saudi Ceramics has established itself as a leader in both the local and regional industries. The company operates 15 factories equipped with the latest production technologies, including automation and digitalization. It plays a crucial role in the construction sector in the Kingdom of Saudi Arabia and has obtained numerous local and international quality certifications.



## Stages of development and expansion



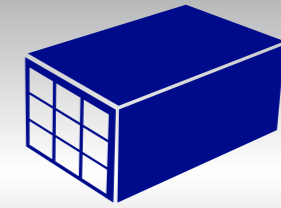




## The company's sectors



**Ceramics and  
Porcelain**



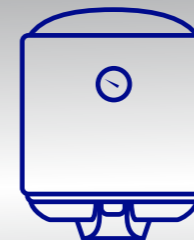
**Red Bricks and  
Mining**



**Sanitary  
Ware**



**Accessories and  
Supplements**



**Electric  
Water Heaters**



**Ceramic Pipes**



## The Ceramics and Porcelain Sector

Saudi Ceramics Company offers a wide range of glazed ceramic tiles, including wall tiles, floor tiles, swimming pool tiles, and decorative tiles in various sizes and designs, all manufactured according to SASO (Saudi Standards, Metrology, and Quality Organization) and international standards. With a production capacity of 60 million square meters of ceramics annually and over 5 million pieces of decorative tiles annually.

- ▶ **The first tile factory**  
Established in 1983
- ▶ **The second tile factory**  
Established in 1995
- ▶ **The third tile factory**  
Established in 2006
- ▶ **The fourth tile factory**  
Established in 2010
- ▶ **The first frit factory**  
Established in 1985
- ▶ **The second frit factory**  
Established in 2013



## The Sanitary Ware Sector

Saudi Ceramics Company owns the largest sanitary ware factory in the Kingdom, producing a variety of sanitary ware products.

A wide range of luxurious sanitary ware products is manufactured in modern designs and colors. The production capacity reaches 3.6 million pieces of sanitary ware annually.

- ▶ **The first sanitary ware factory**  
Established in 1977
- ▶ **The second sanitary warefactory**  
Established in 2016





## The Water Heaters Sector

Saudi Ceramics Company is considered the third largest water heater manufacturer in the world, producing all types including solar and central heaters. Additionally, it offers various sizes of vertical and horizontal water heaters with a production capacity of 2 million water heaters annually.

- ▶ **The first water heaters factory**  
Established in 1995
- ▶ **The second water heaters**  
Established in 2009



## Other Sectors

### Red Bricks

Part of the company's manufacturing activity, it is one of the newest red brick factories in the region, with a production capacity of 30 million bricks annually.



### Plastic and Accessories

This sector complements the various industries of the company with the aim of achieving manufacturing integration. The company has also added a production line for water mixers to increase product diversity.

### Desert Mines

The company benefits from a mining arm that contributes to achieving integration in the manufacturing process. Established in 2008, under the name «Desert Mines,» this arm has expanded to supply all company factories and other companies' factories by increasing internal and external demand for various materials such as feldspar.

### Saudi Ceramics Pipes Company

In 2007, Saudi Ceramics participated in establishing Saudi Ceramics Pipes Company with the aim of manufacturing clay pipes used in the infrastructure of construction and residential projects. The production capacity of clay pipes reaches 40 thousand tons annually.





## Quality

“We are committed to achieving the highest standards of quality in all operational and technical processes, and providing products of quality that align with the company’s vision and heritage.”

▶ Since its inception, the company has placed great emphasis on product quality matters, aiming to achieve operational performance standards that ensure Saudi Ceramic’s name as a product that conforms to the highest standards, accredited by regional and international certifications and endorsements.

▶ Saudi Ceramics Company is incorporating the latest technologies by automating its factories to ensure increased operational efficiency and enhance product quality. Moreover, it is keen on attracting professional talents to further enhance its quality assurance measures.

▶ All materials used are rigorously tested to ensure their suitability and compliance with all specifications.

### Implications of our Excellence

#### Local accreditations for quality:

- Winning the King’s Award for Ideal Factory twice.
- Saudi Quality Mark from the Saudi Standards, Metrology, and Quality Organization (SASO) for all products.
- Energy Efficiency Label (EEL) certificate and label from SASO for electric water heaters.
- Water Efficiency Label (WEL) certificate and label from SASO for sanitary products.

#### International accreditations for quality:

- ISO 9001:2015 certificate
- European Conformity (CE) mark
- Emirates Quality Mark
- Gulf Conformity Mark for electric water heaters (G-Mark)



## Industrial security and safety

Saudi Ceramics Company prioritizes industrial safety and security, considering it of utmost importance. The company’s management believes in the significance of risk mitigation through ensuring the safety of workers, enhancing occupational health, and implementing all appropriate preventive measures to reduce the occurrence of accidents, safeguarding lives and properties.

To achieve this, the company commits to:

- 1 Adhering to the fundamental principles of occupational safety and health, based on risk identification and mitigation.
- 2 Compliance with occupational safety legislation applicable in the Kingdom of Saudi Arabia, as well as internal regulations within the company.
- 3 Providing appropriate qualification, training, awareness, and necessary procedures and tools for employees to optimally implement the occupational safety and health management system.
- 4 Continuous improvement to develop systems and procedures of the occupational safety and health management system.





# 03

## The Business Sector



## Sales

The strategic plan of Saudi Ceramics Company focuses on reaching the largest segment of customers effectively by diversifying its sales channels through wholesale sales to major distributors and project sales that meet the needs of both public and private sectors, and expanding into the retail sector through 57 showrooms under the name of Saudi Ceramics in 32 cities and provinces to be closer to customers and provide products with modern and unique designs. In addition, an export channel outside the Kingdom has been established. The company has also focused on activating online sales and has contracted with a number of global e-commerce stores to make products available to all customers and achieve sales growth. These channels have contributed to enhancing the presence of the company's products and increasing its market share locally and regionally.

### The company's sales channels

#### Showrooms

In 2023, 211,000 customers were served through 57 showrooms across the Kingdom.

#### Wholesales

The channel handles product sales for major distributors and wholesalers, making it a bridge to enhance distribution.

#### Projects

Selling products directly to government and private projects.

#### Export

The export channel plays a crucial role in boosting external sales and expanding regionally and globally.

#### E-Commerce

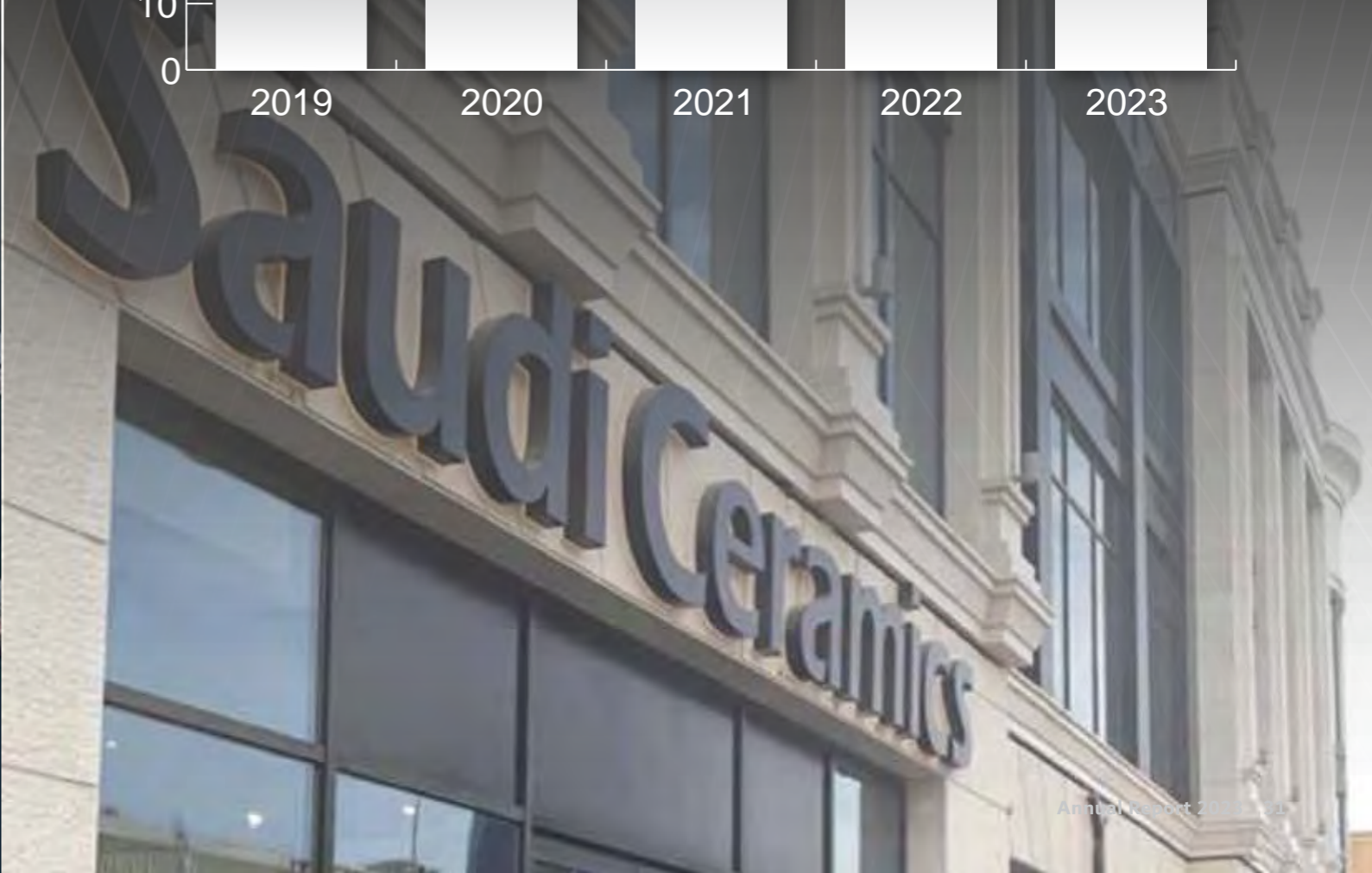
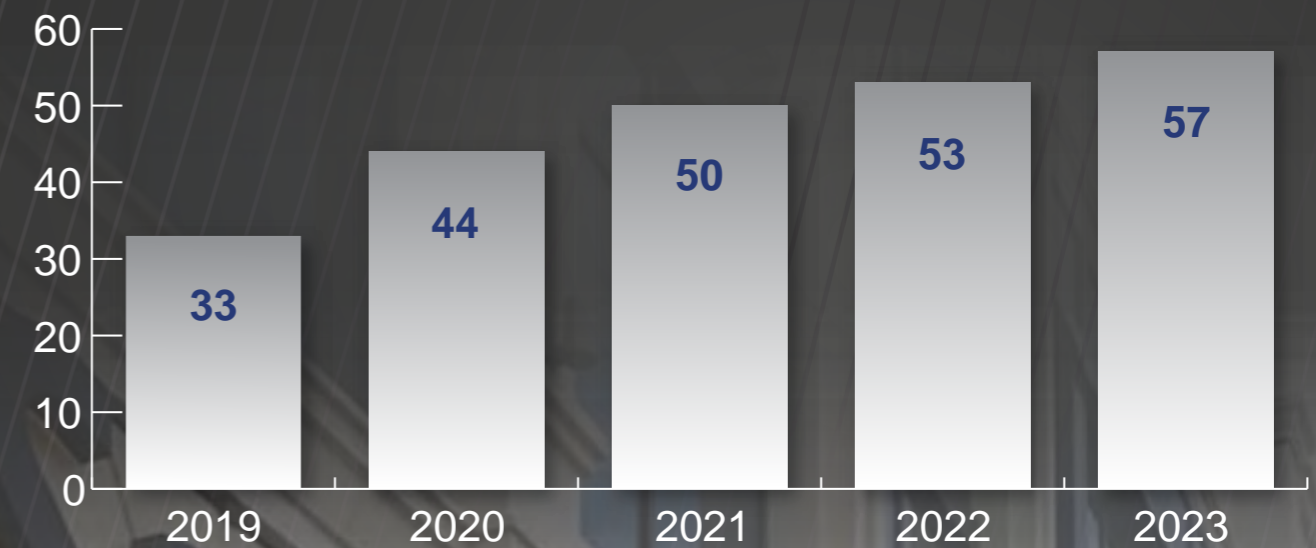
Saudi Ceramics provides the option to purchase its products online through the company's website and smartphone applications.

## Expansion and Prosperity

Saudi Ceramics Company has increased the number of showrooms by opening new branches in different locations and cities to expand its presence in the Saudi Arabian market, reaching a total of 57 showrooms by the end of 2023, serving 32 cities within the Kingdom.

The company pays attention to the mechanism and method of product display through visual presentation and the use of simulation techniques in showrooms to provide a wonderful experience for the customer by facilitating their journey and meeting all their needs.

STATEMENT OF INCREASE IN SHOWROOMS OVER THE YEARS





## E-Commerce

The e-commerce channel achieved significant accomplishments over the past year, witnessing substantial growth on the online platform, which demonstrated the effectiveness of our strategies and the resonance of our brand within the digital market.

Our sales revenue experienced a remarkable increase, with a notable surge of 119% compared to the previous year. This growth serves as a testament to the dedication of our team and the successful implementation of targeted marketing campaigns, along with improvements in user-friendly website interfaces and strategic product placements.

User engagement metrics also rose, reflecting a deeper and more beneficial connection with our customers online. Our efforts proved successful in acquiring customers, as evidenced by a substantial 106% growth in the number of new customers acquired through the e-commerce channel. This highlights the success of our customer engagement initiatives and the effectiveness of our user acquisition strategies.

The increase in app downloads by percentage  
**103.91% ↑**  
in comparison to (2022)  
The increase in app sales by percentage  
**57.81% ↑**  
in comparison to (2022)

The increase in sales revenue by percentage  
**119.64% ↑**  
in comparison to (2022)  
The increase in the number of orders by percentage  
**200.52% ↑**  
in comparison to (2022)

The increase in new customers by percentage  
**106.7% ↑**  
in comparison to (2022)

The increase in customer interaction by percentage  
**30% ↑**  
in comparison to (2022)

The increase in number of new visitors by percentage  
**60% ↑**  
in comparison to (2022)

“These achievements fully confirm the success of our e-commerce endeavors and position Saudi Ceramic Company as a leader in the digital landscape. Looking to the future, we are committed to building on these achievements, continuously innovating, and providing an unparalleled online shopping experience to our customers.”



## Recent Key Projects Contributed to by Saudi Ceramics

Saudi Ceramics Company, with the quality of its products, has been able to participate in several government projects. These include the King Faisal Air College project under the Ministry of Defense, the National Guard Housing project in Riyadh under the Ministry of National Guard, as well as projects affiliated with the Ministry of Education, Health, Finance, Justice, and other ministries. Additionally, supplies have been made to several projects under the National Housing Company, in addition to various projects of companies affiliated with the Public Investment Fund, such as NEOM, Roshn Real Estate Development Company, and the Red Sea Company. Furthermore, the company has participated in several school projects under the Building Construction Company (TBC) and several projects under Saudi Aramco. Moreover, Saudi Ceramics has been accredited for future projects, notably the King Salman Park project under the King Salman Park Foundation, the Qiddiya Company, and the Diriyah Gate Development Authority. This reflects the trust of these entities in Saudi Ceramics Company's ability to meet the specific standards and requirements of such projects and their significance.



## Export and External Sales

“Export sales achieved a growth of **3%** compared to the plan for the year 2022.”

### Important Milestones During 2023

- 1 Growth in Sanitaryware Sales
- 2 New Contracts in New Markets
- 3 Adding 5 New Countries for Export
- 4 Acquisition of New Customers
- 5 Growth in Heater Sales





## Geographical Distribution of Exhibitions in the Kingdom of Saudi Arabia

General Management  
King Fahd Road  
P.O. Box 3893, Riyadh 11481  
Phone: 0118298888  
Fax: 0114627569

Sales Department Marketing Department  
Phone: 0118298888  
Fax: 0114652124  
Fax: 0114610147

### Central Region

Regional Sales Management  
Fax: 0114652124  
Exhibition Al Olaya  
Specialized Exhibition  
Exhibition Al Malaz  
Exhibition Ar Rass  
Exhibition Ar Rawdah  
Exhibition Tharik Al Khaleej  
Exhibition An Narjis  
Yasmeen Exhibition  
Exhibition Ar Ramal  
Exhibition Lubban  
Exhibition Shaqra  
Exhibition Al Mazahimiya  
Exhibition Ash Shifa  
Exhibition Ad Dawadmi  
Exhibition Al Majmaah  
Exhibition Al Kharj City  
Al Mukhifad Center

### Eastern Region

Regional Sales Management  
Phone: 0138340670  
Fax: 0138331764  
Exhibition Dammam (1)  
Exhibition Dammam (2)  
Exhibition Dammam (3)  
Exhibition Al Khobar  
Exhibition Al Ahsa (1)  
Exhibition Al Ahsa (2)  
Exhibition Al Jubail  
Hafr Al-Batin Exhibition

### Northern Region

Regional Sales Management  
Phone: 0163816433  
Fax: 0163814872  
Exhibition Buraidah  
Exhibition Onaizah  
Exhibition Ar Rass  
Exhibition Hail  
Exhibition Tabuk

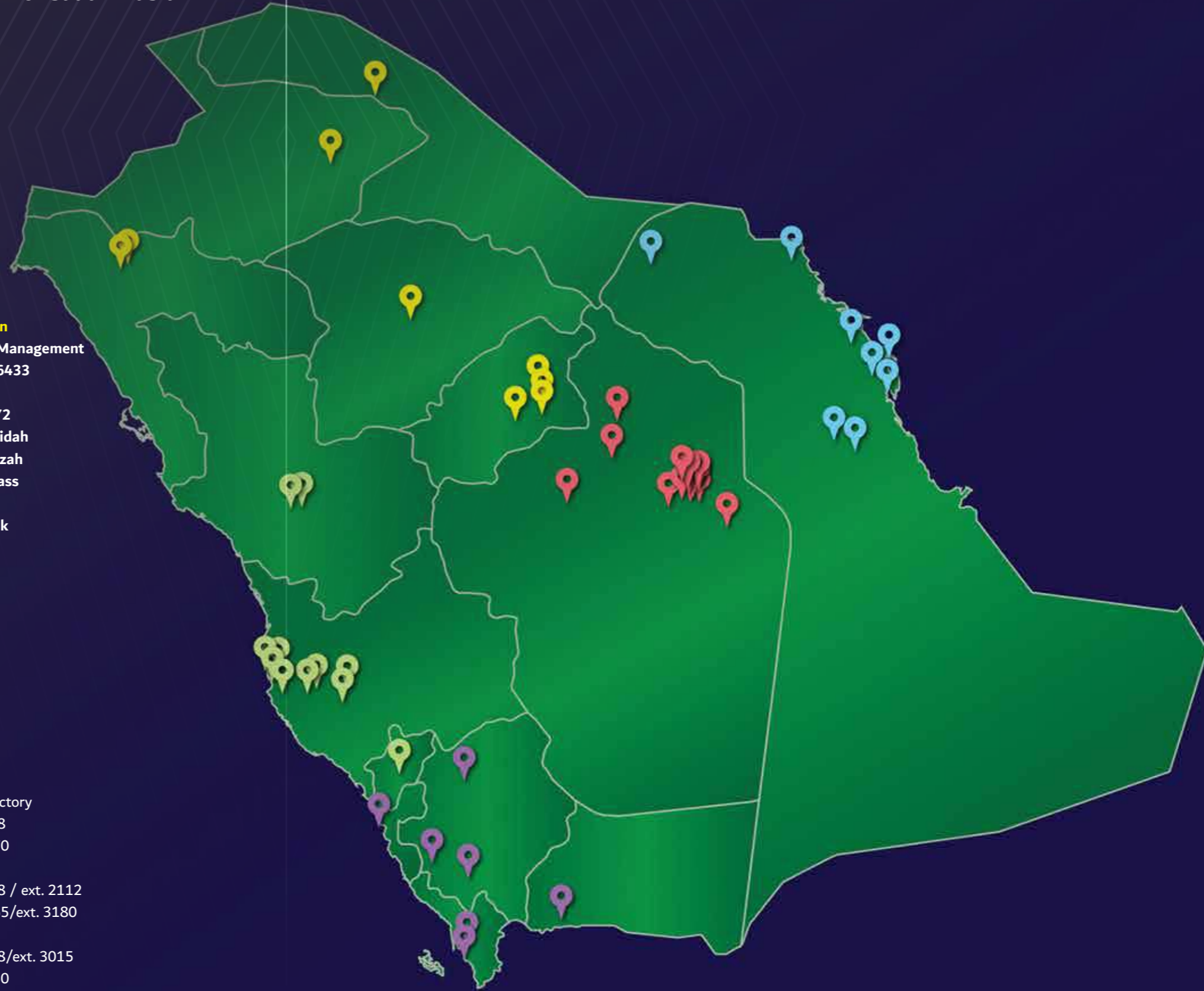
### Western Region

Regional Sales Management  
Phone: 0127290056  
Fax: 0126299202  
Tahlia Exhibition  
Haramain Exhibition  
Taif Exhibition  
Hawiyah Exhibition  
Makkah Exhibition  
Madina Exhibition (1)  
Madina Exhibition (2)  
Hamdaniyah Exhibition  
Ubayr Exhibition  
Qunfudhah Exhibition

### Southern Region

Regional Sales Management  
Phone: 0172216311  
Fax: 0172216291  
Asir Exhibition  
Jazan Exhibition (1)  
Jazan Exhibition (2)  
Najran Exhibition  
Sabha Exhibition  
Bisha Exhibition  
Heater Factory  
Phone: 0118298888 / Extension 3015  
فاكس: 0112650250

Sanitary ware factory  
Tel: 0118298888  
Fax: 0114983970  
Tile factory  
Tel: 0118298888 / ext. 2112  
Fax: 0112650265/ext. 3180  
Heaters factory  
Tel: 0118298888/ext. 3015  
Fax: 0112650250



Central Region Eastern Region Northern Region Western Region Southern Region



# Warehouses and Logistics Operations

Due to the expansion of sales operations in all major cities within the Kingdom of Saudi Arabia and international destinations, the Warehouses and Logistics Management is committed to providing the necessary logistical services to achieve customer satisfaction as required. The total number of customers served in 2023 exceeded 130,000 customers within and outside the Kingdom of Saudi Arabia. New warehouse branches will be opened in various regions within the Kingdom in 2024 to enhance the efficiency of the company's logistics operations and reduce delivery times, thereby increasing customer satisfaction.



# Supply Chains

Management plan aims to achieve operational integration by increasing productivity levels with the required quality across various stages of procurement and contracts processes. Local product role takes precedence by providing greater opportunities for national products, fostering their development, and enabling them to align with the Kingdom's Vision 2030. The company's objectives are centered around increasing the local content ratio through implementing policies that meet the fundamental requirements outlined in the General Policy of the Local Content Authority and increasing expenditure on goods and services purchases within the Kingdom. To reinforce this objective, the procurement policy for goods and services is based on partnerships with national companies whenever possible through supporting and incentivizing national products, developing and supporting national manufacturing, and aiding in the transfer of manufacturing technologies within the Kingdom. To achieve this goal, the Supply Chain Management policy focuses on developing Saudi human capital and

enhancing the efficiency of Saudi employees by monitoring and evaluating performance, fostering a healthier and more attractive work environment, and encouraging increased productivity. Additionally, strategic planning is conducted to identify and develop Saudi talents to occupy key strategic positions in the future, including identifying individuals capable of assuming critical roles and preparing them for such positions. We have benefited from programs by the Ministry of Human Resources and Social Development in training numerous Saudi talents in 2023, alongside workplace training and job rotation programs. Furthermore, the company is committed to automating its operations and operational systems development through implementing leading ERP systems, specifically SAP Ariba, to enhance resource management, contract management, and supplier management concerning procurement, purchasing, invoicing, and ensuring full compliance with all regulations and transparency throughout the supply chain stages.





## Marketing

“The Marketing Management is responsible for developing and executing strategies and plans that help build and strengthen the company’s brand. These efforts include identifying the target audience and understanding their needs, creating effective marketing messages, and selecting the appropriate channels to reach the target audience.”

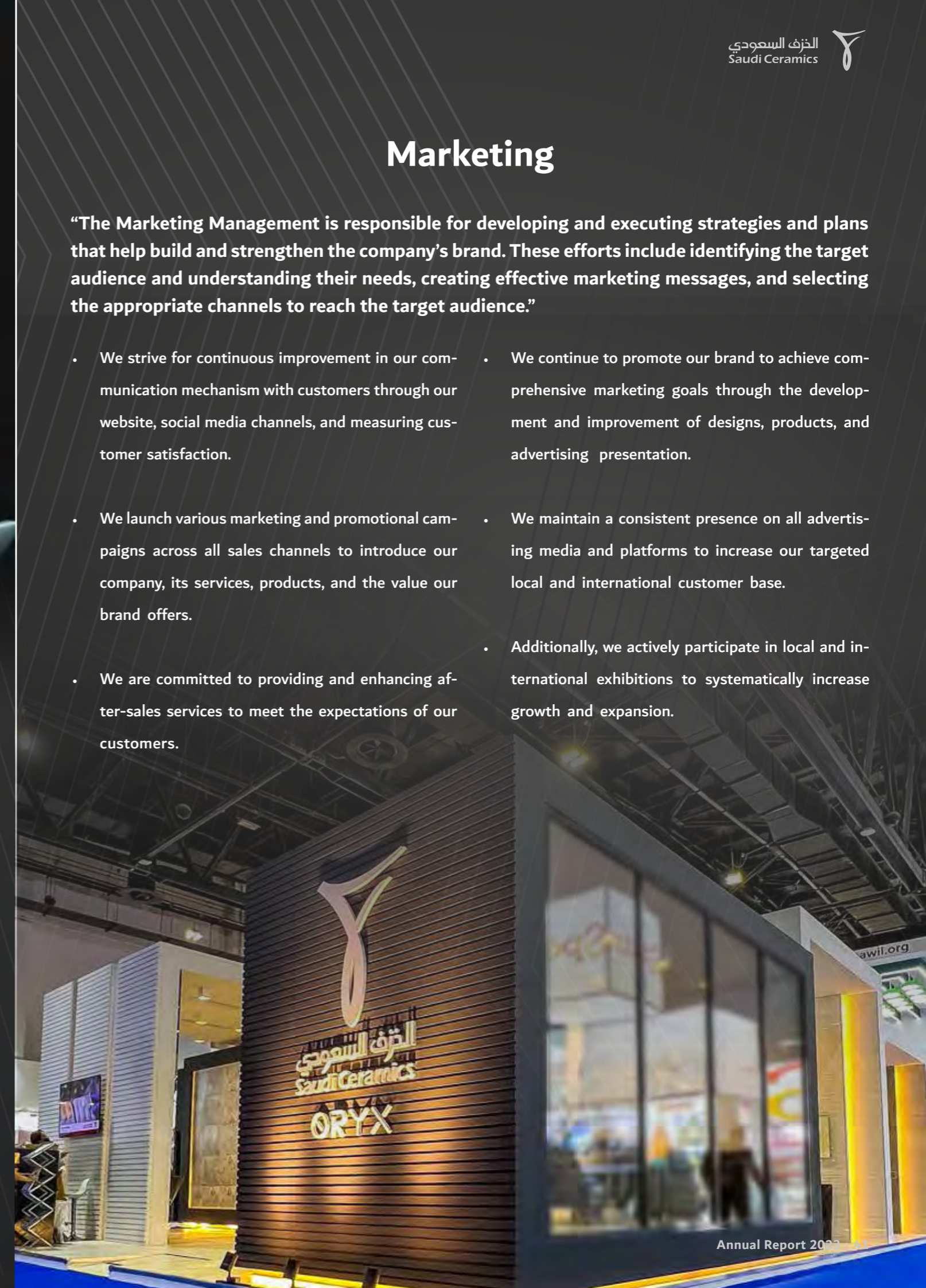
- We strive for continuous improvement in our communication mechanism with customers through our website, social media channels, and measuring customer satisfaction.
- We continue to promote our brand to achieve comprehensive marketing goals through the development and improvement of designs, products, and advertising presentation.
- We launch various marketing and promotional campaigns across all sales channels to introduce our company, its services, products, and the value our brand offers.
- We maintain a consistent presence on all advertising media and platforms to increase our targeted local and international customer base.
- We are committed to providing and enhancing after-sales services to meet the expectations of our customers.
- Additionally, we actively participate in local and international exhibitions to systematically increase growth and expansion.

## Digital Transformation and Automation

In 2023, Saudi Ceramics launched the HANA S/4 system to enhance and automate business operations, utilizing industry best practices. It automated various production processes to achieve maximum integration. The company aims to lead in both industrial and commercial sectors, meeting customer needs through continuous development and streamlining of sales processes, while continuously seeking technological and developmental solutions.

The company has worked on developing several programs to achieve its vision and adopt the best technological practices, including:

- Digital transformation of procurement systems through the ARIBA platform, automating purchasing processes and accessing the world’s largest online supplier network with approximately 6,700,000 clients.
- Activating the digital transformation project for heater factories (Industry 4.0) by analyzing and improving productivity, energy efficiency, and production management.
- Implementing the Electronic Invoicing System (E-Invoice platform - Phase 2), aiming to enhance sales processes through automating sales invoices and aligning them with the requirements of the Zakat, Tax, and Customs Authority.
- The company has also implemented a range of initiatives and measures aimed at improving service levels and customer satisfaction by providing high-value products, fast and easy-to-use technical solutions, and direct communication with customers to enhance our products and services.





## Business Development

Through its Business Development management, the company seeks to create a creative work environment that aids in the development and diversification of its products, increasing its sales to ensure its continued leadership in the ceramic, sanitaryware, and water heater sectors, both locally and regionally.

Among the notable achievements in the field of development:

- Developing the Oryx product to increase the number of customers, ensuring an increase in the market share of the tile product in the market in addition to improving profitability.
- Project to develop and enhance production lines in tile factories by increasing tile cutting machines to ensure fully cut production, in addition to producing large-sized ceramic tiles. This project is scheduled to be operational by mid-year and will help maintain market share and improve profitability.
- Collaboration with Italian companies specializing in tile design to provide us with the latest designs to keep pace with developments in the tile industry.
- Development of over 500 designs for wholesale customers in the tile product category for walls, floors, and outdoor tiles.
- Developing more than 90 designs of the "Oryx" tile product, whether for floors, walls or patios.
- Development of over 70 designs for the showroom channel, including floor, wall, and outdoor tiles.
- Development of new models of suspended toilets and sinks that meet market demand.
- Growth in sales of electric water heaters through size diversity while also maintaining competitive prices.

## Human Capital

The ceramics company believes that success and the underlying strength to achieve its goals begin with attracting talents and experiences to work in an environment conducive to success, and empowering employees to accomplish the company's plans, strategies, and objectives.

### Employee Development Programs

The Human Resources sector is committed to enhancing the work environment to make it attractive for talents, experiences, and competencies, and working on developing their abilities through the implementation of developmental and motivational programs and plans.

### Localization

Over the past years, the Human Resources sector has diligently worked towards achieving all localization targets, attracting Saudi talents and experiences, and empowering them in leadership, managerial, technical, and technological positions.

### Digitalization and Development in Procedures and Operations

The Human Resources sector has enhanced and developed digital transformation programs, elevating the performance level of its services through the creation of a platform enabling employees to access and execute all required procedures and operations.

### Organizational Policy Framework

The company has focused on developing work governance, policies, and procedures to elevate governance and compliance, which are considered fundamental pillars of the company's strategy. This has been achieved through the updating and adoption of policies, procedures, and regulatory frameworks.

### Performance Evaluation and Incentives

The company relies on semi-annual and annual performance evaluation programs to monitor its employees' performance, aiming to assess and develop it. These evaluations are linked to a rewards system designed to attract talents through wages, compensations, incentives tied to sales performance, production, and support departments, as well as annual bonuses and rewards associated with innovation and creativity programs.



# 04

## Financial Performance

- An overview of financial performance.
- Summary of 2023 results
- Key financial indicators
- Main Activities
- Subsidiary companies
- Investments
- Financial and accounting systems
- Loans
- Financial statements



## Overview of Financial Performance

During the year 2023, the company witnessed a decrease in sales, to 1.3 billion riyals, by 11.4% compared to the previous year, accompanied by a decrease in gross profit margins from 30.4% during the previous year to 18%, due to the impact of lower prices compared to the previous year and an increase in raw material prices. The company achieved a net loss of 238 million riyals due to the company forming a fund amounting to 165 million riyals to offset the impact of the fire in one of its factories and creating a fund for losses in exchange for investment in one of its subsidiary companies, the Clay Pipes Company, amounting to 78 million. There is also an increase in financing costs because of the rise in interest rates, while other revenues increased. In the amount of 66 million riyals for profits from the sale of assets and investments in associated companies.



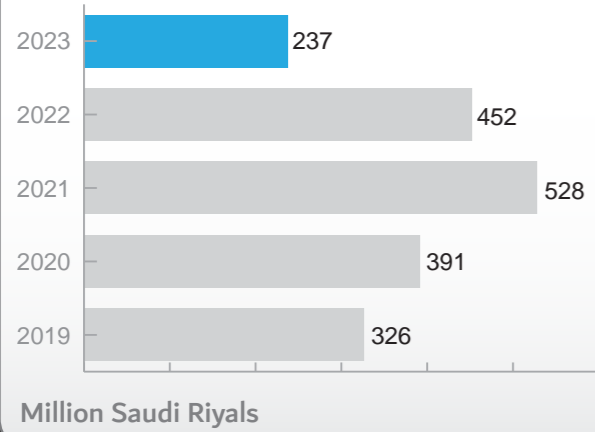
## Summary of Results 2023



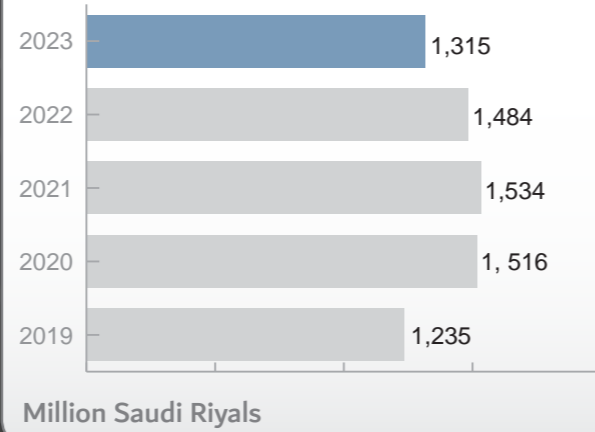


# Key Financial Indicators

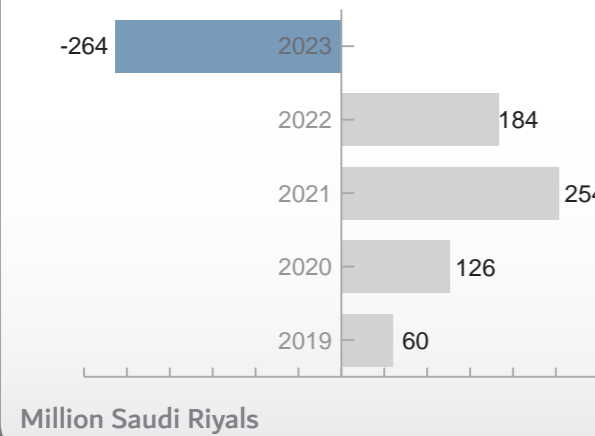
## Gross profit



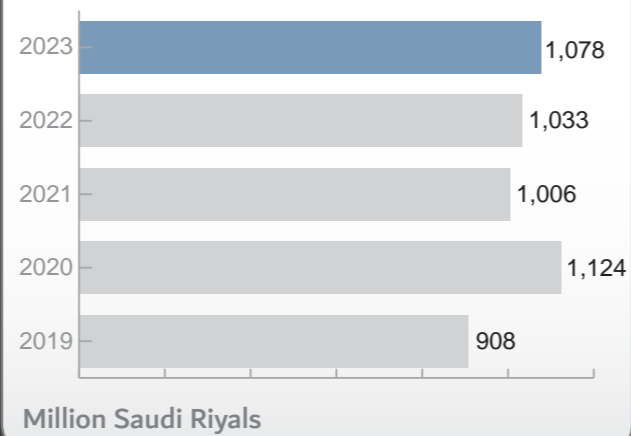
## Revenues



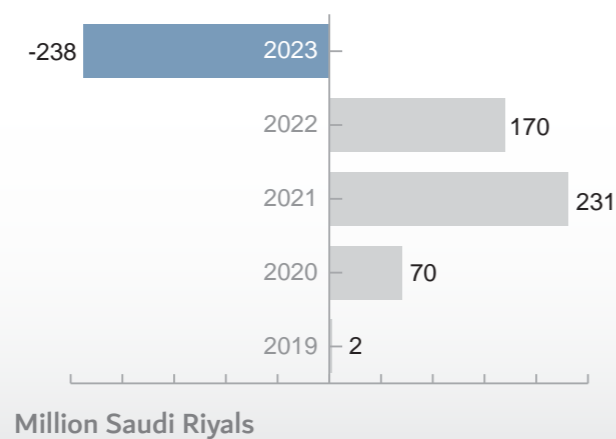
## Operating loss



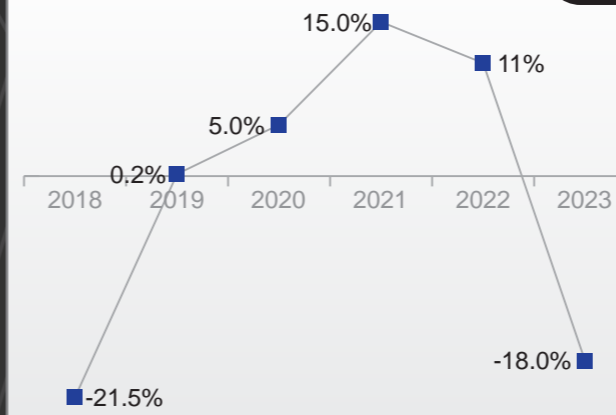
## Revenue costs



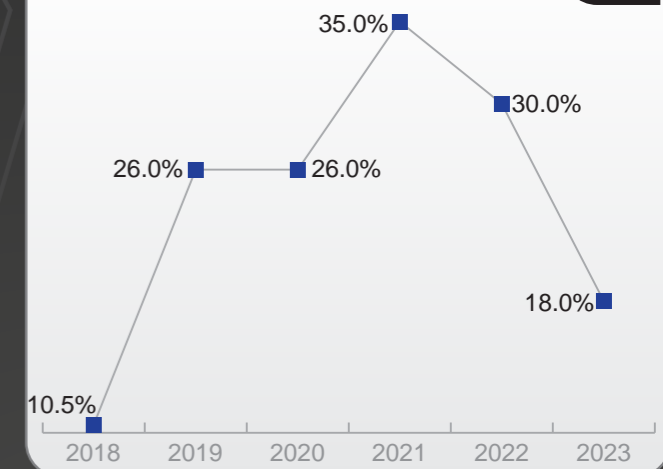
## Net profit and loss



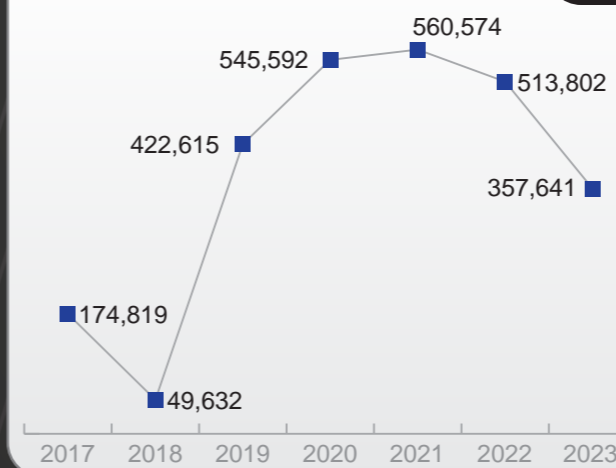
## Net Profit



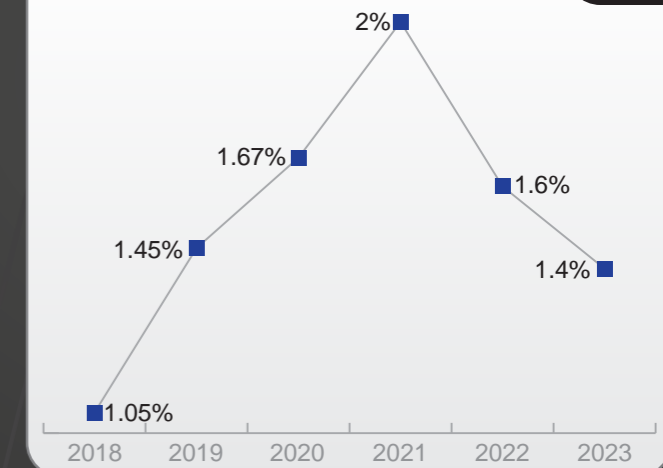
## Gross Profit



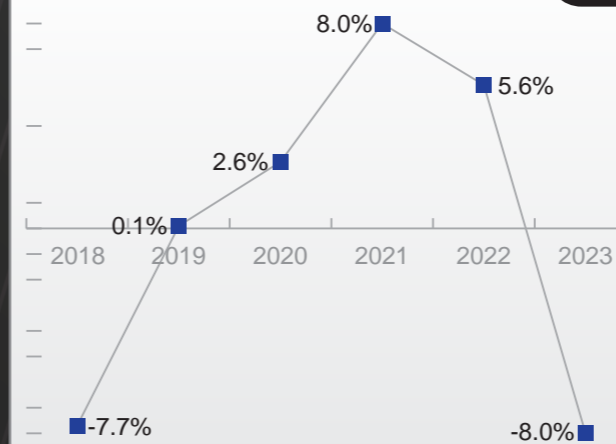
## Working Capital



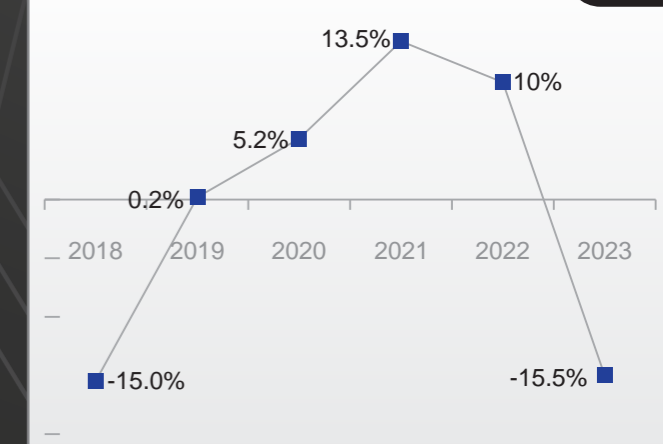
## Current Liquidity Ratio



## Return on Assets (ROA)



## Return on Equity (ROE)



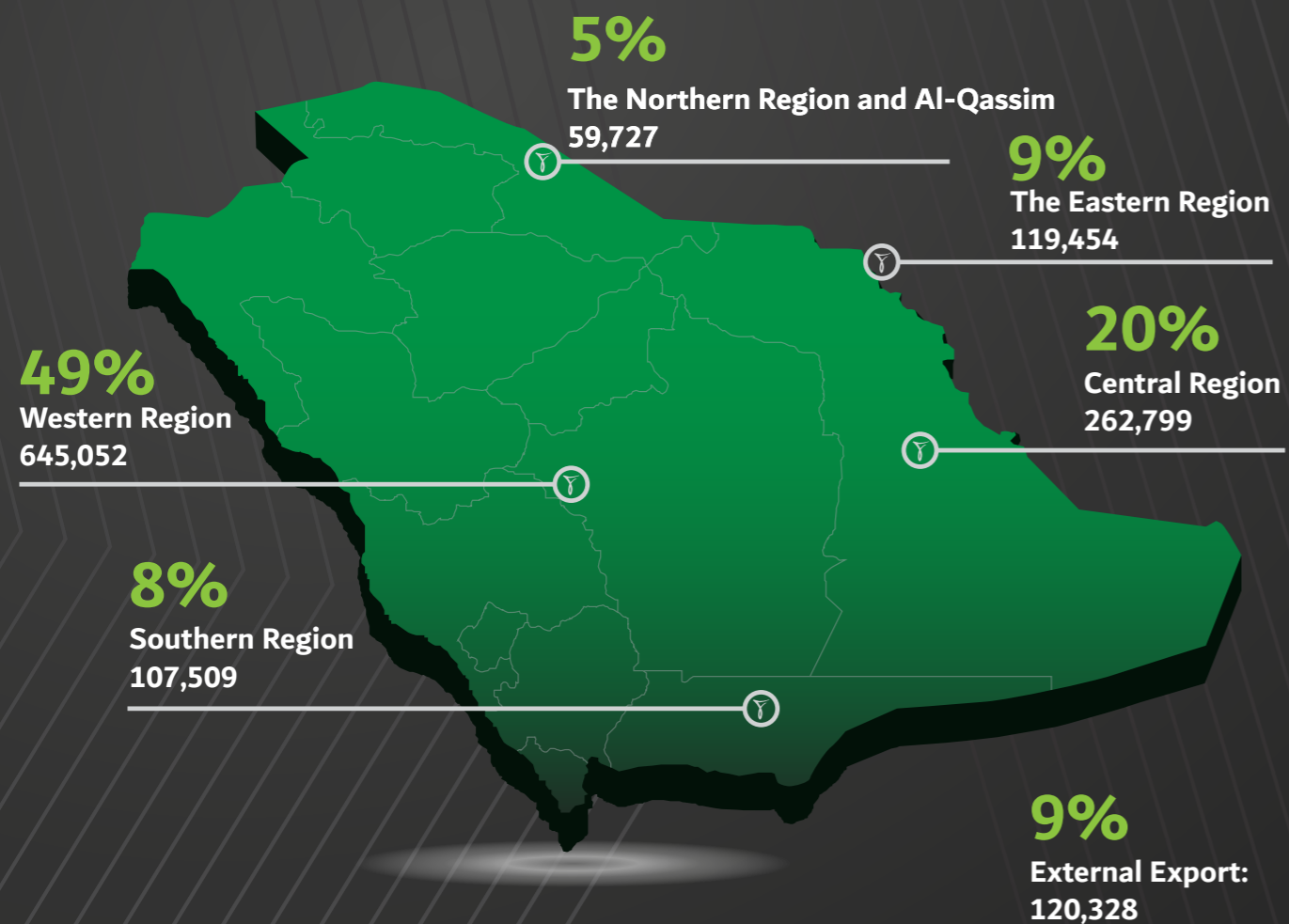


## Main Activities

The primary activities within the company's business volume and their contribution to the results.

Activity	Manufacturing and Retail	Mining
Ratio	99.3%	0.7%
Activity Revenues	1,306 million Saudi Riyals	9 million Saudi Riyals

Geographical analysis of the revenues of the company and its subsidiaries in thousands of Saudi Riyals.



### شركة الخزف للأنابيب Ceramic Pipes Company

**Capital**  
149 million  
Saudi Riyals

**Revenues**  
17 million  
Saudi Riyals

**Ownership  
percentage**  
73.89%

## Subsidiary Companies

### 1. Ceramics Pipes Company

Ceramics Pipes Company (CPC) was established in 2007 as a Saudi closed joint-stock company, in accordance with the decision of the Ministry of Commerce and Industry No. 257/Q, dated 30th November, Commercial Registration No. 1010241426, and Industrial License No. 10/2007/23 for the production of ceramic pipes, their fittings, and accessories, to meet the demands of both local and international markets for ceramic pipes, their equipment, and accessories



**Ownership  
percentage**  
100%



### 2. Arzan Operation and Maintenance Company

The company's activities include general contracting for buildings, maintenance, cleaning, operation of residential and commercial buildings, vehicle maintenance and repair services, buying and selling land and real estate for the company's benefit, managing and developing them. The company is currently engaged in its operations to serve the purposes of its parent company (Saudi Ceramic Company).

### 3. Ceramic Investment Company

**Ownership  
percentage**  
98.69%

- The company's activities include wholesale and retail trade in ceramic products, water heaters and their various components, taps, water mixers, plastic products, toilet siphons and seat covers, ceramic and plastic pipes of various types, shapes, sizes, and accessories, elbows, connectors, all types of ceramic roof tiles, as well as importing, exporting, wholesale, and retail trade of machinery, equipment, and devices.
- The company has not commenced its activities yet.



## Financial and Accounting Systems



Continuation of development in financial and accounting procedures and mechanisms within the company, in line with growth and improvement in performance, to ensure the enhancement of the internal control system.



The company continues its commitment to fulfilling the requirements of the Capital Market Authority and complying with all regulations, ensuring protection for stakeholders and investors' interests.



Enhancing integration between financial operations and both compliance management and internal audit and risk management within the company, aiming to strengthen the internal control system.



Continuing to attract national talents and increasing localization rates in financial and accounting positions, while the financial management is tasked with developing Key Performance Indicators (KPIs) system to enhance employee efficiency and achieve the company's goals and vision.

## Zakat and Tax Status

Saudi Ceramic Company has submitted its zakat declarations for the period ending on 31/12/2022 and obtained the final zakat certificate valid until 21/10/1445 AH corresponding to 30/04/2024. The declarations for the year 2023 will be submitted within the regulatory period. Subsidiary companies, namely Ceramic Investment Company, Ceramic Pipes Company, and Arzan Operation and Maintenance Company, have also submitted their zakat declarations for the period ending on 31/12/2022 and obtained zakat certificates valid until 21/10/1445 AH corresponding to 30/04/2024. Declarations for the year 2023 will be submitted within the regulatory period.

Regarding Value Added Tax (VAT) and withholding tax for Saudi Ceramic Company, declarations have been submitted and paid on time.



## Declaration:

The company did not announce any financial forecasts during the year 2023.

## Loans

Below is a statement detailing the long-term and short-term loans obtained by the company and its subsidiaries during their ordinary course of operations:

### (a) Saudi Industrial Development Fund Loan:

The company has previously obtained long-term loans from the Saudi Industrial Development Fund to finance expansions in ceramic and porcelain tile factories, sanitary ware, electric water heaters, and the red brick factory project. These loans are secured by the fixed assets of these factories.

The name of the lending entity	The balance as of January 1, 2023.	Loan Period	Net disbursement for the loan during the year	Net repayment for the loan during the year	Balance as of December 31, 2023
Saudi Industrial Development Fund	78,120	Long Term	140,000	(44,905)	173,215

### (b) Loans from Other Governmental Entities:

The company has entered into agreements to finance working capital with several governmental entities aimed at enhancing its operational activities.

The name of the lending entity	The balance as of January 1, 2023.	Loan Period	The net repayment for the loan during the year.	The balance as of December 31, 2023.
Governmental Bodies	53,297	Long Term	53,297	-
Governmental Bodies	54,682	Long Term	54,682	-

### (c) Loans from Local Banks (Long-term and Short-term):

The company has obtained long-term and short-term financing facilities through Islamic financing from local commercial banks to fund expansion projects in its factories, with bonds issued for the banks' benefit as collateral. These loans are repaid in unequal installments throughout the year.

The name of the lending entity	The balance as of January 1, 2023.	Loan Period	Net repayment for the loan during the year	Net disbursement for the loan during the year	The balance as of December 31, 2023.
Local Banks	45,482	Short term	(58,375)	80,201	67,308
Local Banks	49,766	Short term	(37,437)	87,335	99,664
Local Banks	65,307	Short term	(83,647)	76,065	57,725
Local Banks	-	Short term	(15,000)	29,053	14,053
Local Banks	-	Short term	(15,000)	54,968	39,968
Local Banks	12,655	Short term	(7,704)	-	4,951
Local Banks	227,329	Long term	(32,411)	-	194,918
Local Banks	68,631	Long term	(16,455)	96,001	148,178

The company provided a guarantee for the loan from the Saudi Industrial Development Fund granted to Saudi Ceramic Pipes Company (a subsidiary company) equivalent to its share in the capital as of December 31, 2023. Additionally, the company guaranteed the loan from Saudi Investment Bank as of December 31, 2023.





# Financial Statements





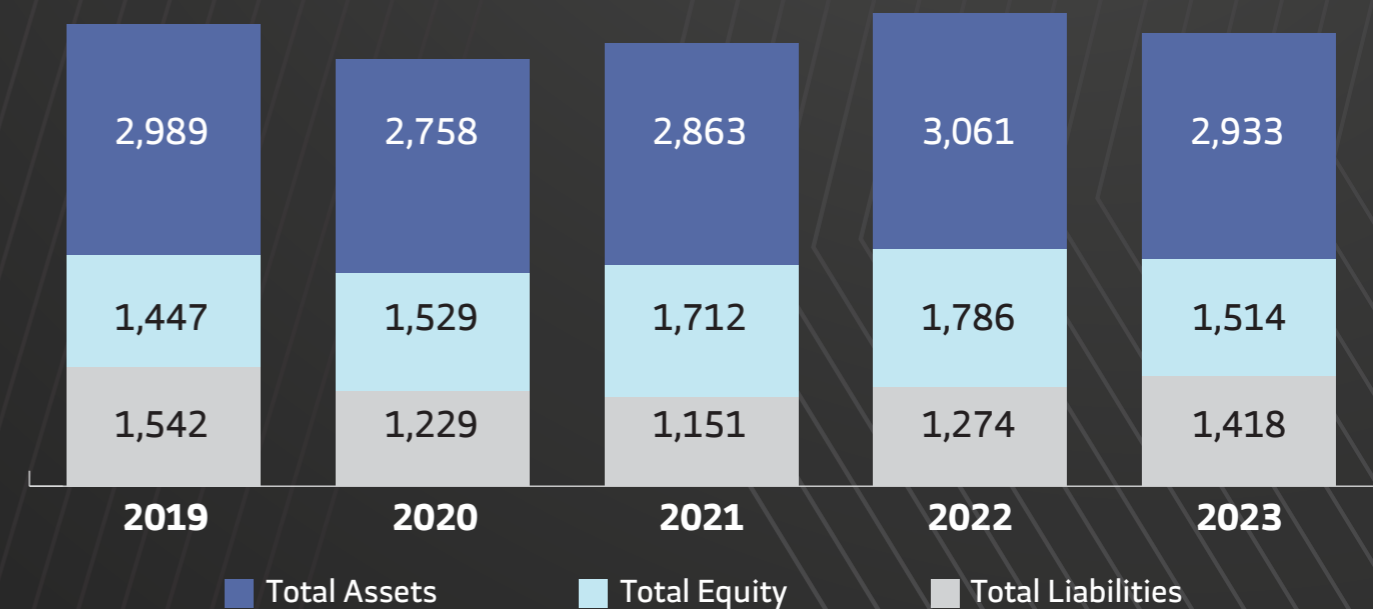
## 1. Balance Sheet

Item	2019	2020	2021	2022	2023
<b>Assets</b>					
<b>Current Assets</b>					
Balances with banks and cash on hand	100,231	68,689	109,646	70,693	64,677
Trade and other receivables	351,160	327,178	293,558	311,184	349,667
Inventory	752,118	646,607	731,481	957,439	900,259
Derivative financial instruments	-	-	-	6,647	-
Assets held for sale	-	-	-	-	8,955
<b>Total current assets</b>	<b>1,203,509</b>	<b>1,042,474</b>	<b>1,134,606</b>	<b>1,345,963</b>	<b>1,323,558</b>
<b>Non-current Assets</b>					
Non-current financial assets	6,952	7,746	7,987	7,421	7,816
Property, plant, and equipment	1,705,095	1,623,827	1,640,698	1,611,045	1,513,398
Intangible assets other than goodwill, net	510	202	-	-	-
Investments in associates and joint ventures	9,001	8,963	9,011	9,054	1,283
Other non-current assets	63,994	75,496	71,567	87,532	86,446
<b>Total non-current assets</b>	<b>1,785,552</b>	<b>1,716,234</b>	<b>1,729,263</b>	<b>1,715,052</b>	<b>1,608,943</b>
<b>Total Assets</b>	<b>2,989,061</b>	<b>2,758,708</b>	<b>2,863,869</b>	<b>3,061,015</b>	<b>2,932,501</b>
<b>Liabilities and Equity</b>					
<b>Liabilities</b>					
Current portion of long-term loans	292,447	201,171	234,841	211,938	222,034
Short-term loans	221,255	85,045	-	160,551	278,715
Trade and other payables	286,345	297,322	317,675	416,044	415,421
Zakat payable	17,923	28,001	22,596	30,181	33,974
Lease obligation, current portion	10,550	11,540	13,902	13,444	15,773
<b>Other current liabilities</b>	<b>828,520</b>	<b>623,079</b>	<b>589,014</b>	<b>832,158</b>	<b>965,917</b>
<b>Total current liabilities</b>	<b>1,656,110</b>	<b>1,228,138</b>	<b>1,177,368</b>	<b>1,634,116</b>	<b>1,667,834</b>
Bonds, loans, and sukuk payable	588,499	463,789	422,678	282,805	299,229
End of service benefits for employees	78,729	85,370	87,859	90,868	87,620
Lease liabilities, non current portion	46,262	57,255	52,216	68,712	65,570
<b>Total non-current liabilities</b>	<b>713,490</b>	<b>606,414</b>	<b>562,753</b>	<b>442,385</b>	<b>452,419</b>
<b>Total liabilities</b>	<b>1,542,010</b>	<b>1,229,493</b>	<b>1,151,767</b>	<b>1,274,543</b>	<b>1,418,336</b>

## Equity

Shareholders' equity					
Capital	600,000	600,000	800,000	800,000	800,000
Treasury shares	(11,008)	(11,008)	(3,870)	(2,663)	(449)
Legal reserves	218,336	218,336	241,715	241,715	241,715
Retained earnings (accumulated losses)	599,022	674,474	630,112	707,454	459,652
Fair value reserve	2,727	3,521	3,762	3,196	3,591
Equity attributable to owners of the parent company	1,409,077	1,485,323	1,671,719	1,749,702	1,504,509
Non-controlling interests	37,974	43,892	40,383	36,770	9,656
<b>Total equity</b>	<b>1,447,051</b>	<b>1,529,215</b>	<b>1,712,102</b>	<b>1,786,472</b>	<b>1,514,165</b>
<b>Total liabilities and equity</b>	<b>2,989,061</b>	<b>2,758,708</b>	<b>2,863,869</b>	<b>3,061,015</b>	<b>2,932,501</b>

Assets, Liabilities, and Shareholders' Equity from the financial year 2019 to 2023.

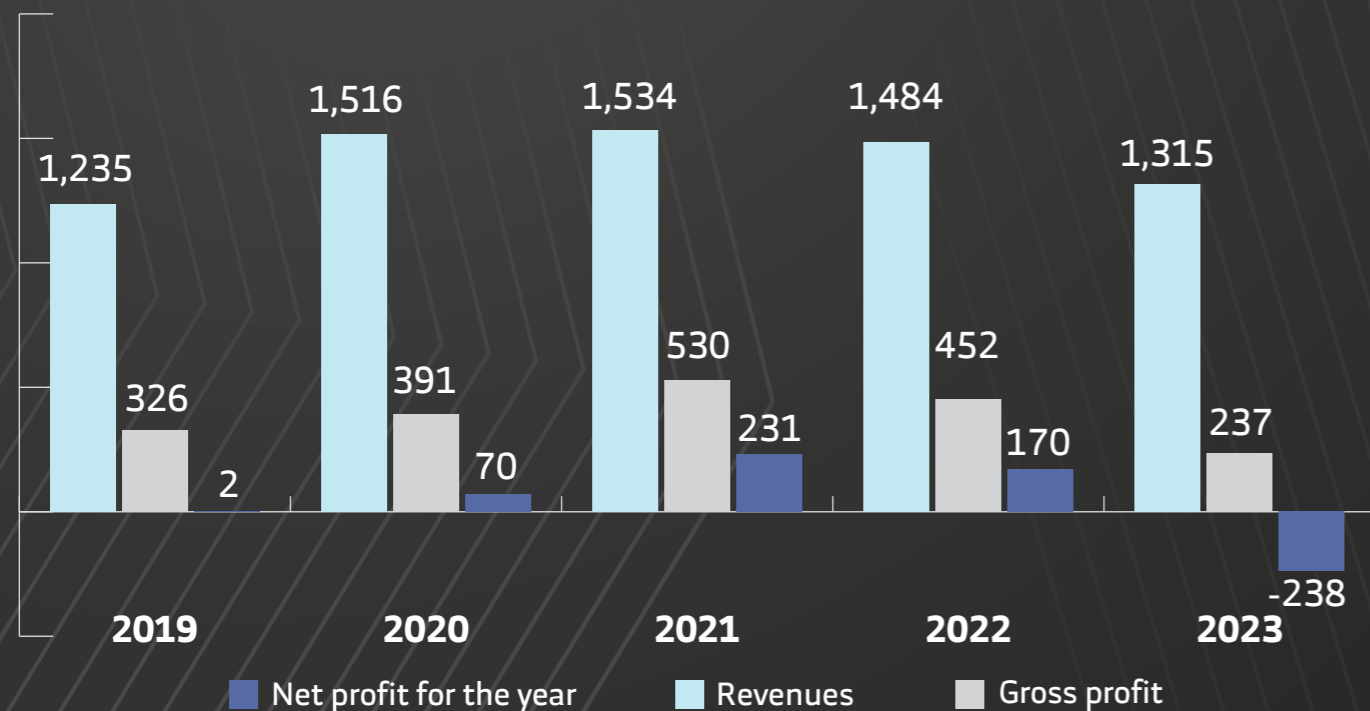




## 2. Income Statement

Item	2019	2020	2021	2022	2023
<b>Revenues</b>	1,235,085	1,516,060	1,534,770	1,484,958	1,314,868
Cost of revenue	(908,511)	(1,124,129)	(1,006,509)	(1,032,616)	1,077,545
<b>Gross Profit</b>	<b>326,574</b>	<b>391,931</b>	<b>528,261</b>	<b>452,342</b>	<b>237,323</b>
Administrative, general and selling expenses	(265,518)	(254,946)	(271,102)	(265,555)	(252,619)
Impaired loss in inventory and assets to a fire incident	-	-	-	-	(164,843)
Allowance for expected credit losses	(667)	(10,345)	(2,883)	(2,037)	(5,499)
Impairment in property, plant and equipment	-	-	-	-	(78,224)
<b>Operating loss</b>	<b>60,389</b>	<b>126,640</b>	<b>254,276</b>	<b>184,750</b>	<b>(263,863)</b>
Other income	13,870	19,528	27,661	31,514	97,257
Finance costs	(53,875)	(44,713)	(23,818)	(22,334)	(49,648)
The group's share of the associate's profits	656	756	444	440	205
<b>Net profit before Zakat</b>	<b>21,040</b>	<b>102,211</b>	<b>258,563</b>	<b>194,370</b>	<b>(216,049)</b>
Zakat	(18,569)	(31,723)	(26,784)	(24,115)	(21,470)
<b>Net loss for the year</b>	<b>2,471</b>	<b>70,488</b>	<b>231,779</b>	<b>170,255</b>	<b>(237,519)</b>
<b>Net profit / (loss) attributable to</b>					
Shareholders in the company	7,150	77,700	233,792	173,920	(210,351)
Non-controlling interests	(4,679)	(7,212)	(2,013)	(3,665)	(27,168)

Below is a graph of total revenues, gross profit, and net profit for the years from 2019 to 2023



## 3. Cash Flow Statement

Item	2019	2020	2021	2022	2023
<b>Net Operating Cash Flow</b>	62,101	406,197	362,707	189,520	135,599
<b>Net Investing Cash Flow</b>	(8,961)	(34,984)	(135,453)	(87,501)	(181,452)
<b>Net Financing Cash Flow</b>	(917)	(402,755)	(186,297)	(140,972)	39,837
<b>Net Cash Flow</b>	52,223	(31,542)	40,957	(38,953)	(6,016)
<b>Cash and cash equivalents at beginning of year</b>	48,008	100,231	68,689	109,646	70,693
<b>Cash and cash equivalents at end of year</b>	100,231	68,689	109,646	70,693	64,677



# 05

**Framework of Corporate  
Governance, Environmen-  
tal Governance, and Social  
Governance**



## Governance

The company is committed to implementing the principles and standards of governance as a means to protect the company, ensure its sustainability, and maximize the benefits for stakeholders. Saudi Ceramics Company has established the principle of treating shareholders equally, recognizing the importance of safeguarding their rights and interests according to the corporate governance framework, which emphasizes protecting shareholders' rights guaranteed by regulations and laws. This approach encourages positive collaboration between the company and shareholders to create a successful and sustainable entity, fostering a relationship of trust based on principles of transparency, credibility, fairness, and equality. The company reaffirms its commitment to providing shareholders with all necessary information transparently to enable them to exercise their rights effectively.

## Shareholders' Rights

### • Voting Rights:

The company facilitates shareholders' exercise of their voting rights and avoids any actions that may hinder the exercise of these rights. The company's bylaws mandate the use of cumulative voting when voting to elect the board of directors.

### • Shareholders' Rights to Dividends:

Shareholders are entitled to rights in the annual net profits as outlined in the company's dividend distribution policy. Shareholders are informed of this policy during the company's general assembly meetings.

### Communication with Shareholders and Investors:

The company is committed to upholding the principle of fairness by providing appropriate information in a timely manner to assist investors in making investment decisions based on accurate and comprehensive information. It keeps them informed about the company's performance and activities through its annual report issued by its board of directors. Additionally, it continuously updates them on any significant developments that may impact its financial position and operations without compromising its competitiveness. The company adheres to disclosure policies and procedures in accordance with relevant regulations and directives. It works to enhance communication channels with all local and foreign investors and actively participates in conferences and regular meetings.

### Facilitating Shareholders' Exercise of Rights and Access to Information:

The company provides comprehensive information to all shareholders in accordance with disclosure standards without discrimination, enabling them to exercise their rights fully. It ensures that this information is comprehensive, accurate, and regularly updated in a timely manner through various channels of dissemination (the company's website, Tadawul website, local newspapers), in addition to the company's annual reports.

## The company's capital as of December 31, 2022 AD.

The company does not have preferred shares or shares with voting rights privileges, whether for shareholders, board members, or employees. All shares of the company are common shares with equal nominal value and equal voting rights, along with other rights as stipulated in the company's articles of association..

**Authorized Capital: 800,000,000  
Saudi Riyals**

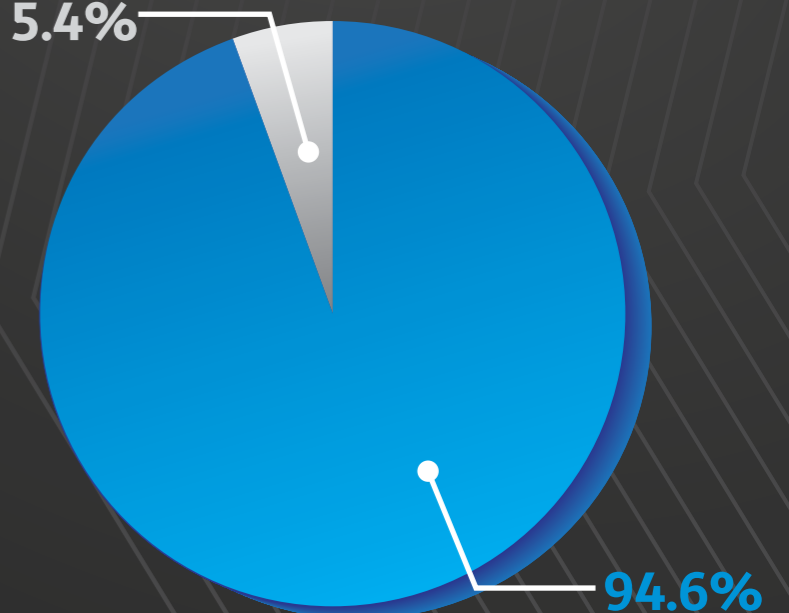
**Issued Capital: 80,000,000  
Saudi Riyals**

**Paid-up Capital: 800,000,000  
Saudi Riyals**

## Shareholders' Information 5.4%

The following is a statement of the major owners who own 5% or more at the end of the year 12/31/2023 AD:

- Public Investment Fund (PIF)
- Other shareholders





## Treasury stocks

The company, during the year 2019, purchased treasury stocks in accordance with the decision of the Extraordinary General Assembly of Shareholders held on 12/02/2019, with the aim of distributing them to senior employees to incentivize performance and achieve goals as part of an employee incentive program. The program actually commenced by the end of 2020 and spans a duration of three years. The remaining treasury stocks yet to be distributed amount to 27,000 shares.

## Profit Distribution

### Description of the company's dividend distribution policy:

**(A) Dividend Distribution Policy** In accordance with Article (54) of the Company's Articles of Association, the distribution of net profits of the company is done annually as follows:

1. Ten percent (10%) of the net profits are reserved to form the statutory reserve of the company, and the ordinary general assembly may decide to waive this reservation when the aforementioned reserve reaches thirty percent (30%) of the paid-up capital.
2. The ordinary general assembly, upon the proposal of the board of directors, may reserve a percentage of the net profits to form a general contractual reserve.
3. The ordinary general assembly may decide to form other reserves to the extent that it serves the interests of the company or ensures the distribution of dividends to shareholders as much as possible.
4. The remainder is distributed to the shareholders in proportion to no less than five percent (5%) of the paid-up capital of the company. The ordinary general assembly may approve the distribution of dividends annually, semi-annually, or quarterly, and may delegate this authority to the board of directors. The dividends to be distributed to the shareholders are paid at the place and times determined by the board of directors in accordance with the regulations and instructions issued by the Capital Market Authority.

### (B) Cash Dividend Distribution During 2023

The board of directors recommended distributing dividends to the shareholders for the second half of the year 2022 at a rate of 0.75 Riyals per share, which was paid in the first quarter of the year 2023. The following table illustrates the distribution of dividends to shareholders for the fiscal year ending on December 31, 2023:

	Advertisement date	Due Date	Distribution Date	Profit of each shareholder
1	2023/02/23	2022/03/14	2023/03/28	0.50

## Important Disclosures During 2023

The company discloses significant developments, financial data, and important events in accordance with the regulations and provisions governing transparency and disclosure, presenting them to shareholders, investors, and stakeholders. Saudi Ceramics Company announced several important events directed towards its shareholders during the year ending on December 31, 2023. Below is a summary of each, categorized by the date of announcement:

No	Advertisement Date	Advertisement Title
1	26 January	Saudi Ceramics Company announces the latest developments regarding the establishment of a new factory for porcelain tile production.
2	23 February	Saudi Ceramics Company announces the distribution of cash dividends to shareholders for the second half of the year 2022.
3	26 February	Saudi Ceramics Company announces the annual financial results ending on 2022-12-31.
4	9 March	Saudi Ceramics Company announces the invitation of its shareholders to attend the Ordinary General Assembly Meeting (First Meeting) through modern technological means.
5	19 March	Saudi Ceramics Company announces the sale of a property for a value of 31.6 million Saudi Riyals.
6	4 April	Saudi Ceramics Company announces the results of the Ordinary General Assembly Meeting (First Meeting).
7	16 April	Saudi Ceramics Company announces the signing of a memorandum of understanding with Eczacıbaşı Yapı Gereçleri A.Ş (EYAP).
8	17 April	Saudi Ceramics Company announces the preliminary financial results for the period ending on 2023-03-31 (three months).
9	16 July	Saudi Ceramics Company announces a fire incident at one of its factories in the Second Industrial Zone in Riyadh.
10	18 July	Saudi Ceramics Company announces the preliminary financial results for the period ending on 2023-06-30 (six months).
11	5 September	Saudi Ceramics Company announces the resignation and appointment of the CEO.
12	8 October	Saudi Ceramics Company announces the latest developments regarding the signing of a memorandum of understanding with Eczacıbaşı Yapı Gereçleri A.Ş (EYAP).
13	9 November	Saudi Ceramics Company announces the preliminary financial results for the period ending on 2023-09-30 (nine months).



## Shareholders' meetings

During the fiscal year 2023, the Ordinary General Assembly meetings for shareholders were held on Monday, 12-09-1444 AH, corresponding to 09-03-2023 AD. This was based on an invitation from the Board of Directors directed to the company's shareholders to attend the Ordinary General Assembly meeting, as announced on the Saudi Stock Exchange "Tadawul" website. The meeting was attended by the following members of the Board of Directors:

1	<b>Yusuf bin Saleh Abu Alkhail</b> Chairman of the Board of Directors	5	<b>Majid bin Abdullah Al Issa</b>
2	<b>Abdulaziz bin Abdul Karim Al Khurayji</b> Vice Chairman of the Board of Directors	6	<b>Mohammed bin Abdul Mohsen Al Quraynis</b>
3	<b>Sami bin Ibrahim Al Issa</b>	7	<b>Majid bin Mohammed Al Dakheel</b>
4	<b>Asim bin Saad Al Jura'id</b>	<b>Mr. Mutab bin Mohammed Al Shathri has apologized for attending the association meeting.</b>	

The assembly was announced to convene, and the statements of the shareholders in the assembly meeting were as follows:

Shareholder's No.	Shares No.	Rate
218	31,669,434	39.58 %

Thus, the convening of the assembly is deemed valid in accordance with the Companies Law and the company's Articles of Association.

### The agenda of the assembly:

1	Voting on the report of the company's financial audit for the fiscal year ending on 31-12-2022
2	Voting on authorizing the Board of Directors to distribute cash dividends quarterly/half-yearly for the fiscal year 2023.
3	Voting on authorizing the Board of Directors with the powers of the ordinary general assembly as stipulated in paragraph (1) of Article 27 of the Companies Law, for a period of one year from the date of the general assembly's approval or until the end of the term of the authorized Board of Directors, whichever comes first, in accordance with the conditions specified in the executive regulations of the Companies Law applicable to listed joint-stock companies.
4	Voting on suspending the statutory reserve allocation of ten percent (10%) of net profits to establish a statutory reserve for the company, due to the statutory reserve balance reaching thirty percent (30%) of the capital as of 31/12/2021, effective from the financial results of the company for the year ending 31/12/2022.
5	Voting on the transactions and contracts conducted between the company and the Natural Gas Distribution Company, a subsidiary company, in which board member Engineer Majid bin Abdullah Al Issa has an indirect interest. The subsidiary company's primary activity involves purchasing natural gas and distributing it to factories in the Second Industrial City in Riyadh. The value of transactions during the year 2022 amounted to SAR 42.8 million, related to purchase orders, conducted in accordance with prevailing commercial terms and without any preferential treatment.
6	Voting on the transactions and contracts conducted between the company and the Natural Gas Distribution Company, a subsidiary company, in which board member Engineer Majid bin Abdullah Al Issa has an indirect interest. The subsidiary company's primary activity involves purchasing natural gas and distributing it to factories in the Second Industrial City in Riyadh. The value of transactions during the year 2022 amounted to SAR 396,000, related to received dividend distributions, conducted in accordance with prevailing commercial terms and without any preferential treatment.
7	Voting on the transactions and contracts conducted between the company and the Ceramics Pipes Company - a subsidiary company, in which board member Engineer Majid bin Abdullah Al Issa has an indirect interest. The subsidiary company's primary activity involves manufacturing and selling ceramic pipes. The value of transactions during the year 2022 amounted to SAR 17.8 million, related to loans and obligations repayment, conducted in accordance with prevailing commercial terms and without any preferential treatment.
8	Voting on the transactions and contracts conducted between the company and the Ceramics Pipes Company - a subsidiary company, in which board member Engineer Majid bin Abdullah Al Issa has an indirect interest. The subsidiary company's primary activity involves manufacturing and selling ceramic pipes. The value of transactions during the year 2022 amounted to SAR 1.9 million, related to product sales, conducted in accordance with prevailing commercial terms and without any preferential treatment.
9	Voting on the transactions and contracts conducted between the company and the Saudi Transport and Investment Company (Mubarrad) - in which board member Engineer Majid bin Abdullah Al Issa has an indirect interest through his membership in the board of directors of Batic Investment and Logistic Services Company, which owns a 14% stake in Mubarrad. The value of transactions amounted to SAR 4.6 million, related to the transportation of company products. The indirect interest ceased upon his resignation from the board of directors of Batic Investment in April 2022, conducted in accordance with prevailing commercial terms and without any preferential treatment.
10	Voting on the transactions and contracts conducted between the company and the Saudi Transport and Investment Company (Mubarrad) - in which board member Engineer Majid bin Abdullah Al Issa has an indirect interest through his membership in the board of directors of Batic Investment and Logistic Services Company, which owns a 14% stake in Mubarrad. The value of transactions amounted to SAR 4.6 million, related to the transportation of company products. The indirect interest ceased upon his resignation from the board of directors of Batic Investment in April 2022, conducted in accordance with prevailing commercial terms and without any preferential treatment.
11	Voting on the transactions and contracts conducted between the company and AXA (Gulf Insurance Group) - in which the Chairman of the Board of Directors, Mr. Yusuf bin Saleh Abu Alkhail, has an indirect interest through his chairmanship of the board of AXA (Gulf Insurance Group). The value of transactions during the year 2022 amounted to SAR 9,000, related to an insurance policy, conducted in accordance with prevailing commercial terms and without any preferential treatment.
12	Voting on the transactions and contracts conducted between the company and Tashbeeh Al-Arabia Cooperative Insurance Company - in which the Vice Chairman of the Board of Directors, Mr. Abdulaziz bin Abdul Karim Al Khurayji, has an indirect interest through his membership in the board of directors of Tashbeeh Insurance Company. The value of transactions during the year 2022 amounted to SAR 447,000, related to an insurance policy, conducted in accordance with prevailing commercial terms and without any preferential treatment.
13	Voting on the appointment of the company's auditors from among the candidates based on the recommendation of the Audit Committee. This is for the examination, review, and auditing of the financial statements for the second and third quarters, the annual financial statements for the fiscal year 2023, and the first quarter of the fiscal year 2024, and to determine their fees.



## Shareholders' Register

- The number of requests made by the company for the shareholders' register, along with the dates of those requests and their reasons for the year 2023:

Number of requests made by the company for the shareholders' register:	Request Date	Reason
1	16 March	Profits Folder
2	3 April	General Assembly
3	31 December	Company Procedures

- Names of Board Members, Committee Members, Executive Management, their current and previous positions, qualifications, and experiences.

### Members of Board

Name	Current Positions	Previous Positions	Qualifications	Experiences
<b>Yousef bin Saleh Abu Alkhail</b>	<p>Chairman and Board Member of several companies:</p> <ul style="list-style-type: none"> <li>-Chairman of Arab Pipe Company</li> <li>-Chairman of AXA Insurance Company</li> <li>-Chairman of Saudi Ceramics Company</li> <li>-Chairman of GIG Company</li> <li>-Member of the Advisory Committee at Capital Trust</li> <li>-Chairman of Arab Pipe Company</li> <li>-Member of the Executive Committee at Arab Pipe Company</li> </ul>	Chairmanship and membership of the boards of directors of both listed and unlisted companies.	Master's degree in Information Sciences and Systems	<p>Worked at the National Information Center as a computer analyst and responsible for information networks for 15 years.</p> <p>Participation in chairmanship and membership of joint-stock companies and the committees derived from them.</p>
<b>Asim bin Saad Al Jura'id</b>	<p>Director General of Business Solutions at the General Organization for Social Insurance</p>	<p>Director of Digital Quality Management at the General Organization for Social Insurance</p> <p>Manager of Application Development Department at the General Organization for Social Insurance</p> <p>Project Manager at the General Organization for Social Insurance</p>	Master's degree in Information Technology Management from Saint Ambrose University	<p>He worked at the General Organization for Social Insurance in various technical and managerial fields, starting with financial systems development, then moving into supervision and project management, application development, digital quality, and finally, managing the portfolio of registration and subscription solutions, which include establishment, subscriber, subscription, and collection products.</p>

Name	Current Positions	Previous Positions	Qualifications	Experiences
<b>Abdulaziz bin Abdul Karim Al Khurayji</b>	<p>Chief Executive Officer of Al Khurayji Investment Company</p> <p>Board Member, Managing Director, and Chairman of the Executive Committee of Tashbeeh Al-Arabia Cooperative Insurance Company</p> <p>Chairman of the Board of Directors of Enrichment of Knowledge Company for Education and Training Board</p> <p>Member and Compensation and Nomination Committee</p> <p>Member at Saudi Ceramics Company</p> <p>Chairman of the Board of Directors of Riyadh Sporting Echo Company</p>	<p>Board Member and Risk Committee Member at Badaya for Home Financing Company Board Member of RFIB Saudi Arabia Company</p>	Bachelor's degree in Management from King Fahd University of Petroleum and Minerals	Participation in chairmanship and membership of several companies.
<b>Sami bin Ibrahim Al Issa</b>	Director General of Internal Audit - General Organization for Social Insurance	Director General of Financial Control - General Organization for Social Insurance	Executive Master of Business Administration	<p>Director General of Internal Audit at the General Organization for Social Insurance from January 2012 to date.</p> <p>Director General of Financial Control at the General Organization for Social Insurance from June 2010 to December 2011.</p> <p>Manager of the Financial Control Department at the General Organization for Social Insurance from July 2008 to June 2010.</p> <p>Secretary of the Audit Committee at the General Organization for Social Insurance from 2012 to date.</p>
<b>Mutaib bin Mohammed Al Shathri</b>	Director of Private Equity Department Public Investment Fund	Saudi Aramco Management Consulting	Master of Business Administration Harvard University	<p>Saudi Aramco - Management Consulting from 2008 to 2013.</p> <p>Riyadh International Food Company - Strategic Office from 2015 to 2017.</p> <p>Public Investment Fund - Saudi Investments from 2018 until now.</p>



Name	Current Positions	Previous Positions	Qualifications	Experiences
<b>Majed bin Mohammed Al Dakhil</b>	Deputy CEO - Finance Sector Social Development Bank	Deputy General Manager of Financial Control and Planning Saudi Investment Bank	Bachelor of Science in Accounting King Saud University	More than 21 years of experience in banking.
<b>Mohammed bin Abdul-mohsen Al Qurainees</b>	The Executive Director of Investment at Asila Investment Company	-	Bachelor's degree in Chemical Engineering from Kuwait University	Significant practical experience in the field of investment and corporate boards, having previously worked in managing investment portfolios and stocks at several investment companies, including leading investment firms, Jadwa Investment Company, and HSBC Saudi Arabia. Also served as the Head of Local Equities Department at Al-Ahli Capital. Holds numerous courses and training in managerial and financial fields.
<b>Majed bin Abdullah Al-Essa</b>	The Chief Executive Officer of Sader Logistics Services Company	Chief Executive Officer of Batco Investment and Logistics Company Chief Executive Officer of National Gypsum Company Director of Opportunities and Investment Development Fund at Saudi Basic Industries Corporation (SABIC)	Bachelor's degree in Chemical Engineering from King Saud University in 2000. Master's degree in Industrial Management from the University of Cambridge in the United Kingdom in 2002. Fellowship from the American Institute of Certified Management Accountants in the United States in 2011. Certificate in Mergers and Acquisitions from the Association of M&A Experts in the United States in 2014.	Chief Executive Officer, Board Member, and Executive Committee Member at Saudi Ceramic Company from 2020 to 2023. Chief Executive Officer of Batco Investment and Logistics Company from 2019 to 2020. Chief Executive Officer, Board Member, and Executive Committee Member at National Gypsum Company from 2016 to 2019. Director of Opportunities and Investment Development Fund at SABIC from 2013 to 2016. Saudi Industrial Development Fund from 2000 to 2013.

## Experiences of external committee members

### Abdulaziz bin Abdulmalik Al Al-Sheikh Member of the Audit Committee

#### Qualifications:

- Master's degree in Financial Management
- Experiences:
- Membership of the Audit Committee for several listed joint-stock companies
- General Manager - Middle East Consulting
- Chief Executive Officer of a developmental company
- General Manager of Corporate Financing and Investment Consulting - SAMBA
- General Manager of Kids Kingdom - Jarir Group

### Ahmed bin Suleiman Al-Muzaini Member of the Audit Committee

#### Qualifications:

- Master's degree in General Management
- Experiences:
- Founder and Principal Consultant at Quality and Time Consultancy
- Co-founder and Managing Partner at Sand Business Services
- Executive Board Member - Saudi Fisheries Company
- Co-founder and Executive Partner responsible for the Financial Consulting Sector at Team One Company
- Director of Financial Accounting at Bank AlBilad (Saudi Joint Stock Company)
- Director of Organizational Development at the Saudi Commission for Tourism
- Deputy CEO for Finance and Support Services at Arkan Projects
- Deputy General Manager for Finance and Support Services at Saudi Arabian Trading and Construction Company (SATCO)
- And many other experiences...



• Executive Management

#	Name	Current positions	Previous Positions	Qualifications	Experiences
1	<b>Azam bin Saud Al Medheim</b>	<p>The President of Saudi Ceramics Company</p> <p>Member of the Board of Directors and member of the Nomination and Remuneration Committee of Arabian Pipes</p> <p>Company Member of the Board of Directors of Shaker Company</p>	The CEO of Abunayyan Trading Company	Bachelor of Mechanical Engineering from King Saud University with honors in 1995.	<p>CEO of Abunayyan Trading Company (2020-2023).</p> <p>CEO of Shakir Group (2017-2020).</p> <p>General Manager of Masdar Wood Materials Company (2001-2017).</p>
2	<b>Adel bin Mohammed Al-Omran</b>	CEO of Manufacturing Operations at Saudi Ceramics Company.		Bachelor of Chemical Engineering	<p>-Operations Manager of Tile Factories at Saudi Ceramics Company (2019-2023).</p> <p>Manager of the Third Tile Factory at Saudi Ceramics Company (2017-2019).</p> <p>Production Manager at Saudi Ceramics Company (2012-2017).</p> <p>Production Supervisor at Saudi Ceramics Company (2009-2012).</p> <p>Production Engineer at Saudi Ceramics Company (2007-2009).</p>

#	Name	Current positions	Previous Positions	Qualifications	Experiences
3	<b>Walid bin Mohammed Al-Bassam</b>	Chief Financial Officer of Saudi Ceramics Company	The Chief Financial Officer of National Glass Industries Company (Zujaj)	- PhD in Accounting and Governance and Fellow of the Institute of Chartered Accountants.	<p>Chief Financial Officer (CFO) and Secretary of the Audit</p> <p>Committee - National Glass Industries Company (Zujaj).</p> <p>Advisor at Circle Consulting Group.</p> <p>Budget Advisor at the Ministry of Municipal and Rural Affairs.</p> <p>Member and Trainer of the Transition Empowerment Committee from Cash to Accrual Basis (one of the Financial Balance Programs - Vision 2030).</p> <p>Part-time Advisor - Saudi Organization for Certified Public Accountants.</p> <p>Accounts Management Auditor General Organization for Social Insurance.</p> <p>Accountant - Saudi Pharmaceutical Industries Company.</p>
4	<b>Yazeed bin Khaled Al-Marshoud -</b>	Chief Executive Officer of Information Technology	Director of Communications and Operations at the Ministry of Tourism -	Master's degree in Computer Science	<p>Chief Information Officer at Saudi Ceramics since 2017.</p> <p>Executive Advisor to the CEO at a Defense and Security Technology Company (2014-2015).</p> <p>Director of Communications and Operations at the Ministry of Tourism (2009-2017).</p> <p>Assistant Programmer at the General Organization for Social Insurance (2005-2007).</p> <p>Information Systems Analyst at SABB Bank in 2005.</p>



- Names of companies inside or outside the Kingdom for which a board member is a member of its current and previous boards of directors or one of its managers:

Member's Name	Companies in which the member is a board member currently or previously, or one of its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed Joint-Stock/ Unlisted Joint-Stock/ Limited Liability/ ...)	Companies in which the member is a board member currently or previously, or one of its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed Joint-Stock/ Unlisted Joint-Stock/ Limited Liability/ ...)
Yousef bin Saleh Aba Al-Khail	Chairman of the Board - Arabian Pipes Company Board Member - Arabian Cement Company Board Member - Gulf Insurance Group Chairman of the Board - Arabian Pipes Company Chairman of the Board - AXA Insurance Chairman of the Board - GIG Advisory Committee Member - Capital Trust Executive Committee Member - Arabian Pipes Company Member of the Compensation and Nomination Committee - Arabian Cement Company	Inside the Kingdom	Listed Joint-Stock Company	-	-	-
Abdulaziz bin Abdul Karim Al-Kharji	-Tawuniya Cooperative Insurance Company -Al-Kharji Investment Company -Enrichment Company for Education and Training -Riyadh Sporting Society -Vice Chairman of the Board - Saudi Ceramic Company	Inside the Kingdom:	Listed Joint-Stock Company  Limited Liability Company  Unlisted Company:	Baitak Home Finance Company -Saudi RFIB Insurance Brokers -Comprehensive Real Estate Company -Arabian ICE Insurance Company	Inside the Kingdom  Outside the Kingdom:	Unlisted Joint-Stock Company
Samy bin Ibrahim Al-Essa	-	-	-	-	-	-
Mutaib bin Mohammed Al-Shathri	Cement Company Saudi Egyptian Investment Company Tourism Development Company Saudi Bahraini Investment Company Saudi Jordanian Investment Company – Innovative Energy Holding Company Deyaba Limited	Inside the Kingdom  Outside the Kingdom	Listed contribution  Closed contribution			

Member's Name	Companies in which the member is a board member currently or previously, or one of its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed Joint-Stock/ Unlisted Joint-Stock/ Limited Liability/ ...)	Companies in which the member is a board member currently or previously, or one of its directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed Joint-Stock/ Unlisted Joint-Stock/ Limited Liability/ ...)
Asim bin Saad Al-Jareed	-	-	-	Durr Al-Diyafa Company	Inside the Kingdom	Public Contribution
Majed bin Mohammed Al-Dakhil	Saudi Steel Pipes Company	Inside the Kingdom	Listed Contribution	Sameh Credit Information Company	Inside the Kingdom	Closed Contribution
Mohammed bin Abdulmohsen Al-Qurainees	Saudi Investment Bank Taibah Investment Company Economic Knowledge City Company Audit Committee and Investment Committee at Bin Laden Group International Audit Committee, Hassan Ghazi Shaker Company	Inside the Kingdom	Listed Contribution  Limited Liability	-	-	-
Majed bin Abdullah Al-Essa	Ceramics Pipes Company Natural Gas Distribution Company Mashari Al-Shathri Engineering Consultancy Company Jazan Energy and Development Company	Inside the Kingdom	Contribution  Closed Contribution  Contribution  Closed Contribution  Listed Contribution			



Board Meetings During the Financial Year 2023 AD

Member	Membership type	Meeting No.s (5 Meetings)				
		16 February 2023	05 April 2023	14 June 2023	15 July 2023	20 September 2023
Yousef bin Saleh Aba Alkhail	Chairman of the Board	✓	✓	✓	✓	✓
Abdulaziz bin Abdul Karim Al-Kharji	Vice Chairman of the Board	✓	✓	✓	✓	✓
Sami bin Ibrahim Al-Essa	Member	✓	✓	✓	✓	✓
Mutaib bin Mohammed Al-Shathri	Member	✓	✓	✓	✓	✓
Asim bin Saad Al-Jareed	Member	-	✓	✓	✓	✓
Majed bin Mohammed Al-Dakhil	Member	-	✓	✓	✓	✓
Mohammed bin Abdulmohsen Al-Qurainees	Member	-	✓	✓	✓	✓
Majed bin Abdullah Al-Essa	Member	✓	✓	✓	✓	✓

Formation of the Board of Directors and Classification of its Members:

Member Name	Membership Type
Yousef bin Saleh Aba Alkhail	Independent
Abdulaziz bin Abdul Karim Al-Kharji	Non-executive
Sami bin Ibrahim Al-Essa	Non-executive
Mutaib bin Mohammed Al-Shathri	Non-executive
Asim bin Saad Al-Jareed	Non-executive
Majed bin Mohammed Al-Dakhil	Independent
Mohammed bin Abdulmohsen Al-Qurainees	Independent
Majed bin Abdullah Al-Essa	Non-executive

The procedures taken by the Board to inform its members about shareholders' proposals and comments:

The Board of Directors takes a number of measures to inform its members, especially non-executive ones, of shareholders' proposals and comments regarding the company and its performance through board meetings or general assembly. This includes the requirement for a board member to attend general assembly meetings, aiming to address shareholders' inquiries, receive their proposals, and comments regarding the company and its performance. The company's bylaws ensure shareholders' participation in general assembly meetings, allowing them to engage in discussions. To enhance communication with the company's shareholders, the board has adopted disclosure policies and procedures ensuring measures that guarantee shareholders' rights to inquire, request information, and receive answers to their inquiries without jeopardizing the company's interests.

Responsibilities and primary functions of the Board of Directors:

The Board of Directors assumes all necessary powers and authorities to manage the company. The bylaws define its responsibilities and clearly specify the compensation for board members. The Board has carried out its assigned tasks responsibly, with good faith, seriousness, and attention, making decisions based on comprehensive information. A board member represents all shareholders and commits to serving the company's overall interests. Additionally, the Board introduces new members to the company's operations and ensures the provision of sufficient information about its affairs to all members through various mechanisms, including reviewing meeting minutes, monitoring decisions and recommendations, reviewing reports issued by the company's management on its activities, in addition to comprehensive information on exceptional transactions or exchanges with other parties.

One of the essential functions performed by the Board of Directors is to approve strategic directions and key objectives and supervise their implementation. It also formulates comprehensive strategies, major business plans, risk management policy, and reviews and guides them. The Board establishes internal control systems and supervises them, develops clear and specific policies, standards, and procedures for board membership, and implements them. It sets a written policy to regulate the relationship with stakeholders to protect and preserve their rights, including mechanisms for compensating stakeholders and resolving complaints or disputes, as well as appropriate mechanisms to maintain good relations with external parties and preserve the confidentiality of related information. It establishes professional conduct rules for managers and employees, ensuring compliance with proper professional and ethical standards, regulating their relationship with stakeholders, contributing to corporate social responsibility, and developing a corporate governance system that complies with the governance regulations issued by the competent authority. It sets performance goals, monitors execution, and comprehensive performance, periodically reviews organizational and functional structures, and adopts them.

Committees derived from the Board of Directors:

• Executive Committee:

The Board of Directors issued the Executive Committee Bylaws under Resolution No. [215] dated 16/03/1441 AH, corresponding to 13/11/2019 AD. The committee consists of a number of board members, not less than three, and the term of each member shall be not less than one year and not more than three years, and shall not exceed the duration of their membership on the board of directors.

The committee undertakes all tasks and responsibilities within its scope as determined by the Board of Directors. Among these tasks, for example, are reviewing the company's policies and strategic objectives, supervising them, studying proposals and recommendations for projects presented for discussion, providing feedback and recommendations before they are presented to the Board of Directors. The committee also collaborates with the executive management to develop necessary plans to monitor operational and financial performance to ensure optimal results, and to study investment opportunities presented to the company.



#### • Members of the Committee

The Board of Directors appointed the following members to the Executive Committee, effective from 01/04/2022 AD:

Yousef bin Saleh Aba Alkhail	Chairman of the Committee
Sami bin Ibrahim Al-Essa	Member
Mutaib bin Mohammed Al-Shathri	Member
Majed bin Abdullah Al-Essa	Member

The number of meetings of the Executive Committee during the year 2023 AD is not provided.:

Member	Membership Type	Number of meetings (6) meetings					
		15 February 2023	5 April 2023	19 June 2023	9 September 2023	22 November 2023	26 November 2023
Yousef bin Saleh Aba Alkhail	Chairman of the Committee	✓	✓	✓	✓	✓	✓
Sami bin Ibrahim Al-Essa	Member	✓	✓	✓	✓	✓	✓
Mutaib bin Mohammed Al-Shathri	Member	✓	✓	✓	✓	✓	✓
Majed bin Abdullah Al-Essa	Member	✓	✓	✓	✓	✓	✓

#### Audit Committee:

According to the rules for selecting the Audit Committee, their term of membership, and their approved working method by the Ordinary General Assembly held on 17/04/1994 AD, the Ordinary General Assembly held on 01/04/2007 AD, and the Extraordinary General Assembly held on 19/04/2017 AD, the Audit Committee is formed by a decision of the General Assembly from among non-executive board members, based on a proposal from the Board of Directors, with a minimum of three members and a maximum of five, for a term not exceeding three years and not less than one year, and their appointment may be renewed for similar periods. The membership of the committee ends upon the expiry of the term of the board of directors. Among the members of the committee is a member specialized in financial and accounting affairs. One of the main tasks of the Audit Committee is to ensure the adequacy and effectiveness of internal control procedures, verify the integrity and accuracy of financial statements, guide the selection of external auditors according to specified criteria, review quarterly and annual financial statements before publication, study the reports and observations presented by both the external auditor and internal audit management, approve any work outside the scope of audit duties assigned to them during their audit work, and provide opinion and recommendations on preliminary and annual financial statements before they are presented to the board of directors. The Ordinary General Assembly held on 16/03/2022 AD approved the formation of the current Audit Committee proposed by the Board of Directors effective from 01/04/2022 AD.

Below is the number of meetings of the Audit Committee during the year 2023:

Member	Membership Type	No. of Meetings (6 Meetings)					
		(الأول 15 فبراير 2023م)	(الثاني 16 أبريل 2023م)	(الثالث 29 مايو 2023م)	(الرابع 17 يونيو 2023م)	(الخامس 06 نوفمبر 2023م)	(السادس 28 ديسمبر 2023م)
Ahmed Al-Muzaini	Chairperson of the Committee	✓	✓	✓	✓	✓	✓
Majid Al-Dakhil	Member	✓	✓	✓	✓	✓	✓
Abdulaziz Al Al-Sheikh	Member	✓	✓	✓	✓	✓	✓

#### • Committee of Rewards and Nominations:

The Rewards and Nominations Committee is formed by a decision of the Board of Directors, consisting of a minimum of three members and a maximum of five members chosen by the Board of Directors from among non-executive members, with at least one independent member. The term of the committee's membership is three years, ending at the end of the board's term. The term of a board member elected to the committee is linked to their term on the board. The committee may be reappointed after the election of a new board at the beginning of each board cycle. The main tasks of the committee include proposing clear policies and standards for membership on the board of directors and executive management, recommending to the board of directors the nomination and re-nomination of members based on approved policies and standards, preparing a clear policy for compensating board members, committees derived from the board, executive management, regularly reviewing the reward policy, and evaluating its effectiveness in achieving its intended goals, and recommending compensation for board members, committees, and senior executives of the company in accordance with the adopted policy.

#### • Reward Policy:

1. The alignment of rewards with the company's strategy, objectives, and the volume, nature, and degree of its risks to encourage board members and executive management to achieve the company's strategy and objectives.
2. Rewards are determined based on the level of the position, duties, responsibilities, qualifications, academic qualifications, practical experiences, skills, and performance level.
3. Board member rewards may vary to reflect the member's experience, expertise, duties, independence, and other considerations.
4. The entitlement to a board member's reward should be proportional to the number of sessions attended by the member, and any contrary estimation shall be null and void.
5. The member is entitled to the reward from the date of joining the board or committee and in accordance with the duration of their membership.
6. If the reward is a certain percentage of the company's profits, this percentage must not exceed 10% of the net profit after deducting the reserves decided by the general assembly pursuant to the provisions of the regulations and the company's basic system, and after distributing a profit to the shareholders of no less than 5% of the company's capital.
7. The reward for independent board members should not be a percentage of the company's profits or directly or indirectly based on the company's profitability.



The relationship between the awarded compensation and the existing compensation policy is determined by the Board of Directors, based on the recommendation of the Compensation and Nomination Committee.

Compensation is established for members of the Board of Directors, committee members from within the Board of Directors, committee members who are not part of the Board of Directors, and executives, according to the regulatory guidelines approved by the Board of Directors and the compensation policy for Board members, their committees, and executives endorsed by the company's General Assembly. Therefore, members are entitled to the compensation granted to them based on these guidelines, and there is no significant deviation from the established policy.

The following individuals were appointed by the Board of Directors as members of the Compensation and Nomination Committee, effective from April 1, 2022:

Mohammed bin Abdulmohsen Al Qurainees	Chairman of the Committee
Abdulaziz bin Abdul Karim Al Khuraiji	Member
Asim bin Saad Al Jareed	Member

The number of meetings held by the Compensation and Nomination Committee during the year 2023:

Member	Membership Type	No. of Meetings (2 Meetings)	
		03 June 2023	October 2023 28
Mohammed bin Abdulmohsen Al Qurainees	Chairman of the Committee	✓	✓
Abdulaziz bin Abdul Karim Al Khuraisi	Member	✓	✓
Asem bin Saad Al Jareed	Member	✓	✓

#### Methods of Evaluating the Board, Its Committees, and Members' Performance:

The Board of Directors, on November 13, 2019, adopted the initiation of evaluating the performance of the Board and its committees through an annual survey. This survey identifies the strengths and weaknesses of the Board and its committees. The evaluation of the Board and its committees' performance began on January 1, 2020.

#### External Audit:

During the General Assembly meeting held on Monday, 12/09/1444 AH, corresponding to 09/03/2023 AD, the shareholders of the company approved the selection of RSM, Certified Public Accountants, and its partners as the external auditors to conduct the audit and review of the company's accounts for the year 2022 AD, including the quarterly financial statements (second and third quarters of 2023 AD and the first quarter of 2024 AD). The recommendation for selecting the mentioned company is based on their extensive professional experience in applying international standards when auditing similar and industrial company accounts, and their proposal includes a team of experienced professionals.

#### Corporate Governance Regulations:

The Board of Directors approved the Corporate Governance Regulations (third edition) on June 15, 2022, in line with the provisions of the relevant regulations and the Corporate Governance Regulations issued by the Capital Market Authority. The company applies all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority under decision No. 8-16-2017 dated 16/05/1438 AH, except for the advisory provisions, during the fiscal year 2022 AD.

Article/Paragraph No.	Article Paragraph	أسباب عدم التطبيق
(70)	Formation of the Risk Management Committee (Advisory)	The Board of Directors does not see the need to establish an independent Risk Management Committee at the present time, as the Board assigned its Audit Committee in its meeting on November 25, 2020, to incorporate the tasks of the Risk Committee into its responsibilities.
(71)	Powers of the Risk Management Committee (Advisory)	The Audit Committee assumes the responsibilities of the Risk Committee.
(72)	Meetings of the Risk Management Committee (Advisory)	The Audit Committee assumes the responsibilities of the Risk Committee.
(95)	Formation of the Corporate Governance Committee (Advisory)	The Board of Directors of the company and its committees monitor and enforce the governance regulations and assess their effectiveness.

Bonuses for members of the Board of Directors and its derived committees, as well as the executive management

The tables below provide details of the bonuses paid to each member of the Board of Directors, committee members, and five of the top executives who received the highest bonuses from the company, including the CEO and the CFO.

According to the policy approved by the General Assembly held on 26/04/2018.

#### • Remuneration of the members of the Board of Directors:

	Fixed bonuses (thousands)						Variable rewards (thousands)						End-of-Service Bonus (in thousands)	Total Amount (in thousands)
	Annual Bonus	Council Meeting Attendance Allowance	Total Committee Meeting Attendance Allowance	Non-Monetary Benefits	Technical, Administrative, and Consultancy Work	CEO, or Secretary Bonus if a Member	Total	Percentage of Profits	Periodic Bonuses	Short-Term Incentive Plans	Long-Term Incentive Plans	The granted shares (enter the value)		
<b>First- Independent Members</b>														
1 – Yusuf bin Saleh Abu Alkhail	300	15	18	-	-	-	333	-	-	-	-	-	-	333
2- Majed bin Mohammed Al-Dakhil	300	15	18	-	-	-	333	-	-	-	-	-	-	333
3 – Mohammed bin Abdulmohsen Al-Qurainees	300	15	6	-	-	-	321	-	-	-	-	-	-	321
<b>Total</b>	<b>900</b>	<b>45</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>987</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>987</b>
<b>Other Board Members</b>														
1 – Abdulaziz bin Abdul Karim Al-Khuriji	300	15	6	-	-	-	321	-	-	-	-	-	-	321
2 – Sami bin Ibrahim Al-Essa (General Organization for Social Insurance)	300	15	18	-	-	-	333	-	-	-	-	-	-	333
3 – Mutaib bin Mohammed Al-Shathri (Public Investment Fund)	300	15	18	-	-	-	333	-	-	-	-	-	-	333
4 – Asem bin Saad Al-Juraid (General Organization for Social Insurance)	300	15	6	-	-	-	321	-	-	-	-	-	-	321
5- Majed bin Abdullah Al-Essa	300	15	18	-	-	-	333	-	-	-	-	-	-	333
<b>Total</b>	<b>1,200</b>	<b>75</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,641</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,641</b>

#### Board Members' Compensation:

• Compensation and attendance allowances for board membership for the representative of the Public Investment Fund are paid to the relevant entity as they represent this entity.



• Committee Members' Compensation:

Statement	Fixed Compensation (Excluding Session Attendance Allowance)	Session Attendance Allowance	Total
<b>Revision Committee Members</b>			
Ahmed Al-Muzaini	100,000	18,000	118,000
Majed Al-Dakhil	100,000	18,000	118,000
Abdulaziz Al Alsheikh	100,000	15,000	115,000
<b>Total</b>	<b>300,000</b>	<b>51,000</b>	<b>351,000</b>
<b>Members of the Rewards and Nominations Committee</b>			
Mohammed bin Abdulmohsen Al Qureinis	30,000	6,000	36,000
Abdulaziz bin Abdul Karim Al Khuriji	30,000	6,000	36,000
Asim bin Saad Al Juraid	30,000	6,000	36,000
<b>Total</b>	<b>90,000</b>	<b>18,000</b>	<b>108,000</b>
<b>Executive Committee Members</b>			
Yousef bin Saleh Aba Alkhail	50,000	18,000	68,000
Sami bin Ibrahim Al-Essa	50,000	18,000	68,000
Mutaib bin Mohammed Al Shathri	50,000	18,000	68,000
Majed bin Abdullah Al-Essa	50,000	18,000	68,000
<b>Total</b>	<b>200,000</b>	<b>72,000</b>	<b>272,000</b>

• Executive Compensation Packages

Executive Positions	Fixed Bonuses				Variable Bonuses					End of Service Gratuity	The aggregate executive compensation from the board and committees, if applicable	Total
	Salaries	Allowances	Non-monetary benefits	Total	Periodic bonuses	Profits	Short-term incentive plans	Long-term incentive	Granted shares to be entered			
CEO (Chief Executive Officer) of the company												
Vice President of Technical Affairs												
Chief Financial Officer (CFO)												
Chief Sales Officer (CSO)												
Executive Director of Human Resources (Interim)												
<b>Total</b>	<b>4,240,826</b>	<b>1,814,564</b>	<b>-</b>	<b>6,055,390</b>	<b>3,249,194</b>	<b>-</b>	<b>115,566</b>	<b>-</b>	<b>-</b>	<b>3,364,760</b>	<b>-</b>	<b>9,420,150</b>

The company has committed to disclosing the total compensation of the board members, committees, and executives in accordance with regulatory requirements outlined in paragraph four of Article (90) of the Corporate Governance Regulations.



## Description of any interests for board members and executives and their relatives:

- Description of any contractual financial interests, subscription rights, or securities attributed to board members and their relatives in the company's stocks, debt instruments, or any of its subsidiaries, and any changes in those interests or rights during the fiscal year 2023.

No	Name of the beneficiary Or contractual documents or subscription rights	Beginning of the Year		End of the Year		Change Net	Change rate
		Shares No.s	Tools Debt	Shares No.s	Tools Debt		
First: Board Members							
1	General Organization for Social Insurance represented by: Sami bin Ibrahim Al-Issa						
2	Asim bin Saad Al-Jareed	3,537,454	-	3,537,454	-	-	-
3	Public Investment Fund represented by: Mutab bin Mohammed Al-Shathri	4,320,397	-	4,320,397	-	-	-
4	Abdulaziz bin Abdul Karim Al-Khrejji	16,000	-	16,000	-	-	-
5	Yousef bin Saleh Aba Al-Khail	1,347,917	-	1,447,201	-	99,284	%7
6	Majed bin Abdullah Al-Essa	15,625	-	25,000	-	9,375	%38
7	Mohammed bin Abdul Mohsen Al-Qurainis	2,223	-	2,223	-	-	-
8	Majed bin Mohammed Al-Dakhil	-	-	-	-	-	-
	Yousef bin Saleh Aba Al-Khail - Wife and Minor Children	19,200	-	19,200	-	-	-

- Description of any interests, contractual financial documents, and subscription rights attributed to executives and their relatives in the company's stocks, debt instruments, or any of its subsidiaries, and any changes in those interests or rights during the fiscal year 2023.

.No	Name of the beneficiary Or contractual documents or subscription rights	Beginning of the Year		End of the Year		Change Net	Change rate
		Shares No.s	Tools Debt	Shares No.s	Tools Debt		
First: Board Members							
1	Yazeed bin Khalid Mohammed Almarshoud	-	-	8,500	-	8,500	100%

Relevant Parties				
Below are the details of transactions with related parties during the year 2023:				
Related Party	Type of relationship with the company	Deal Type	Duration	Worth
Natural Gas Distribution Company	Associate	Buy Orders	Unspecified	SR 39.4 M
		Dividends	Unspecified	SR 111 K
Ceramic Pipe Company	Subsidiary	Loans and repayment of obligations	Unspecified	SAR 25.5 M
		Product Sales	Unspecified	SAR 1.5 M
CHEP Cooperative Insurance Company	Indirect relationship of the Vice Chairman of the Board of Directors	Insurance Policy	year	SAR 1.7 M

## Statement of the businesses and contracts in which the company was involved and in which there was an interest for any member of the board, executives, or any person related to any of them.

There are no significant interests (direct or indirect) for any member of the Board of Directors, CEO, or CFO in the company's transactions or contracts during the year 2023, except as detailed below:

The company engages in its regular business activities with related parties by purchasing gas from a gas distribution company (a fellow company in which it has investments) and also conducts various transactions with Ceramic Pipes Company (a subsidiary in which it has investments). It is noted that dealings with related parties are conducted under the same terms as commercial dealings with unrelated parties of the company.

Company Name	Nature of the work or contract	Amount of the work or contract	Duration of the work or contract	Terms of the work or contract	Name of the member/ executive or any related person
Natural Gas Distribution Company (Affiliate Company)	Purchase orders	39,457,503	Indefinite	These are ongoing contracts and commercial transactions conducted within the context of normal business operations and in accordance with prevailing commercial terms, without any preferential treatment.	Engineer Majed bin Abdullah Al-Essa represents Saudi Ceramic Company on the board of directors of the Natural Gas Distribution Company as a board member.
	Dividend distributions	111,966	Indefinite		
Ceramic Pipes Company (Subsidiary)	Loans and repayment obligations	25,545,238	Indefinite	These are ongoing contracts and commercial transactions conducted within the context of normal business operations and in accordance with prevailing commercial terms, without any preferential treatment.	Engineer Majed bin Abdullah Al-Essa, a member of the board of directors of Saudi Ceramic Company, assumes the chairmanship of the board of directors of Ceramic Pipes Company.
	Sales of products	1,585,286	Indefinite		
Arab Shield Insurance Company	Insurance Policy	1,078,944	2023	Without preferential treatment.	Indirect interest through the membership of Mr. Abdulaziz bin Abdul Karim Al-Khrejji in both the board of directors of Saudi Ceramic Company and Arab Shield Insurance Company.



- Statement of the value of regular payments made and due to government entities, zakat (Islamic tax), taxes, and any other outstanding dues.

Statement	2023		Brief Description	Reasons
	Paid	Amounts payable as of the end of the fiscal year and not yet paid.		
Zakat	16,438,669	-	Regular payments	dues according to regulations
Tax	96,666,881	-	Regular payments	dues according to regulations
General Organization for Social Insurance	18,403,913	-	Regular payments	dues according to regulations
Visa and passport costs	2,390,436	-	Regular payments	dues according to regulations
Labor office fees	740,250	-	Regular payments	dues according to regulations

### Penalties and fines:

There are no penalties, fines, precautionary measures, or judicial reservations imposed on the company by any regulatory, supervisory, or judicial authority during the year 2023. وتم إعداد نظام الرقابة الداخلية على أسس سليمة، ويتم.

### Results of the annual review of the effectiveness of internal control procedures and the adequacy of the internal control system:

The internal control system has been prepared on sound foundations and its effectiveness is reinforced by the following:

- 1 The presence of a specialized management for audit activities called "Internal Audit Management".
- 2 The existence of an Audit Committee that submits its reports to the Board.
- 3 The internal audit management submits its regular reports to the Audit Committee, which in turn submits its reports to the Board of Directors. The adequacy and effectiveness of the internal control system are reviewed and evaluated by the internal audit management, and certain aspects of internal control are periodically reviewed by external auditors. The Audit Committee is fully satisfied that this cycle reflects the effectiveness of the company's internal control procedures, and there are no significant observations requiring attention.

## Risk Management Department

Saudi Ceramic Company has a comprehensive risk management system in place, following a clear and consistent approach to ensure the continuity of the company's operations.

The risk management department in the company conducts continuous study and review of risks that may affect the business, whether internal or external, at economic, market, and environmental levels to assess the likelihood of these risks occurring, measure their expected impacts, and minimize them as much as possible. In this regard, the risk management department has undertaken the following tasks:

- Conducting risk assessments.
- Supervising risk management activities.
- Overseeing the risk management committee's tasks as stipulated in the Corporate Governance Regulations.
- Ensuring that the Board of Directors is regularly informed of the company's risk assessment results, their impacts, proposed recommendations, and the mechanism for dealing with them.

Some of the most important risks continuously monitored include:

#### • Risks of legislative and regulatory changes:

The company seeks to ensure full compliance with all government legislation regulating business and any amendments thereto. This is achieved through compliance management verifying the company's adherence to all regulations, policies, and instructions from relevant regulatory bodies. Controls have been established to mitigate risks of violating regulations or laws governing government bodies and the Capital Market Authority.

#### • Risks of policy and internal regulations breaches:

The company seeks to ensure full compliance with the policies and internal procedures regulating its operations. These controls are considered key regulatory measures that organize work and protect the company's assets. To achieve this, agreements have been reached with compliance management on control measures to mitigate risks of exceeding the authority limits approved by the Board of Directors and violating company policies, regulations, and procedures.

#### • Supply and price fluctuation risks:

The company has developed its strategy to address any supply chain issues and fluctuations in exchange rates. This includes diversifying supply sources, establishing strategic relationships with key suppliers, and formalizing relationships through contracts to ensure supply stability and price stability. Controls have been identified to mitigate risks of purchasing price increases from suppliers and supplier defaults.

#### • Local competition risks:

The company works to reduce the risks of local competition by diversifying and expanding sales channels. This involves product development while maintaining the highest level of quality and customer service, as well as opening new exhibitions in new regions in the Kingdom and promoting the brand to increase market share and profit margins. Controls have been established with various departments in the company to mitigate risks such as increased storage periods for finished products, raw materials, and spare parts, customer delays or non-compliance with contractual obligations, customer returns, loss of financially influential customers, loss of customers affecting the company's reputation, and loss of competitive advantages or market opportunities.

#### • Liquidity and credit risks:

The company has developed several plans to address liquidity and credit risks, as well as exchange rate fluctuations, through hedging products. The Treasury Department regularly reviews exchange rates to ensure obtaining the best rates. The company seeks to review loan interest rates to reduce them and obtain better rates from banks. Controls have been identified to mitigate risks of liquidity weakness and violation of regulations or laws governing the Capital Market Authority.

#### • Major service disruption and business interruption risks:

The company continuously evaluates business continuity plans in case of interruption of any major services. It considers having multiple sources for these resources and implementing procedures to return to normal production as quickly as possible. Additionally, the company regularly insures against business interruption. Controls have been established to mitigate risks of public service interruptions (communications, electricity, water, gas).

#### • Information security risks:

The company has developed specific policies and procedures to ensure information security. The IT department has implemented protective programs on company devices and systems to safeguard company information and data. It also continuously backs up all operations performed on company systems, storing them on dedicated servers in multiple locations. The risk management department has identified controls to mitigate risks such as unauthorized access to company systems, damage to company systems and software, device and software failure disrupting employee performance, and network disruption.



## Environmental and Social Responsibility

The company is committed to its national responsibilities and strives to achieve a balance and harmony between economic growth, effective governance practices, environmental contributions, and social contributions to support efforts aimed at sustainability initiatives and Vision 2030 programs of the Kingdom, targeting environmental and social aspects.

The company's commitment to these aspects has helped create an attractive and constructive work environment and enhance its competitive position through these practices, considering them within the work environment, employees, stakeholders, and the community as a whole.

### Environmental responsibility

We at the Saudi Ceramic Company realize the importance of adopting the best sustainable practices, towards a more advanced environment, as the Saudi Ceramic Company seeks to reduce the negative environmental impact in its activities and operational operations, and the company adopts a number of projects to improve air quality, reduce carbon emissions, provide a healthy, unpolluted environment, and ways to reduce the use of energy.

### Social Responsibility

We believe that it is our responsibility to work to improve society and contribute to sustainable development by giving, providing support and assistance wherever possible, encouraging work with ethical values, achieving our role in improving the standard of living of community members, creating a positive and sustainable social impact, and enhancing its role in serving the local community.

## Environment and Sustainable Development

The Ceramic Company continues its commitment to reducing emissions in support of the Kingdom of Saudi Arabia's vision for sustainability and dedicates efforts to mitigate effects by implementing various initiatives related to energy efficiency. It utilizes technologies to reduce harmful emissions through the Heat Recovery System. The company seeks to further reduce water consumption and waste impact. It identifies objectives of sustainable development goals and manages climate-related risks associated with its operations. The company is committed to providing all necessary resources to meet environmental management requirements to minimize negative impacts on the environment resulting from operational activities and to enhance control standards towards a more sustainable future.

Among the company's notable efforts in this regard are:

- Monitoring and implementing appropriate control technologies to reduce environmental pollution.
- Compliance with environmental legislation and relevant requirements.
- Reducing waste of materials, energy emissions, and adopting more effective practices to protect the environment.
- Continuing to work towards achieving and setting the highest environmental standards, regular monitoring and review, and taking appropriate actions to prevent or mitigate the recurrence of circumstances negatively affecting the environment.
- Ensuring the implementation and enforcement of environmental procedures and practices through a management system, and eliminating non-compliant activities while implementing necessary corrective actions.
- Identifying needs, providing training, ensuring a safe working environment, and issuing guidelines to ensure the practice of activities within the framework of the environmental management system and approved practices.



## Social Responsibility



As a responsible national company, and believing in the importance of social responsibility as part of its values and duties towards the community, the company continued to provide initiatives throughout the year 2022. Saudi Ceramics Company also recognizes the importance of collaborating with relevant entities through a program in alignment with the Ministry of Human Resources, such as employing and supporting people with disabilities and empowering them in the private sector. Additionally, there were numerous initiatives during the year 2023, including:

- **In collaboration with the Ministry of Human Resources and Social Development, the company works on employing, supporting, and empowering people with disabilities, with a total of 70 employees.**
- **Initiatives to support charitable and endowment institutions with the company's products.**
- **Organizing blood donation campaigns with hospitals and blood banks.**
- **Continuous support for the Association of Disabled Children.**



## Declarations according to the Governance Regulations for the year 2023:

1. The Board of Directors did not recommend changing the auditors during the year 2023 before the end of their appointed term.
2. There are no recommendations from the Audit Committee that conflict with the decisions of the Board of Directors, or those that the Board rejected regarding the appointment, dismissal, determination of fees, evaluation of performance, or appointment of internal auditors.
3. There is no deviation from the accounting standards approved by the Saudi Organization for Certified Public Accountants.
4. The external auditor did not provide any consulting services to the company during the year 2023, nor did they receive any fees for such services.
5. The company did not receive a request from the external auditor to convene the General Assembly during the fiscal year ended, and it was not convened.
6. The venue and timing were chosen to facilitate the participation of the maximum number of shareholders in the General Assembly meeting, and the topics presented at the meeting were accompanied by sufficient information to enable shareholders to make decisions.
7. Shareholders were enabled to discuss the agenda items of the General Assembly, direct questions to the members of the Board of Directors and the statutory auditor, and participate effectively and vote in the General Assembly meetings, being informed of the rules governing those meetings and voting procedures through invitations to the General Assembly in accordance with regulatory requirements.
8. The company is committed to enabling shareholders to access the minutes of the shareholders' meetings at the company's headquarters, providing copies of the minutes to relevant authorities within the regulatory periods, and informing the market of the results of the shareholders' meeting immediately upon its conclusion.
9. The company did not provide any cash loans of any kind to its board members, nor did it guarantee any loans made by any of them to third parties.
10. No penalties, sanctions, precautionary measures, or reserve requirements were imposed on the company by the regulatory authorities or any other supervisory, regulatory, or judicial authority except as mentioned in this report.
11. The company confirms that it has not taken any action or measure that would hinder shareholders' voting rights, and shareholders enjoy all their rights stipulated in the basic system and governance regulations, whether general or related to the General Assembly meeting and others.
12. The company confirms that it did not receive requests from shareholders owning (5%) or more of the capital to convene the General Assembly or add an item to its agenda during the year, and it was not convened.
13. The Chairman of the Board of Directors did not receive any written requests to hold emergency meetings from two or more members during the fiscal year ended in 2023.
14. None of the company's debtors were released from their obligations during the year 2023.

15. The Board of Directors did not issue any general or specific authorizations during the year 2023.
16. There are no shares or debt instruments issued for the company's subsidiaries.
17. There are no interests in the voting shares category (except for the company's board members, senior executives, and their relatives) who have informed the company of those rights under Article (68) of the rules of offering securities and ongoing obligations, and any changes in those rights within the last fiscal year.
18. There are no interests, contractual papers, or subscription rights attributable to the company's board members and their relatives in the company's shares or debt instruments or any of its subsidiaries except as mentioned in this report.
19. There are no interests, contractual papers, or subscription rights attributable to senior executives and their relatives in the company's shares or debt instruments or any of its subsidiaries except as mentioned in this report.
20. There are treasury shares remaining from the previous long-term executive incentive program.
21. There are no conversion or subscription rights under convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the company.
22. The company did not redeem, purchase, or cancel any redeemable debt instruments, and the remaining value of securities, whether listed securities purchased by the company or its subsidiaries.
23. There are no arrangements or agreements whereby any members of the Board of Directors or senior executives waive any bonuses.
24. There are no arrangements or agreements whereby any shareholders of the company waive any profit rights.
25. There is no deviation between the granted rewards and the reward policy.
26. The Board of Directors monitored the committees periodically to ensure they were performing their assigned tasks.
27. The company commits to implementing the conflict of interest regulations previously approved by the Board of Directors.
28. The Board of Directors confirms:
  - That the accounting records were prepared correctly.
  - That the internal control system was established on sound principles and effectively implemented.
  - That there is no doubt about the company's ability to continue its activities.



الذرف السعودي  
Saudi Ceramics





الذرف السعودي  
Saudi Ceramics



[saudiceramics.com](http://saudiceramics.com)



[info@saudiceramics.com](mailto:info@saudiceramics.com)



[saudiceramics](https://www.facebook.com/saudiceramics)