



**SARCO**

شركة المصافي العربية السعودية  
Saudi Arabian Refineries Company

## Board of Directors Report for 2024

For shareholders of Saudi Arabian Refineries Company (SARCO)





His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

Crown Prince, Prime Minister



Custodian of the Two Holy Mosques

King Salman bin Abdulaziz bin Abdulrahman Al Saud

King of the Kingdom of Saudi Arabia



## Chairman's Speech

### Dr. Eng. Obaid bin Saad Al-Subaiey

,Dear Shareholders of the Saudi Arabian Refineries Company - SARCO

,Peace, mercy, and blessings of Allah be upon you

On behalf of my colleagues, the members of the Board of Directors, I am pleased to present to you the Annual Report of the Saudi Arabian Refineries Company (SARCO) to inform the esteemed shareholders about the latest developments related to the company's performance during the year 2024

At the outset, I would like to extend my thanks and appreciation to the General

Assembly and the shareholders of the company for their support and trust in the members of the Board of Directors. I would also like to take this opportunity to express my sincere gratitude to my colleagues on the Board of Directors for their efforts during this year, as well as to the company's management for their tremendous efforts in enhancing the overall performance of the company and its subsidiaries. These efforts have positively reflected on the company's activities

I am also pleased to present to you, through this report, the results achieved by the company during its financial year ending on December 31, 2024

At the beginning of the Board's term in February 2024, the Board faced challenges related to the company's investments being concentrated in a very limited number of companies listed on the stock market. It was necessary to make timely decisions to diversify the company's investment opportunities. However, by the grace of Allah, we were able to reduce losses, exit from most of the listed companies, and reposition ourselves in companies with profitable investments and returns

We strive to exert every effort to achieve the company's objectives, vision, and mission by seeking to provide opportunities and projects, and by searching for investors to achieve high profits for the company. The economic challenges of 2024 were strong and difficult, and, with Allah's will, we aim to achieve the company's values during the coming phase

The Board of Directors is pleased to present to the shareholders a report detailing the most important developments, financial results, executive activities, and disclosures in accordance with the regulations and rules issued by the Capital Market Authority. It also includes the audited final accounts, the accompanying notes, and the external auditor's report for the fiscal year ending on December 31, 2024

The Board of Directors is also pleased to respond to shareholders' inquiries related to this report through the upcoming Ordinary General Assembly meeting, God willing



## CEO & Managing Director's Speech Dr. Abdulrahman bin Ahmed Al Muffareh

Dear Shareholders of the Saudi Arabian Refineries Company - SARCO,

Peace, mercy, and blessings of Allah be upon you,

Since the first meeting of the elected Board of Directors on January 25, 2024, everyone agreed to work with the executive management to change the current status of the company and diversify its investments to ensure returns for its shareholders.

Our efforts over the past year have focused on building the company from within by establishing regulations, policies, and systems that meet the requirements of the Capital Market Authority and the legislative and regulatory bodies on the one hand, and keep pace with the professionalism and expertise of leading companies on the other. These frameworks also support the company's launch and provide it with the flexibility to seize opportunities and expand and diversify its projects.

We have also worked on enhancing the company's visual identity, as the SARCO trademark has been approved and registered with its colors and futuristic symbolism. This contributes to opening various fields amid the continued overall growth of the Saudi economy and the emergence of promising sectors that can be invested in over the short and medium term.

We have initiated and continue to maintain communication with many existing companies and factories both within and outside the Kingdom to discuss acquisition or partnership opportunities in industrial, commercial, and service sectors. Hopefully, during this year, we will conclude some of the deals that we have been studying over the past months, and we will witness their positive results in the near future, God willing.

I assure you that my colleagues and I in the executive management are optimistic about achieving positive results this year, 2025, and in the coming years, taking into account the fluctuations of global markets and their effects on the local market. We rely, after Allah's guidance, on the strength of the Saudi economy, the state's unlimited support, and the availability of opportunities.

We pray to the Almighty for success and guidance.



## Board of Directors



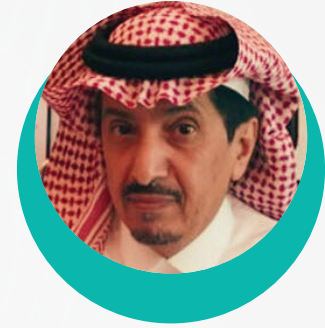
Mr. Khalid Mohammed Al-Hanaki  
Member of the Board of Directors



Mr. Khalid Ahmed Al-Hamdan  
Member of the Board of Directors



Mr. Abdulaziz Abdulmohsen Al-Bakr  
Vice Chairman of the Board of Directors



Dr. Obaid Saad Al-Subaiey  
Chairman of the Board of Directors



Mr. Nael Sameer Fayez  
Member of the Board of Directors



Mr. Fahad Mohammed Al-Habardi  
Member of the Board of Directors



Mr. Mishal Abdulrahman Al-Aqla  
Member of the Board of Directors



Dr. Abdulrahman Ahmed Al-Mufreh  
Member of the Board of Directors  
Managing Director

## Executive Management



Dr. Abdulrahman Ahmed Al Mufarreh  
CEO



Mr. Fahad Khalid Omar  
P.R and Communications Manager  
Acting Human Resources Manager



Mr. Yacub Zuhair Al Nazer  
Financial Manager



Mr. Wael Othman Al Subaie  
Director of Compliance and Legal Affairs

## — First: Who We Are

The Saudi Arabian Refineries Company (SARCO) was established in accordance with the Saudi Companies Law as a Saudi public joint-stock company and registered under Commercial Registration No. 4030003334 on 19/12/1379 AH, corresponding to 14/06/1960

Its objectives include conducting petroleum-related activities in all its branches and related fields, executing water projects, land reclamation, and all industrial and commercial activities and projects, participating in the establishment of companies, buying and selling shares, and undertaking any other activities to invest the company's capital, which currently amounts to (150 million riyals) one hundred and fifty million riyals

The company's current activity is limited to investing in local companies (as will be detailed below)



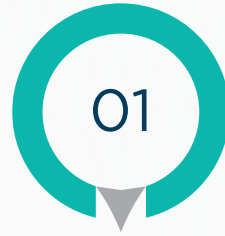


## Second: The Company's Projects

The company invests part of its funds by participating in other companies, as well as through subscriptions and purchasing shares in the Saudi market. This generates additional revenues for the company through its contributions to several public joint-stock companies



The Arabian Company  
Limited Sulfonation Company



.Arab Tank Terminals Co  
AL Sakharej



Other Revenues



Al-Sadu Investment Company





## Arab Terminals Tanks Company:

The Arab Terminals Tanks Company Limited (a Limited Liability Company) is headquartered in Yanbu Industrial City with a capital amounting to (90,677,400 Riyals) ninety million, six hundred seventy-seven thousand, four hundred Riyals. The company's share in it amounts to (24,482,898 Riyals) twenty-four million, four hundred eighty-two thousand, eight hundred ninety-eight Riyals, representing 27%. The company's activities include the storage, mixing, filling, and preservation of chemical, petrochemical, and petroleum materials. The company's profits for the current year ending on December 31, 2024, amounted to (7,422,892 Riyals) seven million, four hundred twenty-two thousand, eight hundred ninety-two Riyals. Your company's share of the comprehensive profit from this company amounted to (1,968,105 Riyals) one million, nine

## The Arabian Sulfonation Company Limited:

:The Arabian Sulfonation Company Limited (a Limited Liability Company)

The Saudi Arabian Refineries Company filed a lawsuit against the Arabian Sulfonation Company Limited and its CEO in 2018. The company announced through the Tadawul website that a lawsuit was filed before the Commercial Court in Jeddah Governorate.

A legal ruling was issued placing the Arabian Sulfonation Company Limited under liquidation and appointing the judicial liquidator for the Arabian Sulfonation Company Limited (Idrak International Company).

The liquidation procedures are still ongoing until now.

The Board of Directors approved the cancellation of the commercial registration of Al-Sadu Investment Company, which is 100% owned by the company. This decision was made due to the lack of benefit from the company's existence during the current period and the incurrence of Zakat expenses over the past years.

The commercial registration was canceled on September 11, 2024.

The remaining profits for the year 2024 for the company are detailed in the following statement:

Statement	Profit	Notes
Other Service Revenues	301,500	Administrative Services for the Arabian Tankers Company
Other Revenues	2,892	Settlements in Shareholders' Accounts
Additional Revenues	22,559	Inter-Account Settlements
Total	326,951	Three hundred twenty-six thousand nine hundred fifty-one

### — Third: Governance Regulations

The Corporate Governance System is defined as the optimal system through which the company is directed and controlled. The governance structure determines the distribution of powers, roles, and responsibilities among the various departments within the company, such as the Board of Directors, managers, employees, shareholders, and other related parties. It also clarifies the rules and procedures related to decision-making concerning all of the company's activities. Full adherence to effective governance systems and sound standards leads to strong and accurate results in preparing financial and non-financial reports. It serves as .the necessary firewall to overcome many potential or anticipated risks, whether internal or external

Additionally, it establishes a clear mechanism for separating tasks between the Board of Directors and the Executive Management, which facilitates the smooth .operation of the company's affairs





Effective governance also aims to identify attractive investment opportunities based on clear practices and standards in the decision-making process. To achieve this, the company is always keen on developing its governance regulations in a way that ensures the institutionalization of the governance system

Significant efforts have been made to establish certain principles and work policies to make governance a general culture rather than a mere obligation, without neglecting the establishment of principles of transparency, disclosure, fairness, and the protection of rights for all stakeholders

The Capital Market Authority's Board issued the Corporate Governance Regulations for joint-stock companies on 16/5/1438 AH (corresponding to 13/2/2017), and on 16/8/2017, with decision number based on the Companies Law issued by Royal Decree No. M/3 dated 28/1/1437 AH, as amended by the Capital Market Authority Board's decision No. 1-94-2022 dated 24/1/1444 AH (corresponding to 22/8/2022). The regulations include the rules and standards governing the performance of joint-stock companies

The company, represented by the Board of Directors, has approved its own governance regulations that are appropriate for the nature and size of the company's activities. Currently, the supervision of compliance with these regulations is entrusted to the members of the Board of Directors and the Executive Management

## A. Implementation of Governance Regulations:

- 01 .Updating the Policies, Standards, and Procedures for Board Membership – Approved by the Extraordinary General Assembly on (21/08/2024)
- 02 .Updating the Policy of Remunerations for the Board of Directors, its Committees, and Executive Management – Approved by the Extraordinary General Assembly on (21/08/2024)
- 03 .Updating the Regulations of the Nomination and Remuneration Committee – Approved by the Extraordinary General Assembly on (21/08/2024)
- 04 .Updating the Regulations of the Audit Committee – Approved by the Extraordinary General Assembly on (21/08/2024)
- 05 .Approval by the Board to Amend the Internal Audit Charter – On (26/06/2024)
- 06 .Approval by the Board to Amend the Audit Committee Charter – On (26/06/2024)
- 07 .Approval by the Board to Amend the Internal Audit Regulations – On (26/06/2024)
- 08 .Approval by the Board to Amend the External Auditor's Work Policy – On (26/06/2024)
- 09 .Approval by the Board on the Policy for Evaluating the Board, Board Members, Committees, and Executive Management – On (26/06/2024)
- 10 .Approval by the Board on the Whistleblowing Policy – On (31/07/2024)
- 11 .Approval by the Board on the Disclosure and Transparency Regulations – On (31/07/2024)
- 12 .Approval by the Board on the Company's Profit Distribution Regulations – On (31/07/2024)
- 13 .Approval by the Board on the Regulations for Organizing Relations with Stakeholders – On (31/07/2024)
- 14 .Approval by the Board on the Board of Directors' Work Regulations – On (31/07/2024)
- 15 .Approval by the Board on the Conflict of Interest Regulations – On (31/07/2024)
- 16 .Approval by the Board on the Shareholders' Rights Regulations – On (31/07/2024)
- 17 .Approval by the Board on the Policy for Distribution of Roles and Responsibilities – On (31/07/2024)
- 18 .Approval by the Board on the Investment Committee's Work Regulations – On (31/07/2024)
- 19 .Approval by the Board on the Policy for Handling Shareholders' Complaints – On (31/07/2024)
- 20 .Approval by the Board on the Employees' Remuneration Policy – On (31/12/2024)
- 21 .Approval by the Board on the Regulations, Controls, and Standards for Participating in Competitive Activities – On (31/12/2024)

## B. Governance Regulations Not Implemented and Reasons for Non-Implementation:

Reasons for Non-Implementation	Article/Paragraph Text	Article Number in the Regulations
The article is advisory and has not been implemented	*Formation of the Risk Management Committee	Article Sixty-Seven (67)
The article is advisory and has not been implemented	Developing a comprehensive strategy and policies for risk management that are appropriate to the nature and size of the company's activities ensuring their implementation, review, and updating based on the company's internal and external changes	Article Sixty-Eight (68)
The article is advisory and has not been implemented	A plan for developing and motivating employee participation and performance within the company	Article Eighty-Two (82)

\*An executive task force for risk management has been formed within the company.



#### — Fourth: Members of the Company's Board of Directors



## A. Board Membership: Board Members Who Hold Memberships in the Boards of Other Companies:

Names	Memberships in the Boards of Other Companies	Inside/Outside the Kingdom	Legal Entity
Dr. Obaid Saad Al-Subaie	.Northern Cement Company	Within the Kingdom	Public Joint Stock Company (Listed)
	.National Company for Building and Marketing	Within the Kingdom	Public Joint Stock Company (Listed)
	.Arqam Engineering Consultancy Office	Within the Kingdom	Limited Liability Company (LLC)
Mr. Abdulaziz Abdulmohsen Al-Bakr	.Business Technology Management Company	Within the Kingdom	Limited Liability Company (LLC)
	.Wasl Law Firm	Within the Kingdom	Limited Liability Company (LLC)
Dr. Abdulrahman Ahmed Al-Mufreh	.Nafud Water Factory Company	Within the Kingdom	Limited Liability Company (LLC)
	.Dawani Medical Company	Within the Kingdom	Limited Liability Company (LLC)
Mr. Khalid Ahmed Al-Hamdan	.Al-Hama Arabia Trading Company Limited	Within the Kingdom	Limited Liability Company (LLC)
	.Asir Press and Publishing Foundation	Within the Kingdom	Limited Liability Company (LLC)
	.Capital Financial Brokerage Company	Within the Kingdom	Closed Saudi Joint Stock Company
	.Arab House for Printing and Publishing Company	Within the Kingdom	Limited Liability Company (LLC)
	.United Cooperative Insurance Company	Within the Kingdom	Public Joint Stock Company (Listed)
Mr. Mishal Abdulrahman Al-Aqla	.National Company for Building and Marketing	Within the Kingdom	Public Joint Stock Company (Listed)
	.Al-Dera Al-Murana for Information Technology	Within the Kingdom	Closed Saudi Joint Stock Company
Mr. Fahad Mohammed Al-Habardi*	.Adhwaa Al-Hidaya Private Schools for Boys and Girls	Within the Kingdom	Closed Saudi Joint Stock Company
	.Thiqa Tech Information Technology Company	Within the Kingdom	Closed Saudi Joint Stock Company
	.FBT Agricultural Company	Within the Kingdom	Closed Saudi Joint Stock Company
	.Manahil Al-Ma'rifa for Education Company	Within the Kingdom	Closed Saudi Joint Stock Company
	.Shadeed Arabia for Iron Products	Within the Kingdom	Limited Liability Company (LLC)
	.Saudi Cable Company (formerly)	Within the Kingdom	Public Joint Stock Company (Listed)
Mr. Nael Sameer Fayez	.Quwa Al-Huloul Trading Company	Within the Kingdom	Limited Liability Company (LLC)
	.Injaz Saudi Arabia	Within the Kingdom	Endowment Company (Waqf)
Mr. Ahmed Abdullah Al-Mohsen**	Board Member	Within the Kingdom	Public Joint Stock Company (Listed)
	.Saudi Industrial Development Company (SIDC)		

(\*) Resigned on 02/12/2024

(\*\*) Appointed on 22/12/2024

## B. Committee Members

### A1- Audit Committee Members

Member Name	Position	Qualifications	Experiences
Mr. Mishal Abdulrahman Al-Aqla (Chairman)	Chairman	Bachelor's Degree in .Accounting  Master's Degree in Business .Administration	Former Member of the Financial Department, Makkah .Region Emirate Former Corporate Relationship Manager, Saudi .Investment Bank Former Head of Government and Private Relations Division, Corporate Department - Saudi .Telecommunications Company (STC) CEO of the National Company for Building and .Marketing
Mr. Khalid Mohammed Al-Hanaki (Committee Member)	Committee Member	.Bachelor's Degree in Sociology	.Former Secretary-General of the Chamber of Commerce Former Director of the Qassim Chamber of Commerce .Branch
Mr. Osama Al-Sudais (External Member)	External Member (Outside the Board)	Holder of the Saudi Fellowship . (SOCPA) Holder of the American Fellowship (CMA) in Managerial .Accounting Holder of the American Fellowship (CPA) in Public .Accounting	.Certified Public Accountant at AGN Al-Sudais Worked as Financial Control Manager at Saudi Real .Estate Company Worked as Head of Financial Accounts at Amlak .International .Worked as an Auditor at EY (Ernst & Young)



## B. Committee Members

### A2- Investment Committee Members

Member Name	Position	Qualifications	Experiences
Mr. Mishal Abdulrahman Al-Aqla	Chairman	Bachelor's Degree in Accounting Master's Degree in Business Administration	Former Member of the Financial Department, Makkah Region .Emirate .Former Corporate Relationship Manager, Saudi Investment Bank Former Head of Government and Private Relations Division, Corporate Department - Saudi Telecommunications Company .(STC) .CEO of the National Company for Building and Marketing Vice Chairman and Managing Director of Ethraa Holding .Company .Vice Chairman of Adwaa Al-Hidaya Educational Company .CEO of Al-Faizia Real Estate Development Company .Chairman of the Board of Directors of Nafud Water Factory .Former Advisor to the Governor of Asir Region Former Founding Committee Member of Ardara Company (Public .Investment Fund) .Founder and CEO of Balanced Nutrition Medical Company Managing Director and CEO of Sesban Real Estate Development .Company Managing Director and CEO of Hayat Real Estate Development .Company CEO of both MCO Consultancy Office and Sawab Petrochemicals .Company Secretary General of the International Chamber of Commerce .(ICC) Founder and CEO of MCO Consultancy Office for Administrative .and Marketing Consulting
Dr. Abdulrahman Ahmed Al-Muffareh	Member	Phd in Business Administration	

## B. Committee Members

### A2- Investment Committee Members

Member Name	Position	Qualifications	Experiences
Mr. Osama Ahmed Al-Halbouni	External Member (Outside the Board)	Bachelor's Degree in Industrial Engineering	.Assistant Strategy Manager at Qiddiya Investment Company .Former Strategic Consultant at Boston Consulting Group (BCG) .Formerly at Strategic Gears Management Consulting Company Bachelor's Degree in Industrial Engineering from Prince Sultan University in Riyadh (2014-2019)
Mr. Saeed Marai Abdullah	External Member (Outside the Board)	Bachelor's Degree in Economics	Head of Investment Banking at Naif Al-Rajhi Investment Company .Former CEO of Investment Banking at Adeem Capital PJSC Held other leadership positions at major institutions such as Emirates NBD Capital KSA and Gulf Finance and Investment Company Bachelor's Degree in Economics from the American University of Beirut Holds the Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) certifications .Proficient in several languages: Arabic, English, and French

## B. Committee Members

### A3- Nomination and Remuneration Committee Members

Member Name	Position	Qualifications	Experiences
Mr. Abdulaziz Abdulmohsen Al-Bakr (Chairman)	Chairman	Master's Degree in Business Administration Master's Degree in Sloan Program in Leadership and Strategy	.CEO of Al-Masar Digital Consulting Company .Business Manager at Knowledge Network Company .CEO of Baker - Wasl Company Chairman of the Board of Directors of Business Technology Management Limited Business Development Manager at Global Health Professional Limited .CEO of Business Technology Management Limited Chairman of the Founding Committee at Dar Al-Thara Company .Chairman of the Board at Data Stream .Chairman of Digicom Systems Group .Former Financial Inspector at the Royal Private Affairs
Mr. Khalid Mohammed Al-Hanaki (Committee Member)	Committee Member	Bachelor's Degree in Sociology	.Former Secretary-General of the Chamber of Commerce .Former Director of the Qassim Chamber of Commerce Branch
Mr. Fahad Mohammed Al-Habardi (Committee Member)	Committee Member	Bachelor's Degree in Business Administration	.Administrative Manager at National Gypsum Company General Manager of Adhwaa Al-Hidaya International Schools Company General Manager of Shadeed Arabia for Iron Products Company



## C. Executive Management Members

Exucutive Managment	Position	Qualifications	Experience
Dr. Abdulrahman A. Al Mufarreh	CEO	Phd in Business Administration	<ul style="list-style-type: none"> <li>.Vice Chairman and Managing Director of Ethraa Holding Company</li> <li>.Vice Chairman of Adwaa Al-Hidaya Educational Company</li> <li>.CEO of Al-Faizia Real Estate Development Company</li> <li>.Chairman of the Board of Directors of Nafud Water Factory</li> <li>.Former Advisor to the Governor of Asir Region</li> <li>.Former Founding Committee Member of Ardara Company (Public Investment Fund)</li> <li>.Founder and CEO of Balanced Nutrition Medical Company</li> <li>.Managing Director and CEO of Sesban Real Estate Development Company</li> <li>.Managing Director and CEO of Hayat Real Estate Development Company</li> <li>.CEO of both MCO Consultancy Office and Sawab Petrochemicals Company</li> <li>.Secretary General of the International Chamber of Commerce (ICC)</li> <li>Founder and CEO of MCO Consultancy Office for Administrative and Marketing</li> <li>.Consulting</li> </ul>
Mr. Yacub Zuhair Al Nazer	Financial Manager	Bachelor's Degree in Accounting	<ul style="list-style-type: none"> <li>.Held the position of Financial Manager with over 15 years of experience</li> <li>.Previously worked at Al-Safa Group in the retail sector (FMCG)</li> <li>.Formerly with Al-Sahm Al-Thahabi Marketing and Distribution Company</li> <li>.Formerly with Abu Ouda Brothers Group</li> <li>.Formerly worked at PKF – Saudi Arabia</li> </ul>

## C. Executive Management Members

Exucutive Managment	Position	Qualifications	Experience
Mr. Wail Othman Al-Subaie	Compliance and Legal Affairs Manager	Bachelor's Degree in Law Systems	Previously, he served as the Deputy Director of the Financial Department at Prince Abdulaziz bin Fahd Research and Studies Office, the Commercial Manager at Al-Shamil Real Estate Company, and the Legal Affairs Manager at Gulf General Cooperative Insurance Company
Mr. Fahad Khalid Abubaker Omar	P.R. and Communications Manager Acting Human Resources Manager	Bachelor's Degree in Business Administration	A Public Relations and Communications Manager with over 15 years of experience in media, marketing, event management, and corporate communication. He has previously held leadership positions in several major .organizations

## Fifth: Board Composition and Classification of Its Members

### Board Member Name

Dr. Obaid Saad Al-Subaie

Mr. Abdulaziz Abdulmohsen Al-Bakr.

Dr. Abdulrahman Ahmed Al-Muffareh

Mr. Khalid Ahmed Al-Hamdan

Mr. Khalid Mohammed Al-Hanaki

Mr. Mishal Abdulrahman Al-Aqla

Mr. Fahad Mohammed Al-Habardi (\*)

Mr. Nael Sameer Fayez

Mr. Ahmed Abdullah Al-Mohsen (\*\*)

### Board Member Name

Independent

Independent

Executive

Independent

Independent

Independent

Independent

Independent

Independent

(\*) Resigned on 02/12/2024

(\*\*) Appointed on 22/12/2024



— Sixth: Actions Taken by the Board of Directors to Inform Its Members Particularly the non-executive members – Ensuring they are informed of shareholders' proposals and observations regarding the company and its performance.

With regard to shareholders' proposals and observations about the company and its performance, which are presented at the General Assembly, they are presented at the first meeting of the Board of Directors. As for shareholders' proposals received through letters or electronic correspondence, they are also presented at the first meeting of the Board of Directors and then kept in the company's records. It is worth noting that the company did not receive any proposals or observations from any of its shareholders during the year ended in 2024.





## Seventh: A Brief Description of the Committees' Responsibilities and Duties heir Chairpersons, Number of Meetings, Dates of Meetings, and Attendance Records of Members for Each Meeting.

### A- Audit Committee

The Audit Committee is responsible for monitoring the company's activities and ensuring the integrity and transparency of financial reports, financial statements, and internal control systems. The committee's specific duties include the following

#### :A) Financial Reports

- 1 Reviewing the company's interim and annual financial statements before presenting them to the Board of Directors, providing its opinion, and making recommendations to ensure their integrity, fairness, and transparency
- 2 Providing a technical opinion – upon the request of the Board of Directors – on whether the Board's report and the company's financial statements are fair, balanced, understandable, and include the information that enables shareholders and investors to assess the company's financial position, performance, business model, and strategy
- .Reviewing any significant or unusual matters included in the financial reports
- 3 Thoroughly investigating any issues raised by the company's Chief Financial Officer or their designee, the Compliance Manager, or the external auditor
- .4 Verifying accounting estimates related to material issues stated in the financial reports

- 6- Reviewing the accounting policies adopted by the company and providing opinions and recommendations to the Board of Directors regarding them.
- 7- Communicating with the company's debtors, creditors, or others for the purpose of confirming balances or for other purposes.
- 8- Adhering to the auditing standards approved in the Kingdom.

## **B) Internal Audit**

- 1- Reviewing and examining the company's internal control, financial systems, and risk management processes to assess the effectiveness of their design in preventing and detecting fraud and errors promptly. Evaluating the effectiveness of implementing control activities to ensure consistent and high-quality execution. The committee also supervises investigations related to fraud or errors occurring within the company or any other matters deemed important for investigation. Additionally, the committee assesses the company's effectiveness in identifying significant risks and the measures taken by management to monitor and address these risks.
- 2- Approving the company's internal audit procedures.
- 3- Reviewing and approving the annual plan of the Internal Audit Department.
- 4- Reviewing internal audit reports, preparing a written report with its opinions and recommendations, and monitoring the implementation of corrective actions for the observations mentioned.
- 5- Overseeing and supervising the performance and activities of the internal auditor and the Internal Audit Department (if existing) to ensure that necessary resources are available and effectively utilized in performing assigned tasks. If the company does not have an internal auditor, the committee must provide recommendations to the Board regarding the need for such an appointment.



6- Recommending to the Board of Directors the appointment of the head of the Internal Audit Unit or Department, or the internal auditor, and proposing their remuneration.

7- Verifying the independence of internal auditors.

8- Acting as a liaison between the Board of Directors and the internal auditors.

### **C) Audit Review:**

1- Recommending to the Board of Directors the nomination or dismissal of external auditors, determining their fees, evaluating their performance after verifying their independence, and reviewing their scope of work and contractual terms.

2- Ensuring the independence, objectivity, fairness, and effectiveness of the external auditors' work, taking into consideration relevant rules and standards.

3- Reviewing the company's auditor's plan and activities, ensuring that they do not perform technical or administrative tasks outside the scope of auditing, and providing opinions on that. The committee also reviews the accounting policies adopted by the company before their approval, along with any changes to these policies, and presents its suggestions considering the suitability of these policies to the nature of the company's activities and their impact on its financial position and performance.

4- Responding to inquiries from the company's external auditor.

5- Reviewing the external auditor's report and observations on the financial statements and following up on the actions taken regarding them.

## D) Ensuring Compliance:

- 1- Reviewing the results of reports from regulatory authorities and verifying that the company has taken the necessary actions regarding them.
- 2- Ensuring the company's compliance with relevant laws, regulations, policies, and instructions.
- 3- Reviewing contracts and transactions proposed by the company with related parties and providing its opinions on them to the Board of Directors.
- 4- Submitting matters it deems necessary for action to the Board of Directors and providing recommendations regarding the required actions.
- 5- The Audit Committee consists of **(3)** members, including **(1)** member from outside the Board, with at least one member specializing in financial and accounting affairs. The committee held **(8)** meetings during the year **2024**.
- 6- This committee plays a fundamental and important role in assisting the Board of Directors to fulfill its statutory duties. During the year **2024**, the committee supervised and coordinated the company's internal and external audit processes to ensure the effectiveness and efficiency of internal control systems and procedures.
- 7- The committee's most notable achievements during the year included reviewing the company's quarterly and annual financial statements for **2024** with the external auditor and recommending their approval to the Board of Directors.

## Attendance Record of Audit Committee Members During the Year 2024:

Committee Members' Names			Date	Meeting #
Osama Al-Sudais (External Member)	Khalid Mohammed Al-Hanaki (Board Member)	Mr. Mishal A. Al Okla (Chairman)		
✓	✓	✓	14/03/2024	1
✓	✓	✓	02/04/2024	2
✓	✓	✓	06/05/2024	3
✓	✓	✓	23/06/2024	4
✓	✓	✓	31/07/2024	5
✓	✓	✓	18/08/2024	6
✓	✓	✓	17/10/2024	7
✓	✓	✓	29/10/2024	8



## 2) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was formed based on a Board of Directors' decision dated **30/01/2024**. The committee's regulations, responsibilities, and duties were updated by the Extraordinary General Assembly on **24/08/2024**. The committee's tasks include the following:

### Nomination and Remuneration Policy:

1- Proposing clear policies and standards for membership in the Board of Directors and Executive Management.

Recommending to the Board of Directors the nomination of members and their re-nomination according to approved policies and standards, ensuring that no person previously convicted of a crime involving dishonesty is nominated.

2- Preparing a description of the required skills and qualifications for Board membership and Executive Management positions.

3- Determining the time commitment required from members for the Board's activities.

C4- Conducting an annual review of the necessary skills or experience needed for Board membership and Executive Management positions.

5- Reviewing the structure of the Board of Directors and Executive Management and making recommendations regarding potential changes.

6- Annually verifying the independence of independent members and ensuring that there are no conflicts of interest if the member holds a board membership in another company.

- 6- Establishing job descriptions for executive members, non-executive members, independent members, and senior executives.
- 7- Annually verifying the independence of independent members and ensuring that there are no conflicts of interest if the member holds a board membership in another company.
- 8- Establishing job descriptions for executive members, non-executive members, independent members, and senior executives.
- 9- Establishing procedures for dealing with the vacancy of a Board member or senior executive position.
- 10- Identifying strengths and weaknesses in the Board of Directors and proposing solutions to address them in alignment with the company's interests.
- 11- Preparing a clear policy for the remuneration of Board members, committees derived from the Board, and Executive Management, and submitting it to the Board of Directors for review and approval by the General Assembly. This policy must be performance-based, disclosed, and verified for implementation.
- 12- Clarifying the relationship between granted rewards and the applicable remuneration policy, and identifying any significant deviations from this policy.
- 13- Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving the intended objectives.
- 14- Recommending to the Board of Directors the remuneration of Board members, committees, and senior executives of the company according to the approved policy.

## Attendance Record of Nomination and Remuneration Committee Members During the Year 2024:

Committee Members' Names			Date	Meeting #
Fahad Al Habardi (Board Member)	Khalid Mohammed Al-Hanaki (Board Member)	Abdulaziz A. Al Bakar (Chairman)		
✓	✓	✓	21/03/2024	1
✓	✓	✓	03/04/2024	2
✓	✓	✓	04/05/2024	3
✓	✓	✓	08/05/2024	4
✓	✓	✓	24/06/2024	5
✓	✓	✓	20/08/2024	6
✓	✓	✓	08/10/2024	7

### 3) Investment Committee:

The Investment Committee is responsible for identifying investment opportunities that align with the company's Articles of Association to make effective use of the company's cash assets. This includes either increasing the company's ownership stake in currently invested companies or participating as a founding partner in new companies with economic feasibility. These opportunities and investment projects are presented to the company by specialized financial entities, evaluated for their feasibility, and then submitted to the Board of Directors for appropriate decision-making. The Investment Committee was restructured in a Board of Directors meeting held on **06/03/2024**. The Investment Committee's work regulations were approved by the Board of Directors on **31/07/2024**. The committee's tasks include the following:

1- Preparing and formulating the company's investment policies and mechanisms that serve its interests, ensuring they are logical and clear, and submitting them to the Board of Directors for approval.

Studying investment proposals submitted to the company and assisting the Board of Directors in achieving the investment strategy and setting guidelines for investment activities.

3- Periodically reviewing the company's performance according to the investment policies and mechanisms, and evaluating their effectiveness in achieving the intended objectives.

4- Providing periodic reports on all activities and actions undertaken and submitting them to the Board of Directors.

5- Developing and monitoring the investment strategy related to the company's overall performance and managing its subsidiaries.



## Attendance Record of Investment Committee Members During the Year 2024:

Committee Members' Names				Date	Meeting #
Saeed Abdullah (Member)	Osama Halbony (Member)	Dr. Abdulrahman Al Muffareh (Member)	Mishal Al Okla (Chairman)		
✓	✓	✓	✓	23/04/2024	1
✓	✓	✓	✓	06/05/2024	2
✓	✓	✓	✓	26/05/2024	3
✓	✓	✓	✓	22/07/2024	4
✓	✓	✓	✓	20/08/2024	5



## Eighth: The Methods Adopted by the Board of Directors to Evaluate Its Performance, the Performance of Its Committees, and Its Members

The policy of evaluating each member of the Board by the other members, as well as evaluating the committee chairman by the Board Chairman and evaluating committee members by their respective chairmen, was approved based on the Board's approval of the recommendation made by the Nomination and Remuneration Committee.





## Ninth: Disclosure of Remunerations for Board Members, Committee Members, and Executive Management

### A. Board Members' Remunerations:

Names	Attendance Allowance for Board Meetings	Annual Remunerations	Board Membership Remuneration	Any Other Compensation or In-Kind Benefits	Total
Dr. Obaid Saad Al-Subaie	21,000	-	-	-	21,000
Mr. Abdulaziz Abdulmohsen Al-Bakr	21,000	-	-	-	21,000
Dr. Abdulrahman Ahmed Al-Mufreh	21,000	-	-	-	21,000
Mr. Khalid Ahmed Al-Hamdan	18,000	-	-	-	18,000
Mr. Khalid Mohammed Al-Hanaki	21,000	-	-	-	21,000
Mr. Mishal Abdulrahman Al-Aqla	21,000	-	-	-	21,000
Mr. Fahad Mohammed Al-Habardi	21,000	-	-	-	21,000
Mr. Nael Sameer Fayez	18,000	-	-	-	18,000
Total	162,000				162,000

## B. Committee Members' Remunerations:

Committee Members	Annual Committee Remuneration	Attendance Allowance	Total (Riyals)
<b>Investment Committee Members</b>			
Mr. Mishal Abdulrahman Al-Aqla	-	7,500	7,500
Dr. Abdulrahman Ahmed Al-Mufreh	-	7,500	7,500
Mr. Osama Al-Halbouni	-	7,500	7,500
Mr. Abdullah Saeed	-	7,500	7,500
<b>Audit Committee Members</b>			
Mr. Mishal Abdulrahman Al-Aqla	-	9,000	9,000
Mr. Khalid Mohammed Al-Hanaki	-	9,000	9,000
Mr. Osama Suleiman Al-Sudais	-	9,000	9,000
<b>Nomination and Remuneration Committee Members</b>			
Mr. Abdulaziz Abdulmohsen Al-Bakr	-	6,000	6,000
Mr. Khalid Mohammed Al-Hanaki	-	6,000	6,000
Mr. Fahad Mohammed Al-Habardi	-	6,000	6,000



## C. Executive Management Payments:

Below is a statement of the total payments made by the company to its senior executives, including the CEO and the FM.

المكافآت الثابتة				مكافأة نهاية الخدمة	التعويضات	المجموع الكلي (ريال)
Salaries	Allowances	In-Kind Benefits	Total			
1,198,488	376,512	-	1,575,000	27,498	60,000	1,662,498

The Capital Market Authority's Board Resolution No. (1-35-2018) dated 09/07/1439 AH corresponding to 26/03/2018 stated that the disclosure of senior executives' remunerations mentioned in sub-paragraph (b) of paragraph (4) of Article Ninety of the Corporate Governance Regulations should be done on an aggregate basis. The company has complied with this requirement by disclosing the elements of senior executives' remunerations in total, to protect the interests of the company, its shareholders, and employees, and to avoid any potential harm that may result from detailed disclosure according to titles and positions.



## Tenth: Disclosure of Remunerations for Board Members, Committee Members, and Executive Management

According to what was approved by the Ordinary General Assembly (Fifty-Second) held on 28/06/2022, and the Extraordinary General Assembly held on 24/08/2024, approving the update of the Remuneration Policy Regulations for the Board of Directors, its Committees, and Executive Management.

### A) Board Members' Remunerations:

The remuneration of the Board members in the company may consist of a fixed amount, attendance allowance for meetings, expense allowance, in-kind benefits, or a percentage of profits. It is permissible to combine two or more of these benefits, provided it does not exceed what is stipulated in the Companies Law and its regulations, according to the table included in this policy and any subsequent amendments to this table that are approved according to the regulations.

These remunerations may vary according to a policy issued by the Nomination and Remuneration Committee and approved by the General Assembly. The Board of Directors' annual report to the General Assembly of shareholders must include a comprehensive statement of all amounts received by Board members during the fiscal year, including remunerations, expense allowances, and other benefits. It must also include details of any amounts received by Board members as employees or administrators, or in exchange for technical, administrative, or advisory work (if applicable). Additionally, it should provide a statement of the number of Board meetings held and the number of

meetings attended by each member since the date of the last General Assembly meeting.

If the Board members' remuneration is a percentage of profits, the provisions of Paragraph (1) of Article (76) of the Companies Law and Article (22) of the company's Articles of Association must be considered.

### B) Remunerations of the Board Secretary:

The remuneration of the Board Secretary and the method of disbursement are determined according to the Remuneration Policy for the Board Members, Committees, and Executive Management.

### C) Committee Members' Remunerations:

The Board of Directors approves the remuneration of its committees, attendance allowances, and other entitlements based on the recommendation of the Nomination and Remuneration Committee.

The remunerations of committee members include remunerations, attendance allowances for meetings, and other entitlements as outlined in this policy and according to the table included in it.

When forming committees derived from the Board of Directors, the number of committees a Board member can serve on should be considered, ensuring that the total remuneration received for Board and committee memberships does not exceed the maximum limit stipulated in the Companies Law.

A Board member participating in the committees derived from the Board is entitled to the fixed annual remuneration mentioned, whether the member participates in one or several committees.

## D) Executive Management Remunerations:

The Nomination and Remuneration Committee, based on recommendations from the Executive Management, approves the remunerations of the Executive Management in accordance with the Remuneration Policy for the Board Members, Committees, and Executive Management.



### **Eleventh: Any Penalty, Sanction, Precautionary Measure, or Preventive Restriction Imposed on the Company By the Authority or Any Supervisory or Regulatory Body**

There were no penalties, sanctions, precautionary measures, or preventive restrictions imposed on the company by any supervisory, regulatory, or judicial authority until the end of the fiscal year 2024.





## **Twelfth: The Results of the Annual Review of the Effectiveness of the Company's Internal Control Procedures, As well as the Audit Committee's Opinion on the Adequacy of the Company's Internal Control System.**

Internal audit is an independent, objective assurance and advisory activity aimed at adding value and improving the company's accounting performance. Internal control helps the company achieve its objectives by providing a systematic basis for evaluating and improving control effectiveness. The company has adopted an internal control system that suits the nature of its business activities, based on the segregation of duties and responsibilities, defining the executive management's competencies, and ensuring that the Audit Committee is informed of all matters contributing to enhancing the company's performance. The Audit Committee also assists in reviewing the interim and annual financial statements and implementing the recommendations issued by the committee in this regard. Recognizing the importance of internal control within the company and its role in protecting the company's assets and achieving its objectives, the Board of Directors has entrusted internal audit tasks to an external independent internal audit firm. The firm has been tasked with auditing all company operations to evaluate and improve control processes, risk management, and achieve effective governance. The Audit Committee did not identify any issues or submit any reports indicating deficiencies in the company's internal controls. However, it noted the need to enhance governance of procedures and processes, improve risk management, and ensure the application of effective and sound governance practices while preserving the company's assets and managing its risks. The Audit Committee's opinion regarding the adequacy of the company's internal control system was positive, after considering the committee's recommendation in its report presented to the General Assembly to appoint an internal auditor for the company, update the company's Articles of Association, and develop various company policies and regulations.

No issues were reported during the year 2024.



### **Thirteenth: The Audit Committee's Recommendation Regarding the Necessity of Appointing an Internal Auditor for the Company**

The Audit Committee identified the need to appoint an internal auditor for the company and, on 14/03/2024, recommended the appointment of an internal auditor from a company specializing in audit and review consulting. This recommendation was approved by the Board of Directors on 16/09/2024.



### **Fourteenth: Audit Committee Recommendations that Conflict with the Decisions of the Board of Directors, Or Those Rejected by the Board Regarding the Appointment, Dismissal, Remuneration, and Performance Evaluation of the External Auditor or the Appointment of the Internal Auditor, Including the Justifications for Such (Recommendations and the Reasons for Not Adopting Them)..**

No decisions have been issued by the Board of Directors that conflict with the recommendations of the Audit Committee, and there are no directives from the Audit Committee regarding the appointment or dismissal of the



### **Fifteenth: - Details of the Company's Social Contributions**

The company donated an amount of (100,000) one hundred thousand riyals to the Disabled Children's Association in Jeddah Governorate to cover the operational costs of the Speech and Language Clinic. This contribution played a positive role and provided social support to children with special needs by providing essential resources to help them integrate into society.



## Sixteenth: - Date of the General Assembly of Shareholders Held During the Last Fiscal Year and the Names of Attending Board Members.

An Ordinary General Assembly meeting of shareholders was held at the request of shareholders who own more than 10% of the company's capital to dismiss the Board of Directors members before the end of their term on 24/01/2024. The meeting was held in person as well as through modern technological means (remotely). The attendance of the members was as follows:

Name	General Assembly Meeting Date: 24/01/2024.
Mr. Yasser Suleiman Al-Aqeel	Attended Remotely
Mr. Abdulrahman Ayedh Al-Dahasi	Attended Remotely

The newly elected Board of Directors, appointed on 24/01/2024, held three meetings for the Ordinary General Assembly and the Extraordinary General Assembly. The attendance of the members was as follows:

Name	General Assembly Meeting Date: 28/05/2024	Extraordinary General Assembly Meeting Date: 24/07/2024 (*)	Third Extraordinary General Assembly .Meeting Date: 21/08/2024
Dr. Obaid Saad Al-Subaie	Present	Present	Present
Mr. Abdulaziz Abdulmohsen Al-Bakr	Present	Present	Present
Dr. Abdulrahman Ahmed Al-Mufreh	Present	Present	Present
Mr. Khalid Ahmed Al-Hamdan	Did Not Attend	Present	Present
Mr. Khalid Mohammed Al-Hanaki	Present	Present	Present
Mr. Mishal Abdulrahman Al-Aqla	Present	Present	Present
Mr. Fahad Mohammed Al-Habardi	Present	Present	Present
Mr. Nael Sameer Fayez	Present	Present	Present

(\*) The legal quorum for holding the Extraordinary General Assembly was not met.



## Key Decisions Made by the Company's Board of Directors for the Year 2024:

- .1 Formation of the elected Board of Directors on **30/01/2024** and the appointment of the Chairman and Vice
- .2 Chairman.
- .3 Formation of the Audit Committee.
- .4 Formation of the Nomination and Remuneration Committee.
- .5 Formation of the Investment Committee.
- .6 Board recommendation not to distribute financial dividends for the year ending on **31/12/2023**.
- .7 Board approval of the appointment of Dr. Abdulrahman bin Ahmed Al-Mufreh as the company's CEO.
- .8 Board approval of the appointment of Osama Al-Sudais, an external member, to the Audit Committee.
- .9 Board approval of the appointment of Osama Al-Halbouni and Abdullah Saeed as external members of the
- .10 Investment Committee.
- .11 Launch of the company's new identity.
- .12 Updating the company's regulations and policies.
- .13 Amending the company's Articles of Association.
- .14 Signing a non-binding Memorandum of Understanding with the German Saudi Industrial Company.
- .15 Signing a non-binding Memorandum of Understanding with Golden Compass Mining Company.

## Seventeenth: The Company's Main Activity

The company's main activity includes engaging in petroleum operations in all its branches and related activities, executing water projects, land reclamation, and all industrial and commercial activities and projects. It also involves participating in the establishment of companies, buying and selling shares, and undertaking other activities for investment purposes.

## Eighteenth: - Description of the Main Types of the Company's Activities And Their Impact on the Company's Business Volume and Contribution to the Results

The company's various activities contributed to generating revenues during the year ending on December 31, 2024 (the 12-month fiscal year), which had a positive impact on the company's business volume.



## **Nineteenth: - Description of the Company's Important Plans and Decisions**

(For Its Operations for the Year Ended 2024)

1. On 03/01/2024, the company announced the resignation of Board Member Mr. Fahad Abdulrahman Al-Muaikel (Non-Executive) from his membership in the Board of Directors and its committees, effective immediately.
2. On 03/01/2024, the company announced the resignation of the Chairman of the Board, Prince Mohammed bin Khalid bin Turki Al Saud (Non-Executive), from his position in the Board of Directors and its committees, effective immediately.
3. On 04/01/2024, the company announced an invitation to its shareholders to participate and vote in the Ordinary General Assembly meeting (First Meeting) scheduled to be held on Thursday, 25/01/2024.
4. On 18/01/2024, the company announced the upcoming General Assembly meeting scheduled for 04/01/2024, with a change of venue from the company's headquarters to Rotana Shahin Hotel, Yanbu 1 Hall, Al-Sharafiya District, Madinah Road, Jeddah.
5. On 18/01/2024, the company announced the start of electronic voting for the General Assembly meeting agenda from 21/01/2024 until the end of the meeting on 25/01/2024.

6. On 28/01/2024, the company announced the results of the Ordinary General Assembly meeting (Second Meeting) held on 25/01/2024, achieving the required quorum with an attendance rate of 17.50%.

7. On 31/01/2024, the company announced the results of the General Assembly meeting held on 28/01/2024, approving the election of the Board of Directors for a new term from 25/01/2024 to 24/01/2027 for three years. The Board meeting held on 30/01/2024 resulted in:

- Appointment of Dr. Obaid Saad Al-Subaie (Independent) as Chairman of the Board.
- Appointment of Mr. Abdulaziz Abdulmohsen Al-Bakr (Independent) as Vice Chairman.
- Appointment of Dr. Abdulrahman Ahmed Al-Mufreh (Executive) as CEO.
- Appointment of Dr. Obaid Saad Al-Subaie and Dr. Abdulrahman Ahmed Al-Mufreh as company representatives to the Capital Market Authority.
- Formation of the Nomination and Remuneration Committee for the new term, with the following members:
  1. Mr. Abdulaziz Abdulmohsen Al-Bakr (Independent) – Chairman
  2. Mr. Fahad Mohammed Al-Habardi (Independent) – Member
  3. Mr. Khalid Mohammed Al-Hanaki (Independent) – Member
- Formation of the Audit Committee for the new term, with the following members:
  1. Mr. Mishal Abdulrahman Al-Aqla (Independent) – Chairman
  2. Mr. Khalid Mohammed Al-Hanaki (Independent) – Member
  3. Mr. Osama Suleiman Al-Sudais (External Member) – Member



8. On 18/03/2024, the company announced the annual financial results ending 31/12/2023.
9. On 19/03/2024, the company announced the Board's recommendation not to distribute cash dividends for the fiscal year 2023 to invest available funds in new projects to strengthen the company's financial position.
10. On 07/05/2024, the company invited shareholders to participate and vote in the Ordinary General Assembly (First Meeting) on 28/05/2024 using Tadawulaty.
11. On 14/05/2024, the company announced the preliminary financial results for the period ending 31/03/2024 (Three Months).
12. On 23/05/2024, the company announced the start of electronic voting for the General Assembly meeting agenda.
13. On 29/05/2024, the company announced the results of the Ordinary General Assembly meeting (Second Meeting).
14. On 03/07/2024, the company invited shareholders to attend the Extraordinary General Assembly (First Meeting).

15. On 04/07/2024, the company published a follow-up announcement regarding the invitation to the Extraordinary General Assembly (First Meeting).
16. On 07/07/2024, the company signed a non-binding Memorandum of Understanding with the German Saudi Industrial Company to acquire all shares by increasing the company's capital through issuing shares to the owners.
17. On 07/07/2024, the company signed a non-binding Memorandum of Understanding with Golden Compass Mining Company to acquire all shares by increasing the company's capital through issuing shares to the owners.
18. On 08/07/2024, the company published an update regarding the non-binding MoU with Golden Compass Mining.
19. On 08/07/2024, the company published an update regarding the non-binding MoU with the German Saudi Industrial Company.
20. On 21/07/2024, the company announced the start of electronic voting for the Extraordinary General Assembly meeting agenda.
21. On 25/07/2024, the company announced the failure to hold the Extraordinary General Assembly (Second Meeting) due to lack of quorum.

22. On 30/07/2024, the company announced a new invitation for the Extraordinary General Assembly (Third Meeting).
23. On 04/08/2024, the company announced the preliminary financial results for the period ending 30/06/2024 (Six Months).
24. On 22/08/2024, the company announced the results of the Extraordinary General Assembly (Third Meeting).
25. On 17/09/2024, the company announced signing an agreement with Riyadh Bank for Sharia-compliant banking facilities.
26. On 17/09/2024, the company provided updates regarding the MoU with Golden Compass Mining.
27. On 17/09/2024, the company provided updates regarding the MoU with the German Saudi Industrial Company.

28. On 10/10/2024, the company announced the cancellation of Al-Sadu Investment Company, a wholly-owned subsidiary (100%).
29. On 31/10/2024, the company announced the preliminary financial results for the period ending 30/09/2024 (Nine Months).
30. On 20/11/2024, the company announced the launch and update of its visual identity.
31. On 02/12/2024, the company announced the resignation of Board Member Mr. Fahad Mohammed Al-Habardi (Independent) from his membership in the Board and its committees.
32. On 22/12/2024, the company announced the appointment of Board Member Mr. Ahmed Abdullah Al-Mohsen (Independent).
33. On 24/12/2024, the company announced the opening of a new branch in Riyadh.



## Twentieth: Information Related to Any Risks Faced by the Company

(And the Company's Policy for Managing and Monitoring These Risks)

Since the company's profits primarily depend on the results and earnings achieved by the companies in which SARCO (Saudi Arabian Refineries Company) invests, whether these investments are in capital or securities (shares), it is difficult to predict the financial results for the upcoming fiscal year ending on December 31, 2025.

These risks mainly consist of those faced by companies operating in the petrochemical sector, including fluctuations in raw material prices, decreased demand for these products during certain periods, and intense market competition.

The year 2024 witnessed noticeable volatility in the activities of associated and subsidiary companies and the companies invested in, which positively impacted the financial results of some of the companies SARCO invests in, while negatively affecting others.



## — Twenty-First: The Company's Financial Results

A) The following is a statement of the company's financial results for the last five years and a comparison table of the financial data for these years according to the company's external auditor's report:

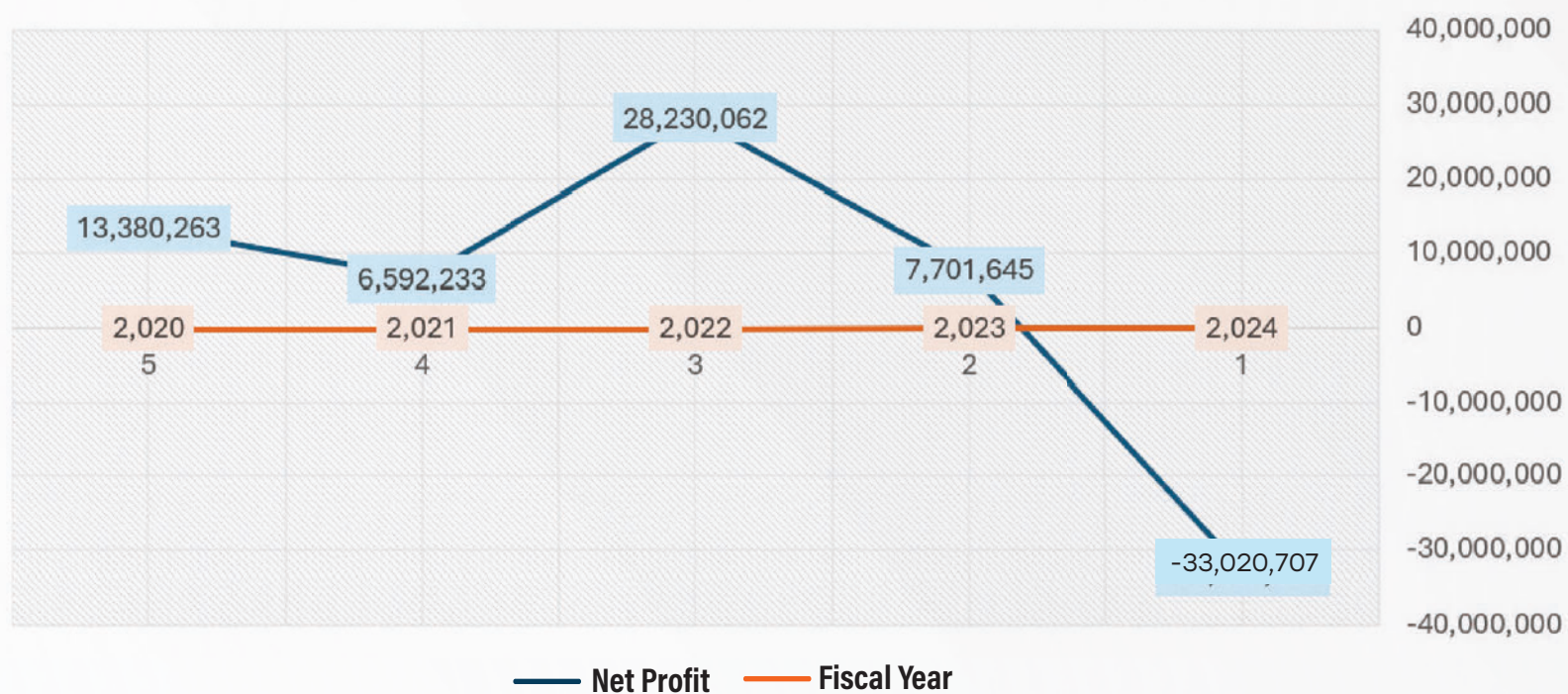
Statement of Financial Position (In Saudi Riyals)	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
Assets					
Current Assets	281,922,793	-	-	-	-
Investments in Equity Instruments through Profit or Loss	1,385,438	7,736,516	367,385	495,685	8,587,390
Prepaid Expenses and Other Receivables	24,861,169	39,882,410	54,005,474	30,425,868	30,657,331
Cash and Cash Equivalents	308,169,400	47,618,926	54,372,859	30,921,553	39,244,721
Total Current Assets					
Non-Current Assets	-	343,908,353	341,405,027	483,049,979	429,933,581
Investments in Equity Instruments at Fair Value through Other Comprehensive Income	51,614,296	49,610,116	49,352,494	49,378,292	49,359,105
Investments in Associates	532,003				
Right-of-Use Assets	26,144	37,830	46,775	56,330	57,203
Property and Equipment - Net	26,677	38,829	57,031	71,592	-
Intangible Assets - Net	52,199,120	393,595,128	390,861,327	532,556,193	479,349,889
Total Non-Current Assets	360,368,520	441,214,054	445,234,186	563,477,746	518,594,610
Total Assets					

Liabilities and Shareholders' Equity					
Current Liabilities					
Accrued Liabilities and Other Payables	6,214,483	3,921,983	2,089,782	396,192	5,462,974
Creditors - Shareholders	2,231,880	2,279,917	2,838,155	2,415,472	3,860,902
Lease Contract Liabilities – Current Portion	196,792	-	-	-	-
Zakat Provision	7,799,680	878,330	1,437,887	450,500	334,198
Total Current Liabilities	16,442,835	7,080,230	6,365,824	3,262,164	9,658,074
Non-Current Liabilities					
Employee Defined Benefit Obligations	134,884	122,492	47,509	680,764	612,259
Lease Contract Liabilities – Non-Current Portion	321,480	-	-	-	-
Total Non-Current Liabilities	456,364	122,492	47,509	680,764	612,259
Shareholders' Equity					
Capital	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
Statutory Reserve	31,693,154	31,693,154	30,922,990	28,099,984	27,440,761
Investment Valuation Reserve in Equity Instruments at Fair Value through Other Comprehensive Income	-	217,162,331	214,659,006	356,303,957	301,906,348
Retained Earnings	161,776,167	35,155,847	43,238,857	25,130,877	28,977,168
Proposed Dividends	-	-	-	-	-
Total Shareholders' Equity	343,469,321	434,011,332	438,820,853	559,534,818	508,324,277
Total Liabilities and Shareholders' Equity	<b>360,368,520</b>	<b>441,214,054</b>	<b>445,234,186</b>	<b>563,477,746</b>	<b>518,594,610</b>

## B) Income Statement for the Last Five Years:

Income Statement (In Saudi Riyals)	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
	9,629,810	15,362,270	34,478,958	8,099,667	15,777,542
Investment Revenues	1,968,105	236,855	(124,784)	78,784	1,047,918
The Company's Share of Results from (Associates)					
Losses Arising from Financial Assets Mandatorily Measured at Fair Value Through Profit or Loss	(44,945,573)	-	-	-	-
General and Administrative Expenses	-	-	(304,570)	-	-
Expected Credit Losses	-	-	-	-	-
Provision for Investment Impairment	-	-	-	1,529,119	-
Provisions No Longer Required	(18,873)	-	-	-	-
Finance Costs on Lease Contracts	(99,070)	-	-	-	-
Depreciation of Right-of-Use Asset	326,951	324,449	372,268	310,367	303,060
Other Revenues	45,688,018	9,379,104	29,684,600	7,159,156	14,338,862
Net Profit Before Zakat	(7,799,680)	(1,677,461)	(1,454,538)	(450,500)	(334,198)
Current Year Zakat	-	-	-	(116,423)	(624,401)
Zakat for Previous Years	(53,487,698)	7,701,643	28,230,062	6,592,233	13,380,263
Net Profit or (Loss) for the Year	<b>(3.57)</b>	<b>0.51</b>	<b>1.88</b>	<b>0.44</b>	<b>0.89</b>
Earnings per Share					

### C) The Graph Showing the Change in Net Profits Over the Last Five Years:



## — Twenty-Second: Geographical Analysis of Revenues for the Year 2024

Statement	Profit
Dividends from Saudi Group Company	7,597,240
Dividends from Southern Province Cement Company	78,433
Dividends from Saudi Aramco	41,343
Dividends from ACWA Power	193
Profits from Participation in Associate Companies - The Arab Tanker Company	1,968,105
Dividends from Investment Portfolio – Riyadh Capital	1,894,534
Dividends from Investment Portfolio – Afaq Financial	18,067
Realized Profits from Sale of Shares in Investment Portfolio – Riyadh Capital	102,797
Realized Losses from Sale of Shares in Investment Portfolio – Riyadh Capital	(8,654,143)
Unrealized Losses from Revaluation of Equity Investments – Riyadh Capital	(36,352,564)
Unrealized Losses from Revaluation of Distribution Funds Investments – Afaq Financial	(41,663)
Other Revenues	326,951
<b>Total</b>	<b>(33,020,707)</b>



## Twenty-Third: - The Following Statement Shows the Significant Differences

(In Operational Results for This Year Compared to the Previous Year's Results).

Statment	Year 2024	Year 2023	Change	C h a n g e Percentag
Investment Revenues	(35,315,763)	15,362,270	(50,678,033)	(% 300)
The Company's Share of Results from Associate and Subsidiary Companies	1,968,105	236,855	1,731,250	% 731
Other Revenues	326,951	324,448	2,503	% 1
Total Revenues	(33,020,707)	15,923,573	(48,944,280)	(% 307)
General and Administrative Expenses	(12,549,368)	(6,544,467)	6,004,901	92 %
Finance Costs on Lease Contracts	(18,873)	-	18,873	-
Depreciation of Right-of-Use Asset	(99,070)	-	99,070	-
Profit or (Loss) from Operating Activities	(45,688,018)	9,379,104	(55,067,122)	(% 587)
Current Year Zakat and Previous Years' Zakat Differences	(7,799,680)	(1,677,461)	6,122,219	% 365
Net Profit	(53,487,698)	7,701,645	(61,178,182)	(% 794)
Earnings per Share	(3.57)	0.51	(4)	(% 800)

### The key differences between the year 2023 and 2024 are as follows:

1. A decrease in investment revenues by 300% due to unrealized losses from the revaluation of financial assets through the profit or loss statement.
2. Achieving profit from the company's share of results from subsidiary companies (ATTIL Co.) by 731% compared to the previous year.
3. An increase in general and administrative expenses by 92% compared to the previous year.
4. An increase in Zakat value by 365% compared to the previous year.

### — Twenty-Fourth: Explanation of Any Deviation from the Accounting Standards Approved by the Saudi Organization for Certified Public Accountants (SOCPA)

In accordance with the regulations and rules of the Capital Market Authority issued on 25/08/1429 AH corresponding to 27/08/2008, which stipulate that financial statements must be prepared according to International Financial Reporting Standards (IFRS), the company confirms that the financial statements have been prepared in accordance with IFRS and not according to the accounting standards of the Saudi Organization for Certified Public Accountants (SOCPA).

## **Twenty-Fifth: The Name of Each Subsidiary, Its Capital,** (The Company's Ownership Percentage in It, and Its Main Activity).

Subsidiary Name	Capital (SAR)	Ownership Percentage	Main Activity
Al-Sadu Investment Company	5,000,000	100%	The Board of Directors announced the decision to cancel and dissolve Al-Sadu Investment Company, which is 100% owned by Saudi Arabian Refineries Company, due to the lack of feasibility in maintaining the company and the absence of activity since its establishment, resulting in Zakat .liabilities
The Arab Terminals Tank Company Limited	90,677,400	27%	Storage, mixing, filling, and preservation of chemicals, petrochemicals, petroleum, and petroleum products for others.

## — Twenty-Sixth: Details of Shares and Debt Instruments Issued by Each Subsidiary

The company acknowledges that it has no debt instruments issued by its subsidiaries.

## — Twenty-Seventh: Description of the Company's Dividend Distribution Policy

According to Article (53) of the company's Articles of Association, which states:

"The company's net annual profits, after deducting all expenses and other costs, including the legally imposed Zakat, shall be distributed as follows:

1. Allocating (10%) of the net profits annually to form the company's statutory reserve.
2. The Ordinary General Assembly may decide to discontinue this allocation once the statutory reserve reaches (20%) of the company's paid-up capital.
3. The Ordinary General Assembly, upon the recommendation of the Board of Directors, may decide to allocate a certain percentage of net profits to form other reserves. The decision shall specify its allocation for a specific purpose or purposes to benefit the company or ensure, as much as possible, the distribution of stable dividends to shareholders.
4. The Ordinary General Assembly may decide to deduct amounts from the net profits to establish social institutions for the company's employees or to support existing institutions.
5. The Ordinary General Assembly, upon the recommendation of the Board of Directors, may decide to distribute interim dividends during the company's fiscal year, either semi-annually or quarterly.

The company did not distribute dividends for the year ending on 31/12/2024."

## — Twenty-Eighth: Description of Any Interest in a Class of Shares

With voting rights belonging to persons (other than members of the company's Board of Directors, senior executives, and their relatives) who have notified the company of those rights pursuant to Article 45 of the Listing Rules and Regulations, and any changes in those rights during the last fiscal year.)

The company acknowledges that there have been no changes in voting rights, as it has not been notified by any investors other than members of the Board of Directors, senior executives, their spouses, or minor children of any change in interest related to a class of shares with voting rights during the last fiscal year.

It is noted that there are no shares registered under the names of the spouses or minor children of the Board members or senior executives as of 31/12/2024.

No person or entity has notified the company of any interest in a class of shares with voting rights during the fiscal year 2024.

The company has not issued or granted any debt instruments convertible into shares, options, warrants, conversion rights, or similar rights during the fiscal year 2024.



## Twenty-Ninth: Description of Any Interest, Contractual Securities, and Subscription Rights

Belonging to members of the company's Board of Directors, senior executives, and their relatives in the company's shares, debt instruments, or any of its subsidiaries, and any changes in such interests or rights during the last fiscal year.

### Share Ownership of Board Members:

The following table shows the statement of shares owned by the Board Members:

Name	Statment	31 Dec 2023	31 Dec 2024	Change Percent	Percentage of Ownership of Capital (%)
Dr. Obaid Saad Al-Subaie	-	-	100	a	0.0006667%
Mr. Abdulaziz Abdulmohsen Al-Bakr	-	-	105	0	0.0007000%
Dr. Abdulrahman Ahmed Al-Mufreh	-	-	100	0	0.0006667%
Mr. Khalid Ahmed Al-Hamdan	-	-	5	0	0.0000333%
Mr. Khalid Mohammed Al-Hanaki	-	-	5	0	0.0000333%
Mr. Mishal Abdulrahman Al-Aqla	-	-	50	0	0.0003333%
Mr. Fahad Mohammed Al-Habardi	-	-	5	0	0.0000333%
Mr. Nael Sameer Fayez	-	-	5	0	0.0000333%
Mr. Ahmed Abdullah Al-Mohsen	-	-	104	0	0.000693%

### **Thirtieth: Information Related to Any Loans on the Company**

(And a Statement of the Company's Total Indebtedness and Its Subsidiaries, And Any Amounts Paid by the Company for Loan Repayments During the Year.)

The company acknowledges that it has no outstanding loans or total indebtedness related to itself or its subsidiaries. Additionally, no amounts have been paid by the company for loan repayments during the year.

### **Thirty-First: Description of Categories and Numbers of Any Convertible Debt Instruments**

(And Any Contractual Securities, Warrants, Subscription Rights, or Similar Rights Issued or Granted by the Company During the Fiscal Year.)

The company acknowledges that it has no convertible debt instruments, contractual securities, warrants, subscription rights, or similar rights issued or granted by the company during the fiscal year ending on December 31, 2024.

### **Thirty-Second: Description of Any Conversion or Subscription Rights Under Convertible Debt Instruments.**

(Or Contractual Securities, Warrants, Subscription Rights, or Similar Rights Issued or Granted by the Company.)

The company acknowledges that it has no conversion or subscription rights under convertible debt instruments, contractual securities, warrants, subscription rights, or similar rights issued or granted by the company during the fiscal year ending on December 31, 2024.

### Thirty-Third: Description of Any Redemption, Purchase, or Cancellation by the Company (Of Any Redeemable Debt Instruments and the Value of the Remaining Securities).

The company acknowledges that it did not redeem, purchase, or cancel any redeemable debt instruments during the fiscal year ending on December 31, 2024.

### Thirty-Fourth: Record of Board of Directors' Meetings

Members Names									Attendance	Date	Meeting #
** Ahmed AlMohsen	Nael Fayez	* Fahad AlHabardi	Mishal AlOkla	Khalid AlHenaki	Khalid AlHamdan	Abdulrahmn Al-Mufreh	Abdulaziz Al-Bakr	Obaid Al-Subai			
x	✓	✓	✓	✓	✓	✓	✓	✓	in-person	2024/01/30	1
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/01/31	2
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/02/05	3
x	✓	✓	✓	✓	✓	✓	✓	✓	Virtual	2024/02/18	4
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/02/20	5
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/03/06	6
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/03/17	7
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/03/18	8
x	✓	✓	✓	✓	✓	✓	✓	✓	Virtual	2024/03/26	9
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/03/28	10
x	✓	✓	✓	✓	✓	✓	✓	✓	in-person	2024/04/25	11
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/05/07	12

Members Names									Attendance	Date	Meeting
** Ahmed AlMohsen	Nael Fayez	* Fahad AlHabardi	Mishal AlOkla	Khalid AlHenaki	Khalid AlHamdan	Abdulrahmn Al-Mufreh	Abdulaziz Al-Bakr	Obaid Al-Subai			
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/05/13	13
x	✓	✓	✓	✓	◆	✓	✓	✓	Virtual	2024/06/26	14
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/06/30	15
x	✓	✓	✓	✓	✓	✓	✓	✓	Virtual	2024/07/31	16
x	x	✓	✓	✓	✓	✓	✓	✓	Virtual	2024/08/04	17
x	☑	☑	☑	☑	☑	☑	☑	☑	circulation	2024/09/16	18
x	✓	✓	✓	✓	✓	✓	✓	✓	in-person	2024/10/30	19
✓	✓	x	✓	✓	✓	✓	✓	✓	Virtual	2024/12/31	20

(\*) استقال في 2024/12/2 م  
 (\*\*) تعين في 2024/12/22 م

توضيح: ✓ حضر x لم يحضر ◆ فوض ☑ حضر بالتمرير ☒ لم يحضر بالتمرير

## — Thirty-Fifth: The Company's Requests for the Shareholders' Register

Number of Requests for the Shareholders' Register	Date of Request Submission	Reasons for the Request
1	04/01/2024	General Assembly Activities
2	24/01/2024	General Assembly Activities
3	08/05/2024	Company Procedures
4	02/06/2024	General Assembly Activities
5	07/07/2024	General Assembly Activities
6	29/07/2024	General Assembly Activities
7	19/09/2024	Company Procedures



### — **Thirty-Sixth: Description of Any Transaction Between the Company and a Related Party**

The company acknowledges that there are no transactions between the company and any related party.

### — **Thirty-Seventh: Information Related to Any Transactions or Contracts in Which the Company Is a Party,**

Or in which any member of the company's Board of Directors, senior executives, or any related person has or had an interest, including the names of the parties involved in the transactions or contracts, the nature of these transactions or contracts, their terms, duration, and amount.

The company acknowledges that there were no transactions or contracts involving any Board members or senior executives during the fiscal year ending on December 31, 2024.

### — **Thirty-Eighth: A Statement of Any Arrangements or Agreements Under Which**

(Any Member of the Company's Board of Directors or a Senior Executive Waives Any Remunerations)

The company acknowledges that there are no arrangements or agreements under which any member of the Board of Directors or any senior executive has waived any remunerations during the fiscal year ending on December 31, 2024.

## — Thirty-Ninth: A Statement of Any Arrangements or Agreements Under Which

(Any Shareholder of the Company Waives Any Rights to Dividends)

The company acknowledges that there are no arrangements or agreements under which any shareholder has waived any rights to dividends.

## — Fortieth: A Statement of the Statutory Payments Paid and Due for the Payment of Any Zakat

(Or Taxes, Fees, or Any Other Dues That Have Not Been Paid Until the End of the Fiscal Year, With a Brief Description and Statement of the Reasons.)

The company has no financial obligations to government entities from loans or debts except for the following payments:

Provision Movement				
Type of Payment	Amounts Paid During the Year	Provision Established at the Beginning of the Year	Additions During the Six Months	Provision Balance at the End of the Year (SAR)
Zakat and Income	878,330	(878,330)	(7,799,680)	(7,799,680)
General Organization for Social Insurance (GOSI)	181,735	(15,840)	(186,609)	(20,714)
Labor Office Fees	-	-	-	-

## Forty-First: A Statement of the Value of Any Investments or Reserves

(Established for the Benefit of the Company's Employees)

The company acknowledges that there are no arrangements or agreements under which any shareholder has waived any rights to dividends.

Statment	Total
End-of-Service Benefits	134,884
<b>Total</b>	<b>134,884</b>

## Forty-Second: Board of Directors' Declarations

(Established for the Benefit of the Company's Employees)

### The Board of Directors declares:

That the accounting records have been prepared correctly.

That the internal control system has been established on sound foundations and implemented effectively.

That there is no significant doubt regarding the company's ability to continue its operations.

### **Forty-Third: Any Reservations Included in the Auditor's Report**

(On the Annual Financial Statements and Their Reasons.)

The Ordinary General Assembly of the company, held on 28/05/2024, approved the appointment of the auditor Deloitte & Touche (Deloitte & Touche Certified Public Accountants) for the fiscal year 2024 and the first quarter of 2025. The auditor's report did not include any reservations regarding the annual financial

### **Forty-Fourth: The Board of Directors' Recommendation Regarding the Auditor**

(On the Annual Financial Statements and Their Reasons.)

The company acknowledges that the Board of Directors did not recommend changing the auditor before the end of their appointment period.statements.

### **Forty-Fifth: Disclosure of Details of Treasury Shares Held**

(By the Company and Details About the Uses of These Shares.)

The company acknowledges that it does not hold any treasury shares.

## **In conclusion,**

The Board of Directors extends its sincere thanks and appreciation to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud (May Allah protect him), and the Crown Prince and Prime Minister, Prince Mohammed bin Salman (May Allah protect him) for their continuous support in advancing all sectors of the state including the national economy in line with the Kingdom's Vision **2023**.

The Board of Directors also expresses its gratitude and appreciation to all shareholders for the trust they have placed in us and we hope to always meet their expectations.

**And Allah is the source of success,**



## For Contact



Adham Center, Al-Ruwais, Jaeddah 23215v

info@almasafi.com.sa



012-6530289 , 012-6517016



012-6518050 - Ext 30







## **Board of Directors' Report for the Year 2024**

To the Shareholders of Saudi Arabian Refineries Company (SARCO)