



العربية للأنابيب
ARABIAN PIPES



Annual Report 2024

The Arabian Pipe Company ...
A Name of Quality and Excellence



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

My first goal is for our country to be a successful and leading model in the world on all levels, and I will work with you to achieve that



The Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz Al Saud

May Allah protect him

Our ambition is to build a more prosperous nation where every citizen finds what they aspire to. The future of our country, which we are building together, will be nothing less than at the forefront of the world's nations.



His Royal Highness
Crown Prince and Prime Minister

Mohammad Bin Salman Al Saud

May Allah protect him

Chairman's Message



Mr. Youssef Saleh Aba Al-Khail

Chairman of the Board

**Dear Esteemed Shareholders of Arabian Pipes Company,
Peace and blessings be upon you,**

It is my pleasure to present to you the annual performance report of the company for the year **2024**, which highlights the journey of success and development that the company has witnessed throughout the year, along with the key activities, financial results, and accomplishments that align with the unprecedented progress witnessed across various sectors in the Kingdom, as well as the challenges we have faced in our journey of growth and development.

The year 2024 marks a new milestone in the journey of Arabian Pipes Company. It was a year of significant developments in the Saudi industrial sector, driven by **Vision 2030**, led by the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Crown Prince and Prime Minister, Prince Mohammed bin Salman bin Abdulaziz (may Allah protect them). This vision aims to establish a diversified and sustainable industrial economy, positioning the Kingdom among the world's leading nations. At Arabian Pipes Company, we firmly believe that our role extends beyond conventional

business operations to being a strategic partner in realizing this ambitious vision. We do so by embracing innovation, enhancing efficiency, developing value-added industries, localizing technologies, and training and empowering Saudi talents.

Despite economic challenges and market fluctuations, we maintained strong performance throughout the year, achieving a tangible **growth in sales, reaching SAR 1.138 billion, reflecting a 4.5% increase** compared to the previous year. This growth was driven by rising demand for our products and the strengthening of our partnerships with major companies in the oil and gas sector, most notably Saudi Aramco. We continued to execute our long-term contracts while securing new contracts that support our expansion strategy and strengthen the company's financial position.

The year 2024 was pivotal for our operations, as we invested in development and modernization to enhance productivity, minimize waste, and improve product quality. We also continued executing long-term agreements with Aramco and other contractor agreements. At Arabian Pipes Company, we believe that real investment is not limited to machinery and factories but extends to investing in minds and national talents. Throughout 2024, we attracted top Saudi expertise, increased localization rates, empowered women in the workplace, and launched training and qualification programs for Saudi youth, in alignment with Vision 2030's goals of empowering nationals across all sectors.

Among the notable achievements of Arabian Pipes Company was **winning the Quality Excellence Award for Local Manufacturers** for the year 2024, presented by Saudi Aramco.

This award is granted to outstanding local manufacturers in quality, and we are proud to have received it for the second consecutive year, reflecting Aramco's high confidence in our products. The awards were distributed during the IKTVA 2025 exhibition. Additionally, **we obtained the Silver+ certification from Achilles**, an accreditation recognized by Aramco, in recognition of our company's compliance with Environmental, Social, and Governance requirements. Furthermore, we were honored with the Cybersecurity Award from Aramco, which acknowledges our commitment to the highest cybersecurity standards and our dedication to innovation in all operations.

As we step into 2025, we set our sights on even more ambitious goals. We aim to enhance innovation in our operations, expand our services, and invest in future industrial solutions while maintaining a firm commitment to sustainability by reducing environmental impact, achieving the highest standards of resource efficiency, and implementing growth plans that cater to the needs of local and regional markets while diversifying our target sectors.

Finally, I extend my sincere gratitude to our esteemed shareholders for their trust and support, to my fellow Board members, and to all company employees for their dedication and efforts that have contributed to our success. We look forward to continuing our journey of achievements and success in the coming years, by Allah's will. May Allah bless our Kingdom with security and stability and grant us continued prosperity and growth.

May Allah grant us success.

01

Strategy, Future Expectations, and Risks

- Vision and Mission
- Company Activities
- Achievements, Strategic Plans, and Future Expectations
- Significant and Key Events
- Risks

Our Vision



To be the pioneers in the pipe manufacturing and services industry in the Middle East and North Africa, partnering with our customers in growing their businesses.

Our Mission



Arabian Pipes Company applies the highest quality standards and strives to localize the latest technologies and solutions in the pipe industry through the development of human resources.

Company Activity

The Arabian Pipes Company is a Saudi joint-stock company established pursuant to the decision of His Excellency the Minister of Commerce No. 922 dated 18/11/1411H (corresponding to 01/06/1991 and under Industrial License No. (434/I) dated 12/11/1405H, as well as Industrial License No. (1109/I) dated 12/11/1419H and Industrial License No. (479/I) dated 26/02/1436H, including their amendments. The company is registered in the Riyadh Commercial Register under No. 1010085734, dated 14/02/1412H, in the Kingdom of Saudi Arabia, with its headquarters in Riyadh. Additionally, the company has a subsidiary factory in Jubail, registered in the Commercial Register under No. 2055007048, dated 21/04/1426H. The company's authorized and paid-up capital amounts to SAR 150,000,000 (one hundred fifty million Saudi riyals), divided into 150,000,000 shares of equal value, with a nominal value of SAR 1 per share, all of which are ordinary cash shares.

Description of the Company's Main Activities

- 1 Manufacturing plastic pipes, hoses, and fittings, along with their accessories.
- 2 Manufacturing pipes, tubes, and hollow sections made of iron and steel.
- 3 Producing and marketing longitudinally welded and coated steel pipes for pipelines, structural, and commercial purposes.
- 4 Establishing metal industries.
- 5 Bending, forming, and threading pipes.
- 6 Internal and external pipe coating.
- 7 Engaging in commercial activities, including the buying and selling of pipes, their accessories, and related supplies.
- 8 Executing pipeline installation works.
- 9 Purchasing land for constructing buildings and investing in them through sale or lease for the benefit of the company.
- 10 Contracting for maintenance, cleaning, operation, and catering services.

The Company Owns Several Factories and Additional Production Lines Enabling Its Operations, Including:

Riyadh Factory

Production of longitudinally welded steel pipes (ERW).
Pipe sizes range from 6 inches to 20 inches, with an average production capacity of 160,000 tons per year.
Located in the industrial city of Riyadh, with 100% ownership.

Jubail Factory

Production of longitudinally welded steel pipes (SAW).
Pipe sizes range from 16 inches to 48 inches, with an average production capacity of 300,000 tons per year.
Located in Jubail Industrial City, with 100% ownership..

Coating Line

Used for external pipe coating (FBE, 3LPE, 3LPP).
Pipe sizes range from 6 inches to 24 inches, with an average production capacity of 2.4 million square meters per year.
Located in the industrial city of Riyadh, with 100% ownership.

Slitting Line

Used for slitting steel coils required for production, with high capabilities in terms of coil width (up to 1600 mm) and thickness (up to 12.7 mm).
Located within the company's existing factory in the industrial city of Riyadh, with 100% ownership.

Threading Line

Used for threading pipes utilized in drilling and casing wells (CASINGS – OCTG), in compliance with global standards required by local and international oil companies.
Located within the company's existing factory in the industrial city of Riyadh, with 100% ownership.



Achievements, Strategic Plans, and Future Outlook

By the grace of Allah, the company has achieved numerous significant milestones, aligning with the historical revenue growth and outstanding operational performance in the past year, 2024. These include:

- 1 Delivering projects to clients with a total quantity of 180,000 tons and a value exceeding one billion and one hundred thirty-eight million Saudi Riyals, including the supply project of master gas pipelines and some Al-Jafurah projects for Saudi Aramco.
- 2 Enhancing the company's presence in various vital sectors such as oil and gas, water, drilling, construction, and others.
- 3 Manufacturing and supplying over 45,000 tons of well casing pipes according to the agreement signed with Saudi Aramco.
- 4 Continuing work for the fifth consecutive year in a long-term agreement for Saudi Aramco to supply longitudinally welded pipes from the Jubail factory, which lasts for five years and is extendable.
- 5 Continuing work for the fifth year in a long-term agreement for Saudi Aramco to supply longitudinally welded pipes (ERW) from the Riyadh factory, which lasts for five years.
- 6 Continuing work for the fifth year in the existing long-term agreement to supply well casing pipes for Saudi Aramco, with a duration of five years, extended to the year 2028.
- 7 The company, thanks to Allah, has managed to secure direct contracts from major contracting companies operating in the oil and gas sector to supply pipes for the Al-Jafurah project.

- 8 Continuing research and development studies within the factories and using the latest technologies available in the sector to add competitive advantages and develop products, with an expenditure of 5 million Riyals for this purpose.
- 9 Continuously working to achieve the objectives of the IKTVA program to increase the use and development of products, enhance the efficiency of national factory outputs, and collaborate with local suppliers to localize the supply of spare parts for the company's factories.
- 10 Expanding and diversifying sources of raw material supply from iron by relying on global suppliers, while adhering to the latest international standards for inspection and quality.
- 11 The company's participation in many specialized events and exhibitions, the most important of which are the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) in the UAE, the Baghdad International Fair (Iraq), the PetroAfrica Oil Exhibition (Tunisia), and the Egypt Petroleum Show (EGYPS), among others.
- 12 The company is accredited by oil companies and contractors in the Sultanate of Oman (OQ), Iraq (Basra Oil Company), and Kuwait (Kuwait Oil Company).
- 13 Continuing to implement many maintenance, development, and modernization programs for production equipment and lines, which increases the lifespan of production lines and improves their performance, and implementing special maintenance and development programs for the packaging line to execute the MASTER GAS project.
- 14 Training and development, signing agreements to train students and qualify them for work in the company's factories, increasing the Saudization rate, expanding the recruitment of talents, empowering women, and creating suitable job opportunities for them.



1 Strategic Plans and Future Outlook for the Upcoming Period

The company is working on implementing the following:

- 1 Continuing the manufacturing and supply of major projects such as MASTER GAS, OCTG drilling pipes, and gas supply pipes that the company has secured, ensuring adherence to pricing and delivery schedules to maximize benefits.
- 2 Securing a significant share of upcoming key projects in oil and gas sectors while strengthening the company's position in water well, pipeline, and construction sectors.
- 3 Strengthening collaboration with various local and regional pipe coating, lining, and insulation factories to meet the needs of their contracted projects and enhance competitiveness.
- 4 Expanding market share in the GCC, Iraq, and North Africa, while exploring new markets such as Central Africa and the Americas.
- 5 Partnering with local and international companies and investors in relevant sectors to explore opportunities for investment and joint ventures.
- 6 Participating in local and international exhibitions and conferences, particularly IKTVA 2025 and other industry-related events that enhance the company's presence.
- 7 Developing and upgrading machinery and production line equipment in the company's factories to meet future requirements.

- 8 Expanding product offerings, including short pipe connectors to meet Saudi Aramco and other client demands.
- 9 Adding new pipe sizes to the Riyadh production line for well casing applications, obtaining approval from Aramco and other Gulf oil companies.
- 10 Enhancing testing laboratories and coating lines to achieve the highest quality standards and secure drilling pipe coating projects.
- 11 Upgrading the Jubail testing laboratory to obtain ISO 17025 certification.
- 12 Reviewing the company's information security systems to prevent cyberattacks and enhance data protection.
- 13 Improving occupational and environmental safety standards to align with local and international regulatory requirements.
- 14 Continuing the enhancement of the SAP system through data analysis and reporting tools to increase efficiency and reduce costs.
- 15 Updating company policies and procedures across all departments.
- 16 Strengthening internal control procedures for improved governance and operational efficiency.
- 17 Enhancing the company's presence in the pipe coating sector, securing coating projects for drilling and casing pipes.
- 18 Developing future growth plans to meet the needs of local and regional markets and diversify targeted sectors.

Significant and Key Events

On May 22, 2024, the Board of Directors proposed renaming the Governance Committee to the Governance and Risk Management Committee, assigning it the additional responsibility of risk management alongside its existing governance duties.

On July 10, 2024, the Extraordinary General Assembly approved the Board of Directors' recommendation to increase the company's capital by granting shares to shareholders, raising the capital from SAR 100,000,000 (one hundred million Saudi riyals) to SAR 150,000,000 (one hundred fifty million Saudi riyals).

On October 31, 2024, the company announced the Board of Directors' decision on October 30, 2024, to split the nominal value of the share from SAR 10 per share to SAR 1 per share. As a result, the total number of company shares increased from 15,000,000 to 150,000,000 shares. Following this, a Shareholders' Assembly was held on January 8, 2025, where the stock split was approved.

Awards

- Excellence in Quality Award for Local Manufacturers 2024, presented by Saudi Aramco. This award recognizes outstanding local manufacturers for their excellence in quality. The company received this award for the second consecutive year, reflecting Saudi Aramco's high confidence in its products. The awards were distributed during the IKTVA 2025 exhibition.



- Cybersecurity Award, presented by Saudi Aramco. This award recognizes the company's commitment to the latest cybersecurity standards and innovation across all operations.



- Silver+ Certification from ACHILLES, accredited by Saudi Aramco. This certification is awarded in recognition of the company's achievement in meeting Environmental, Social, and Governance (ESG) requirements.





Risk Management

Management of Financial Instruments Risks

The company is exposed to market risks, credit risks, and liquidity risks. The senior management of the company supervises the management of these risks.

Additionally, the senior management of the company reviews policies and procedures to ensure the identification, measurement, and management of financial risks in accordance with the company's risk management policies and objectives, as summarized below:

Market Risks

Market risk represents the risk arising from fluctuations in the fair value or future cash flows of a financial instrument due to changes in prevailing market prices. Market risk includes financing cost price risk, foreign currency exchange rate risk, and commodity price risk.

Financial instruments affected by market risk include bank facilities, term financing, and notes payable.

Financing Cost Price Risks

Financing cost price risks represent the risks arising from fluctuations in the value of financial instruments due to changes in prevailing interest rates in the market. The risks faced by the company regarding changes in prevailing interest rates are primarily related to bank facilities, term financing, and promissory notes linked to floating commissions. The company manages its exposure to financing cost price risks by continuously monitoring changes in commission rates.

A reasonable potential change in commission rates of 50 basis points, with all other variables held constant, for bank facilities, term financing, and promissory notes linked to commission would affect the profit and loss statement and other comprehensive income by an amount of SAR 4.96 million (2023: SAR 4.1 million).

Foreign Currency Exchange Rate Volatility Risks

Foreign currency exchange rate volatility risks represent the risks arising from fluctuations in the value of a financial instrument due to changes in foreign exchange rates. The company is exposed to foreign currency exchange rate volatility risks on purchases and sales denominated in currencies other than the functional currency used by the company. The company primarily conducts its transactions in Saudi Riyals, US Dollars, Euros, and British Pounds. The company is exposed to fluctuations in foreign currency exchange rates in the context of its normal operations and manages foreign currency exchange rate volatility risks through regular monitoring of currency markets to determine the appropriate action to reduce exposure to foreign exchange risks.

The company's sensitivity to a reasonable potential change in exchange rates of 10% would result in an increase/(decrease) in net profit by SAR 213 thousand (2023: SAR 137 thousand).

Commodity Price Risks

Commodity price risks are the risks associated with changes in the prices of certain commodities, primarily including iron prices and others. The company is exposed to adverse effects on its costs and cash flows due to these risks. These risks in commodity prices arise from the anticipated purchases of certain raw materials used by the company in its operations. The company manages commodity price risks through regular monitoring of global commodity markets to determine the appropriate action to reduce exposure to commodity price risks.

Sensitivity of commodity prices to reasonable potential changes of 5% would increase/(decrease) net profits by SAR 32.9 million (2023: SAR 34.7 million).

Credit Risks

Credit risks represent the risks arising from the failure of another party or customer to fulfill its contractual obligations concerning a financial instrument or contract of a customer, resulting in financial loss to the company. The company is exposed to credit risks regarding balances with banks, short-term Murabaha deposits, and its trade receivables.

Trade Receivables

Customer credit risk is managed based on the policy, procedures, and controls established by the company regarding customer credit risk management. The company's trade receivables are primarily distributed among quasi-government entities and private companies. The company seeks to manage credit risks related to customers by setting a credit limit for each customer, monitoring existing receivables, and ensuring close follow-up. Management has established a credit policy under which each new customer is analyzed individually regarding creditworthiness before offering the applicable terms and conditions of the company regarding payment and supply. Credit terms are extended to customers whom the company does not believe are unable to repay. The necessary requirements to ensure impairment at the date of preparing each financial statement are analyzed individually for customers based on actual historical data. The company sees that concentrations of credit risks related to trade receivables are low as its customers are primarily located within the Kingdom of Saudi Arabia, with a small portion of customers located outside it. Revenue from sales to Saudi Aramco and its suppliers represents 96% of the company's total revenue for the year 2024 (2023: 93%).

Short-term Murabaha Deposits and Balances with Banks

Credit risks arising from balances with banks and financial institutions are managed through the company's treasury management according to the company's policy. The company seeks to manage credit risks related to banks and Murabaha by dealing only with reputable banks. As of the date of preparing the financial statements, management has not identified any significant concentrations of credit risk.

Liquidity Risks

Liquidity risks represent the difficulties faced by the company in providing funds to meet obligations related to financial instruments. Liquidity risks arise from the inability to sell a financial asset quickly at an amount equal to its fair value. The company manages liquidity risks by ensuring the availability of bank facilities and financing. The company's terms for deferred sales specify that amounts are to be paid within 30 to 60 days from the date of sale. Trade payables are typically settled within 90 days from the date of purchase. All liabilities presented in the company's statement of financial position, except for the non-current portion of lease liabilities and defined benefit obligations for employees, are contractually due on demand.

Cybersecurity Risks

Cybersecurity risks are the threats targeting the company's digital infrastructure, which may lead to disruption of operational processes and leakage of sensitive data.

In light of the increasing reliance on technology across various aspects of business, the company becomes susceptible to diverse cyber attacks, such as phishing, ransomware, and breaches that exploit security vulnerabilities in systems and networks.

These attacks are not limited to attempts at data theft; they may also lead to service disruptions, negatively impacting productivity, the company's reputation in the market, and relationships with customers and suppliers.

To address these risks, the company relies on strategies that include continuously updating systems, implementing robust protection protocols, and educating employees on ways to counter cyber attacks. Despite these efforts, cybersecurity remains an ongoing challenge that requires constant monitoring and periodic updates to security solutions to ensure the safeguarding of information and the integrity of operational processes.



02

Company Performance and Operations

- Business Volume for the Company's Activities
- Company's Financial Results for the Last Five Years
- Income Statement
- Statement of Financial Position Performance
- Geographical Analysis of the Company's Revenues
- Loans and Statutory Payments

Business Volume for the Company's Activities

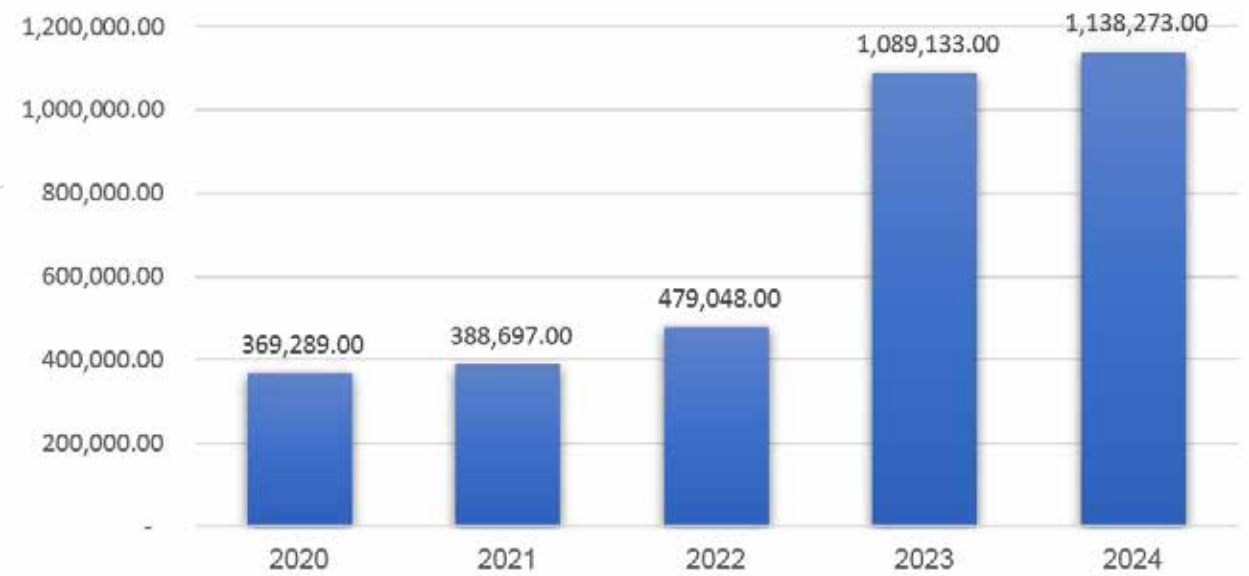
The following table illustrates the business volume for the company's activities:
(Amounts in thousands of riyals)

Main Activity Name	Business Volume	Gross Profit / (Loss)
Pipe Manufacturing Activity and Coating Activity	1,138,273	283,190
Total	1,138,273	283,190

Company's Financial Results for the Last Five Years

The following table illustrates the company's sales over the past five years:

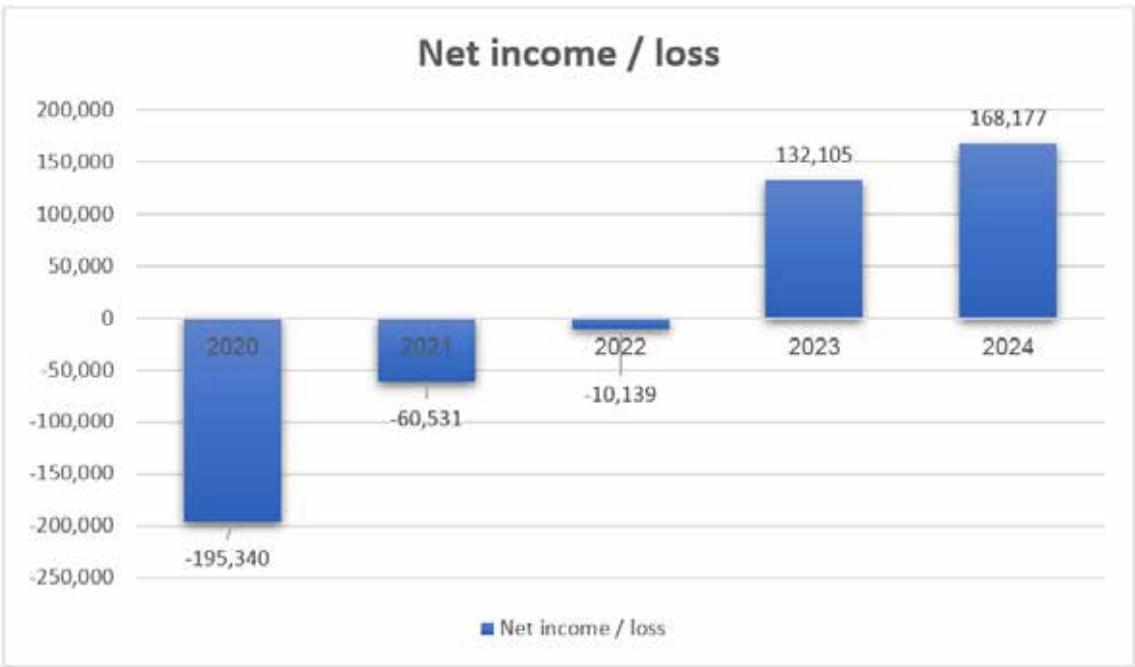
Year	Sales
2020	369,289.00
2021	388,697.00
2022	479,048.00
2023	1,089,133.00
2024	1,138,273.00



Income Statement

(Amounts in thousands of riyals)

Statement	2024	2023	2022	2021	2020
Sales	1,138,273	1,089,133	479,048	388,697	369,289
Cost of Sales	(855,083)	(851,860)	(449,014)	(372,460)	(500,589)
Gross Profit / (Loss)	283,190	237,273	30,034	16,237	(131,300)
Administrative and Marketing Expenses	(47,079)	(46,864)	(41,987)	(60,168)	(38,867)
Provision for Slow-Moving and Obsolete Inventory	(2,626)	(9,550)	3,366	(3,880)	-
Amortization of Deferred Expenses	-	-	-	-	(3,979)
Financing Expenses	(59,267)	(40,441)	(19,163)	(18,257)	(24,156)
Other Income (Expenses)	1,843	5,838	17,962	6,295	3,864
Profit from Available-for-Sale Investment	-	-	-	-	-
Zakat Provision	(7,884)	(14,151)	(700)	(343)	(902)
Net Profit (Loss)	168,177	132,105	(10,488)	(60,116)	(195,340)
Actuarial Reserve	19	(297)	349	(415)	(1,325)
Total Comprehensive (Loss) / Profit	168,196	131,808	(10,139)	(60,531)	(196,665)



Statement of Financial Position

Amounts in thousands of riyals

Statement	2024	2023	2022	2021	2020
Current Assets	632,181	583,336	422,363	169,193	537,641
Fixed Assets and Projects Under Construction	299,398	324,377	346,190	391,426	376,794
Investments	-	-	-	-	-
Deferred Expenses	-	-	-	-	-
Total Assets	931,579	907,713	768,553	560,619	914,435
Current Liabilities	432,242	608,892	567,622	417,074	711,864
Medium and Long-Term Loans	71,705	43,896	79,531	18,654	18,252
Provision for Dismantling and Removal Costs	2,028	-	-	-	-
Provision for Employees' End-of-Service Benefits	24,289	21,806	20,089	19,191	18,088
Total Liabilities	530,264	674,594	667,242	454,920	748,204
Share Capital	150,000	100,000	100,000	400,000	400,000
Statutory Reserve	15,430	15,430	2,219	120,000	120,000
General Reserve	-	-	-	-	-
Retained Earnings	238,876	120,699	1,805	(411,238)	(351,122)
Actuarial Reserve	(2,991)	(3,010)	(2,713)	(3,062)	(2,647)
Total Shareholders' Equity	401,315	233,119	101,311	105,700	166,231
Total Liabilities and Shareholders' Equity	931,579	907,713	768,553	560,619	914,435

BALANCE SHEET



Through our geographical analysis of the company's revenues, it is evident that

Amounts in thousands of riyals

Year	Statement	Saudi Arabia	Gulf	Middle East	Others	Total
2024	Pipe Sales	1,123,252.76	2,213.86	2,560.15	-	1,128,026.76
	Scrap Sales	10,246.24	-	-	-	10,246.24
	Others	1,843	-	-	-	1,843
	Total	1,135,342	2,213.86	2,560.15	-	1,140,116
2023	Pipe Sales	1,068,345	1,868	5,490	1,008	1,076,711
	Scrap Sales	12,422	-	-	-	12,422
	Others	7,213	-	-	-	7,213
	Total	1,087,980	1,868	5,490	1,008	1,096,346

Note

The revenue balance from other items consists of (financing income from short-term Murabaha, financing income from government grants, and reversal of the VAT penalty provision).

Loans

As loans represent a primary component of the company's financing, the total loan balance at the end of 2024 reached 336 million riyals, compared to 393 million riyals at the end of 2023. Below is a statement of short-term loans:

Short-Term Loan Balances at Year-End

Amounts in thousands of riyals

Lender	Purpose	2024	2023
Riyad Bank *	Project Financing	121,252	164,676
National Development Fund *	Working Capital Financing	-	79,981
Arab National Bank *	Project Financing	1,195	9,205
Al Rajhi Bank *	Project Financing	18,400	51,009
The First Bank - SABB *	Project Financing	195,085	88,117
Total		335,932	392,988

The mentioned loans are intended to finance working capital and are secured by promissory notes signed in favor of the banks. These consist of several short-term loans that are due for repayment within the year, and the stated amounts represent the principal value of the outstanding loans.

Long, Medium, and Short-Term Loans and the Current Portion of Long-Term Debt Related to the Industrial Development Fund and the Saudi National Development Fund

Amounts in thousands of riyals

Period	Loan	2024	2023
Long-Term Loan from the National Development Fund *	Working Capital Financing	59,212	-
Long-Term Loan from the Industrial Development Fund *	Company Factories Project Financing	-	54,000
Total	-	59,212	54,000

* The investment deposits and financial facilities provided by banks and government funds are Shariah-compliant investment facilities and deposits.

- 1 The loan received from the Industrial Development Fund was fully repaid on 30/12/2024, from an original loan amount of 231.24 million Saudi riyals.
- 2 In July 2024, approval was granted for a working capital financing loan from the Industrial Development Fund amounting to 50 million Saudi riyals, with a five-year term.
- 3 In December 2024, approval was granted for a company factories development loan from the Industrial Development Fund amounting to 54.5 million Saudi riyals, with a five-year term.
- 4 A notification was received from the National Development Fund regarding the re-scheduling of an existing loan (Ministry of Finance loan), covering a three-year period from 2025 to 2028, with a total value of 69.98 million Saudi riyals. An amount of 10 million Saudi riyals has been repaid, leaving a remaining balance of 59.98 million Saudi riyals as of 31/12/2024 in the financial statements.
- 5 Arabian Pipes Company confirms that all investment deposits and financial facilities provided by banks and government funds are Shariah-compliant investment facilities and deposits.

Statement of Statutory Payments Paid and Due to Government Entities, Zakat, Taxes, and Other Liabilities

Statement	2024		Brief Description	Explanation
	Paid	Due Until the End of the Fiscal Year and Unpaid		
Zakat	7,880	8,994	Zakat Payments	Mandatory
Value-Added Tax (VAT)	124,684	-	VAT Payments	Mandatory
Social Insurance (GOSI)	4,127	365	Statutory Contributions	Mandatory

03

Board of Directors, Affiliated Committees, and Social Responsibility

- Board of Directors
- Board Committees
- Executive Management
- Remuneration of Board Members and Executive Management
- Social Responsibility

Board of Directors

The composition of the Board of Directors and the classification of its members are as follows:

(Executive Board Member – Non-Executive Board Member – Independent Board Member):

#	Member Name	Membership Classification
1	Yousef Saleh Aba Al-Khail	Non-Executive
2	Khalid Abdullah Abunayyan	Non-Executive
3	Saad Falah Al-Qahtani	Independent
4	Azzam Saud Al-Mudaihem	Non-Executive
5	Abdullah bin Mohammed Al-Harbi	Independent
6	Abdulaziz Ali Al-Masoud	Independent
7	Maan Yousef Aba Al-Khail	Non-Executive
8	Ahmed bin Ali Al-Luhaidan	Executive



Board Meetings

The Board of Directors held five (5) meetings during 2024. The following table illustrates the attendance of the Board members:

#	Member Name	Meeting No. (20/10) March 12, 2024	Meeting No. (01/11) May 22, 2024	Meeting No. (02/11) August 7, 2024	Meeting No. (03/11) October 30, 2024	Meeting No. (04/11) December 25, 2024	Attendance Rate
1	Yousef Saleh Aba Al-Khail	✓	✓	✓	✓	✓	%100
2	Khalid Abdullah Abunayyan	✓	✓	✓	✓	✓	%100
3	Saad Falah Al-Qahtani	✓	✓	✓	✓	✓	%100
4	Azzam Saud Al-Mudaihem	✓	✓	✓	✓	✓	%100
5	Abdullah bin Mohammed Al-Harbi	✓	✓	✓	✓	✓	%100
6	Abdulaziz Ali Al-Masoud ¹	×	✓	✓	✓	✓	%80
7	Maan Yousef Aba Al-Khail ¹	×	✓	✓	✓	✓	%80
8	Ahmed bin Ali Al-Luhaidan	✓	✓	✓	✓	✓	%100
9	Musa bin Abdullah Al-Ruwaili ²	✓	×	×	×	×	%20

1. He was appointed in the Board of Directors term that began on May 22, 2024.

2. His membership ended on May 22, 2024.

• Measures Taken by the Board of Directors to Inform Its Members—Especially Non-Executive Members—of Shareholders' Proposals and Feedback on the Company and Its Performance:

This is done by recording shareholders' proposals during general assembly meetings. Additionally, if any other proposals are received, they are communicated to the Chairman of the Board to be presented at the next meeting and recorded in the Board minutes, if applicable.

• Methods Adopted by the Board of Directors to Evaluate Its Performance, the Performance of Its Committees and Members, and the External Entity Conducting the Evaluation, If Any, and Its Relationship with the Company:

The Board of Directors' performance is evaluated in accordance with the Corporate Governance Regulations. Additionally, the Nomination and Remuneration Committee identifies and assesses the strengths and weaknesses of the Board, proposing corrective actions in line with the company's best interests.

Statement of Current and Previous Positions, Qualifications, and Experience of Board Members



Yousef Saleh Aba Al-Khail

Current Positions

- Chairman of the Board, Arabian Pipes Company (Joint Stock Company)
- Chairman of the Board, Saudi Ceramic Company (Joint Stock Company)
- Chairman of the Board, Gulf Insurance Group (formerly AXA) (Joint Stock Company)
- Board Member, Arabian Cement Company.

Qualifications

- Bachelor’s Degree in Computer Science.
- Master’s Degree in Information Systems Management.

Experience

- 35 years in the public and private sectors, including chairmanship and board memberships of various companies.

Previous Positions

- Chairman of the Board, National Glass Industries Company (Joint Stock Company)
- Chairman of the Board, Guardian International Glass Manufacturing Co. (Limited Liability Company)
- Board Member, Qassim Cement Company (Joint Stock Company).



Khalid Abdullah Abunayyan

Current Positions

- Chairman of the Board, Abunayyan Holding Company.

Previous Positions

- CEO, Abunayyan Holding Company.

Qualifications

- Bachelor’s Degree in Administrative Sciences and Computer Science.

Experience

- Served as CEO of Abdullah Abunayyan Trading Company for 8 years
- Served as CEO of Abunayyan Holding Company for 11 years
- Currently serving as Chairman of Abunayyan Holding Company since 2018 to date.



Saad Falah Al-Qahtani

Current Position

- CEO, Jeddah Development and Urban Regeneration Company.

Previous Position

- Executive Vice President of Finance and Investment, Dhakher Real Estate Development Company.

Qualifications

- Bachelor's Degree in Accounting
- Master's Degree in Finance and Investment.

Experience

- 31 years of experience in various companies including SABIC, Ma'aden, Mohammed Abdulaziz Al-Rajhi Company, Knowledge Economic City, Dhakher Development Company, and Jeddah Development and Urban Regeneration Company.



Azzam Saud Al-Mudaihem

Current Position

- Chief Executive Officer of Saudi Ceramic Company.

Previous Position

- President of Abunayyan Trading Company.

Qualifications

- Bachelor's Degree in Mechanical Engineering.

Experience

- Worked for 3 years at Advanced Electronics Company as a Manufacturing Engineer.
- Worked for 3 years at Al Muhaidib Foods as a Regional Sales Manager.
- Worked for 6 years at Masdar for Woodworking Materials as Purchasing and Warehouse Manager.
- Worked for 10 years at Masdar for Woodworking Materials as General Manager.
- Served as CEO of Al Hassan Ghazi Ibrahim Shaker Company from November 2017 to November 2020.
- Served as President of Abunayyan Trading Company from December 2020 to December 2023.
- Serving as CEO of Saudi Ceramic Company from September 2023 to present.



**Musa bin Abdullah
Al-Ruwaili**

Current Position

- Co-Founder and Honorary Chairman, Blue Ocean Holding Company.

Previous Position

- Managing Director and Acting CEO, Saudi Advanced Industries Company.

Qualifications

- Bachelor's Degree in Education.

Experience

- Co-Founder and Honorary Chairman, Blue Ocean Holding Company (2021 – Present).
- Managing Director and Acting CEO, Saudi Advanced Industries Company (May 2022 – January 2023).
- Board Member, Middle East Specialized Cables Company (MESC).
- Partner and Founder in multiple business ventures.



**Abdullah bin Mohammed
Al-Harbi**

Current Position

- CEO, Packaging Materials Manufacturing Company – FIPCO.

Previous Position

- Risk Management Director, Packaging Materials Manufacturing Company – FIPCO.

Qualifications

- Master's Degree in Business Administration
- Bachelor's Degree in Marketing.

Experience

- Has been working at Packaging Materials Manufacturing Company – FIPCO since 2016 to date.



Abdulaziz Ali Al-Masoud

Current Position

- Vice President of Project Management, Al-Masar Al-Riyadi Establishment.

Previous Position

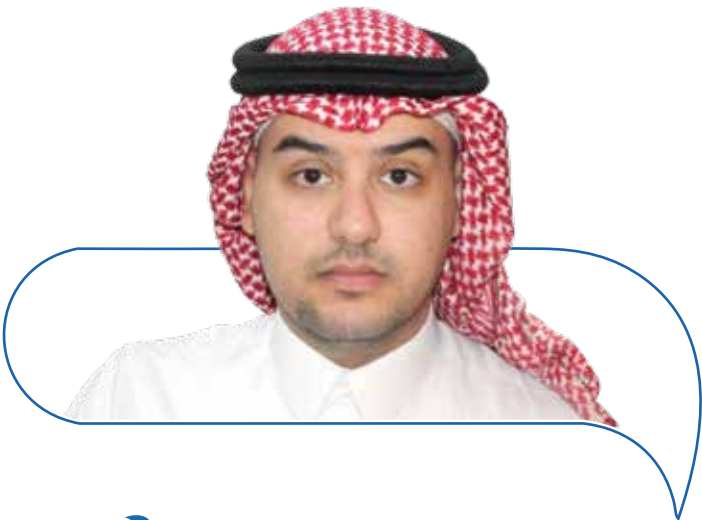
- Secretary of the Ministerial Committee and Director of Decision Support, Ministry of Tourism.

Qualifications

- Bachelor's Degree in Mechanical Engineering.

Experience

- Strategic project management expert with over 13 years of experience leading corporate and digital transformation programs and portfolios.
- Held leadership roles in both public and private sectors.
- Former member of the Digital Transformation Committee at Tawuniya Insurance.
- Currently serves as a Board Member at Rakaz Najd Exhibitions and Conferences Company.



Maan Yousef Aba Al-Khail

Current Position

- Free Trade Activities.

Previous Position

- Senior Corporate Banking Relationship Manager, Al Rajhi Bank.

Qualifications

- Bachelor's Degree in Accounting.

Experience

- Extensive experience in audit and external review.
- Worked in investment and asset management.
- Held roles in corporate banking management across several banks.



Ahmed Ali Al-Luhaidan

Current Position

- CEO, Arabian Pipes Company.

Previous Position

- CEO, Arabian Pipes Company.

Qualifications

- Bachelor's Degree in Mechanical Engineering
- Postgraduate Diploma in Design, Production, and Management.

Experience

- 29 years of experience as Director of Project Studies and Consulting Department at the Saudi Industrial Development Fund.



Names of Companies Inside or Outside the Kingdom Where a Board Member Serves or Has Previously Served on Their Boards or as an Executive

Member Name	Names of Companies Where the Board Member Currently Serves on the Board or as an Executive	Inside/ Outside KSA	Names of Companies Where the Board Member Previously Served on the Board or as an Executive	Inside/ Outside KSA
Yousef Saleh Aba Al-Khail	Arabian Pipes Company (Listed Joint Stock Company)	Inside KSA	National Glass Industries Company (Listed Joint Stock Company)	Inside KSA
	Saudi Ceramic Company (Listed Joint Stock Company)		Qassim Cement Company (Listed Joint Stock Company)	
	Gulf Insurance Group (formerly AXA) (Listed Joint Stock Company) Arabian Cement Company (Listed Joint Stock Company)		Guardian International Glass Manufacturing Company (Limited Liability Company)	
Khalid Abdullah Abu-nayyan	Arabian Pipes Company	Inside KSA	None	None
	Abunayyan Holding Company			
	Roya Investment Company			
	Lafana Company			
	Toray Membrane Company			
	Roya Industrial Company			
	KSB Arabia			
	Eaton Arabia			
	Meyahna Company			
	DataVolt Company			

Member Name	Names of Companies Where the Board Member Currently Serves on the Board or as an Executive	Inside/ Outside KSA	Names of Companies Where the Board Member Previously Served on the Board or as an Executive	Inside/ Outside KSA
Saad Falah Al-Qahtani	Jeddah Development and Urban Regeneration Company	Inside KSA	Saudi Export Development Company	Inside KSA
	Arabian Pipes Company		International Refreshments Company	
	Masar Al-Numuw Finance Company		Al-Mustathmir for Financial Securities Company	
	Blominvest Al-Noor Masterplan Fund			
	Murouj Jeddah Suburb Company			
	Al-Ruwais International Real Estate Development Company			
	Khuzam Company			
	Madinah Parking Company			
	Taskin Al-Haditha Real Estate Development and Investment Company			
	Obhur Gulf Company			
	Najmat Al-Shati Waterfront Company			
	Amanah Tech Business Solutions Company			
	Omran Tech Business Solutions Company			
Azzam Saud Al-Mudaihem	Estidama Company	Inside KSA		
	Sustainability Solutions for Environmental Services Company			
	Board Member and Member of the Remuneration and Nominations Committee and the Governance and Risk Management Committee – Arabian Pipes Company – Public Joint Stock Company		Board Member of Masdar Technical Supplies Company – Limited Liability Company	Outside KSA
	Board Member of Al Hassan Ghazi Ibrahim Shaker Company – Public Joint Stock Company		Chairman of the Board of Directors of Energy Services Company – Closed Joint Stock Company	
	Board Member of Al Khazaf for Pipes Company – Closed Joint Stock Company			
	Chairman of the Board of Directors of Modern Vision Company – Closed Joint Stock Company	Outside KSA		

Member Name	Names of Companies Where the Board Member Currently Serves on the Board or as an Executive	Inside/ Outside KSA	Names of Companies Where the Board Member Previously Served on the Board or as an Executive	Inside/ Outside KSA
Musa bin Abdullah Al-Ruwaili	Bayt Al Qimmah Investment Company	Inside KSA	Saudi Advanced Industries Company – Listed Joint Stock Company (as of 21/01/2023)	Inside KSA
	Blue Ocean Holding Company		Arabian Pipes Company (from May 2021 to May 2024)	
			Middle East Specialized Cables Company (MESC) – Listed Joint Stock Company (until 01/05/2024)	
			Blue Sky Aviation Academy	
Abdullah bin Mohammed Al-Harbi	-Arabian Pipes Company -Packaging Materials Manufacturing Company (FIPCO) -FIPCO Industries Company -Tabuk Agricultural Development Company	Inside KSA	United International Transportation Company (Budget)	Inside KSA
Ahmed bin Ali Al-Luhaidan	-Arabian Pipes Company	Inside KSA	Southern Province Cement Company	Inside KSA
Abdulaziz Ali Al-Masoud	-Arabian Pipes Company -Rakaz Najd for Exhibition and Conference Organization	Inside KSA		
Maan Yousef Aba Al-Khail	-Arabian Pipes Company	Inside KSA		



Members from outside the board

Khalid bin Saleh Al-Turaifi

Audit Committee Member
(Non-Board Member)

Current Position

- Vice President of Finance and Reporting – Saudi Arabian Mining Company (Ma'aden).

Previous Position

- Executive Director of Finance – Quality of Life Program.

Qualifications

- Bachelor's Degree in Accounting – King Saud University.
- Certified Public Accountant (CPA) – USA.

- Saudi Organization for Certified Public Accountants (SOCPA) – Fellowship.

Experience

- Vice President of Finance and Reporting at Ma'aden since April 2022
- Executive Director of Finance at the Quality of Life Program (one of Saudi Vision 2030 programs) from November 2019 to March 2022
- Chief Financial Officer at Saudi Ceramic Company from November 2017 to July 2019
- Financial Advisor at Bank Albilad from September 2014 to September 2017
- Director of Planning and Budget at the Communications and Information Technology Commission from September 2003 to September 2014
- Financial Control Manager at Al Rajhi Bank from December 2000 to September 2003
- Senior Audit Supervisor at the Saudi Industrial Development Fund from September 1993 to December 2000.

Saleh Abdullah Al-Yahya

Audit Committee Member
(Non-Board Member)

Current Position

- Partner, Al-Laheed & Al-Yahya Certified Public Accountants.

Previous Position

- Partner, Ernst & Young.

Qualifications

- Bachelor's Degree in Accounting – King Saud University.
- SOCPA Fellowship (Saudi Organization for Certified Public Accountants) since 2009.

Experience

- Accountant – Al-Areel Contracting Company (2002–2006).
- Assistant Audit Manager – Ernst & Young (2006–2011).
- Senior Audit Manager – Ernst & Young (USA) (2012–2014).
- Partner – Ernst & Young (2014–2016).
- Partner – Al-Laheed & Al-Yahya Certified Public Accountants (2016–Present).

Board Committees

Audit Committee

- 1 The committee is responsible for reviewing and reassessing the adequacy of the tasks, rules, and regulations outlined in this regulation from time to time and recommending any proposed changes to the Board of Directors, which in turn reviews and recommends them to the General Assembly of shareholders.
- 2 The committee oversees the company's operations and ensures the integrity and accuracy of its financial reports and internal control systems. Its responsibilities include:

Financial Reports

- 1 Reviewing the interim and annual financial statements before submission to the Board, providing opinions and recommendations to ensure their integrity, fairness, and transparency.
- 2 Providing a professional opinion—upon the Board's request—on whether the Board's report and the company's financial statements are fair, balanced, understandable, and provide sufficient information for shareholders and investors to assess the company's financial position, performance, business model, and strategy.
- 3 Studying any significant or unusual matters included in the financial reports.
- 4 Examining issues raised by the company's CFO or acting CFO, compliance officer, or external auditor.
- 5 Verifying the accounting estimates for material items in the financial statements.
- 6 Reviewing the accounting policies adopted by the company and providing opinions and recommendations to the Board.

Internal Audit

- 1 Reviewing and assessing the company's internal control, financial, and risk management systems.
- 2 Studying internal audit reports and following up on corrective actions for observations therein.
- 3 Overseeing the performance and activities of the internal auditor and internal audit department to ensure they have the necessary resources and effectiveness in fulfilling their duties.
- 4 Recommending the appointment of the internal audit manager or internal auditor, suggesting their compensation, and terminating their services.
- 5 Enhancing direct communication between the committee and internal audit management.
- 6 Verifying the independence and objectivity of the internal auditor and internal audit staff and enabling them to perform their tasks effectively.

External Auditor

- 1 Recommending to the Board the nomination, dismissal, remuneration, and performance evaluation of external auditors after verifying their independence and reviewing the scope and terms of their engagement.
- 2 Ensuring the independence, objectivity, and fairness of the external auditor and the effectiveness of their work, taking into account relevant rules and standards.
- 3 Reviewing the audit plan and activities of the external auditor, ensuring they do not perform any technical or administrative work outside their auditing duties, and providing views in this regard.
- 4 Responding to queries raised by the external auditor.
- 5 Ensuring the external auditor can perform their work effectively, with no obstruction or withholding of information.
- 6 Studying the auditor's reports and notes on the financial statements, expressing opinions thereon, and following up on the actions taken.

Compliance

- 1 Reviewing findings from regulatory bodies and verifying that the company has taken necessary actions.
- 2 Overseeing the company's compliance with relevant laws, regulations, policies, and instructions.
- 3 Reporting any issues that require action to the Board and recommending the appropriate steps.
- 4 Reviewing proposed contracts and transactions with related parties and potential conflict-of-interest situations, if any, and presenting its views to the Board..



The Audit Committee held five meetings during the year 2024, as shown in the following table:

Member Name	Member-ship Type	Meet-ing No. (19/10) – March 4, 2024	Meet-ing No. (20/10) – May 11, 2024	Meet-ing No. (01/11) – July 28, 2024	Meet-ing No. (02/11) – October 9, 2024	Meet-ing No. (03/11) – October 29, 2024	Atten-dance Rate
Saad Falah Al-Qahtani	Chairman of the Audit Committee	√	√	√	√	√	%100
Abdullah Mohammed Al-Harbi ¹	Audit Committee Member	√	√	×	×	×	%40
Maan Yousef Aba Al-Khai ²	Audit Committee Member	×	×	√	√	√	%60
Khalid Saleh Al-Turaifi	Audit Committee Member (Non-Board Member)	√	√	√	√	√	%100
Saleh Abdul-lah Al-Yahya	Audit Committee Member (Non-Board Member)	√	√	√	√	√	%100

1 - His membership ended on May 22, 2024.
2 - He was appointed as a committee member on May 22, 2024.

• International Standards

The company is committed to following International Financial Reporting Standards (IFRS) when issuing financial reports, as practiced in the Kingdom of Saudi Arabia. The financial statements for the fiscal year ending on 31/12/2024 have been prepared in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other issuances from the Saudi Organization for Certified Public Accountants. The company began applying these standards as of 01/01/2017, in accordance with the decision of the Board of Directors of the Saudi Organization for Certified Public Accountants.

• Annual Review Results of the Effectiveness of Internal Control Procedures

In accordance with the Saudi Companies Law, the Corporate Governance Regulations issued by the Capital Market Authority, and the Audit Committee Regulation, the committee is responsible for overseeing the company's operations and ensuring the integrity of its reports, financial statements, and internal control systems. To support the committee in fulfilling its duties and achieving its objectives, members of executive management and key stakeholders—including the CEO, CFO, external auditor, and internal auditor—participated in the Audit Committee meetings held in 2024.

Key stakeholders and several members of management presented their views to the committee on various matters, including the accuracy and integrity of the company's consolidated financial reports and statements, the performance and effectiveness of internal controls, the internal audit function, and the financial reporting process. Based on the insights and presentations provided by management and key stakeholders, the Audit Committee approved several items in 2024, seeking the Board's approval, including:

- 1 Annual financial statements for the year ending 31/12/2024.
- 2 Interim (quarterly) financial reports for 2024.
- 3 Recommendation to appoint an external auditor for 2024.
- 4 The Executive Management Committee also proposed several recommendations aimed at reinforcing existing success and promoting ongoing development.

Additionally, the Audit Committee reviewed and received reports on several key matters, including::

- 1 A summary of internal audit reports for 2024, covering audit and advisory tasks.
- 2 A report on the internal audit plan for 2024 and the progress of its implementation.
- 3 A summary of updates on recommendations issued by the Internal Audit Department and the Audit Committee, along with a status update on their implementation.
- 4 A summary of the external auditor's activities during 2024.

The current Audit Committee comprises four members—two independent Board members and two non-board members—and held six meetings in 2024.

Audit Committee's Opinion

Based on reports from the external auditor and the Internal Audit Department, and through the committee's periodic monitoring of executive management's efforts to address findings and implement controls to mitigate their impact on the internal control system, the committee found no material deficiencies in the company's internal control and risk management systems.

It is worth noting that any internal control system, regardless of how well-designed and effectively implemented, cannot provide absolute assurance but only reasonable assurance regarding the soundness and effectiveness of the internal control system.

Executive Committee

The Executive Committee assumes all duties and responsibilities within its scope of purpose, in addition to any other tasks and responsibilities referred to it by the Board of Directors, including but not limited to the following:

- 1 Monitoring the company's affairs and activities, and informing the Board of any decisions or actions taken by the committee or those requiring Board approval.
- 2 Making all necessary decisions regarding matters delegated by the Board for the committee to review, discuss, and decide upon.
- 3 Approving the appointment of consulting entities in cases where such decisions exceed the company's management's authority.
- 4 Monitoring the company's performance and seeking justifications for any deviations from approved plans, budgets, and forecasts.
- 5 Attending committee meetings and actively participating in discussions.
- 6 Preserving the confidentiality of company information, and members may not disclose company secrets to shareholders.
- 7 Reviewing the financial and operational plans and objectives across the company.
- 8 Reviewing the company's strategic, future, and development plans and objectives.
- 9 Reviewing the annual and operational budgets, including capital and operating expenditures, and providing recommendations to the Board.
- 10 Requesting information and data that may assist the committee in studying topics within its duties and responsibilities.
- 11 Following up on the implementation of the committee's recommendations and decisions approved by the Board.

- 12 Periodically reviewing the provisions of this regulation and submitting the necessary recommendations to the Board.
- 13 Performing tasks defined as under the committee's jurisdiction in the company's authority matrix..

The Executive Committee held four meetings during the year 2024, as detailed in the following table:

Member Name	Member-ship Type	Meet-ing No. (13-10) – March 11, 2024	Meet-ing No. (01-11) – August 5, 2024	Meeting No. (02-11) – Oc-tober 20, 2024	Meeting No. (03-11) – De-cember 18, 2024	Atten-dance Rate
Khalid Abdullah Abunayyan	Chairman of the Committee	√	√	√	√	100 %
Yousef Saleh Aba Al-Khail	Committee Member	√	√	√	√	100 %
Abdulaziz Ali Al-Masoud ¹	Committee Member	×	√	√	√	75 %
Ahmed Ali Al-Luhaidan	Committee Member	√	√	√	√	100 %
Musa bin Abdullah Al-Ruwaili ²	Committee Member	√	×	×	×	25 %

1 - He was appointed as a committee member on May 22, 2024.

2 - His membership ended on May 22, 2024.



Nomination and Remuneration Committee

The Nomination and Remuneration Committee works on the following :

- 1 Proposing clear policies and criteria for membership of the Board of Directors and recommending them to the Board before their approval by the company's General Assembly.
- 2 Recommending to the Board of Directors nominations for Board or committee membership, filling vacant positions, or removal from such positions, in accordance with the approved and proposed policies and criteria set by the Committee, taking into consideration the provisions of the Board Membership and Nomination Policy.
- 3 Recommending to the Board of Directors nominations for senior executive positions.
- 4 Conducting an annual review of the structure of the Board of Directors and executive management, and providing recommendations regarding possible changes.
- 5 Conducting an annual review of the required skills for Board membership and executive management positions.
- 6 Preparing a description of the required competencies and qualifications for Board membership and executive management positions.
- 7 Establishing procedures for handling vacancies within the Board of Directors or senior executives.
- 8 Identifying strengths and weaknesses within the Board of Directors and proposing solutions to address them in alignment with the company's interests.
- 9 Submitting recommendations to the Board of Directors proposing the necessary mechanisms for the annual self-assessment of the Board and supervising it; the evaluation may be conducted by an external party.
- 10 Supervising an induction program for new members, covering the company's activities, nature of business, and its financial, legal, governance, and risk aspects.
- 11 Developing a clear remuneration policy for Board members, Board committees, and executive management that enhances administrative motivation, retention of distinguished personnel, and submitting it to the Board of Directors for consideration prior to approval by the General Assembly. The policy should adhere to performance-related criteria, disclosure, and verification of its implementation.
- 12 Clarifying the relationship between granted remuneration and the remuneration policy in place, and indicating any material deviation from this policy.

- 13 Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving the intended objectives.
- 14 Recommending to the Board of Directors the remuneration for Board members, its committees, and senior executives according to the approved policy.
- 15 Submitting an annual proposal to the Board of Directors for the annual remuneration and incentives budget for the company's senior executives.
- 16 Identifying the types of remuneration granted to company employees and providing recommendations regarding them, such as reviewing the salary structure, additional and exceptional benefits, and related incentive plans.
- 17 Reviewing the CEO's recommendations regarding the general criteria for financial remuneration and other benefits for senior executives..

The Nomination and Remuneration Committee held four meetings during 2024 as per the following schedule:

Member Name	Membership Status	Meeting No. (1/2024) 22 January 2024	Meeting No. (2/2024) 07 March 2024	Meeting No. (01/11) 16 October 2024	Meeting No. (02/11) 23 December 2024	Attendance Percentage
Abdullah bin Mohammed Al-Harbi	Committee Chairman	✓	✓	✓	✓	%100
Azzam Saud Al-Mudaihem	Committee Member	✓	✓	✓	✓	%100
Abdulaziz Ali Al-Masoud ¹	Committee Member	×	×	✓	✓	%50
Musa bin Abdullah Al-Ruwaili ²	Committee Member	✓	✓	×	×	50 %

1 - He was appointed as a member of the committee starting from 22 May 2024.

2 - His membership ended on 22 May 2024.



1 Governance and Risk Management Committee

- 1 The Committee has the authority to submit recommendations regarding the company's compliance with the rules and regulations of the Ministry of Commerce and the Capital Market Authority.
- 2 The Committee has the authority and responsibility to appoint or terminate the services of any external advisor to assist in performing its duties, approve the terms of any such appointment, and fees of any advisor providing advisory and support services to the Committee, after obtaining written approval from the Chairman of the Board.
- 3 In coordination with executive management, the Committee may request any official, other employee, external advisor, or any other individual to meet with any Committee member or advisor, or to provide further assistance to the Committee in performing its duties.
- 4 Develop comprehensive strategies and policies for risk management suitable to the nature and scale of the company's activities, and ensure their implementation, review, and updates based on internal and external company changes.
- 5 Identify and evaluate key risks facing the company and ensure the company does not exceed them.
- 6 Verify the viability of the company's continued successful operation and identify risks that may threaten its continuity over the next twelve months.
- 7 Oversee the company's risk management system, assess its effectiveness, and develop mechanisms and measures for monitoring risks the company may face.
- 8 Perform stress tests periodically to reassess the company's capacity to bear and manage risk exposures.

- 9 Provide sufficient flexibility in facing risks and allocate adequate resources for risk mitigation and management.
- 10 Prepare detailed quarterly reports on the company's exposure to risks and recommended actions for managing these risks, and submit them to the Governance and Risk Management Committee.
- 11 Ensure risk management staff fully understand risks surrounding the company and promote awareness of a risk-aware culture.
- 12 Review matters raised by the Board committees and senior management that may affect risk management within the company.

The Governance and Risk Management Committee held three meetings during 2024 according to the following schedule:

Governance Committee	Membership Status	Meeting No. (4) 07 March 2024	Meeting No. (1/11) 31 July 2024	Meeting No. (2/11) 23 December 2024	Attendance Percentage
Abdullah bin Mohammed Al-Harbi	Committee Chairman	✓	✓	✓	%100
Azzam Saud Al-Mudaihem	Committee Member	✓	✓	✓	%100
Maan Yousef Aba Al-Khail ¹	Committee Member	×	✓	✓	%66.7
Musa bin Abdullah Al-Ruwaili ²	Committee Member	✓	×	×	%33.3

1 - He was appointed as a member of the committee starting from 22 May 2024.

2 - His membership ended on 22 May 2024.

Executive Management

Statement of current and previous positions, qualifications, and experiences of the executive management:

Name	Current Position	Previous Position	Qualifications	Experience
Mohammed Ibrahim Al-Harran	Chief Financial Officer	Finance Manager at Al-Murshid Contracting and Operations Group	<ul style="list-style-type: none"> King Saud University - Accounting. 	<ul style="list-style-type: none"> Saudi Chemical Company. Almarai Company. Al-Izdihar Group. Al-Murshid Contracting and Operations Group.
Amro Mohammed Al-Hattab	Vice President of Operations	Company Factories Manager	<ul style="list-style-type: none"> Bachelor's Degree in Mechanical Engineering. 	<ul style="list-style-type: none"> Over 25 years of industrial experience in pipeline manufacturing and construction. Over 15 years of experience in quality management.
Fawzi Ibrahim Al-Hussein	Executive Vice President of Supply Chain	Logistics Services Manager	<ul style="list-style-type: none"> Master's Degree in Business Administration. Bachelor's Degree in Information Systems. SAP Consultant 	<ul style="list-style-type: none"> 25 years of experience in external and internal procurement, contracts, supplier development, shipping, warehousing, and computer systems development (SAP).
Mohammed Dakdouk	Vice President of Commercial Affairs	Vice President of Commercial Affairs	<ul style="list-style-type: none"> Bachelor's Degree in Business Administration, Department of Financial and Customs Studies. 	<ul style="list-style-type: none"> 30 years of experience in leading commercial and strategic business operations in the industrial sector.
Dakhil Naqi Al-Mutairi	Vice President of Human Resources and Administrative Affairs	Head of Human Resources and Payroll Department	<ul style="list-style-type: none"> Master's Degree in Business Administration and Project Management. Bachelor's Degree in Business Administration. Higher Diploma in Accounting. Diploma in Human Resources Management. 	<ul style="list-style-type: none"> 18 years of experience in administrative affairs, payroll management, recruitment and training, human resources services, occupational safety, and risk management.

Board of Directors and Executive Management Remunerations

The total amount paid and payable to the Board members for the year 2024 amounted to SAR 1,399.8 million, which includes attendance allowances for board and committee meetings and committee membership remuneration in accordance with the Board Remuneration Policy. The total salaries, bonuses, and compensations paid by the company to the top six senior executives, including the CEO and the CFO, amounted to SAR 8.1 million, as detailed in the following table:

The Board of Directors, during its meeting held on 26 February 2025, recommended granting a lump-sum bonus of SAR 200,000 to each Board member for the year 2024, in accordance with the approved Board Remuneration Policy. An item will be added to the agenda of the upcoming General Assembly meeting for voting on this matter.

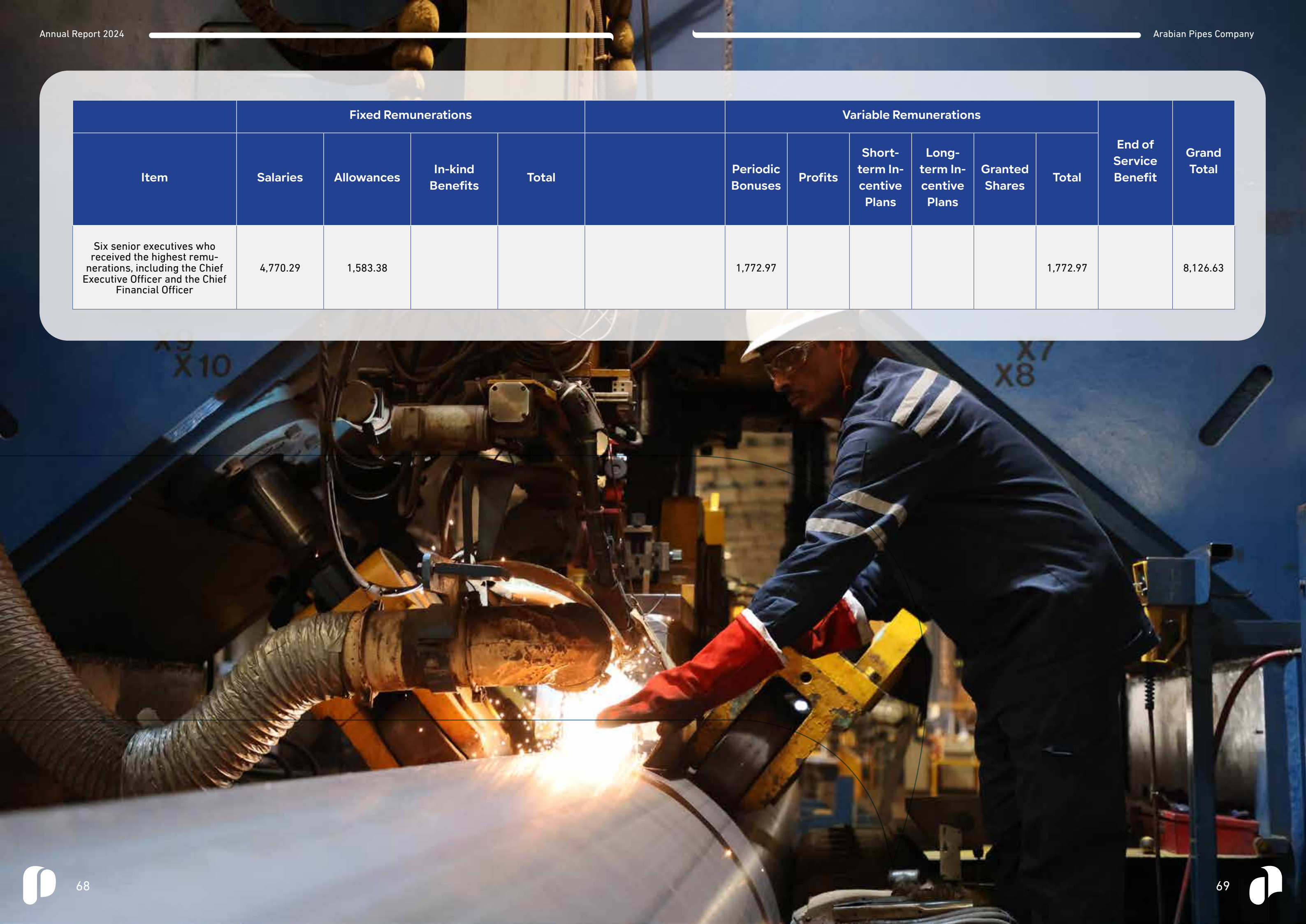
(in thousands)

Annual Remuneration for Board and Committee Membership	Annual Remuneration for Committee Membership	Attendance Allowance for Board Meetings	Total Attendance Allowance for Committee Meetings		In-kind Benefits	Remuneration for Technical, Administrative, and Advisory Services	Remuneration for the Chairman, Managing Director, or Secretary if a Board Member	Total
First: Independent Members								
Saad Falah Al-Qahtani	150	15	15					180
Musa bin Abdullah Al-Ruwaili ¹	58.2	3	12					73.2
Abdullah bin Mohammed Al-Harbi	150	15	27					192
Second: Non-Executive Members								
Yousef Saleh Aba Al-Khail	150	15	12					177
Khalid Abdullah Abunayyan	150	15	12					177
Azzam Saud Al-Mudaihem	150	15	21					186
Abdulaziz Ali Al-Masoud ²	91.8	12	15					118.8
Maan Yousef Aba Al-Khail ²	91.8	12	15					118.8
Third: Executive Members								
Ahmed bin Ali Al-Luhaidan	150	15	12					177
Total	1141.8	117	141					1399.8

1- His membership ended on 22 May 2024.

2- He was appointed in the Board term that began on 22 May 2024.

	Fixed Remunerations					Variable Remunerations						End of Service Benefit	Grand Total
Item	Salaries	Allowances	In-kind Benefits	Total		Periodic Bonuses	Profits	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares	Total		
Six senior executives who received the highest remunerations, including the Chief Executive Officer and the Chief Financial Officer	4,770.29	1,583.38				1,772.97					1,772.97		8,126.63



Human Resources

The Arabian Pipes Company is committed to achieving its strategy related to social responsibility, taking the initiative in supporting social programs. The company sponsors numerous programs aimed at serving both its employees and the wider community, a responsibility the company is proud to uphold. Examples include:

Workforce and Saudization

The Arabian Pipes Company is keen to attract qualified Saudi talent with market experience, believing in the private sector's role in contributing to community development. The Saudization rate this year reached 42%. The company continued its policy of implementing training programs leading to employment by signing several agreements with institutions, including the Higher Institute for Plastics Fabrication, Institute of Technological and Vocational Training (ETQAN), Jubail Industrial College, the Technical Institute for Quality Assurance and Testing, and the Institute of Public Administration, to train, qualify, and supervise Saudi cadres before they engage in technical work within the company.

On-the-Job Training

Believing in the importance of training in enhancing employee efficiency and its positive impact on achieving the company's goals, the company continued its policy of contracting specialized trainers and companies to implement training programs inside and outside the company across most administrative and technical fields. As a result, over 26,000 training hours were conducted during the fiscal year 2024.

Cooperative Training

The company supported cooperative training programs by partnering with several educational institutions such as King Saud University, Prince Sultan University, Jubail Industrial College, and others.

A large number of students from these institutions were received for visits to the company's plants in Riyadh and Jubail, including students from Prince Sultan University and the Higher Institute for Plastics Fabrication, among others. These visits aimed to enhance their knowledge, reward them financially during their training period with the company, and prepare them for the industrial job market.

Work Environment

The company continuously strives to improve the work environment by employing scientific methods to measure employee satisfaction and identify areas for enhancing the workplace. This aims to raise job stability and make the company a more attractive workplace for job seekers.

Succession Planning

The Arabian Pipes Company values qualified Saudi talents for supervisory, technical, and administrative leadership roles within the company. It has implemented a succession planning program for carefully selected positions to ensure business continuity, develop future Saudi leaders, reduce hiring costs, and minimize operational risks, all in alignment with the company's strategic goals.

04

Company Governance

- Governance and its Related Applications
- Rights of Board Members, Senior Executives, Their Spouses, and Minor Children
- Shareholders' Assemblies
- Dividend Distribution Policy
- Board of Directors' Declarations
- Board of Directors' Confirmations

The company applies all provisions stated in the Corporate Governance Regulations issued by the Capital Market Authority, except for the following guiding provisions

Governance and Its Related Applications

The Capital Market Authority issued the Corporate Governance Regulations, which outline the rules and standards governing the management of joint-stock companies. The company has developed and implemented its own governance system in line with best governance practices that ensure the protection of shareholders' rights, disclosure, and transparency. An internal audit system has also been established, and the Board of Directors has delegated the relevant committees to oversee the implementation of the company's governance system. The company will comply with the guiding provisions once they are officially approved..

Article Number	Text of the Article / Paragraph	Reasons for Non-Application
Article 39: Training	Establish the necessary mechanisms to ensure that members of the Board of Directors and executive management continuously receive training programs and courses aimed at developing their skills and knowledge in areas related to the company's activities.	Advisory Article
Article 41: Evaluation (2)	The Board of Directors – based on a recommendation from the Nomination Committee – sets the necessary mechanisms to evaluate the performance of the Board, its members, its committees, and executive management annually, using appropriate performance indicators related to achieving the company's strategic goals, quality of risk management, and adequacy of internal control systems.	The performance of the Board of Directors, its members, and executive management is evaluated internally on an annual basis.
Article 41: Evaluation (5)	The Board of Directors shall make arrangements to obtain an evaluation of its performance by a qualified external party every three years.	Advisory Article
Article 70: Formation of the Risk Management Committee	A "Risk Management Committee" shall be formed by a resolution of the Board of Directors, with its chairperson and the majority of its members being non-executive board members. The committee members must have an adequate level of knowledge in risk management and financial affairs.	The responsibilities and duties of Risk Management have been added to the Governance Committee formed by the Board, and the committee is named the "Governance and Risk Management Committee."
Article 72: Meetings of the Risk Management Committee	The Risk Management Committee shall meet periodically at least once every six months, and whenever needed.	The responsibilities and duties of Risk Management have been added to the Governance Committee formed by the Board, and the committee is named the "Governance and Risk Management Committee."



Article Number	Text of the Article / Paragraph	Reasons for Non-Application
Article 85: Employee Incentives (1)	Forming committees or holding specialized workshops to listen to the opinions of the company's employees and discuss important matters and decisions with them.	Advisory Article
Article 85: Employee Incentives (2)	Employee share grant programs or profit-sharing programs, retirement programs, and establishing an independent fund to finance such programs.	Advisory Article
Article 85: Employee Incentives (3)	Establishing social institutions for the company's employees.	Advisory Article
Article 87: Social Responsibility	The Ordinary General Assembly – based on a proposal from the Board of Directors – shall establish a policy that ensures a balance between its objectives and the goals pursued by society, aiming to improve the social and economic conditions of the community.	A social responsibility policy was developed and approved by the Ordinary General Assembly on 14 May 2024 based on the recommendation of the Board of Directors.
Article 88: Social Work Initiatives (1)	Developing performance indicators that link the company's performance to its social work initiatives and comparing that with other companies in similar industries.	Advisory Article
Article 88: Social Work Initiatives (4)	Implementing awareness programs to inform the community about the company's social responsibility.	Advisory Article

• **Interests and Rights of Board Members, Senior Executives, Their Spouses, and Minor Children in the Company's Shares or Debt Instruments as of 31/12/2024.**

Name	Status	Number of Shares at Beginning of the Year	Number of Shares at End of the Year	Net Change	Percentage Change
Ownership of Board Members, Their Spouses, and Minor Children as of 31/12/2024					
Mr. Yousef Saleh Aba Al-Khail	Chairman of the Board	463,337	695,005	231,668	%50*
Mr. Khalid Abdullah Abunayyan	Vice Chairman of the Board	-	-	-	-
Mr. Saad Falah Al-Qahtani	Board Member	125	187	62	%50*
Mr. Azzam Saud Al-Mudaihem	Board Member	317	475	158	%50*
Mr. Musa bin Abdullah Al-Ruwaili	Board Member	12	18	6	%50*
Mr. Abdullah bin Mohammed Al-Harbi	Board Member	35	52	17	%49*
Eng. Ahmed bin Ali Al-Luhaidan	Board Member	10,000	20,025	10,025	100%*
Ownership of Senior Executives, Their Spouses, and Minor Children as of 31/12/2024					
Mr. Fawzi Ibrahim Al-Hussein	Deputy Chief Executive Officer for Supply Chain	1,000	2,200	1200	120%*

* The reason for the increase in the number of shares is the approval of the Extraordinary General Assembly on 10 July 2024 to raise the company's capital by granting one share for every two shares to the company's shareholders.

• **Statement of the dates of the shareholders' general assemblies held during the year 2024 and the names of the Board members who attended these assemblies.**

#	Name	Ordinary General Assembly Meeting – 14/05/2024	Extraordinary General Assembly Meeting – 10/07/2024	Total Meetings
1	Yousef bin Saleh Aba Al-Khail	√	√	2
2	Khalid bin Abdullah Abunayyan	√	√	2
3	Saad bin Falah Al-Qahtani	√	√	2
4	Azzam bin Saud Al-Mudaihem	√	√	2
5	Abdullah bin Mohammed Al-Harbi	√	√	2
6	Abdulaziz Ali Al-Masoud ¹	×	√	1
7	Maan Yousef Aba Al-Khail ¹	×	√	1
8	Ahmed bin Ali Al-Luhaidan	√	√	2
9	Musa bin Abdullah Al-Ruwaili ²	√	×	1

1 - He was appointed in the Board term that began on 22 May 2024.

2 - His membership ended on 22 May 2024.

• **The table below shows the competitive activities disclosed by the Board member during the year 2024. It is noted that the Ordinary General Assembly held on 14 May 2024 approved participation in the competitive activities listed below in accordance with the relevant regulations.**

Member Name	Company Name	Main Activity	Nature of Relationship with the Competing Company
Mr. Khalid Abdullah Abunayyan	East Pipes Integrated Company for Industry	The company operates in the manufacturing of pipes, tubes, and hollow sections from iron and steel	The Board member holds a position in Roya Investment Company (a closed joint-stock company), which is a shareholder in East Pipes Integrated Company for Industry

Company Dividend Distribution Policy

General Dividend Distribution Policy

Dividends shall be distributed in accordance with the provisions of the company's Articles of Association as follows:

Annual or Interim Dividend Distribution

- 1 Annual or interim dividends may be distributed from distributable profits to shareholders.
- 2 If dividends are distributed in violation of paragraph (1) of this article, the company's creditors may demand repayment from the company, and the company may demand the return of any amount received by a shareholder, even if in good faith.
- 3 A shareholder shall not be obligated to return dividends distributed in accordance with paragraph (1) of this article, even if the company incurs losses in subsequent periods.
- 4 The regulations shall determine the necessary controls for implementing the provisions of this article.

Dividend Distribution Method

- 1 The Board of Directors shall issue a resolution to distribute interim dividends based on the authorization granted by the General Assembly or submit a recommendation to the General Assembly for dividend distribution.
- 2 The company shall distribute dividends from distributable profits at the end of each financial period in which the Board decides to distribute dividends. This distribution is subject to the Board's discretion based on the company's financial position, available liquidity, capital expenditures, and financial obligations.

Dividend Entitlement

A shareholder is entitled to receive their share of the dividends in accordance with the General Assembly's resolution on this matter, which shall specify the entitlement date and the distribution date. Dividends shall be distributed to shareholders registered in the shareholders' register at the end of the day specified as the entitlement date. The Board of Directors must implement the General Assembly's resolution regarding dividend distribution within the specified timeframe.

Company Requests for Shareholder Register

Number of the Company's Requests for the Shareholders' Register	Date of Request	Reasons for the Request
1	31 / 01 / 2024	Company Procedures
2	10 / 03 / 2024	Company Procedures
3	02 / 05 / 2024	Company Procedures
4	12 / 05 / 2024	General Assembly
5	30 / 06 / 2024	Company Procedures
6	01 / 07 / 2024	General Assembly
7	21 / 08 / 2024	Company Procedures
8	17 / 10 / 2024	Company Procedures



Board of Directors' Declarations

The Board of Directors declares the following

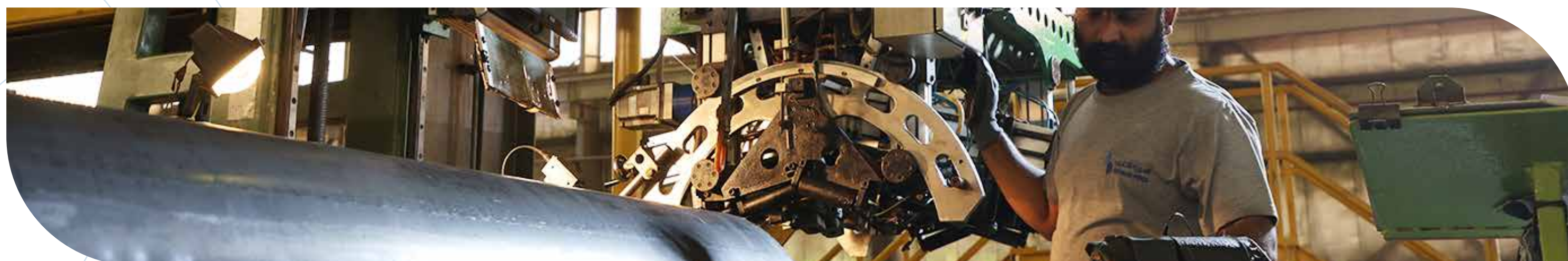
1. That the accounting records have been properly prepared.
2. The internal control system has been established on sound bases and implemented effectively.
3. There is no significant doubt regarding the ability of Arabian Pipes Company to continue its operations.

Board of Directors' Confirmations:

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

- 1 During the year 2024, the Board did not recommend changing the external auditor before the end of the designated period.
- 2 There were no recommendations from the Audit Committee that conflicted with the Board of Directors' decisions or that the Board refused to adopt regarding the appointment, dismissal, remuneration, performance evaluation of the external auditor, or the appointment of the internal auditor.
- 3 There are no interests, contractual securities, or subscription rights held by members of the Board of Directors, senior executives, or their relatives in the shares or debt instruments of the Company or any of its subsidiaries, except as disclosed in this report.
- 4 There are no interests in classes of voting shares (other than those of members of the Board of Directors, senior executives, and their relatives) that were reported to the Company under Article 85 of the Rules on the Offer of Securities and Continuing Obligations, or any changes to such rights during the last fiscal year.
- 5 There were no redemptions, purchases, or cancellations by the Company of any redeemable debt instruments.

- 6 There are no conversion or subscription rights under convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by Arabian Pipes Company during the year 2024.
- 7 There are no categories or numbers of any convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by the Company during the fiscal year 2024.
- 8 There were no transactions between Arabian Pipes Company and any related party.
- 9 There were no business dealings or contracts in which the Company was a party or in which a member of the Board of Directors, the CEO, senior executives, or any related person had an interest.
- 10 There are no arrangements or agreements under which any shareholder has waived any rights to dividends.
- 11 There are no arrangements or agreements under which any member of the Board of Directors or any senior executive of the Company has waived any salary or compensation.
- 12 There are no shares or debt instruments issued to any subsidiary, as the Company does not own any subsidiary.
- 13 There are no investments or other reserves established for the benefit of the Company's employees.
- 14 The Company's external auditor did not provide any advisory services during the year 2024 and did not receive any fees in this regard.
- 15 There were no deviations from the accounting standards adopted by the Saudi Organization for Certified Public Accountants (SOCPA).
- 16 The Board of Directors did not issue any general or unspecified authorizations during the year 2024.



**For any inquiries, please contact the
Investor Relations Department through:**

Phone: 0112650123

Email: contact@arabian-pipes.com