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2023

Annual Report





"Your Country is witnessing developmental, comprehensive and sustainable mobilization movement aiming at developing the promising and newly emerging sectors; supporting local content, facilitating business environment, enabling the Saudi Citizen, involving the private sector more widely and increasing implementation efficiency for achieving further success".



The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

May Allah protect him



"Our ambition is to build a more flourishing homeland; into which each Saudi Citizen will fulfill his/her wishes. Our homeland future that we will collaboratively be building, we shall accept nothing other than making it at the front of the nations of the world".



His Royal Highness Prince

Mohammed bin Salman bin Abdulaziz Al Saud

May Allah protect him

Crown Prince, Prime Minister



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Chairman's Message

In the name of Allah, the Most Gracious, the Most Merciful

Dear respected shareholders of the Saudi Industrial Investment Group Company

Peace be upon you and may Allah's mercy and blessings be upon you::

On my behalf, and on behalf of my fellow members of the SIIG's Board of Directors, I am pleased to present to you the annual report on the performance of the Saudi Industrial Investment Group Company, its subsidiaries, and the business results for the fiscal year ending on 12/31/2023.

During 2023, the petrochemical market has witnessed many challenges, including a shrinkage in the profit margin due to the decline in product prices and the continued rise in liquid feedstock prices. Moreover, global petrochemical markets are still witnessing a decline in demand versus an increase in supply due to the increase in quantities produced from North America and China. In fact, the Chinese economy is still facing many challenges and has not returned to its pre-COVID levels, which has mainly affected the level of growth in demand for petrochemical products. All of these factors materially affected the SIIG's results, which dropped to 112 million SR for the year 2023.

Furthermore, environmental legislations and regulations as well as sustainability considerations are also having an increasing impact on the petrochemical industry, as governments and consumers alike seek to follow more sustainable practices, which requires investment in research and development to innovate and create greener solutions in order to ensure that operations adhere to cutting-edge environmental standards to ensure its long-term viability in the market.

In 2023, investment was made in UniBio International Company, a leader in the bioprotein production technology sector, with a value of approx. 70 million USD. SIIG

and UniBio are also considering establishing a project in the Kingdom of Saudi Arabia to produce bioprotein using dry gas. The project aims to develop the industrial base in the Kingdom and benefit from SIIG's experience in establishing such projects, besides contributing to supporting food security and meeting the increasing local and global demand for bioprotein.

It is worth noting that the process of investing in UniBio and developing projects in the Kingdom in the field of biotechnology is a step that goes in line with SIIG's new strategic plan to diversify its investments, enter into new sectors based on sustainability and modern technologies, and localize technologies through forming strategic partnerships with international companies, in accordance with the 2030 Vision of the Kingdom of Saudi Arabia.

SIIG will continue to work to achieve its goals by maximizing the return to its shareholders, paying attention to security and safety in its facilities, improving the performance of jointly managed projects, raising production efficiency, developing human resources capabilities, and addressing the ongoing challenges in the petrochemical markets.

At the end, on my own behalf, and on behalf of the members of the Board of Directors, I would like to extend my sincere gratitude and appreciation to the Custodian of the Two Holy Mosques and his wise government for their continued support of the industrial sector; may Allah grant us success.

Chairman of the Board of Directors

Khalil Ibrahim Al Watban

Board Members



Eng.
Khalil Ibrahim Al-Watban
Chairman of Board of Directors



Mr.
Nabil Abdullah Al Mubarak
Deputy Chairman of the Board



H.E. Mr.
Sulaiman Abdulrahman AlGuwaiz
Member of the Board of Directors



Mr.
Farraj Mansour Abothenain
Member of the Board of Directors



Dr.
Saad Saleh AlRwita
Member of the Board of Directors



Dr.
Abdul Rahman Suleiman Al Rajhi
Member of the Board of Directors



Mr.
Ziyad Mohammed AlShiha
Member of the Board of Directors



Mr.
Adel Abdulaziz Al Quraishi
Member of the Board of Directors



Mr.
Fahad Abdul Rahman AlMaekel
Member of the Board of Directors



Mr.
Eyad Abdulrahman AlHusain
Member of the Board of Directors

First: Description of SIIG's Activity:

1.1 Establishment:

The Saudi Industrial Investment Group Company was established as a Saudi public joint stock company, headquartered in Riyadh, Kingdom of Saudi Arabia, registered in Commercial Registry No. 1010139946 dated 1 January 1996, pursuant to Ministry of Commerce Resolution No. 291 dated 23 November 1995, with a capital upon its establishment of (550) million SR. The company's capital has grown through capitalization of profits, priority rights subscriptions, and capital raising, so that SIIG's capital today amounts to (7,548) million SR.

1.2 SIIG Activity:

The Saudi Group's activity, according to its bylaws, is to invest in the following:

1

Manufacturing refined petroleum products.

2

Manufacturing basic chemicals.

3

Manufacturing other uncategorized chemical products.

4

Wholesale of solid, liquid and gaseous fuels, and related products.

5

Manufacturing synthetic plastics and rubber in their primary forms.

6

Mining chemical minerals and fertilizer minerals.

7

Mining other non-ferrous metal ores.

8

Manufacturing batteries and accumulators.

9

Downstream industries.

10

Support activities for oil and natural gas extraction.

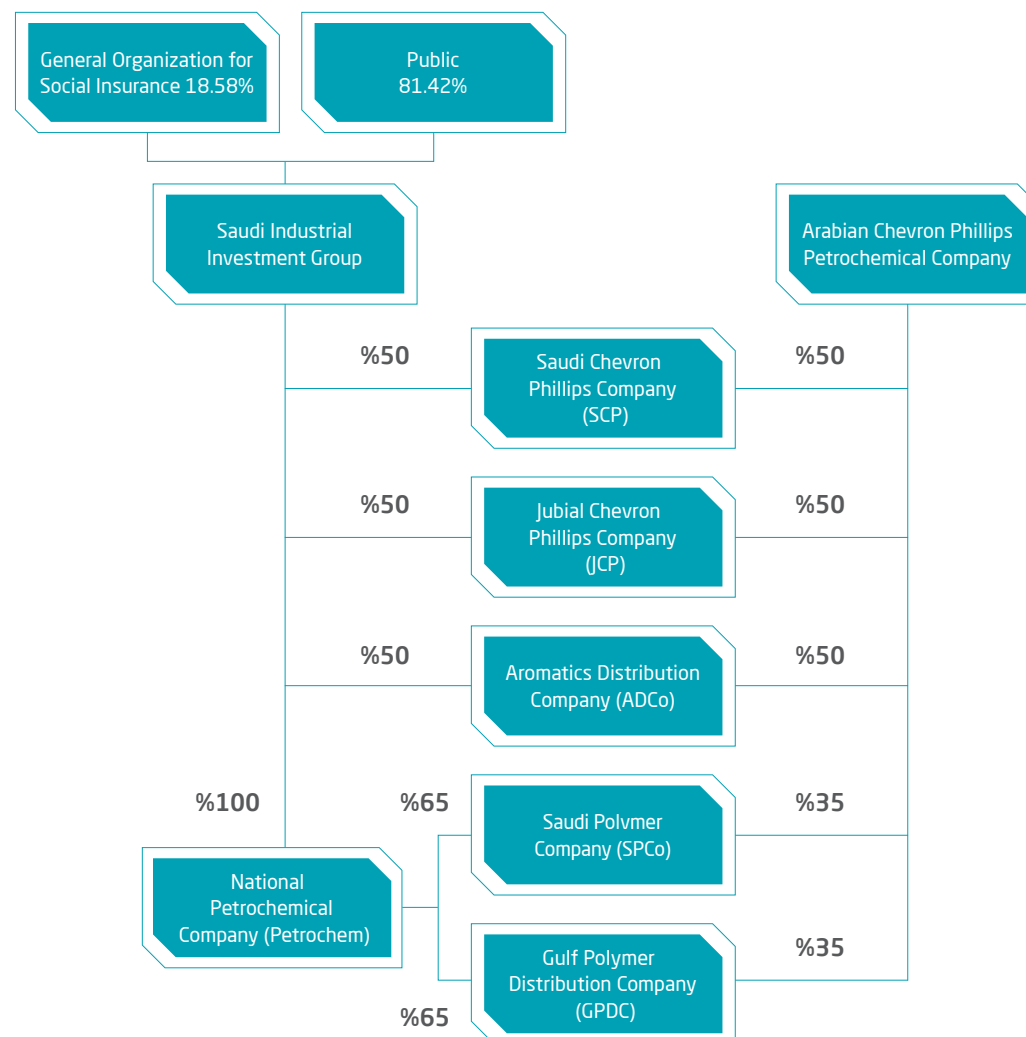
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Construction work related to other civil engineering projects.

The company's practice is currently limited to investing in its jointly managed companies to produce the following petrochemical materials: cyclohexane, styrene, aromatic compounds, propylene, polyethylene, polypropylene, and hexane-1. These products are used in manufacturing several products that are part of our daily lives, and the Saudi Group is keen on ensuring that its subsidiaries adhere to the highest quality standards in production, environmental preservation, and the safety of its employees and communities.

1.3 Ownership Structure of SIIG and its Jointly Managed Companies:

The chart below shows the percentage of ownership of the Saudi Industrial Investment Group in its jointly managed and affiliated projects by the end of 2023, as well as the percentages of SIIG's major shareholders:



Note:

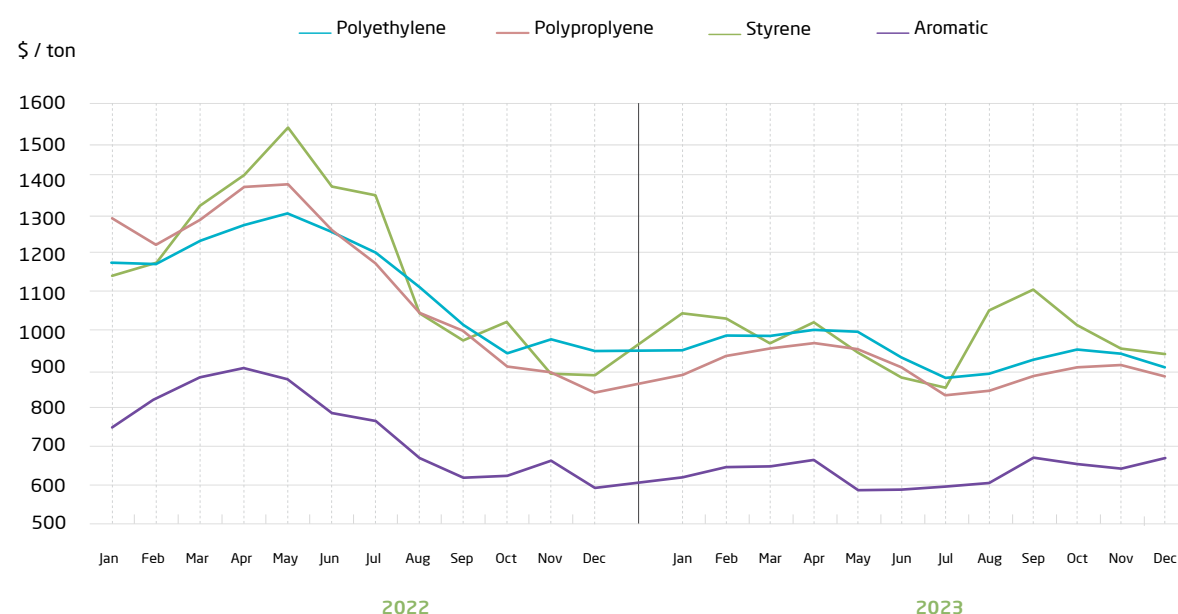
In April 2022, SIIG completed the acquisition of all issued shares in Petrochem that are not owned by SIIG, amounting to two hundred and forty million (240,000,000) ordinary shares, which represents 50% of Petrochem's capital.

1.4 Activities Description of the jointly managed companies, and their impact on SIIG's results for the year 2023:

Subsidiaries	Saudi Chevron Phillips	Jubail Chevron Phillips Company	Aromatics Distribu- tion Company	Saudi Polymers Company	Gulf Polymers Dis- tribution Company
Ownership Percentage	50% Saudi Group 50% Arabian Chevron Phillips	50% SIIG 50% Arabian Chevron Phillips	50% SIIG 50% Arabian Chevron Phillips	65% SIIG through Petrochem 35% Arabian Chevron Phillips	65% SIIG through Petrochem 35% Arabian Chevron Phillips
Foundation Year	1996	2003	2020	2007	2011
Company Entity	A limited liability company	A limited liability company	A limited liability company	A limited liability company	A limited liability company
Company Headquarters	Jubail	Jubail	Dubai	Jubail	Dubai
capital	243 million SR.	483 million SR.	100 thousand AED	1,406 million SR.	2 million AED
Company activity	Production of liquid fuels, manufacture of organic chemicals, production of primary gases, production of gaseous fuels, production of benzene, cyclohexane, and aromatic compounds.	Production of liquid fuels, organic chemicals industry, propylene industry, production of styrene and propylene	Petrochemical trade (selling, distributing and marketing Saudi Chevron Phillips products and Jubail Chevron Phillips outside the Kingdom)	Chemical elements industry Plastics industry in its primary forms Manufacturing industry Production of lighting oils Propylene industry Manufacture of polyethylene, polypropylene and hexane-1	Selling and storing polymers and monomers all over the world, and marketing the products of the Saudi Polymers Company
Start of Production	2000	2008	Distribution began in 2020	2012	Distribution began in 2012
Production Capacit (thousand tons per year)	Benzene 835 Cyclohexane 290 Aromatic compounds 780	Styrene 730 Propylene 150	Distribution of cyclohexane and styrene products	Polyethylene 1,100 Polypropylene 400 Hexane 100 Propylene 40	Distribution of polyethylene, polypropylene, hexane -1 and propylene products
Results 2023					
Operation Rate	95%	88%	--	88%	--
Annual Sales Unit of measurement = thousand tons per year	4,756	6,039	3,372	5,476	5,007
Geographical Distribution of Sales	- Inside the Kingdom 22% - Asia 23% - The Middle East 24% - Europe And Africa 31%			- Inside the Kingdom 11% - Asia 49% - The Middle East 10% - Europe And Africa 30%	
Net Income Unit of measurement = million riyals	335	(243)	48	6	174
SIIG's Share of Net Profit Unit of measurement = million riyals	182	(137)	24	14	113

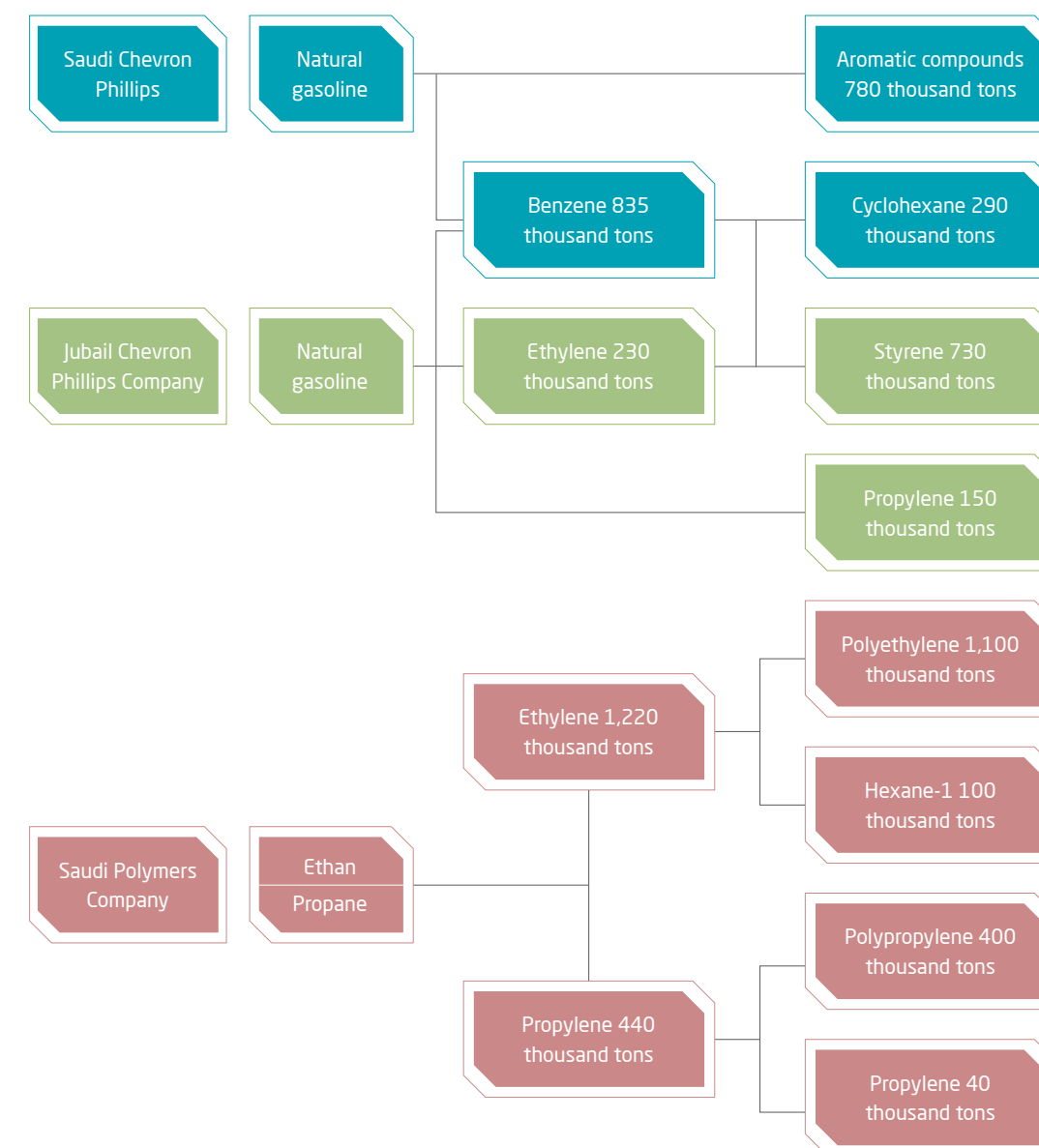
In March 2023, SIIG announced that it had signed an agreement to purchase a share in Unibio International, a leader in the bioprotein production technology sector, at a value of approximately \$70 million, which represents 24% of the company's ownership. UniBio International is a company established under the laws of Denmark. Its headquarters is in the Kingdom of Denmark, Its activity is to research and develop technology for the production and manufacturing of bioproteins.

1.5 Subsidiaries Products Prices



1.6 Projects Integration

The three projects (Saudi Chevron Phillips, Jubail Chevron Phillips, and Saudi Polymer Company) are complementary to each other. They produce various products with a total capacity of up to 6,400 thousand tons annually, some of which are used internally to produce value-added products. The quantities available for sale locally and internationally amount to 3,700 thousand tons annually:



Second: Petrochemical Industry:

The petrochemical industry in KSA constitutes a vital component of the Saudi non-oil economy. Therefore, the Kingdom aims to increase the production capacity of specialty chemicals and end-products. This will not only achieve growth in the Kingdom's non-oil exports but will also create a base for manufacturing high-value products with greater returns, besides creating job opportunities for Saudi citizens.

2.1 SIIG's contribution to the petrochemical industry and its position in the Saudi market:

The Saudi Industrial Investment Group is proud to be one of the first privately owned petrochemical companies in the Kingdom of Saudi Arabia. Its main goal is to invest in the petrochemical industry for a better future for its shareholders, customers, and the Kingdom as a whole. This is achieved by utilizing strategic partnerships from around the world, as well as by making optimal use of the Kingdom's natural resources and exploiting the available competitive advantage. SIIG's shares were listed on the Saudi Stock Exchange (Tadawul) on February 15, 2004. The Saudi Industrial Investment Group is considered one of the leading companies in the field of developing the industrial base in the Kingdom, especially the petrochemical industries. SIIG is considered one of the largest petrochemical companies in the Kingdom of Saudi Arabia in terms of hypothetical market value - and among the largest companies in the Middle East and North Africa region - with a hypothetical market value of 16.7 billion SR. as of December 31, 2023, and a total hypothetical combined production capacity of 6.3 million tons annually as of December 31, 2023. The Saudi Group has also established a strong, cohesive base represented by its strategic alliance with a partner with competitive experience in the field of the petrochemical industry, thus enhancing its technical and investment capabilities in this field. Arabian Chevron Phillips Petrochemical Company is considered a strategic ally with the Saudi Industrial Investment Group. The Saudi Industrial Investment Group aims to strengthen its current industrial complex to produce aromatic and hydrocarbon products by continuing to expand investment in the field of the petrochemical industry, besides enhancing private sector investments in the same field of industry.

2.2 Challenges and prospects for the petrochemical market:

The petrochemical industry sector globally in general, and in the Kingdom of Saudi Arabia in particular, has witnessed significant development over the past few years due to several factors, including shifts in macroeconomic fundamentals, the development of commodity prices, shifting investments in regional production capacity, and reforms in public policies, among others. The latest developments in the petrochemical sector impose challenges on the entities operating in this field, which can hinder performance and limit growth potential. Such challenges include, but are not limited to:

01.

The shale oil boom in the United States, which was accompanied by an expansion in the production and supply of ethane gas and a decline in its price. This decline in price led to the construction of large production capacities and increased competitiveness among polymer manufacturers around the world.

02.

Saudi Aramco has notified users of dry sales gas fuel and ethane of an adjustment in the prices of these products starting from 01/01/2024, which will lead to higher production costs and reduce the net profits of local petrochemical companies that depend on these materials.

03.

Decrease in polymer imports in the Northeast Asia region, which is one of the largest destinations for polymer exports from the Kingdom - due to high self-sufficiency. Ethylene production capacity in the region increased at a compound annual growth rate of about 4.9% between 2015-2022, while ethylene production capacity in the Middle East increased at a compound annual growth rate of 1.8% in the same period.

04.

High interest rates make financing costs high.

Despite these challenges, the increase in the world's population and the increase in per capita purchasing power in many countries of the world, especially in China and India, have led to an increase in demand for consumer products around the world, which depend on petrochemicals in their manufacture. Countries in the Arabian Gulf region have become among the largest exporters to China due to their production capabilities and geographical location. It is expected that the next decade will witness a significant increase in petrochemical production capacity. The shale gas boom has provided large and cheap supplies of feedstock to American producers, and China has succeeded in developing technology that enables it to use coal in its petrochemical supply chain. Therefore, there are still major challenges for manufacturers in the Gulf region to maintain their position in the petrochemical industries. The industry also faces a major challenge in terms of preserving the environment and recycling its end-products.

Regarding prices, the first half of 2023 witnessed a slight increase in the prices of petrochemical products. It led to an improvement in the results of the petrochemical companies, but it soon began to decline in the second half of 2023, which caused the petrochemical companies to decline in their results. As a result, it may be difficult to predict the company's future results due to price fluctuations and accelerating economic impacts. SIIG will continue to work on regulating operations, production, and sales to mitigate the negative impact of these challenges.

Third: Risks Related to SIIG's Main Business

SIIG and its projects manage its factory operations, manage risks, monitor performance, and aim to develop the rights of its shareholders and enhance the company's competitive capabilities in various markets. The company and its jointly managed companies continuously monitor the management of these risks and take preventive measures that contribute to raising the level of awareness and reducing their impact. Among the risks that may affect the company in its main industries are the following:

3.1 Risks associated with the subsidiaries' main activities:

1. The risks of supply and prices of raw materials (feedstock) on which the jointly managed companies rely for production; the jointly managed companies supply feedstock mainly from the Saudi Arabian Oil Company (Saudi Aramco) at prices similar to the prices of petrochemical companies in Saudi Arabia, and any change in the price of the feedstock will affect the company's profitability. The concentration of raw material requirements from Saudi Aramco is approximately 100%. Under the raw material supply agreements currently in effect, the Saudi Arabian Oil Company (Saudi Aramco) is not obligated to supply the agreed upon raw materials or provide an alternative to that, in addition to being not responsible for any loss that may occur due to its failure to deliver the materials in accordance with the agreement. Accordingly, if the jointly managed companies lose the Saudi Arabian Oil Company (Saudi Aramco) as a supplier of raw materials, or if the Saudi Arabian Oil Company (Saudi Aramco) is unable or unwilling to supply the Saudi Polymers Company with raw materials in the required quantities or refuses to supply it with any quantities as a result of a shortage in produced quantities or operational problems in any of its production facilities; jointly managed companies may be exposed to temporary supply interruptions that may force them to close their facilities. In addition, jointly managed companies could experience material delays in their search for suitable alternative raw materials on commercially viable terms. If any of these risks materialize, SIIG's business will be materially adversely affected.
2. There are operational performance risks given that projects contain many technologies and equipment, which by nature may be subject to malfunctions and downtime from time to time; therefore, production quantity may be affected as a result of these stops. In order to reduce the risks of these downtime, the jointly managed companies implement a comprehensive reliability program for all their units and work to the highest international standards in maintaining those units on an ongoing basis.
3. The activity of the jointly managed companies includes the manufacture and marketing of petrochemical products, some of which are hazardous or flammable materials, as is the case in any activities that involve dealing with hazardous materials. To reduce these risks, the jointly managed companies undertake continuous training of workers in all areas of safety and protect the environment, while committing to apply the highest safety standards applied globally.
4. Interest rate risk, which has two impacts on SIIG's business as their continued decline negatively affects bank deposits, Islamic Murabaha, and existing hedging operations to which the subsidiaries are linked. In return, the rise in interest rates negatively affects the business of SIIG and its jointly managed companies. High interest rates lead to an increase in the cost of existing loans in jointly managed companies.
5. Human resources risks associated with the instability of Saudi talent and its impact on the development of the company's performance and continuity. To avoid these risks, SIIG and its jointly managed companies prepare appropriate programs that help attract and stabilize Saudi employees and work to minimize the turnover rate.
6. Environmental risks inherent in petrochemical industries - such as pollution - and the resulting fines and costs. To reduce environmental risks, jointly managed companies adhere to the principles of sustainability by using materials that are least harmful to the environment, which are globally permitted, and disposing of waste in the correct ways that do not harm the environment and society by specialists in this field.
7. Risks related to anti-dumping laws in markets in which subsidiaries' products are sold. SIIG works to implement the best international practices in distributing its products, in addition to cooperating and coordinating with official authorities to represent the Saudi side in dumping cases that may be filed against it abroad.



3.2 Limited Revenues from Operations:

The Group is a holding company with no operational activities, source of income, or assets of its own other than 1) its ownership of shares in its jointly managed companies, which are represented by the following companies: Saudi Chevron Phillips Company, Jubail Chevron Phillips Company, Aromatics Distribution Company, Saudi Polymer Company (via Petrochem), Gulf Polymers Distribution Company (via Petrochem), and Unibio International. 2) its investments in Islamic Murabaha; therefore, SILG's cash flows and its ability to distribute profits to its shareholders depend on the distribution of profits or other transfers from its subsidiaries.

3.3 Market and Sector Related Risks:

1. Risks associated with competition.

SILG and its jointly managed companies operate in a highly competitive industrial sector, which is greatly affected by the level of supply and demand. Jointly managed companies work to market and sell their products in various local, regional and global markets, and they expand their customer base through marketing agreements. They are also exposed to price fluctuations in petrochemical products. Subsidiary companies work to minimize such effects through the optimal distribution of their products globally, reducing costs as much as possible, and increasing the quantities produced and sold.

2. Risks related to import and export..

Changes in existing legal or regulatory requirements in the countries or regional trading blocs (such as the Gulf Cooperation Council Customs Union) in which SILG's companies operate, or the imposition of new requirements with respect to import and export, including anti-dumping duties and customs tariffs, will affect the competitive position of products manufactured by SILG's jointly managed companies or may prevent the sale of such products in certain relevant countries, which may negatively affect SILG's business.

3. Risks related to changes in supply and demand for products..

The markets for jointly managed companies' products have experienced successive periods. In some of them, there has been a contraction in supply; and this caused prices and profit margins to increase, followed by periods of recovery in production capacity, resulting in excess supply and declines in prices and profit margins. Accordingly, the future growth of demand for the products of jointly managed companies may not be sufficient to mitigate the impact of a surplus in production capacity, especially since these conditions may last for a longer period or may be further exacerbated as a result of expected or unexpected additions to production capacity, or due to any other events. As a result, the jointly man-

aged companies' production levels, product sales and profit margins may be significantly affected, which in turn leads to a reduction in its financial performance levels in general, which also in turn affects the financial position of the Saudi group.

4. Risks related to crude oil prices.

The price of most of SILG's jointly managed companies' products is linked to the feedstock price. Accordingly, the global prices of oil and its derivatives greatly affect the prices of other petrochemical products, which makes their prices highly volatile and unstable as a result of many variables in the global oil markets. Since it may be difficult to control the factors that affect the prices of oil and its derivatives, any decline in crude oil prices could have a negative and material impact on the results, financial condition and liquidity of the jointly managed companies of the Saudi Group, including their ability to finance planned capital expenditures, and thus may negatively impact the Saudi Group and its financial results.

5. Risks related to fluctuations in the prices of feedstock and the company's products.

There is no guarantee that prices of raw materials and products will remain at their current levels as feedstock prices may be affected by a number of factors beyond the control of the Group or any of its jointly managed companies, which may include - but are not limited to - changes in economic conditions in the Kingdom, supply and demand, economic policies pursued by the government, and global or regional economic conditions, or international treaties to which the Kingdom is currently bound or to which it may become a party in the future. There is also no guarantee that the prices of raw materials will not change, and there is also no guarantee that they will not affect the profitability of the Saudi Group. If any of the above is achieved, this may have a negative and material impact on the Saudi Group's business, financial condition and business results.

6. Risks associated with the Kingdom's economy and the global economy.

SILG and its jointly managed companies conduct the majority of their operations in the Kingdom of Saudi Arabia, and most of their interests are concentrated there. Therefore, the business of the Group and its jointly managed companies and the results of their operations and financial results may be affected in general and continue to be affected by the prevailing general financial, political and economic conditions (every now and then) in the Kingdom in particular, or in the Middle East region in general.

These markets are exposed to risks similar to those in other developed and developing markets, including influential legal, economic and political risks, and the spread of epidemics and diseases (as happened as a result of the spread of the Covid-19 virus). Although the Kingdom of Saudi Arabia seeks to diversify its economy, lift government support and reduce its dependence on oil, however, the oil and gas sector remains the dominant sector with the most influence on the Saudi economy. Accordingly, in the event of any decline in global prices of hydrocarbon products, this will negatively affect the economy of the Kingdom of Saudi Arabia, which in turn may negatively affect the Saudi Group's business, financial position and results of operations.

7. Supply chain risks.

The risks of disrupting shipping in the Arabian Gulf or the Strait of Hormuz due to the fact that SILG's projects are located on the eastern coast of the Kingdom, and its reliance on exporting its products through ports located on the Arabian Gulf, and as a result of any political or military events occurring in the Arabian Gulf that may hinder the company's projects' ability to export its products outside the Kingdom.



Fourthly: description of SIIG's significant plans and decisions, and future expectations of SIIG's business:

4.1 Unscheduled stoppage of the jointly managed Saudi Group project (Saudi Polymers Company).

The Saudi Industrial Investment Group announced on the Tadawul website on 29 January 2023, a temporary and unscheduled suspension of the Saudi Polymers Company project. This was due to a technical problem in the ethylene refrigeration unit, which lasted for 37 days. The operations management team worked to fix the problem and gradually restart all units in a safe manner while maintaining the safety of employees and equipment.

4.2 Signing an agreement to purchase a share in UniBio International.

The Saudi group announced on the Tadawul website on 27 March 2023 to shareholders that it had signed an agreement to purchase a share in Unibio International, a leader in the bioprotein production technology sector, at a value of approximately \$70 million, which currently represents 24% of the company's ownership. The Saudi group also indicated that it is currently considering, in partnership with UniBio, the establishment of a project in the Kingdom of Saudi Arabia to produce bioprotein using dry gas. The project aims to develop the industrial base in the Kingdom and benefit from SIIG's experience in establishing such projects, in addition to contributing to supporting food security and meeting the growing local and global demand for vital protein. It should be noted that the investment process in UniBio Company and the development of projects in the Kingdom in the field Biotechnology is a step that goes in line with SIIG's new strategic plan to diversify its investments, enter into new sectors based on sustainability and modern technologies, and localize technologies by forming strategic partnerships with international companies, which goes in line with the Kingdom of Saudi Arabia's 2030 Vision.

4.3 Future expectations of SIIG's business.

At the beginning of January 2024, the Saudi Group announced the intention of its jointly managed projects (Saudi Chevron Phillips Company and Jubail Chevron Phillips Company) to stop performing scheduled periodic maintenance and replenishing catalytic materials, according to the following:

- » Jubail Chevron Phillips project as of Sunday 7-1-2024, and for a period 50 days.
- » Chevron Phillips Saudi Arabia project as of Saturday 1-13-2024 and for a period 36 days.

This, in turn, will affect the Saudi Group's results in that quarter; but due to price fluctuations, it is currently difficult to predict the company's future results. Regarding global and local prices, as it is considered the main influence on the company's results, prices are still sharply low and are expected to continue until the first half of 2024.

4.4 Adjusting Feedstock Prices (dry gas fuel and ethane).

Saudi Aramco has notified users of dry gas fuel and ethane of an adjustment in the prices of these products starting from 01/2024/01/, which will lead to higher production costs for local petrochemical companies that depend on these materials starting from 2024.



Fifth: SIIG's Financial Results:

5.1 Summary of SIIG's business results for the financial years 2019-2023:

The following table shows SIIG's business results for the past five years:

Statement of financial position (in million SR)	2023	2022	2021	2020	2019
Current assets	1,739	2,352	3,574	1,781	5,838
Non-current assets	9,034	8,702	8,737	9,385	16,397
Total assets	10,772	11,054	12,310	11,166	22,235
Current Liabilities	724	347	397	676	3,000
Non-current liabilities	25	20	20	19	4,267
Total Liabilities	750	367	417	694	7,267
Total equity	10,023	10,687	11,893	10,472	14,968
Total Liabilities and equity	10,772	11,054	12,310	11,166	22,235

Income statement (in million SR)	2023	2022	2021*	2020*	2019
Sales*	-	-	-	-	7,656
Sales cost*	-	-	-	-	(5,773)
Gross profit*	-	-	-	-	1,883
SIIG's share in the profits of jointly managed projects*	188	494	1,906	253	274
General and administrative expenses, selling and distribution expenses*	(63)	(72)	(69)	(52)	(616)
Losses on a jointly managed project investment	-	-	-	-	-
Operating profit*	125	422	1,837	201	1,541
Financing incomes (Costs)	56	45	10	20	(113)
Other income (net)	-	-	1	-	14
Income (loss) before non-controlling interests and zakat	181	467	1,848	221	1,442
Zakat and income tax	(69)	(74)	(30)	(14)	(158)
The share of non-controlling interests in subsidiaries net profits (Loss)	-	(116)	(682)	(115)	(678)
Net profit	112	277	1,136	92	606
Earnings per share in riyals	0.15	0.41	2.53	0.2	1.35

*Note:

- » Starting from the third quarter of 2021, (Petrochem) stopped the method of complete consolidation of its financial statements with the Saudi Polymers Company and Gulf Polymers Distribution Company, and it presented its investments in them according to the equity method. In addition, (Petrochem) changed the method of consolidating its lists with its jointly managed companies, which led to the fact that SIIG also changed the way it presented its financial statements, and the lists for the fiscal year 2021 and the comparative figures for the fiscal year 2020 were presented using the equity method, and the previous years using the full consolidation method, as previously published.
- » Moreover, on 10 April 2022, SIIG concluded an acquisition deal for all issued shares in Petrochem that are not owned by the Saudi Group, amounting to two hundred and forty million (240,000,000) shares, which represent (50%) of Petrochem's capital, in exchange for the Saudi Group issuing three hundred and four million eight hundred thousand (304,800,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share for the benefit of Petrochem shareholders by increasing its paid-up capital from four billion five hundred million (4,500,000,000) Saudi riyals to seven billion five hundred and forty-eight million SR (7,548,000,000). After the implementation of the Assembly's decision, Petrochem became an unlisted joint stock company wholly owned by the Saudi Group.

5.2 Material differences in operating results compared to previous year results:

Items (In million SR)	2023	2022	Changes +/-	Change Percentage %
The company's share in the profits of jointly managed projects	188	494	(306)	(%62)
General and administrative expenses, selling and distribution expenses	(63)	(72)	9	(%13)
Operating profit	125	422	(297)	(%70)
Net profit	112	277	(165)	(%60)

The reasons for the decrease in the company's net profits during the year 2023, compared to last year, are due to the following:

1. Unscheduled shutdown of the Saudi Polymers Company project for 37 days during the first quarter of 2023.
2. Decrease in profit margin due to lower product selling prices and higher feedstock prices for the year 2023.

5.3 Financial accounting policies and implementing standards:

The company's annual consolidated financial statements were prepared in accordance with the International Financial Reporting Standards and other standards and versions approved by the Saudi Organization for Certified Public Accountants, and there is no difference in the financial accounting policies and standards applied in the company.



Sixth: Dividend distribution policy:

The company's annual net profits are distributed after deducting all general expenses and other costs as follows:

01.

The Ordinary General Assembly (when determining the dividend of shares in net profits) may decide to form reserves to the extent that achieves the interest of the company or ensures the distribution of fixed profits (as much as possible) to shareholders.

03.

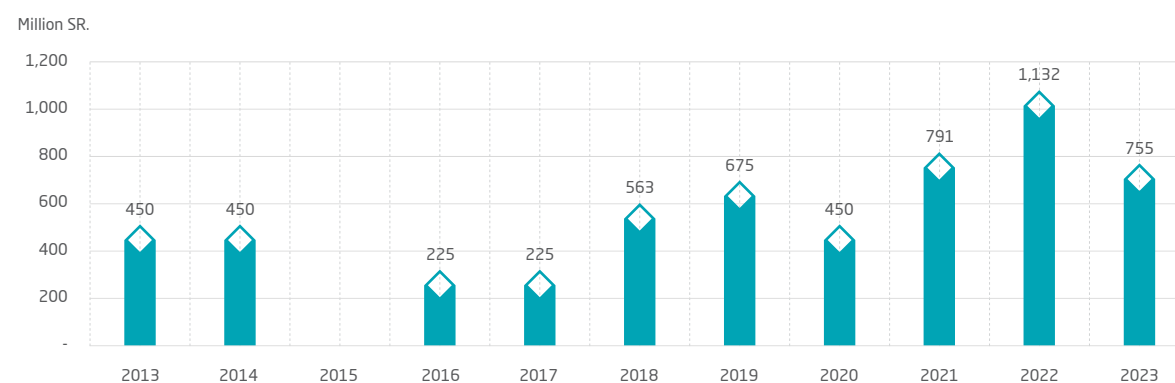
The General Assembly shall determine the distribution of reserves that shareholders previously decided to set aside, including any reserves that were set aside in accordance with any regulatory requirements that precede the date of adoption of this Articles of Association.

According to the provisions of Article (68) of the Income Tax Law and Article (63) of its Executive Regulations, cash distributions from the company to non-resident shareholders are subject, when transferred or credited to their bank accounts, to a withholding tax of 5%.

Thus, the Board of Directors of the Saudi Industrial Investment Group decided to distribute cash dividends for the fiscal year 2023 according to the following:

Profit Period	Board of Directors Decision	Due Date	Distribution Date	Total amount distributed	Number of shares outstanding	Distributed profit per share	Ratio
1st half - 2023	1/8/2023M	8/8/2023M	8/24/2023	million 377.4 SR	million shares 754.8	SR 0.5	5%
2nd half -2023	12/17/2023M	12/18/2023M	1/4/2024	million 377.4 SR	million shares 754.8	SR 0.5	5%

Thus, the total amount distributed as dividends for the year 2023 is 754.8 million SR, and the dividend per share is one riyal, at a rate of 10% to the nominal value of the share. The cash dividends during the past years were as follows:



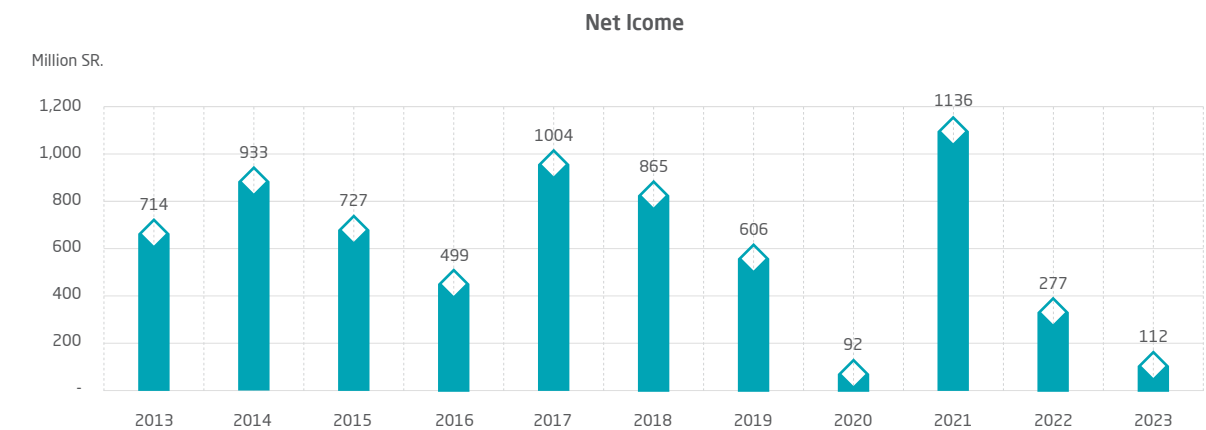
02.

The General Assembly shall determine the percentage that must be distributed to shareholders from the net profits after deducting reserves, if any.

04.

The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis by decision of the Board of Directors in accordance with the applicable regulations and controls established by the competent authority.

The company has achieved net profits during previous years as follows:



It is known that the petrochemical industry is a fluctuating sector due to the changing prices of feedstock costs as well as the prices of final products globally. So, it is difficult to predict the company's profits for the coming years, which requires reviewing the dividend distribution policy periodically, knowing that the company aims to achieve continuity and growth in annual distributions to shareholders, whenever it is able to do so, and the following table shows the balance of profits:

SR **458,190** Million

Retained profit balance on 1/1/2023

SR **(754,800)** Million

Dividends for the year 2023

SR **1,047,672** Million

Transfer from statutory reserve

SR **112,201** Million

Net profits on 12/31/2023

SR **(21,808)** Million

Other comprehensive income for the year

SR **11,679** Million

Previous years settlements

SR **853,134** Million

Accumulated retained profits on 12/31/2023

Seventh: Loans and Debt Instruments:

There are no direct loans on the Saudi Group, while its subsidiary, the National Petrochemical Company (Petrochem), has loans on the Saudi Polymers Company project, which were fully repaid in December 2023. The Saudi Polymers Company signed refinancing agreements with the Saudi National Bank and Riyadh Bank, with a total of 3,000 million riyals for a period of four years to be paid semi-annually starting from June 2020 and ending in December 2023, and carrying an interest rate based on the interest rate between Banks in London (LIBOR), in addition to 0.9% and guaranteed by a principal bond. The following table shows the loan information and debt instruments and its movement during the year 2023 (in million SR):

Lender	Loan value	Opening balance	Amounts paid during the year	Ending balance	Loan term (year)*
Riyadh Bank	1,500	375	375	-	4
Saudi National Bank	1,500	375	375	-	4
Total	3,000	750	750	-	

*Payment began mid-year 2020.

(For more information, the jointly managed Saudi Polymers Company obtained the original loan before establishing the project, which entailed many conditions, the most important of which are: withholding cash amounts as a guarantee to repay the loan, and in view of the regularity of the company's operational work, the improvement of its financial capacity, and the repayment of the largest part of The loan. the company decided to refinance the original loan to obtain better financing conditions, as the company was able to use the retained amounts amounting to (1,762) million SR to pay off part of the value of the original loan, and this contributed to reducing the total value of the new financing, and the refinancing aims to ease the restrictions on the distributions of the Saudi Polymers Company in the future, knowing that this does not necessarily result in additional dividend distributions from the group to its shareholders in the near term. The original loan amounted to (13,458) million SR, provided by the Saudi Industrial Development Fund, the Public Investment Fund, and 19 commercial banks, 9 of which are local. The repayment began in 2013, and the full repayment of the loan was supposed to be completed at the end of 2023, and the original loan was settled during the year ending on December 31, 2020).

Eighth: Description of any interest in the class of voting shares or SIIG's debt instruments (except for members of SIIG's board of directors, senior executives and their relatives), and any change in those rights during the fiscal year 2023:

Name of the person who has the interest	Beginning of year	End of year	Net change	Change Ratio
	Number of Shares	Number of Shares		
General Organization for Social Insurance	140,260,833	140,260,833	-	-
Ownership percentage	18.58%	18.58%	-	-

Ninth: SIIG Administration:

9.1 Board of Directors Formation and Members Classification:

The Saudi Group Company is managed by a board of directors consisting of ten members, 9 of whom were elected on 4/21/2021; and on 4/10/2022, the extraordinary General Assembly approved increasing the number of board members from 9 members to 10 members as a result of the Saudi Group's acquisition of the National Petrochemical Company (Petrochem). This was one of the conditions of the acquisition deal that one member from Petrochem Company would move to the Group. It is worth noting that the current term of membership began on 7/1/2021, and the current Board term ends on 6/30/2024. The Board members are classified according to the definitions in the Corporate Governance Regulations issued by the Capital Market Authority as follows:

#	Member name	Position	Capacity
1	Eng. Khalil Ibrahim Al Watban	(Chairman of Board of Directors) (A representative of the General Organization for Social Insurance)	Non-executive
2	Mr. Nabil Abdullah Al-Mubarak	(Vice Chairman)	Non-executive
3	Mr. Sulaiman Abdulrahman Al-Quwaiz	Member of the Board of Directors	Non-executive
4	Dr. Abdulrahman Sulaiman Alrajhi	Member of the Board of Directors	Non-executive
5	Mr. Faraj Mansour Abu Thanin	Member of the Board of Directors	independent
6	Dr. Saad Saleh AlRwita	Member of the Board of Directors	independent
7	Mr. Adel Abdul Aziz Al Quraishi	Member of the Board of Directors	Non-executive
8	Eng. Ziyad Mohammed AlShiha	Member of the Board of Directors	independent
9	Mr. Eyad Abdulrahman Al-Hussein	Member of the Board of Directors (Representative of the General Organization for Social Insurance)	Non-executive
10	Mr. Fahad Abdul Rahman AlMaekel	Member of the Board of Directors	independent

9.2 Names of members of the Board of Directors, committee members, and executive management, their current and previous jobs, qualifications and experience:

Board of Directors (And the committees emanating from the Council):	
1. Khalil Ibrahim Al Watban: Chairman of Board of Directors - Chairman of Executive Committee	
Current Position	Retired
Qualifications	Bachelor's degree in mechanical engineering.
Previous jobs and experiences	<ul style="list-style-type: none"> - Undersecretary of the Ministry of Economy and Planning for Sectoral and Regional Development Affairs (2018 - 2022). - Vice Chairman of Strategy and Planning at the Saudi Arabian Mining Company and its subsidiaries. (2009-2018-). - Chairman of Alpha Project Development Company (2007 -2009). - Vice Chairman of Projects and Engineering at Marafiq Electricity and Water Company (2004-2007-). - Career progression in the Saudi Basic Industries Corporation (SABIC) and its subsidiaries (1987-2004-).
2. Nabil Abdullah Al-Mubarak: Deputy Chairman of the Board - Executive Committee Member	
Current Position	CEO and Managing Director of Financial Analytics.
Qualifications	<ul style="list-style-type: none"> - Master of Information Management and Financial Management. - Bachelor of Accounting.
Previous jobs and experiences	<ul style="list-style-type: none"> - Founder and CEO of Simah Credit Rating Agency (Tasneef) (2015-2022). - Founder and CEO of Saudi Credit Information Company (Simah) (2004-2017). - Career progression in the Central Bank of Saudi Arabia (1992-2003).
3. Sulaiman Abdulrahman Al-Quwaiz: Member of the Board of Directors - Executive Committee Member	
Current Position	Retired
Qualifications	<ul style="list-style-type: none"> - Professional qualification in corporate financial management and banking operations management. - Bachelor of Business Administration.
Previous jobs and experiences	<ul style="list-style-type: none"> - Governor of the General Organization for Social Insurance (2013-2021). - Several administrative positions at the Saudi American Bank and Riyad Bank (1981-2013).
4. Abdulrahman Sulaiman Alrajhi: Member of the Board of Directors - Audit Committee Member	
Current Position	Businessman
Qualifications	<ul style="list-style-type: none"> - PHD. in Accounting. - Master's degree in accounting. - Bachelor's degree in accounting.
Previous jobs and experiences	Multiple experiences and positions in the management of Sulaiman Abdul Aziz Al Rajhi Holding Company, Sulaiman Al Rajhi Charitable Foundation, and the management of the National Information Systems Company.
5. Faraj Mansour Abothenain: Member of the Board of Directors - Chairman of Nominations and Remuneration Committee	
Current Position	Retired
Qualifications	<ul style="list-style-type: none"> - Bachelor's degree in industrial management. - Chase Manhattan Credit and Financial Analysis Program.
Previous jobs and experiences	<ul style="list-style-type: none"> - Senior Vice Chairman for Investment and Finance at the National Industrialization Company (1999-2008). - Director of the Lending Department at the Saudi Industrial Development Fund (1982-1999).

**6. Saad Saleh AlRwita: Member of the Board of Directors - Chairman of Audit Committee -Chairman of Governance Committee**

Current Position	- Vice President of Prince Sultan University. - Secretary General of the Riyadh Science Charitable Foundation
Qualifications	- PhD in Accounting. - Master's degree in accounting. - Bachelor's degree in accounting.
Previous jobs and experiences	- Head of the Accounting Department at King Saud University and held positions and memberships on boards of directors and audit committees in companies and government institutions.

7. Adel Abdul Aziz Al Quraishi: Member of the Board of Directors - Member of Nominations and Remuneration Committee

Current Position	Businessman
Qualifications	- Bachelor of Industrial Management.
Previous jobs and experiences	- He held positions and memberships on boards of directors in companies and government institutions. (2000-2023). - Managing Director of the United Arab Motors Company (1995-2000). - He worked in several positions at Samba Bank (1991-1994).

8. Ziyad Mohammed AlShiha: Member of the Board of Directors - Member of Nominations and Remuneration Committee

Current Position	CEO of the Saudi Investment Recycling Company «SIRC».
Qualifications	- Master's degree in business administration. - Master's degree in electrical engineering. - Bachelor's degree in electrical engineering.
Previous jobs and experiences	- Managing Director of Al-Widyan Real Estate Company, Saudi Arabia (2018 - 2019). - CEO of the Saudi Electricity Company (2014 - 2018). - Saudi Aramco in several operational and executive positions inside and outside the Kingdom (1984 - 2014).

9. Eyad Abdulrahman Al-Hussein: Member of the Board of Directors - Member of Governance Committee

Current Position	Assistant Governor for Financial Affairs - General Organization for Social Insurance.
Qualifications	- Master's degree in commerce and finance. - Bachelor's degree in accounting.
Previous jobs and experiences	- Assistant Governor for Financial and Administrative Affairs - General Organization for Social Insurance (2014 - 2021). - Director General of Financial Affairs - General Organization for Social Insurance (2009 - 2013). - Director General of Financial Control - General Organization for Social Insurance (2007 - 2009). - Financial Controller - General Organization for Social Insurance (2000 - 2007).

10. Fahad Abdul Rahman Al-Maikil: Member of the Board of Directors - Member of Nominations and Remuneration Committee - Member of Governance Committee

Current Position	Private business
Qualifications	Bachelor of Economics and Management.
Previous jobs and experiences	- Chief Executive Officer of Saudi Arabian Refineries Company (SARCO) (2013-2024). - Deputy Director of the Jeddah Southern Region Cement Company Office (2004-2012). - The National Guard of the Western Sector in the Tenders Department - 2003.

Committee Members (Non-board members)**1. Khalid bin Mohammed Al-Khwaiter: Non-board member of the audit committee**

Current Position	Financial and administrative consultant.
Qualifications	- Bachelor of Administrative Sciences - Accounting Department. - American CPA Fellowship.
Previous jobs and experiences	- Financial Director at Advanced Electronics Company (2018-2022-). - Career progression in several positions at the Advanced Electronics Company (1984-2018-). - He held many audit committee memberships in companies and government institutions.

Executive Management**1. Abdul Rahman Saleh Al Ismail**

Current Position	CEO of the Saudi Industrial Investment Group.
Qualifications	- Master's degree in economics. - Bachelor's degree in financial management.
Previous jobs and experiences	- Managing Director - National Petrochemical Company from (2008 - 2020). - Projects Manager - Saudi Industrial Investment Group (2004 - 2008). - General Manager - Interconnected Solutions Technology Company (2002 - 2004). - Director of Investment Programs - Institute of Banking (SAMA) (1994 - 2002).

2. Fahad Abdullah Al Thiban

Current Position	Director of Operations Department - Saudi Industrial Investment Group
Qualifications	Bachelor's degree in Statistics.
Previous jobs and experiences	- Acting CEO - National Petrochemical Company (2021 - 2022). - General Manager of Marketing - National Petrochemical Company (2011 - 2020). - General Manager of Gulf Polymers Company (2011 - 2020). - Mr. Fahad Al Thiban also worked in several positions during his work at SABIC: - General Manager of SABIC Türkiye (2010-2011). - Methanol Producer Business Manager (2007 - 2010). - Regional Director at SABIC Asia Pacific - Singapore (2003 - 2006).

3. Hossam Mohammed Al-Badr

Current Position	Executive Director of Finance - Saudi Industrial Investment Group.
Qualifications	- Master of Business Administration-Finance and banking. - Bachelor's degree in accounting.
Previous jobs and experiences	- CFO of Finance and Shared Services - Abdullah Abu Nayan Investment Holding Company (2020-2023). - Executive Director of Finance - Arab Agricultural Services Company (ARASCO) (2018-2020). - He held several positions at the Arab Agricultural Services Company (ARASCO) (2014-2018). - Corporate Relationship Manager - Al Rajhi Bank (2006 - 2014).



9.3 Companies inside or outside the Kingdom in which a board member is a member of the current and previous boards of directors or one of its managers:

Current Board Membership			Previous Board Membership		
Company	inside/Outside the kingdom	Legal entity	Company	inside/Outside the kingdom	Legal entity
Eng. Khalil Ibrahim Al Watban (Chairman of Board of Directors)					
Water Transmission and Technologies Co.	Inside the Kingdom	Limited liability	Saudi Investment Recycling Company "SIRC"	Inside the Kingdom	Limited liability
National Petrochemical Company (Petrochem)	Inside the Kingdom	Closed joint stock	Marine Business Environmental Services Company	Inside the Kingdom	Limited liability
Saudi Polymers Company	Inside the Kingdom	Limited liability			
Saudi Chevron Phillips	Inside the Kingdom	Limited liability			
Jubail Chevron Phillips Company	Inside the Kingdom	Limited liability			
Mr. Nabil Abdullah Al-Mubarak (Board Vice Chairman)					
Lindo Company	Inside the Kingdom	Closed joint stock	Arab Sea Information Systems Company	Inside the Kingdom	Joint stock
Financial Analytics company	Inside the Kingdom	Limited liability	Social Development Bank	Inside the Kingdom	Governmental institution
Al Murshid Holding Group	Inside the Kingdom	Closed joint stock			
Al Murshid Contracting Company	Inside the Kingdom	Closed joint stock			
Saudi Polymers Company	Inside the Kingdom	Limited liability			
Saudi Chevron Phillips	Inside the Kingdom	Limited liability			
Jubail Chevron Phillips Company	Inside the Kingdom	Limited liability			
Mr. Suleiman Abdulrahman Al-Quwaiz					
Etihad Etisalat Company (Mobily)	Inside the Kingdom	Joint stock	Saudi Arabian Mining Co (Maaden)	Inside the Kingdom	Joint stock
Saudi Awwal Bank	Inside the Kingdom	Joint stock	Hassana Investment Company	Inside the Kingdom	Non-listed joint stock
Almunajem Foods Company	Inside the Kingdom	Joint stock	The National Company for Glass Industries - Zoujaj	Inside the Kingdom	Joint stock
Saudi Arabia Black Rock	Inside the Kingdom	Closed joint stock	National Industrialization Company (Tasnee)	Inside the Kingdom	Joint stock

Current Board Membership			Previous Board Membership		
Company	inside/Outside the kingdom	Legal entity	Company	inside/Outside the kingdom	Legal entity
Saudi Agricultural and Livestock Investment Company	Inside the Kingdom	Closed joint stock	Banque Saudi Fransi	Inside the Kingdom	Joint stock
			Saudi Medical Care Group	Inside the Kingdom	Limited liability
			Royal & Son Insurance Company	Outside the kingdom	Non-listed joint stock
			Ajil Financial Services Company	Inside the Kingdom	Non-listed joint stock
			MasterCard International	Outside the kingdom	Non-listed joint stock
Dr. Abdulrahman Sulaiman Alrajhi					
Saudi Cement Company	Inside the Kingdom	Joint stock	Advanced Education Company	Inside the Kingdom	Non-listed joint stock
Arabian Syoob Co	Inside the Kingdom	Non-listed joint stock	National Poultry Group	Outside the kingdom	Closed joint stock
Abdulrahman Sulaiman Alrajhi & sons Co.	Inside the Kingdom	Limited liability	Suleiman bin Abdulaziz Al Rajhi Endowments	Inside the Kingdom	Nonprofit
Sulaiman Bin Abdul Aziz Al Rajhi Charitable Foundation	Inside the Kingdom	Nonprofit	Al Rajhi Brothers Group	Inside the Kingdom	Non-listed joint stock
Sulaiman Al Rajhi Foundation for Development Finance	Inside the Kingdom	Nonprofit	National Information Systems Company Limited	National Information Systems Company Limited	National Information Systems Company Limited
National Society for Community Services (Ajwad)	Inside the Kingdom	Nonprofit	Sulaiman Alrajhi University	Inside the Kingdom	educational institution
Civil institutions	Inside the Kingdom	Nonprofit	College of Medicine, King Saud University	Inside the Kingdom	educational institution
Mr. Faraj Mansour Abothenain					
Astra Industrial Group	Inside the Kingdom	Joint stock	National Petrochemical Company (Petrochem)	Inside the Kingdom	Closed joint stock
Al Moammar Information Systems (MIS)	Inside the Kingdom	Joint stock	National Shipping Company of Saudi Arabia - Bahri	Inside the Kingdom	Joint stock
			Bawan Company	Inside the Kingdom	Joint stock
			Member of the Riyadh Region Council	Inside the Kingdom	Governmental institution



Current Board Membership			Previous Board Membership		
Company	inside/Outside the kingdom	Legal entity	Company	inside/Outside the kingdom	Legal entity
			Aljazira Capital	Inside the Kingdom	Closed joint stock
Dr. Saad Saleh AlRwita					
			Saudi Recycling Company	He entered the kingdom	Limited liability
			Saudi National Bank (Alahli)	Inside the Kingdom	kcots tnioj
			Saudi Printing and Packaging Company	Inside the Kingdom	kcots tnioj
			Rana Investment Fund	Inside the Kingdom	Closed joint stock
			Riyadh Downtown Development	Inside the Kingdom	Governmental institution
			Al Widyen Company	Inside the Kingdom	Closed joint stock
Mr. Adel Abdul Aziz Al Quraishi					
United Motors Company	Inside the Kingdom	Limited liability	Al-Sabah Trading Company	Inside the Kingdom	Limited liability
Advanced Systems Company	Inside the Kingdom	Limited liability	Ali Zaid Al Quraishi & Brothers Company	Inside the Kingdom	Limited liability
Al-Quraishi Company	Inside the Kingdom	Limited liability	Arabian Automobiles Company	Inside the Kingdom	Limited liability
Saudi Polymers Company	Inside the Kingdom	Limited liability	Rana Investment Company	Inside the Kingdom	Limited liability
Saudi Chevron Phillips	Inside the Kingdom	Limited liability	Saudi Tourism Authority	Inside the Kingdom	Governmental
Jubail Chevron Phillips Company	Inside the Kingdom	Limited liability			
Eng. Ziyad Mohammed AlShiha					
Marine Operations For Environmental Services (SAIL)	Inside the Kingdom	Limited liability	Member of the Gulf Cooperation Council Interconnection Authority (GCCIA)	Inside the Kingdom	Closed joint stock
Global Environmental Management Services (GEMS)	Inside the Kingdom	Limited liability	Member of PIXA Company	Inside the Kingdom	Closed joint stock
Chairman of the Board of Directors of Strategic Minds Corporation	Inside the Kingdom	Closed joint stock	Member of Al Widyen Company	Inside the Kingdom	Closed joint stock
Small & Medium Enterprises Bank	Inside the Kingdom	Limited liability	Member of Riyadh Development Authority	Inside the Kingdom	
			Member of the Modon Authority	Inside the Kingdom	

Current Board Membership			Previous Board Membership		
Company	inside/Outside the kingdom	Legal entity	Company	inside/Outside the kingdom	Legal entity
			Member of the Capital Market Investment Authority	Inside the Kingdom	
			Member of the College of Business Administration - Prince Sultan University	Inside the Kingdom	
			Advisory member of Arcade Group	Inside the Kingdom	Closed joint stock
Mr. Eyad Abdulrahman Al-Hussein					
Saudi Polymers Company	Inside the Kingdom	Limited liability	Member of Samba Financial Group	Inside the Kingdom	Listed joint stock company
Gulf Polymers Distribution Company	Outside the kingdom	Limited liability	Member of the Board of Directors of Alawwal Bank	Inside the Kingdom	Listed joint stock company
Aromatics Distribution Company	Outside the kingdom	Limited liability	Chairman of the Board of National Medical Care Company	Inside the Kingdom	Listed joint stock company
			Member of the Financial Supervision Board of the Saudi Sand Lime Company	Inside the Kingdom	A limited liability company
Mr. Fahad Abdul Rahman AlMaekel					
Saudi Arabian Refineries Company	Inside the Kingdom	Joint stock	Sadu Investment Company	Inside the Kingdom	Limited liability
			Arab Tank Company	Inside the Kingdom	Limited liability



9.4 Ownership of Board Members:

A description of any interest belonging to the members of the Board of Directors, their wives and minor children in the company's shares (SIIG) during 2023:

Name of the person who has the interest	Beginning of year	End of year	Net change	Percentage of change
Khalil Ibrahim Al Watban	----	----	----	----
Nabil Abdullah Al-Mubarak	10,000	10,000	----	----
Sulaiman Abdulrahman Al-Quwaiz	----	----	----	----
Abdulrahman Sulaiman Alrajhi	38,193	38,193	----	----
Faraj Mansour Abothenain	----	----	----	----
Saad Saleh AlRwita	----	----	----	----
Mr. Adel Abdul Aziz Al Quraishi	40,000	40,000	----	----
Ziyad Mohammed AlShiha	----	----	----	----
Eyad Abdulrahman Al-Hussein	2,000	2,000	----	----
Fahad Abdul Rahman AlMaekel	1,100	1,100	----	----

Note that there are no debt instruments for Board members in the company or its subsidiaries.

9.5 Ownership of Senior Executives:

A description of any interest belonging to the senior executives, their wives and minor children in the company's shares (SIIG) during 2023:

Name of the person who has the interest	Beginning of year	End of year	Net change	Percentage of change
Abdul Rahman Saleh Al Ismail*	2,270	2,270	----	----
Fahad Abdullah Al Thiban	----	----	----	----
Hossam Mohammed Al-Badr	----	----	----	----

Note that there are no debt instruments for senior executives in the company or its subsidiaries.

9.6 Board Meetings:

The company's Board of Directors held five meetings during the fiscal year 2023, and the attendance of members was as follows:

Member Name	8 January	12 March	13 June	18 October	17 December
Khalil Ibrahim Al Watban	✓	✓	✓	✓	✓
Nabil Abdullah Al-Mubarak	✓	✓	✓	✓	✓
Sulaiman Abdulrahman Al-Quwaiz	✓	✓	✓	✓	✓
Abdulrahman Sulaiman Alrajhi	✓	✓	✓	✓	✓
Faraj Mansour Abu Thanin	✓	✓	✓	✓	✓
Saad Saleh AlRwita	✓	✓	✓	-	✓
Mr. Adel Abdul Aziz Al Quraishi	✓	✓	✓	✓	✓
Ziyad Mohammed AlShiha	✓	✓	✓	✓	✓
Eyad Abdulrahman Al-Hussein	✓	✓	✓	✓	✓
Fahad Abdul Rahman Al-Maikil	✓	✓	✓	✓	✓



Tenth: Board Committees:

10.1 Audit Committee:

The tasks of the Audit Committee include the following:

01.

Studying the company's accounting policy, monitoring its business, and verifying the integrity and soundness of reports and financial statements and the company's compliance with the relevant laws, regulations, and policies.

02.

Recommending the selection and dismissal of external auditors, determining their fees, evaluating their performance, verifying their independence, and reviewing the scope of their work and the terms of contracting with them.

03.

Studying the annual and interim financial statements before approving and announcing them.

04.

Evaluating the effectiveness of the company's assessment of important and potential risks, and how to monitor and confront such risks.

05.

Verifying the adequacy of the design of the company's control activities and the effectiveness of their design in an appropriate manner, verifying the independence of the internal auditor, approving the company's internal audit work plan, evaluating its performance, studying its reports, and following up on the implementation of corrective measures for the observations contained therein.

The Audit Committee consists of three members, all of whom have practical and professional experience that qualifies them to participate effectively in the work of the Audit Committee. The committee held five meetings during the year 2023, and the attendance of committee members was as follows:

M	Member name	Membership status	31 January	28 February	9 May	1 August	1 November
1	Saad Saleh AlRwita	chairman	✓	✓	✓	✓	✓
2	Abdulrahman Sulaiman Alrajhi	member	✓	✓	✓	✓	✓
3	Khaled Abdullah AlKhowaiter	member	✓	✓	✓	✓	✓

Audit Committee Activities during 2023:

The company's Audit Committee held five meetings during the fiscal year 2023, and among the most important topics discussed by the Audit Committee regarding the year 2023 are the following:

01.

Discussing the preliminary quarterly financial statements for the first, second, third, and fourth quarters of the fiscal year 2023, and the audited financial statements for the fiscal year ending on 12/31/2023 and submitting the recommendation to the Board of Directors in preparation for approval.

02.

Reviewing and discussing the internal auditor's reports in accordance with the audit plan approved by the committee, and develop proposals, solutions and corrective measures for the observations mentioned in these reports.

03.

Approving the internal audit plan for the fiscal year 2024 and providing comments in this regard.

04.

Following up on internal auditor reports in jointly managed companies, discussing them, and following up on the plan to implement internal audit recommendations.

05.

Emphasizing on evaluating the effectiveness of the company's assessment of potential risks, and how to monitor and confront such risks.

06.

Following up on the progress of the external auditor's work and ensuring their independence and the absence of any obstacles that affect the progress of their work.

07.

Reviewing and studying the offers submitted by external auditors' offices.



10.2 Executive and Investment Committee:

The tasks of the Executive and Investment Committee include the following:

- » The tasks and responsibilities of the Executive Committee include the tasks assigned by the Board of Directors in managing and directing the company's business and affairs, including the task of reviewing the estimated budget, and the task of following up on social responsibility work.
- » Providing recommendations regarding the company's strategic vision and objectives.
- » Providing recommendations to the Board regarding strategic plans and long, medium and short-term goals, updating and reviewing regularly, and submitting them to the Board for approval.
- » Supervising the study of the financing situation and managing the company's necessary financial needs.
- » In order to perform its duties, the Investment Committee has the right to communicate and conduct preliminary research with other relevant parties, without this entailing any legal obligation on the company except after obtaining the approval of the Board of Directors.
- » Searching for investment opportunities in specific areas, including merger or acquisition, and expansion of existing projects.
- » Preparing the investment strategy, its guidelines and policies, and proposing possible internal and external investment areas.
- » The Committee may seek the assistance of independent consultants, whenever necessary, to conduct specialized studies that help the Committee perform its tasks and determine their fees.
- » Determining and arranging priorities for proposed investment offers, identifying attractive investment opportunities, and studying their feasibility before presenting them to the Board.
- » Reviewing the impact of the proposed investments on the Group's statement of financial position, including: the required financing, and evaluating the impact on liquidity and debt ratios.
- » Following up on the development of these new investments, following up on investment activities, and setting appropriate standards to measure and evaluate investment performance and the level of risks. If the committee decides to withdraw or liquidate the existing investment, a recommendation shall be submitted to the Board.

The committee held five meetings during 2023, and the attendance of committee members was as follows:

M	Member name	Membership status	9 January	5 March	7 June	12 October	12 December
1	Khalil Ibrahim Al Watban	namriahC	✓	✓	✓	✓	✓
2	Nabil Abdullah Al-Mubarak	rebmeM	✓	✓	✓	✓	✓
3	Sulaiman Abdulrahman Al-Quwaiz	Member	✓	✓	✓	✓	✓

The most important topics discussed during the meetings were studying future investment opportunities, dividend distribution policy, and actual expenses for the fiscal year 2023, comparing them to the approved budget for the same year, the estimated budget for the fiscal year 2024, and studying social responsibility programs.

10.3 Nominations and Remuneration Committee:

The Nominations and Remuneration Committee performs the following tasks:

- » Recommending to the Board of Directors the names of candidates for Board membership in accordance with the approved membership policy, and the Committee must take care not to nominate any person who has previously been convicted of any crime prejudicial to honor and honesty.
- » Annual review of the required skills requirements for membership in the Board of Directors and preparing a description of the capabilities and qualifications required for membership in the Board of Directors, including determining the time required for a member to allocate to the work of the Board of Directors.
- » Reviewing the structure of the Board of Directors and making recommendations on changes that can be made.
- » Identifying the weaknesses and strengths of the Board of Directors and committees as well as proposing solutions to address them when needed in accordance with the company's interest.
- » Ensuring on an annual basis the independence of the independent members and the absence of any conflict of interest if the member holds a membership in the board of directors of another company.
- » Establishing clear policies for the remuneration of members of the Board of Directors and senior executives, using performance-related standards in determining these rewards, reviewing them periodically, and ensuring their suitability to the changes occurring in the relevant legislation and regulations, the company's strategic objectives and the skills and qualifications necessary to achieve them, and recommending to the Board of Directors regarding the proposed changes to this policy.
- » The Committee shall take care on an annual basis to avoid violating the provisions of the Companies Law, the Financial Market Law, and their executive regulations.
- » Recommending rewards for members of the Board of Directors, its committees, and senior executives and employees of the company, in accordance with the approved policy.

The committee held two meetings during 2023, and the attendance of committee members was as follows:

M	Member name	Membership status	22 January	6 March
1	Faraj Mansour Abothenain	Chairman of the Committee	✓	✓
2	Adel Abdul Aziz Al Quraishi	Committee member	✓	✓
3	Ziyad Mohammed AlShiha	Committee member	✓	✓
4	Fahad Abdul Rahman AlMaekel	Committee member	✓	✓

The most important topics discussed were ensuring the independence of independent members, the absence of a conflict of interest, and studying the specific criteria for rewarding the company's employees.

10.4 Governance Committee:

The committee has the following objectives and responsibilities related to the company's governance rules:

01. Ensuring the company's commitment to applying the rules of the Governance Regulations, clarifying the powers of the Board of Directors and committees, and developing their efficiency to enhance the company's decision-making mechanisms.

02. Informing the Board of developments in the field of governance and providing the reports and recommendations reached by the committee.

03. Reviewing and developing the rules of professional conduct that represent the company's values and other internal policies and procedures to meet the company's need to implement best practices.

The committee held one meeting during 2023, and the attendance of committee members was as follows:

M	Member name	Membership status	6 March
1	Saad Saleh AlRwita	Chairman of the Committee	✓
2	Fahad Abdul Rahman AlMaekel	Committee member	✓
3	Eyad Abdulrahman Al-Hussein	Committee member	✓

The most important topics discussed were the evaluation of SIIG's annual report for the year 2022, and the study of amendments to the Articles of Association and Governance Regulations in line with the amendment to the new Corporate Law.

Eleventh: Remuneration of Board Members, Committee Members, and Senior Executives:

11.1 Remuneration Policy:

01.

Remunerations shall be provided for the purpose of motivating members of the Board of Directors and Executive Management to make the company successful and develop it in the long term, such as linking the variable part of the remunerations to long-term performance.

02.

The remuneration policy was approved by the General Assembly, and it discusses in detail the general criteria for remuneration, the criteria for remuneration for members of the Board of Directors, the criteria for remuneration for committee members, the criteria for executive management remuneration, the method of disbursing such remunerations, and the cases of deduction, compensation claims and recovery.

03.

Remunerations shall be determined based on the position level, the tasks and responsibilities assigned to the occupant, academic qualifications, practical experience, skills, and level of performance.

04.

The disbursement or recovery of remunerations shall be suspended in case it is found that they were decided based on inaccurate information provided by a member of the Board of Directors or Executive Management, for those who took advantage of their job position to obtain undeserved remunerations.

All fees and remunerations were disbursed to members of the Board of Directors, members of committees and senior executives based on the policy followed by the company and on the recommendation of the Nominations and Remuneration Committee, and they were approved by the Board of Directors, and there are no deviations from the policy.

11.2 Board Members Remunerations:

Fixed Remunerations (in thousand SR)							Variable Remunerations (in thousand SR)									
	Certain amount	Allowance for attending Board meetings	Total allowance for attending committee sessions	In-kind Benefits	Technical, administrative and consulting work remuneration	Remuneration of the Chairman, Managing Director, or Secretary if he/she is a member	Total	Percentage of profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Shares granted (value entered)	Total	End of service gratuity	Grand Total	Expense allowance
First: Independent members																
Faraj Mansour Abothenain	200	15	6				221								221	
Saad Saleh AlRwita	200	12	18				230								230	
Ziyad Mohammed AlShiha	200	15	6				221								221	
Fahad Abdul Rahman AlMaekel	200	15	9				224								224	
Second: Non-executive members																
Khalil Ibrahim Al Watban	200	15	21				236								236	
Sulaiman Abdulrahman Al-Quwaiz	200	15	21				236								236	
Nabil Abdullah Al-Mubarak	200	15	21				236								236	
Abdulrahman Sulaiman Alrajhi	200	15	15				230								230	
Adel Abdul Aziz Al Quraishi	200	15	12				227								227	
Eyad Abdulrahman Al-Hussein	200	15	3				218								218	

11.3 Committee Members Remunerations:

Member	Committees	Fixed Remunerations (in thousand SR)	Total attendance allowance (in thousand SR)	Total (in thousand SR)
Khalil Ibrahim Al Watban	Executive and investment Committee	200	15	215
Sulaiman Abdulrahman Al-Quwaiz	Executive and investment Committee	200	15	215
Nabil Abdullah Al-Mubarak	Executive and investment Committee	200	15	215
Faraj Mansour Abothenain	Nominations and Remuneration Committee	200	6	206
Abdulrahman Sulaiman Alrajhi	Audit Committee	300	15	315
Saad Saleh AlRwita	Audit Committee Governance Committee	300	18	318
Adel Abdul Aziz Al Quraishi	Nominations and Remuneration Committee	200	6	206
Ziyad Mohammed AlShiha	Nominations and Remuneration Committee	200	6	206
Eyad Abdulrahman Al-Hussein	Governance Committee	200	3	203
Fahad Abdul Rahman AlMaekel	Nominations and Remuneration Committee Governance Committee	200	9	209
Khaled Mohammed AlKhowaiter	Audit Committee	100	15	115
Total (in thousand SR)		2,100	123	2,423

Note: *A member of the Audit Committee from outside the Board.

11.4 Salaries and Remunerations of Senior Executives:

Fixed Remunerations (in thousand SR)					Variable Remunerations (in thousand SR)						End of service gratuity	Total executive remuneration for the Board if any	Grand Total
	Payroll	Allowances	In-kind Benefits	Total	Periodic Remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Shares granted (value entered)	Total			
Five senior executives	6,999	2,450	-	9,449	1,982	-	-	-	-	1,982	1,186	-	12,617

Twelfth: SIIG's Social Contributions:

In 2023, SIIG contributed, in cooperation with charitable societies, to supporting programs that are in the interest of society, and the total financial support for 2023 amounted to approximately 2 million SR. The Company is keen to continue searching for distinguished programs that carry lofty goals, with a focus on supporting educational programs in health and safety, supporting orphans and poor families in the field of education and training, and encouraging educational and training institutions. SIIG is also always working to evaluate the effectiveness and seriousness of the training course supported by the company and the participating work team, so that the company can make the decision to continue providing support or search for other programs.

Thirteen: Statement of Statutory Payments Due:

The company does not have any loans or debts payable except the following payments:

Statement	2023		Brief Description	Statement of reasons
	Paid	Outstanding		
Zakat	71,714	68,617	The due amount represents the general zakat for 2023.	It is paid upon submitting the zakat declaration for 2023.
Social Security	-	117	Insurance subscriptions	The due amount for December 2023, and it was paid in January 2024.
Visa and passport costs	-	-	Residency renewal fees and exit and re-entry visas.	
Labor office fees	-	-	Work permit renewal fees.	

Fourteenth: Transactions with Related Parties:

There are no transactions with related parties during the year 2023. Fifteenth: SIIG Governance Regulations:

Fifteenth: SIIG Governance Regulations:

On April 9, 2023, the General Assembly approved amending five regulations and separating them from the company Governance Regulations in order to be consistent with the new Corporate Governance Regulations issued by the Capital Market Authority Council, which became effective on January 19, 2023. These regulations are the Board of Directors Regulations, the Audit Committee Regulations, the Nominations and Remuneration Committee Regulations, the Remuneration Policy, and Competition Controls. The Company is constantly working to review its Governance Regulations for the purpose of ensuring that all requirements of the Corporate Governance Regulations issued by the Capital Market Authority are met.

The following table shows the remaining provisions of the Corporate Governance Regulations that have not been implemented, or do not apply:

Article /Clause #	Article text/Paragraph	Reasons for non-application
Article 41	Evaluation - the necessary mechanisms to evaluate the performance of the Board, its members, committees, and executive management.	As a guideline - the company will study applying best practices to evaluate the performance of members of the Board of Directors and its committees.
Article 70	Formation of the Risk Management Committee	As a guideline - please note that the company is working on developing a special regulation for the Risk Management and Sustainability Committee, and then forming its own committee. The Executive Committee and the Audit Committee perform the functions of the Risk Management Committee by reviewing the risk management reports of the subsidiaries.

Sixteenth: General Assemblies of Shareholders during 2023:

The company held two general assembly meetings of shareholders during the year 2023, and they were general and extraordinary assemblies, through the use of modern technical means, and in the presence of the following members of the Board of Directors:

Member Name	9 April 2023	12 June 2023
Khalil Ibrahim Al Watban	✓	✓
Nabil Abdullah Al-Mubarak	✓	✓
Sulaiman Abdulrahman Al-Quwaiz	✓	✓
Abdulrahman Sulaiman Alrajhi	✓	✓
Faraj Mansour Abu Thanin	✓	✓
Saad Saleh AlRwita	✓	✓
Adel Abdul Aziz Al Quraishi	✓	✓
Thamer Abdullah Al Hamoud	✓	✓
Fahad Abdul Rahman Al-Maikil	✓	✓

The most important decisions approved by the two assemblies (general and extraordinary) were:

- » Approving the auditor's report, financial statements, and the Board of Directors' report for the year 2022.
- » Approving the appointment of the Price Waterhouse office to examine, review and audit the financial statements for the second, third, fourth and annual quarters of the fiscal year 2023; the first, second, third, fourth and annual quarters of the year 2024; and the first quarter of the year 2025, as well as determining its fees.
- » Approving the amendment of SIIG's Articles of Association and Governance Regulations in line with the requirements of the Ministry of Commerce and the Capital Market Authority.

Seventeenth: Shareholders Register:

Records for the company's shareholders were requested from Tadawulati website as follows:

Number of requests	Date of Request	Reasons for request
1	02/02/2023 _p	Company procedures.
2	28/03/2023 _p	General Assembly.
3	09/04/2023 _p	General Assembly.
4	06/06/2023 _p	Company procedures.
5	12/06/2023 _p	General Assembly.
6	10/08/2023 _p	Profits file.
7	28/09/2023 _p	Company procedures.
8	20/12/2023 _p	Profits file.

Eighteenth: General Procedures:

18.1 Audit Committee's Recommendation to Appoint Internal Auditor at SIIG:

The Internal Audit Management Unit was formed, and an internal auditor was appointed based on the recommendation of the Audit Committee at its meeting on 7/26/2020. The Audit Committee also approved the internal auditor's work plan for the year 2023..

18.2 Penalties and Fines Imposed by Supervisory and Regulatory Authorities:

No penalty, fine, precautionary measure or restriction was imposed on SIIG by the CPA or any supervisory, regulatory, or judicial authority during 2023..

18.3 Measures taken by the Board of Directors to inform its members of shareholders' proposals and observations regarding the company and its performance:

According to SIIG's Governance Regulations, all observations, suggestions, and complaints from the stakeholders that come to the company are directed to the Secretary of the Board of Directors, who records them in a special register, and then they are submitted to the Board of Directors for discussion and taking the necessary action. The Chairman of the Board of Directors and the CEO must inform and discuss the opinions of the shareholders with the rest of the Board members..

18.4 Disclosures Record of Board Members and Executive Management:

SIIG's management works to organize the disclosures for each of the members of the Board and the Executive Management with a special register in accordance with the disclosures required under the Companies Law, the Financial Market Law and its executive regulations, as well as announcing this register on the Company's website.



Nineteenth: Summary of the Environmental, Social and Governance (ESG) Practices Report):

We at SIIG and its subsidiaries are proud to include environmental, social and corporate governance practices deep into our business culture. These practices lie at the heart of our goals and values, and we strive to integrate them at all levels by constantly searching for ways to improve our operations in line with our social, economic and environmental responsibilities.

We also believe that success is not only reflected in our quarterly or annual results and financial performance, but rather requires exerting the maximum possible effort to achieve optimal results and our contribution to the environment and society in which we work. We seek to achieve the ideal balance in the goals and aspirations of stakeholders, whether they are customers, suppliers, shareholders, regulatory bodies, or society in general.

19.1 Environment:

SIIG is working on developing an environmental sustainability strategy, setting roadmaps and goals for the company. We have made good progress over the past years, and we continue to focus our efforts on further improvements in our environmental performance and seeking more investment opportunities in more sustainable projects.

As for the jointly managed company (S-Chem Company), it is committed to protecting the environment and working to reduce the use of energy, water and raw materials, as well as reducing emissions and waste. In 2023, S-Chem worked to reduce energy consumption within the Saudi Energy Efficiency Center (SEEC) program, which resulted in a significant reduction in energy consumption compared to the previous year as well as improved production efficiency.

S-Chem is also currently working with existing technology providers and third-party technology teams (for example: major licensors, academic institutions in Saudi Arabia and abroad) in order to obtain appropriate opportunities to manage carbon and reduce the amount of its emission as well as the emission of other gases.

Regarding the efficient use of water, S-Chem has long been constantly working with key users to reduce water waste - whether marine or desalinated water, which is used for cooling and steam production - as well as

to manage the disposal of some liquid waste. In 2022, freshwater consumption decreased from 3.27 million cubic meters to 2.98 million cubic meters, a decrease of 9%. In recent years, S-Chem has implemented a project to upgrade the capacity of the demineralized water unit. As a result, it is estimated that consumption raw water decreased by about 10%. S-Chem will work to develop projects to reduce water consumption to preserve natural environmental resources.

S-Chem also works to reduce waste to a minimum. Waste recycling is considered an important aspect of SIIG's waste management efforts, and currently the following wastes are recycled: used lubricating oils, oily waste containing more than or equal to 5% hydrocarbons, consumed caustic metal scrap, plastic scrap, and electronic waste. This is done through recycling facilities approved by the Royal Commission for Jubail and Yanbu. This list is growing based on ongoing efforts.

19.2 Social Practices:

19.2.1 Company Employees:

SIIG's employees play a key role in its success, so the company strives to provide a safe and stimulating work environment for its employees to unleash their latent potential. In order to attract distinguished talent, companies work with qualified consulting offices to find good talent; therefore, a certain policy of selecting the appropriate employee for each job is followed, and they also work to develop their employees and departments by providing them with the opportunity to train in the best training institutes. The company also annually conducts a performance evaluation for its employees to motivate them to do their best.

As for the jointly managed company (S-Chem), it believes that sustainability depends on ensuring a healthy work environment that includes ethics, human rights, and attention to the security, safety, and health of employees. S-Chem takes the phrase "Our journey to zero" without accidents and injuries as a slogan in support of the employee security and safety strategy. To help ensure safety, systems are examined based on different scenarios that can cause excessive stress events. If a defect is found, corrective measures are immediately implemented in a timely manner in accordance with S-Chem standards and local and international best practices.

S-Chem also provides training for employees to develop their skills in their field of work as well as safety courses. S-Chem believes this is an essential element of its human capital strategy. Contractors also receive mandatory safety training before entering the factory buildings, and they also receive technical training on the job.

Regarding job nationalization programs, S-Chem has worked to raise the Saudization rate. It achieved approximately 80% in its three companies.

19.2.2 Community Investment & Social and Economic Development.

The company has always been serving the community and contributing to this cause in various ways, including supporting several training institutes and charities to undertake CSR initiatives. The primary focus remains on proper implementation of spending on selected programs, and a focus on training individuals in the skills and knowledge that help them find decent jobs that build self-reliance and independence.

With regard to the jointly managed company (S-Chem), it always seeks to emphasize its social responsibility through community participation efforts. It sponsors several selected activities, such as some programs of the Gulf Petrochemicals and Chemicals Association (GPCA), and local community events annually. In addition, many charities' activities have been supported, such as orphanages, food banks, children with special needs, and cancer and diabetes associations.

19.3 Corporate Governance:

SIIG follows strong corporate governance practices and maintains fairness and transparency with all its stakeholders and in all its business decisions. Our governance focus areas and objectives are based on the following basic principles :

- » Interacting with all company stakeholders including customers, employees and communities.
- » Strong and transparent governance.
- » Creating an environment that encourages confidence, innovation and sustainable growth.
- » "Zero tolerance" for corruption, bribery and unethical practices, and establishing proper reporting procedures.
- » SIIG's management structure is supported by policies that are periodically reviewed and updated according to the requirements of legislative authorities, which helps to manage operational, regulatory and reputational risks effectively and efficiently. Among the measures taken to achieve the best standards of corporate management and full compliance with regulatory requirements are the following:
- » The role of the Board in the efficiency of corporate management: SIIG's Board of Directors assigned the Governance Committee to follow up on any update to the regulations and requirements of the Capital Market Authority and best practices in the local and international markets.
- » In 2023, to improve corporate governance standards, SIIG appointed a consultant to update the company's governance document, and the consultant's report was discussed with the Governance Committee to make any necessary modifications.
- » In 2023, the Capital Market Authority worked with the Ministry of Commerce to modernize the Companies Law. SIIG has developed an action plan to update its governance documents to be discussed with the Governance Committee and presented to the Board, and it was submitted to the Assembly and approved.
- » SIIG works to arrange educational courses for members of the Board of Directors regarding governance and management of the Board of Directors.

SIIG will work on its commitment towards the goal of building an ecosystem that positively affects the three aspects: environmental, social, and governance. With the absolute dedication and hard work of its employees and the continued support of all its other stakeholders, SIIG is committed to delivering long-term value to its stakeholders and looks forward to achieving many milestones in the coming years.

Twentieth: General Disclosures:

- » No person or entity has notified SIIG of any interest it has in the class of voting shares during the fiscal year 2023.
- » There are no convertible debt instruments, contractual securities, subscription rights memorandums, or similar rights issued or granted by SIIG during this fiscal year.
- » There are no conversion or subscription rights under convertible debt instruments, contractual securities, subscription rights memorandums, or similar rights issued or granted by the Company.
- » There is no redemption, purchase or cancellation by SIIG of any redeemable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the Company and those purchased by its subsidiaries.
- » There are no arrangements or agreements under which a member of the Company's Board of Directors or a senior executive waived any remuneration.
- » There are no arrangements or agreements under which any of the Company's shareholders waived any rights to profits.
- » There is no conflict between the decisions of the Audit Committee and the Board of Directors regarding the nomination or dismissal of the Company's auditor, determining their fees, evaluating their performance, or appointing the internal auditor.
- » SIIG has not made any investments for the benefit of the Company's employees.
- » The financial statements show an item (Share Premium and Reverse Acquisition), which is part of shareholders' equity, and appears within the equity items as capital, retained profits, and statutory reserve. It is considered additional capital that represents the difference between what Petrochem shareholders received in exchange for the shares acquired by SIIG at their nominal value.
- » The Board of Directors did not recommend changing the auditor before the end of the period for which he/she was appointed.
- » The Company has not issued any treasury shares or retained shares.

Twenty First: Annual Review Outcomes of Internal Control Procedures Effectiveness:

Internal audit is an objective and independent assurance and advisory activity for the purpose of adding value and improving the company's operations. Internal audit helps the company achieve its goals by providing a regular basis for evaluating and improving the effectiveness of control and the processes involved in the company's control performance. The internal audit performed many periodic and special audits that would ensure the effectiveness of the internal control regulations and the soundness of their application, in addition to contributing to the review of the initial and final financial statements and coordinating the work of external regulatory bodies. The Board of Directors reviewed the report of the Audit Committee regarding the audit results report for the year 2023, submitted by the internal auditor. SIIG did not find any substantive observations, and it was also found that the internal control regulations are operating properly. For more information, the Audit Committee's report has been published on the company's website.

Twenty Second: Declarations of Board of Directors and Senior Executives:

The Board of Directors acknowledges the following:

01.

The account records are properly prepared.

02.

The internal control regulations were prepared on sound principles and implemented effectively.

03.

There is no doubt about the Company's ability to continue its activity.

04.

There is no material interest for members of the Board of Directors, the CEO, the CFO, or senior executives in the Company's contracts, other than what was disclosed in the Transactions with Related Parties section of this report.

At the end, the Board of Directors extends its sincere thanks to the Custodian of the Two Holy Mosques and his wise government for their continued support for the industrial sector and all other sectors.