

Saudi Arabian Amiantit Company
The Annual Report of the Board of Directors

2023

Date: 17/09/1445 H
27/03/2024 G

The annual report of the Board of Directors to the Ordinary General Assembly Meeting on the Fiscal Year of 2023G

*M/s Shareholders of Saudi Arabian Amiantit Company,
Dear Shareholders,*

Introduction:

The Board of Directors of Saudi Arabian Amiantit Company (will be refer to as “The Company” or “The Group” have the pleasure to present “The Company” ’s annual activity report for the year 2023G and the operations progress of “The Company” and its affiliates, including the production, marketing, and administrative performance of “The Group”. The report also covers the consolidated financial statements for the years ending 31st December of 2023G & 2022G.

1 Company and Group Profile:

“The Company” was established in 1388H (1968) in Dammam, Kingdom of Saudi Arabia. It is a Joint Stock - Listed Company with a paid-up capital of SAR 99 million (2022G: SAR 99 million), listed on the Saudi Stock Exchange (Tadawul). “The Company” is headquartered in Dammam (Saudi Arabia).

“The Company” ’s main activities consist of the establishment and management of industrial projects especially the design, manufacturing, marketing, and sales of pipes and water treatment installations, as well as the management of water projects. “The Group” has several pipe manufacturing technologies that it licenses to third parties.

As of December 31, 2023G, “The Group” operates 23 plants (includes 9 plants in Saudi Arabia, the other premises mostly being located in Western Europe, Turkey, Qatar, North Africa and Kazakhstan) for producing pipes around the world (and the related products, such as tanks, fittings, flanges, rubber, and manholes), either fully owned or through joint ventures with local partners.

“The Company” also offers pipe design and installation services through its 100% owned Saudi subsidiary, Infra-Structure Engineering and Construction Company (ISECC), and “The Company” ’s research and development activities are carried by its R&D centers in the Dhahran Techno-Valley, Dhahran, Saudi Arabia, and Sandiford, Norway as a part of the joint venture in Europe (Amiblu). It is also involved in Engineering, Procurement, Commissioning (EPC) of water treatment facilities through its fully owned German subsidiary (PWT- Abwassertechnik) As well as its subsidiary PWT Saudi Limited. and operates water management activities through a 50% joint-venture in Saudi Arabia, the International Water Distribution Company "Tawzea"¹, It is worth to mention that “The Company” owns 13% of "East Gas Company" which operates in procuring the natural gas from Saudi Aramco, and selling it to more than 50 industrial clients through a special pipe network underground in the 2nd industrial city in Dammam City. In addition to implements the engineering, construction, operations, and maintenance for all pipes network lines, stations meters on a safe way and friendly to the environment.

¹ A 50% owned by International Infrastructure Development Management and Operation Co. Ltd., and on 18/06/1445H corresponding to 31/12/2023G, a contract was signed to sell International Infrastructure Development Management and Operation Co. Ltd. shares to an investment fund managed by the financial company of Alinma Bank in exchange for the bank's assignment of receivables to Saudi Arabian Amiantit Company.

1.1 Manufacturing & Sale of Pipes & Associated Technologies

“The Group” designs and manufactures standard and non-standard pipes, tanks, fittings, and industrial valves, for transmission of water, covering all applications, such as potable water, irrigation, industrial water, sewage, sea water intakes, storm water, drainage, firefighting, among others. It also offers to its customers with services and consultancy regarding project design and piping installation through its subsidiary (Engineering Infrastructure Contracting Company Ltd.).

This segment represents the core business of “The Group” and the main source of its sales and profits.

“The Group” owns and continuously develops associated technologies, covering the following aspects:

- Technical Support,
- Product Development,
- Raw Material testing and qualification, and
- Optimization of Processing & Manufacturing methods.

“The Group” Technology organization operates two Research and Development centers. One located in Dhahran Techno-Valley Company (DTVC) located in King Fahad University for Petroleum & Minerals, Dhahran, Saudi Arabia while the other is located in Sandiford (Norway) as part of its associate company Amiblu in Europe. Both centers have an estimated 62 qualified researchers and operates sophisticated research and testing equipment with a total value of SAR 60.38 million. The R&D spending of “The Group” reached SAR 52 million in 2023G (2022G: SAR 49.3 million). The Technology Centers are primarily focused on the GRP and GRE activities. They perform research activities that aim to improve product design, broaden applications, optimize production processes, among other activities.

Manufacturing & sales of pipes & associated technologies	Net Sales	Total Assets
2023G	659,008	1,701,935
2022G ²	468,493	1,697,325

Key figures for Manufacturing & Sales of pipes & Associated Technologies Segment (SAR'000).

1.2 Water Management Activities

1.2.1 EPC of Water Treatment Stations

“The Group” fully owns PWT Wasser-und Abwassertechnik GmbH (PWT), a German Company headquartered near Frankfurt, Germany, and primarily specialized in the engineering, procurement, construction, and operation & maintenance of desalination plants, water treatment plants, wastewater treatment plants for urban areas and industrial clients, as well as, providing centralized and de-centralized (containerized) water treatment solutions. Furthermore, PWT operates groundwater treatment plants and develops and implements electro-technical and automation systems for the water sector.

This Company is presently working actively in Central and Southeastern Europe, the Caspian Region, Turkey and the GCC, the company has been developing new markets in the MENA region and in the GCC, focusing on Saudi Arabia.

The company witnessed a significant increase in its business during 2023 compared to the previous year 2022 performing the new wastewater treatment infrastructure projects in Albania and in Saudi Arabia. This in addition to commercial success in the power generation industry in Europe.

The company keeps focused along the strategy of growing business in the water treatment solutions for the industry in Germany, Central Europe and in Saudi Arabia and in selected infrastructure projects in the focused regions (e.g. GCC, Southeastern Europe).

² Total assets for the comparative year 2022G have been reclassified, due to reclassifications on the consolidated statements of financial positions presentation, for further clarification please refer to clause 3.9 of this report.

1.2.2 Water Management

Amiantit through its 100% owned subsidiary (International Infrastructure Development Management & Operation Co. Ltd. (Amiwater)) owns 50% of The International Water Distribution Company Ltd. "Tawzea". "Tawzea" is principally engaged in offering services related to construction, operation, and maintenance of public water & sewage services.³

"Tawzea" works in providing potable water and wastewater services to industrial cities under a concession from the Saudi Authority for Industrial Cities and Technology Zones (MODON). It specializes in water management in industrial cities and operation and maintenance of potable water and wastewater facilities in many industrial cities across the Kingdom of Saudi Arabia. "Tawzea" is one of the leading companies that has successfully privatized Saudi Arabia's water sector and public-private partnership projects.

The joint venture between "Tawzea" and the Portuguese water services company "Aquapor" was awarded the water distribution project in the second and third industrial cities in Jeddah, at the end of 2016, which contributed significantly to increasing its revenues for the last six years.

As part of Saudi Arabia's Vision 2030, the consortium of "Tawzea" with the Spanish Cobra company (The developer and operator of the industrial infrastructure), resulted in winning the Taif Independent Sewage Plant project in 2019G, and the consortium succeeded in completing the construction phase and setting the date of commercial operation of the project during September 2022G, and later began the operation and implementation phase.

Furthermore, during the last four years, "Tawzea" has won several projects to operate and manage water contracts as part of its long-term strategic plan to diversify its business.

On August 25, 2021G, the consortium in which "Tawzea" participates with the Spanish company "Acciona" and Tamasuk company won three projects to establish three independent wastewater treatment plants in Tabuk, Buraidah and Medina, with a total treatment capacity of 440,000 cubic meters per day (200,000 cubic meters per day for Medina, 150,000 cubic meters per day for Buraidah, and 90,000 cubic meters per day for Tabuk). The consortium also succeeded in achieving financial closure, and the project is currently in its construction phase, which is planned to be completed during 2024G.

In order to enhance and develop the role of "Tawzea" in implementing the current projects, they have got the approval of the ministry of Trade to convert the company from a limited company into a closed joint stock company. And they will complete the other legal procedures according to the company's bylaw.

During 2022G, "Tawzea" was awarded two contracts from the National Water Company as part of a consortium, the supervision contract is to manage, operate and maintain facilities, and assets in the southern and northern regions of the Kingdom of Saudi Arabia, which will affect the raising of operational efficiency, technical knowledge, quality standards, availability of services and maintenance requirements in the concerned sectors.

Year	Net Sales	Total Assets
2023G	59,954	607,955
2022G ⁴	40,324	584,738

Key figures for water management (SAR '000).

³ A 50% owned by International Infrastructure Development Management and Operation Co. Ltd., and on 18/06/1445H corresponding to 31/12/2023G, a contract was signed to sell International Infrastructure Development Management and Operation Co. Ltd. shares to an investment fund managed by the financial company of Alinma Bank in exchange for the bank's assignment of receivables to Saudi Arabian Amiantit Company.

⁴ Total assets for the comparative year 2022G have been reclassified, due to reclassifications on the consolidated statements of financial positions presentation, for further clarification please refer to clause 3.9 of this report.

2 Amiantit Board of Directors & Committees Members:

2.1 Board of Directors

Member Name	Current Job	Previous Job	Qualifications	Experience
HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdurrahman Al-Saud	Businessman	Businessman	PhD in Law	Expertise in the board of directors and committees of companies and corporate committees for civil, insurance, credit, energy, and mining.
HRH Prince Abdulaziz Bin Mohammad Bin Fahad Bin Abdulaziz Al-Saud	Businessman	Businessman	Master of Laws	Experience in the field of law.
Dr. Solaiman Abdulaziz Al Twajjri	CEO of the National Agricultural Development Company (NADEC)	CEO of "The Company"	PhD in Accounting	Extensive experience in finance, accounting, membership in many companies, audit committees, and academic field
Dr. Mohammad Saud Al-Badr	Member of the Board of Directors in companies and member of committees	Managing Director & General Manager	PhD in Computer Education	Extensive experiences in membership of boards of directors and committees of companies, and in the field of management.
Mr. Mohammad Abdurrahman Al-Luhaidan	Businessman	Businessman	Master of Business Administration (MBA)	Extensive experience in management

2.2 Audit Committee

Member Name	Current Job	Previous Job	Qualifications	Experience
Dr. Sulaiman Abdullah Al Sakran	Consultant	General Secretary of Higher Education Fund	PhD in Finance	Extensive experience in finance, accounting, membership in many companies, audit committees, and academic field
Dr. Mohammad Saud Al-Badr	Board & Committees Member in companies	MD & General Manager	PhD in Computer Education	Extensive experience in finance, accounting, membership in many companies, audit committees, and academic field
Mr. Waleed M. Al Othaimen	Board & Committees Member in companies	General Manager	BSc in the Industrial Management (Accounting)	Extensive experience in the chairmanship and membership in audit committees.

2.3 Nomination and Compensation Committee

Member Name	Current Job	Previous Job	Qualifications	Experience
HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdurrahman Al-Saud	Businessman	Businessman	PhD in Law	Expertise in the board of directors and committees of companies and corporate committees for civil, insurance, credit, energy, and mining.
Dr. Mohammad Saud Al-Badr	Board & Committees Member in companies	MD & General Manager	PhD in Computer Education	Extensive experience in finance, accounting, membership in many companies, audit committees, and academic field
Mr. Sulaiman Abdullah Al Amro	Adviser and Regional Manager	Adviser and Regional Manager	Master of Business Administration (MBA)	Extensive experience in the membership of boards of directors, committees, and management

2.4 Executive Committee

Member Name	Current Job	Previous Job	Qualifications	Experience
HH Prince Ahmad Bin Khalid bin Abdullah Bin Abdurrahman Al-Saud	Businessman	Businessman	PhD in Law	Expertise in the board of directors and committees of companies and corporate committees for civil, insurance, credit, energy, and mining.
HRH Prince Abdulaziz Bin Mohammad bin Fahad Bin Abdulaziz Al-Saud	Businessman	Businessman	Master of Law	Experience in the field of law.
Dr. Khalil Abdulfattah Kordi	Financial Adviser	Financial Adviser & CEO of “The Company”	PhD in Accounting	Extensive experience in board membership, corporate and bank committees, university professor, a member of the Shura Council (formerly) and consultant in several government agencies.
Dr. Solaiman Abdulaziz Al Twajri	CEO of the National Agricultural Development Company (NADEC)	CEO of “The Company”	PhD in Accounting	Extensive experience in finance, accounting, membership in many companies, audit committees, and academic field.
Mr. Feras Ghassab AlHarbi	“The Company” ‘s CEO	GCOO & GCFO and Ex-GCFO for Multi listed companies in KSA and outside KSA	Master’s degree in Finance & Accounting	Multi experience in finance, accounting, membership in the board of directors, audit committees and academic field.

2.5 Investment Committee

Member Name	Current Job	Previous Job	Qualifications	Experience
HRH Prince Abdulaziz Bin Mohammad bin Fahad Bin Abdulaziz Al-Saud	Businessman	Businessman	Master of Law	Experience in the field of law.
Mr. Sulaiman Abdullah Al Amro	Adviser and Regional Manager	Adviser and Regional Manager	Master of Business Administration (MBA)	Extensive experience in the membership of boards of directors, committees, and management
Mr. Mohammad Abdurrahman Al-Luhaidan	Businessman	Businessman	Master of Business Administration (MBA)	Extensive experience in management
Mr. Feras Ghassab AlHarbi	“The Company” ‘s CEO	GCOO & GCFO and Ex-GCFO for Multi listed companies in KSA and outside KSA	Master’s degree in Finance & Accounting	Multi experience in finance, accounting, membership in the board of directors, audit committees and academic field.

2.6 Senior Executive

Member Name	Current Job	Previous Job	Qualifications	Experience
Mr. Feras Ghassab AlHarbi	CEO of “The Company”	GCOO & GCFO and Ex-GCFO for Multi listed companies in KSA and outside KSA	Master’s degree in Finance & Accounting	Multi experience in finance, accounting, membership in the board of directors, audit committees and academic field.
Mr. Waleed Mohammad Abu Kishk	Legal & Compliance Director of “The Company”	Legal Counsel of the "company"	Master’s degree in law	Experiences in law and legal consulting and governance.
Eng. Abdullah Abbas Al-Baz ⁵	Senior Operation Director of “The Company”	Business Development Manager at Dubai Factory	Bachelor's degree in Mechanical Engineering	Licensed engineer from Ontario, Canada with multiple experiences in plant operations, management and business development
Mr. Asgar Yosuf Sarguroh	Finance Director of “The Company”	Several positions in the financial management of the "company"	Bachelor's degree in financial accounting and business economics	Multi experience in finance, accounting.
Eng. Mohammad Saleh Al-Shamrani	Sales & Marketing Director of “The Company”	The Operations Director of “The Company”	Bachelor’s degree in chemical engineering	Experiences in procurement management, raw materials management, and operations
Mr. Omar Zainalabdeen Hakeem ⁶	Shared Services Director of “The Company”	- IT Governance Director at NADEC - IT Manager at Amiantit	Bachelor’s degree in sciences in Information Technology	Multiple experiences in the digital transformation of the system, automation of processes using computing robots,

⁵ Eng. Abdullah Abbas Al-Baz has been appointed to the position of “The Company” ‘s Senior Operation Director starting from 15/10/2023G.

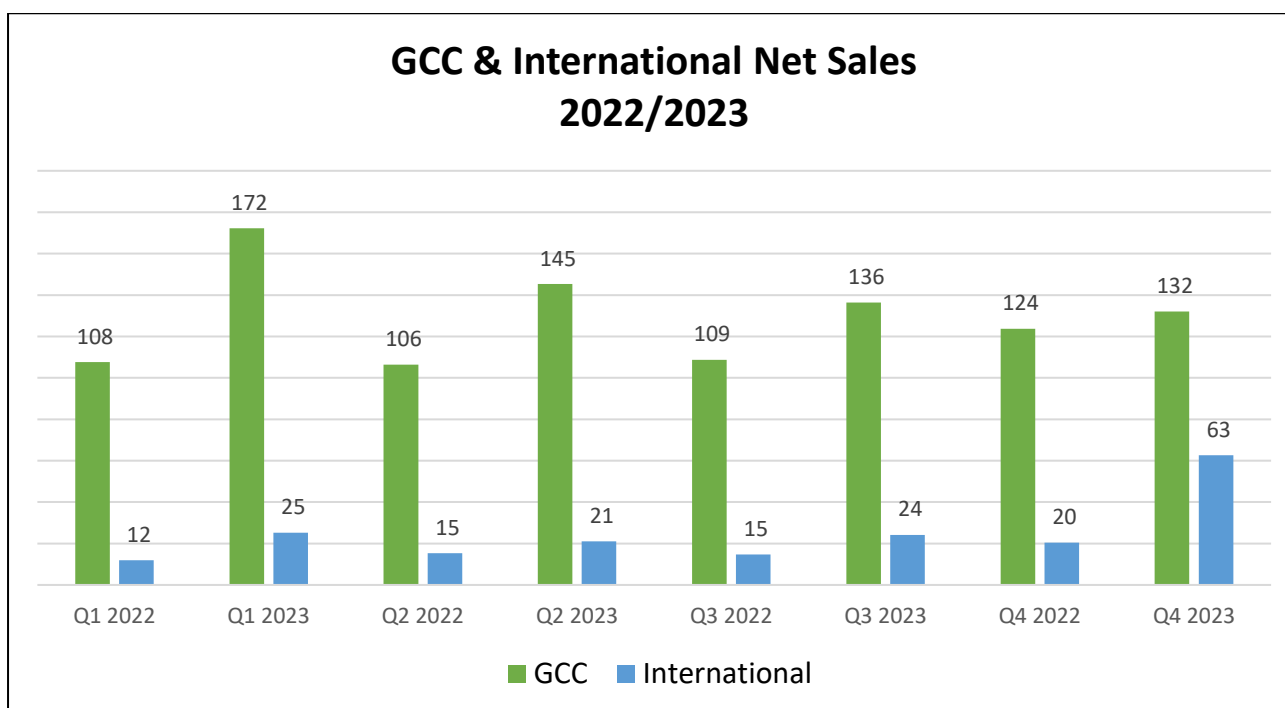
⁶ Mr. Omar Zainalabdeen Hakeem has been appointed to the position of “The Company” ‘s Shared Services Director starting from 08/01/2023G.

				digitization of reports, restructuring of human resources, building a manual of policies and procedures
Mr. Sohaib Zahid Warsi	Supply Chain Director	Multiple positions in Operations Department and Re-export Supervisor at Jeddah Islamic Port	Master's degree in industrial engineering	Multiple experiences in operations management, and supply chains

3 Significant Decisions & Plans

3.1 Increase of the Demand in GCC & International Areas

The Company recorded an increase in revenues during the current year 2023G by 41% compared to the revenues of the previous year 2022G, due to an increase in the volume of new orders, negotiation with major suppliers and obtaining competitive prices and appropriate payment terms.



Gulf & International Net Sales (in SAR million).

3.2 Manpower Reduction Program

- Recruited low-cost temporary workers directly to the "company" to replace some high-cost indirect labor.

3.3 Government Fees Saving Program

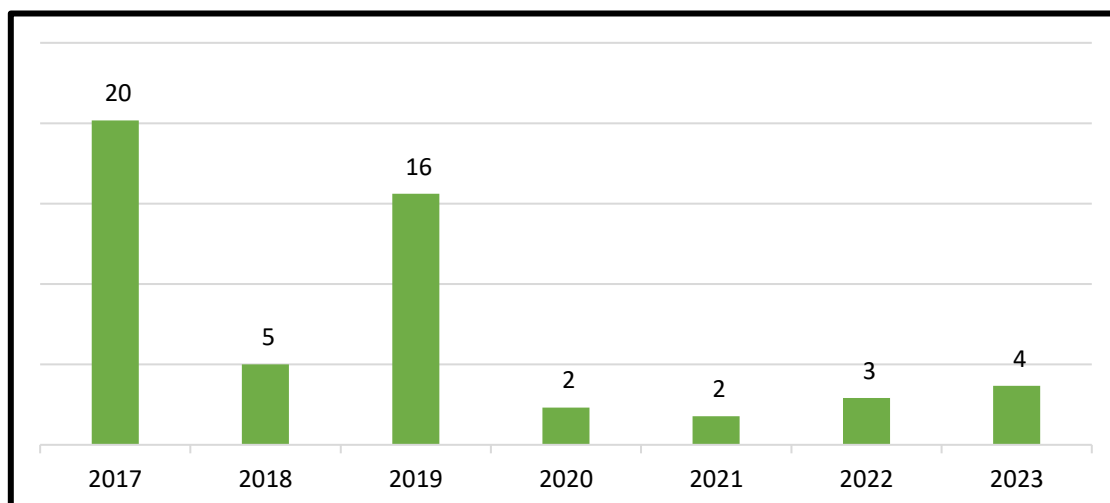
- "The Company" worked to benefit from government support in the field of industry by save the cost of the financial subsidy for work licenses with a value of approximately 6.6 million Saudi riyals, as industrial records were used in an optimal way to reduce the cost of the product.

3.4 "Nitaqat Al Motawar" Program Implementation

- A number of 203 Saudi employees were employed during 2023G, in implementation of the "Nitaqat Al Motawar" program.

3.5 Capital Expenditure for the year

- As shown in the following table, there are no substantial capital expenditures for 2023G.



Capital Expenditure 7 years. ('000 SAR)

3.6 Significant Expansion Plans & Capital Expenditure

3.6.1 Enhancing of Efficiency & Resourcing

- The cost of purchasing some of the necessary tools used in the installation of Epoxy pipes and fittings have been reduced by contracting with new suppliers with the same efficiency and competitive prices compared to previous suppliers.
- Initiating efficiency tests through the Amiantit Research and Development Center to improve the performance of the methods of connecting epoxy pipes to each other by adding new materials in the working method, which led to reducing the quantities of materials used while raising the efficiency and performance of the product and reflecting this on the final price positively.
- Amiantit Research and Development Center was able to develop the epoxy pipe to be in line with some of Aramco specifications, which is still with international laboratories for conformity certificates.
- Amiantit Fiberglass Manufacturing Co. Ltd. "AFIL" has automated some processes in the production line, which has reduced working hours in getting the job done, which will help reduce the cost of the final product.
- Enhancing the efficiency of "The Company" 's existing facilities for the production of tanks, as well as developing and adopting new tank designs, which will reduce their cost significantly, and thus enhance the company's competitive ability.
- Refurbishment and increase the capacity of "Bondstrand" factory hydrostatic pressing machine, by fully supporting the structure and adding the pumps required for this upgrade to be able to inspect large high-pressure pipes.
- As part of "The Company" vision of products diversity, it focuses to the new high-return products such as manufacturing valves. And in this regard, it seeks accreditation from the Ministry of Environment, Water and Agriculture.
- AMIPOX is in the process of applying for API (American Petroleum Institute) certification for their products, aimed at qualifying for participation in ARAMCO and refinery projects.
- AFIL has obtained a UL certification for their fuel tanks, covering both single and double wall tank designs, intended for use at fuel stations.
- AFIL is exploring the implementation of new Flanges production techniques (molded/RTM) to boost efficiency and cut the costs associated with labor and overhead in the manufacture of high-quality flanges.

- ARIL is upgrading its polyethylene machinery to produce a "V Look" shape, a component widely used as a liner for concrete pipes.
- AMIPOX has received approval from S.ARAMCO to supply fire water service pipes, a development that is expected to increase the company's pipe and fitting supply volumes.
- AMIPOX has become an officially approved vendor for the NWC following a comprehensive factory assessment.

3.6.2 Significant Pipe Expansion Plans

- Amiantit R&D Center has developed a pressure testing machine for reinforced fiberglass pipes to reach a length of 18 meters instead of 12 meters.
- Amicon Saudi Arabia Co. Ltd. was able to expand its production capacity based on the factory's internal capabilities in designing and producing a full range of general-use valves and several types of valves (butterfly valve, gate valve, pneumatic valves), where the company was able to expand its product range for diameters 1200 to 2000. It will continue to expand within the next two years, as a result of the high demand for the company's products (valves).
- Amicon Saudi Arabia Ltd. was able to design and manufacture the rubber injection machine and delivery machine in-house to enhance the production of the rubber component, which is cheaper than the case of purchasing the machines.
- Amicon Saudi Arabia Ltd. has been able to design and manufacture the in-house bronze centrifugal casting machine to enhance the internal manufacturing capabilities of valve parts.
- The success of the factory of Amiantit Rubber Industry Co. Ltd. (ARIL) in developing new parts for the fillings of tank belts for the Ministry of Defense through the Saudi Mechanical Industries Company, and it was approved by the Ministry of Defense.
- In furtherance of "The Company" 's subsidiary, Amicon Saudi Arabia Limited, has obtained the approval to supply valve projects to Saudi Aramco, it has received also approvals from the National Water Company, and the Electricity and Water Authority in kingdom of Bahrain, which enhancing the company's market share.
- Design and construction of the pipe inner lining application station at GRE product, as this feature is desirable to companies operating in the oil and gas sector and qualifies the plant for future projects.
- Amiantit Fiberglass Manufacturing Co., Ltd. "AFIL" has been able to produce Jacking Pipes with a diameter of 2990 mm and a wall thickness of up to 75 mm, which gives the company the ability to enter the market of tunnel pipes using fiberglass pipes.
- Modernization of the 40-foot main production line of the "Bondstrand" factory, by changing all control devices and electric motors to match the progress made in this field and increase the performance of the production line.
- Upgrading the water pressure testing machine in Amiantit Fiberglass Manufacturing Company Ltd. "AFIL" to 18 meters using the company's internal capabilities, which enhances its competitiveness over future customer demands for this length.
- The project to produce "High Pressure threaded joint epoxy pipes" is being resumed; this initiative is highly sought after by ARAMCO to replace CS pipes in various applications and processes.
- A new pipe rehabilitation system, the CIPP (Cured In Place Pipe) process, is being introduced in collaboration with NWC to rehabilitate AC pipes, with plans to also manufacture the materials locally in KSA.
- A project is being initiated to establish an Environmental Product Declaration (EPD) for AFIL & AMIPOX, in partnership with the AMIPLU Team in Norway, to align with upcoming regulatory requirements for product supply in KSA.
- Development the HDPE plant to align with the 2030 vision of adopting nonmetallic products in all infrastructure projects across KSA.

3.6.3 *Cost Reduction Control Program*

- Strengthening and developing the regulatory bases on overtime, and intensively monitoring the performance and efficiency of the workforce in the factories.
- The usage and sale of the old and accumulated stock of finished goods with coordinated efforts between the departments of sales, production, planning, quality, and warehouses.

3.6.4 *Receivable & Ongoing Collection Efforts*

- A department called “Credit Department” was established in “The Company” in the middle of 2019G and this department reports to the Financial Director of “The Group” and contains all the information for all its debtors such as clients’ GPS locations, contact information, copies of commercial registers and VAT certificates, credit applications, balance confirmations and payment schedules.
- Conducting negotiations with all defaulting clients and discussing new payment plans to reschedule the outstanding balance, restore cash flow and increase accounts receivable turnover.
- “The Company” has become a member of the Saudi Credit Bureau (SIMAH). It is an important step in accessing customers' credit behaviors, obtaining accurate and up-to-date information, and accessing executive court decisions, thus enhancing creditworthiness assessment, and increasing risk mitigation.
- The management conducts collection field visits on a continuous basis according to a clear and predefined schedule approved by the Finance Department, with mentioning the results of the visits and submitting them to the Financial Director through the Collection Department. All collection staff are requested to follow up on a daily basis to speed up the collection process and obtain recent reconciliations of receivable balances.
- Unifying the main and subsidiary accounts of customers in one consortium account to measure the creditworthiness of the customer uniformly, given that we have more than one account for the same customer in different projects, regions, or commercial registers with the same owner.
- “The Company” 's credit department established the Credit Management module (SAP) system, and made great effort to coordinate debtors, sales, customer relations and freight to control all products delivered based on pre-agreed credit limits.
- “The Company” has established a clear credit management policy and procedure.
- “The Company” collected SAR 716 million in 2023G, representing 99.6% of the total sales for the same year, which amounted to SAR 719 million.

3.7 **Industrial Lands**

"The Group" owns two industrial plots of land in Dammam since 1971G recorded in "the Group" 's books with a book value of SAR 1.4 million. On June 30, 2022G, "the Company" changed its accounting policy to the fair value model for measuring investment properties and the revaluation model for lands measurement, while continuing to apply the cost model to measure other assets of property, plant, equipment, and intangible assets. The management appointed two independent valuers licensed by the Saudi Authority for Accredited Valuers ("Taqeem") to evaluate both lands and investment properties when preparing the interim condensed consolidated financial statements for the second quarter of 2022G, provided that the revaluation will be subsequently re-evaluated on an annual basis, in line with the requirements of the Capital Market Authority ("CMA"), and selected the lowest of the two valuations, and therefore "the company" recorded these two plots with a fair value of SAR 371.9 million in fixed assets with their own valuation reserve of SAR 370.5 million within shareholders' equity.

As at 31 December 2023, the Company made its annual revaluation of land in Dammam Industrial for an amount of SR 373.08 million, the carrying amount of this land was SR 369.70 million, upon revaluation, management has realized an amount of SR 3.38 million addition (2022: SR 2.2 million reduction) as revaluation reserve movement on the consolidated statement of changes in equity.

Further, "The Group" owns a plot of industrial land in Jeddah from 2009 onwards. This land is recorded at book value of SAR 150 million recorded in the books of the subsidiary and the consolidated statement of financial position of "the Group" and as of 31 December 2023G, "The Group" has property, plant, and equipment with a carrying amount worth SAR 21.2 million (SAR 24.5 million for the year 2022G). A dispute has arisen over this land and in light of this, "the Company" has booked an impairment for the full value of the land of SAR 150 million, while the same dispute has already been decided and a royal order has been issued to prove the land to its current owners. Currently, in furtherance of the previous royal order, another royal order has been issued, a copy of which we have not received, but the Jeddah Municipality has begun to take the necessary measures to stabilize the land for its current owners, and work is underway to develop a divisional scheme for the entire Al-Melissa general plan in preparation for the issuance of electronic deeds.

3.8 Zakat, VAT, and Transfer Pricing

As of 2014G, the Company has established a 100% unified Zakat account for all subsidiaries of the Company, whereby the Company pays Zakat at the consolidated level and submits a declaration of information to each subsidiary of "the Group".

3.8.1 Zakat Assessments

❖ Saudi Arabian Amiantit Company (2014G to 2020G)

- Following to the Zakat assessment on the "Company" for the years from 2014 to 2020 and consummating all legal channels of challenging them, during in the year 2023, the final decisions for the years 2014 to 2020 were issued, demanding an additional zakat amount of SAR 277.75 million for those years. Consequently, the company recorded an additional zakat provision of SAR 115 million during the year within the income statement.
- On November 11, 2023, the Group obtained approval from the Zakat, Tax, and Customs Authority on the installment plan for the zakat amounts due from the group to the authority, which included the installment plan the zakat amounts due for the years 2015 to 2020 totaling SAR 277.75 million. The installment plan is based on the waiver of a claim at a government entity amounting to SAR 29.19 million and the remaining amount on semi-annual installments starting in the second quarter of 2024 for a period of 4 years.

❖ Factory of Bondstrand Company Ltd.(2018)

- The Company has obtained zakat certificates from Zakat, Tax and Customs Authority ("ZATCA") for the years up to December 31, 2022. During the year 2021 ZATCA has issued assessment for the year 2018 claiming additional amount of SAR 786,116 and the Company has paid SR 40,078 and submitted an objection against the remaining amount, which ZATCA has revised the assessment amount to SR 425,225. The revised assessment amount was escalated to GSTC.
- During the year 2022 The Company received the decision from GSTC, and the company submitted re-appeal on GSTC decision awaiting the result for the re-appeal, also the company paid the income tax amount FY 2018 with 83,516 during the amnesty period for waving the penalty.
- In the year 2023, the final decision was issued which is a refusal of our re-appeal by GSTC. The assessments for the years 2019, 2021 and 2022 are yet to be raised by ZATCA.

3.8.2 VAT Payments:

- During 2023G, "The Company" paid SAR 38 million for VAT in favor of Zakat, Tax, and Customs Authority ("ZATCA").

3.8.3 Withholding Tax:

- During 2023G, "The Company" paid SAR 651 thousand in withholding tax.

3.8.4 **Transfer Pricing:**

- This is to assure that all transactions between “The Company” and its subsidiaries treated in terms of the value of materials at the same price as transactions with third parties, and therefore there is no difference in the transfer price between transactions with subsidiaries and transactions with third parties.
- Any transfer rates’ adjustments will be added to ZAKAT base.

3.9 **Reclassifications on Prior Years**

The Company identified certain presentation error in the prior year's consolidated financial statements that have no impact on consolidated statement of profit or loss and consolidated statements of financial positions presentation and to the notes to the consolidated financial statement.

3.9.1 **Presentation errors affecting consolidated statement of profit or loss.**

Know-how fees amounting to SR 4.07 million for the year ended December 31,2022 was presented and included in as part of selling and marketing expenses, now we have presented this item as part of cost of revenue.

3.9.2 **Presentation errors affecting consolidated statement of financial position.**

Trade receivables under legal collection and retentions receivable, net of impairment loss on financial assets amounting to SR 370.8 million for the year ended December 31, 2022 was presented as non-current receivables, now we have presented this item as part of current trade receivables net.

Provision for loss making contracts amounting to SR 5.757 million for the year ended December 31,2022 was presented and included in as part of others on accrued expense and other liabilities, now we have presented this item as impairment loss on financial asset for contract asset. Consequently, the impairment loss on financial asset for trade receivables have been adjusted as well amounting to SR 10.755 million for the year ended December 31,2022 respectively to conform to the current year presentation.

3.10 **Share Capital Rights Issue**

The Board of Directors of the “Company” has recommended on 13/09/2023G an increase in the “Company's” capital by way of a rights issue of SAR 346.5 million, which will increase the number of shares from 9.9 million shares to 44.55 million shares, thus increasing the “Company's” capital from SAR 99 million to SAR 445.5 million, for Financing working capital and Settlement of some banking obligations.

Later, during 2024, specifically on 24/01/2024, the Group obtained the approval of the Capital Market Authority to increase the capital. On 20/02/2024G, the Extraordinary General Assembly approved the “company's” capital increase.

3.11 **Bank Loan Settlements**

The Company signed an agreement to settle all financial obligations owed by “The Company” to Alinma Bank, amounting to 572.7 million Saudi riyals, according to this agreement, “The Company” will transfer the ownership of its entire shares in the International Infrastructure Management and Operation Co. Ltd., which is 100% owned by "The Company", on December 31. 2023 to an investment fund managed by the financial company affiliated by this bank. In return, the bank releases "The Company" from all its obligations towards the bank, amounting to 572.7 million Saudi riyals. During the year 2024, the procedures for transferring ownership of the subsidiary company to the investment fund affiliated with Alinma Bank were completed, and the company was exempted from all its obligations towards Alinma Bank, amounting to 572.7 million Saudi riyals, which constitute about 50% of the total obligations owed by the company with banks.

from the proceeds of the increase Capital through the issuance of priority rights, and the Company was exempted from the remaining amount of SAR 156.5 million as a settlement of the entire facilities due to the Bank.

Therefore, the total financial impact of these two transactions is to record an accounting profit of SAR 639 million and will not result in any expected cash in-flow within the company, which means an increase in shareholders' equity by SAR 639 million.

The Company is also announced that as a result of completing these two transactions, approximately 77% of the total bank obligations due from the company have been settled, and the remaining only is the bank obligation with Albilad Bank amounting to SAR 268 million, rescheduled for ten years as previously announced.

4 Risk Management:

4.1 Macroeconomic Risk:

Sales of “The Group” products are prone to be affected by the macroeconomic factors and those consequences affect the ultimate results of “The Group”, and “The Group” continues to expand their market share through enhancing the relationships with customers and all concerned government institutions, and improving the pricing policies, and create alternatives in credit collateral that suits a bigger segment.

4.2 Financial Risk:

In recent years, the overall increase in banks' credit rating risk for companies operating in the contract and capital goods industries has led banks to increase corporate lending rates because they are directly subject to the macroeconomic risks to which the industry is exposed. “The Group” has followed, and it is maintaining a very healthy relationship with all its lending financial institutions and has been able to reschedule all its loans with all major banks. Whereas, with reference to item No. 3.11 "Bank Loan Settlements", the Group has signed agreements with creditor banks whereby about 77% of the total bank obligations owed by the Company will be settled, and the remaining only is Albilad's bank obligation of SAR 268 million and rescheduled for a period of ten years as previously announced.

“The Group’s management believes that the exposure to currency risk associated with USD is limited as “The Group’s currency is pegged to USD. The fluctuation in exchange rates against Euro is monitored on a continuous basis.

Interest rate risk is the exposure associated with the effect of fluctuations in the prevailing interest rates on “The Group” ’s financial position and cash flows.

Variable-rate financial liabilities as of 31/12/2023G amounted to SR 1.146 million (31 December 2022G: SR 1.141 million).

Management monitors the changes in interest rates and utilizes interest rate swaps to manage interest rate risk exceeding certain parameters.

An increase in days of payable on invoices for goods and services obtained on credit is generally favorable for the Company as it provides free cash flow to fund operations and to settle bank borrowings.

4.3 Credit Risk:

Credit risk is the risk that one party to a financial instrument may fail to discharge an obligation and cause the other party to incur a financial loss.

The Group manages credit risk in respect of customer debtors by monitoring it in accordance with established policies, procedures, and controls. The Group seeks to reduce credit risk in relation to customers by assessing customer's credit quality based on SIMAH's credit rating and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored. The top five customers representing 25% compared to total receivables as of 31 December 2023 (31 December 2022: 24%).

4.4 Liquidity Risk:

Liquidity risk is the risk that “The Group” may encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Group manages its liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group monitors cash shortfall risks using a liquidity planning tool. The group's goal is to maintain a balance between financing continuity and flexibility through bank loans and lease agreements. The group has access to a diverse range of financing sources and can renew debt maturing within 12 months with current lenders. The Group has signed agreements to settle most of the banking obligations with banks, which will positively affect the Group's performance in the coming periods.

4.5 Reputation Risk:

Reputational risk can occur in the following ways: Directly, as the result of the actions of “The Company” itself. Indirectly, due to the actions of an employee or employees.

Standardization, technology, policies, and procedures reduce the likelihood and severity of events that could cause reputational damage. By focusing on consistently supplying quality products and services, it is much less likely that there will be a harmful mistake.

5 Summary of Financial Data:

5.1 Financial data:

The consolidated figures and statements for the year 2023G cover the following business segments of “The Group”:

- Manufacturing and sales of pipes and associated technology.
- Water management.

Year	2023 G	2022G	2021G	2020G	2019G
Net Sales	718,962	508,817	438,911	441,023	780,409
Gross Profit (Loss) Margin Ratio	12.34	10.93	(17.44)	(14.77)	(18.77)
General, Administrative and Selling expenses	96,060	78,824	90,270	88,263	96,868
Impairment loss (Reversal) on financial assets	2,745	(12,990)	20,756	105,598	4,133
Net Loss	(170,499)	(5,063)	(172,421)	(393,867)	(344,817)
Cash Flow generated from (used in) Operations	42,231	(41,768)	21,499	(82,163)	216,191
Capital Expenditure	3,664	2,913	1,780	2,554	8,948
Total Assets	2,309,890	2,282,063	2,303,700	2,252,908	2,418,817
Total Liabilities	2,114,902	1,921,520	1,958,982	2,084,150	2,056,610
Total Equity	194,988	360,543	344,718	168,758	362,207
Paid Dividends	-	-	-	-	-

Key Financial Highlights for Last Five Years 2019G-2023G (SAR '000)

5.2 Geographical Analysis of the Total Revenue

The company's total revenue is distributed geographically as follows (in thousand Saudi riyals):

Net Sales	2023G		2022G	
	Amount	Percentage%	Amount	Percentage%
Saudi Arabia				
Central	161,760	22.5	77,319	15.2
West	24,061	3.4	15,301	3.0
East	375,477	52.2	269,723	53.0
Exports from KSA	24,702	3.4	84,126	16.5
Total Saudi Arabia	586,001	81.5	446,469	87.7
Europe	53,907	7.5	40,377	7.9
Other countries	79,054	11.0	21,971	4.4
Total	718,962	100	508,817	100

Distribution of Gross Sales by Geographic Region (SAR '000)

"The company" 's share of domestic sales during 2023G amounted to 81.5% of total sales compared to 87.7% during 2022G. Sales in the pipe sector during 2023G amounted to SAR 615.6 million, or 85.6% of total sales, compared to SAR 430.3 million, or 84.6% during 2022G. As for the water management sector, its sales during 2023G amounted to SAR 60.0 million, or 8.3%, compared to SAR 40.4 million, or 7.9%, during 2022G. Services sales reached SAR 43.4 million, or 6.0%, during 2023G, compared to SAR 38.1 million, or 7.5%, during 2022.

The company's subsidiaries total revenue is distributed geographically as follows (in thousand Saudi riyals):

Subsidiary Name	Country	% Owned	2023G		2022G	
			Amount	Percentage	Amount	Percentage
Amiantit Fiberglass Industry Co. Ltd. ("AFIL")	KSA	100	277,560	38.61	188,780	37.10
Poly Pipe Manufacturing Company	KSA	100	290	0.04	766	0.15
Factory of Bondstrand Ltd. ("Bondstrand")	KSA	60	21,451	2.98	50,231	9.87
AMIPOX Co.	KSA	100	11,529	1.60	14,441	2.84
Saudi Arabian Ductile Pipe Manufacturing Co. Ltd	KSA	100	215,869	30.03	145,207	28.54
Amicon Saudi Arabia Limited (AMICON)	KSA	100	165	0.02	442	0.09
Ameron Saudi Arabia Co. Ltd. (ASAL)	KSA	100	-	0.00	9	0.00
Amiantit Rubber Industry Co. Ltd. (ARIL)	KSA	100	8,034	1.12	7,315	1.44
Amiantit Plastic Manufacturing Company (AMPLAS)	KSA	100	1,685	0.23	1,213	0.24
Infrastructure Engineering General Contracting Co. Ltd. (ISECC)	KSA	100	43,377	6.03	38,167	7.50
Infrastructure Engineering General Contracting Co. Ltd. (ISECC)	Kuwait	100	0	0.00	0	0.00
Infrastructure Engineering General Contracting Co. Ltd. (ISECC)	UAE	100	0	0.00	0	0.00
Amitech Astana Pipes Co.	Kazakhstan	51	79,054	11.00	21,870	4.30
Aquamundo Co.	Germany	100	0	0.00	319	0.06
PWT Co.	Germany	100	53,457	7.44	39,901	7.84
PWT Saudi Arabia Co.	KSA	100	6,101	0.85	0	0.00
PWT SUW OO Co.	Turkmenistan	100	388	0.05	156	0.03
Total			718,962	100	508,817	100

5.3 Explanation of Material Changes in the Operating Results Compared to Prior Year (in thousand Saudi riyals):

5.3.1 Summary results

	2023G	2022G	Difference	Percentage %
Sales	718,962	508,817	210,145	41
Cost of sales	(630,209)	(453,208)	(177,001)	39
Gross profit	88,753	55,609	33,144	60
General, Administrative and Selling expenses	(96,060)	(78,824)	(17,236)	22
Impairment (loss) reversal on financial assets	(2,745)	12,990	(15,735)	(121)
Operating loss	(10,052)	(10,225)	173	(2)
Other income, net	2,847	34,518	(31,671)	(92)
Share of net income in associates	44,229	31,135	13,094	42
Financial charges, net	(68,268)	(41,091)	(27,177)	66
Profit (Loss) before zakat and foreign income tax	(31,244)	14,337	(45,581)	(318)
Foreign income tax and Zakat	(139,188)	(19,396)	(119,792)	618
Loss after tax from discontinued operations	(67)	(4)	(63)	1,575
Loss for the year	(170,499)	(5,063)	(165,436)	3,268

5.3.2 Explanation of Changes

❖ Net Sales

- During 2023G, net sales increased by SAR 210.1 million, or 41%, compared to the previous year, mostly due to an increase in the volume of new orders related to the pipe industry, negotiating with major suppliers and obtaining competitive prices and appropriate payment terms for raw materials, which enhanced the company's opportunities of competing in the market. The company has obtained new orders that are expected to start in 2024G. The below table shows the sales of own manufactured pipe along with services and water management sales for 2023G and 2022G:

Desc.	Sales 2023G	Sales 2022G	Increase (Decrease)	Percent %
Pipe sales – GCC	536,584	408,356	128,228	31
Pipe sales – Other regions	79,054	21,971	57,083	260
Total Pipe Sales	615,638	430,327	185,311	43
Services	43,377	38,113	5,264	14
Water management	59,947	40,377	19,570	48
TOTAL	718,962	508,817	210,145	41

(SAR'000)

- Pipe sales in the GCC increased significantly in 2023G, recording an increase of SAR 128.2 million, or 31%, compared to the previous year 2022G. Especially in reinforced fiberglass pipes, where an increase of SAR 89.3 million, or 47%, was recorded over the previous year 2022G, and in ductile iron pipes, where an increase of SAR 70.8 million, or 49% was recorded over the previous year 2022G. These results are analyzed according to the following table (in thousand Saudi riyals):

Desc.	Sales 2023G	Sales 2022G	Increase (Decrease)	Percent%
Ductile Iron Pipes	216,035	145,264	70,771	49
Glass Reinforced polyester Pipes (GRP)	277,850	188,596	89,254	47
Glass Reinforced Epoxy Pipes (GRE)	32,980	64,760	(31,780)	(49)
Other Pipes	9,719	9,736	(17)	(0)
TOTAL	536,584	408,356	128,228	31

GCC Pipe Sales (SAR'000)

❖ Cost of Sales

- The Group witnessed an increase in cost of sales in 2023G by SAR 177.0 million, or by 39% compared to the previous year 2022G, in line with the sales increased. In addition, 2022G recorded a net reversal of a provision for a decrease in the value of fixed assets for one of the cash-generating units by SAR 37 million after conducting a detailed study from a third party.

❖ **General, Administrative and Selling expenses**

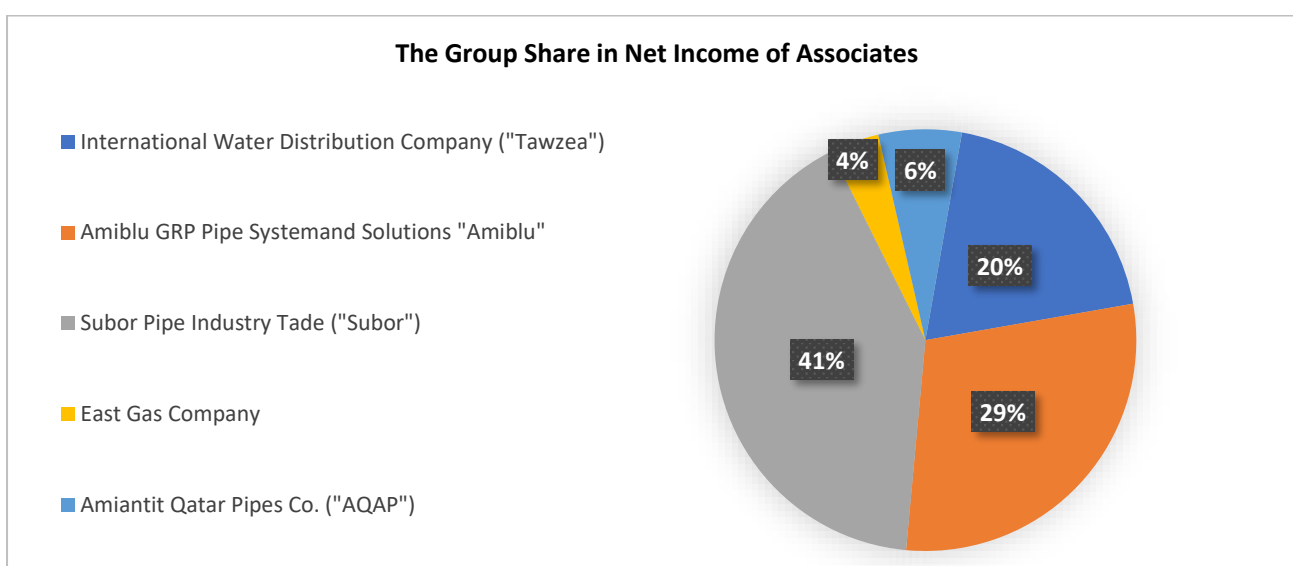
- General, Administrative and Selling expenses increased by SAR 17.2 million, or 22% compared to the previous year 2022G resulting from increase in marketing and sales commission as sales increased, professional services, information technology and communications, personnel cost, and increase utilities consumption and repairs and maintenance.

❖ **Financial Charges**

- The financial charges increased by SAR 27.3 million compared to the previous year 2022G, due to an increase in Saudi Interbank Offered Rate (SAIBOR).

❖ **“The Company” Shares in Net Income of Associates**

- During the year 2023G, the Group recorded investment profits in associates and joint ventures of SAR 44.2 million, an increase of SAR 13.1 million over the previous year 2022G, due to the fact that the major associate and joint venture companies such as "Tawzea", Subor Pipe Industry Trade ("Subor"), "Amiblu", "Amiantit Qatar", and "East Gas" achieved positive results for the year 2023G.



❖ **Impairment on Assets**

- The total losses on impairment in the value and provisions of current and non-current assets amounted to SAR (3.15) million in 2023G, compared to the reversals on impairment of SAR 49.59 million in the previous year 2022G, and the following table shows the details (in SAR million):

Item	2023G	2022G
Net (losses) reversal of the impairment in the value of financial assets (doubtful receivables)	(2.75)	12.99
Net Impairment (losses) reversal in the value of fixed assets of Cash Generating Units (CGUs)	(0.40)	36.6
Total	(3.15)	49.59

- The Group has increased the provision for impairment of doubtful receivables in 2023G by SAR (2.75) million, containing additional impairment on expected credit loss provision in the value of short-term receivables of SAR (2.8) million, a reversal of provision for doubtful debts in collection (under legal procedures) in the amount of SAR 0.4 million, in addition to recording an additional provision on discount on long-term retained amounts of SAR (0.4) million.
- Management appointed an independent consultant licensed by the Saudi Authority for Accredited Valuers (TAQEEM) to review their impairment models as of 31 December 2023. The recoverable amount of these CGUs has been determined based on a value-in-use calculation. The results of the impairment test performed for each Cash Generating Units as at 31 December 2023 were as follows:

- As at December 31, 2023, management appointed an independent consultant to review the impairment model of the company's cash-generating-units for Amiantit Fiberglass Ltd. Co. (AFIL). Accordingly, the recoverable amount has been determined based on a value-in-use calculation. The pre-tax discount rate applied to cash flow projections is ranging from 14.0% to 15.0%, and the cash flows beyond 2023 are extrapolated using a management estimate of growth rate. Management also estimated that as at December 31, 2023, there were no additional impairment indicators nor there were indicators of reversal in previously recorded impairment.
- As at December 31, 2023, management appointed an independent consultant to review the impairment model of the company's cash-generating-units for Saudi Arabian Ductile Pipe Ltd. (SADIP). Accordingly, the recoverable amount has been determined based on a value-in-use calculation. The pre-tax discount rate applied to cash flow projections is ranging from 14.0% to 15.0%, and the cash flows beyond 2023 are extrapolated using a management estimate of growth rate. Management also estimated that as at December 31, 2023, there were no additional impairment indicators nor there were indicators of reversal in previously recorded impairment.
- As at December 31, 2023, management appointed an independent consultant to review the impairment model of company's cash-generating-units for Factory of Bondstrand Limited ("BSL"). Accordingly, the recoverable amount of SR nil as at 31 December 2023 has been determined based on a value in use calculation using cash flow projections from a budget approved by the board covering 2024. The pre-tax discount rate applied to cash flow projections is ranging from 14.0% to 15.0% , and the cash flows beyond 2024 are extrapolated using a management estimate of growth rate. It was concluded that the fair value less costs of disposal cannot be measured reliably. As a result of this analysis, management has recognized an impairment charge of SR (0.4) million against property, plant and equipment with a carrying amount of SR 1.04 million as at 31 December 2023. The impairment charge is recorded within cost of sales in the consolidated statement of profit or loss.
- As at December 31, 2023, the management conducted an impairment test for the company's cash generating units in Amiblu. The recoverable amount of Amiblu was determined based on a value-in-use calculation. Key assumptions used in this analysis include an after-tax discount rate, which is calculated using a weighted average cost of capital methodology of 8.80%, and a growth rate of 1% per business unit. As a result of the above assessment, the difference between the recoverable amount of the investment and its carrying value at 31 December 2023 was nil (2022: nil SAR).

6 Accounting Standards

6.1 Compliance with international standards approved by the Saudi Organization for Auditors and Accountants

- ❖ The Group has not departed from International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and other issuances approved by the Saudi Organization for Auditors and Accountants (SOCPA).

6.2 Implementation of international standards approved by the Saudi Organization for Auditors and Accountants - Changes in accounting policies and procedures

6.2.1 New IFRS standards, amendments to standards and interpretations not yet adopted.

- ❖ Some new accounting standards, amendments to standards and interpretations have been published by the IASB which are not mandatory for the 31 December 2023 reporting periods and were not applied early by the Group and are not expected to have a material impact on the Group in current or future reporting periods and on anticipated future transactions.

6.2.2 New and amended IFRS & IAS standards adopted by "The Group".

- ❖ The revised International Financial Reporting Standards (IFRS) and the following revised International Accounting Standards (IAS) have been adopted, and the application of these revised Standards has had no material impact on the amounts listed for current and prior periods.

- **Accounting Policy (Amendment to IAS 28), effective date 1 January 2023;**

- The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies

- **Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12), effective date 1 January 2023;**

These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

6.2.3 Other modifications to the standards

- ❖ Some other amendments to the Standards became applicable in the reporting period, and "the Group" did not have to change its accounting policies or make retroactive adjustments as a result of the application of these amendments to the Standards.

7 Corporate Structure:

7.1 Branches:

Branches of the mother Company whether directly or indirectly (by industrial license or branch commercial registration certificate or both of them) are 100 % owned. The branches do not represent separate legal entities, and do not have capital or debt instruments issued.

#	Company	Activity	Country	Establishment Place	Amiantit Share %
1	Branch of Saudi Arabian Amiantit Company	Marketing of "The Company" products	KSA - Dammam	KSA - Riyadh	100
2	Branch of Saudi Arabian Amiantit Company	Marketing of "The Company" products	KSA - Dammam	KSA - Jeddah	100
3	Amiantit Plastic Products Manufacturing Co. (Amiplas)	For the manufacture of plastic products	KSA - Dammam	KSA - Dammam	100
4	Amiantit Epoxy Pipe Manufacturing Co. (Amipox)	Epoxy pipes	KSA - Dammam	KSA - Dammam	100

5	Amiantit Research & Development Center	Technical Research and Studies	KSA - Dhahran	KSA - Dhahran	100
6	Saudi Arabian Amiantit Construction, Maintenance, and operation Co.	General Contracting & Industrial Maintenance	KSA - Dammam	KSA - Dammam	100
7	Poly Pipe Manufacturing Company	Production of polyethylene pipes	KSA - Jeddah	KSA - Jeddah	100
8	Factory of Amiantit Fiberglass Industries Co. Ltd (AFIL)	Pipes Production	KSA - Dammam	KSA - Jeddah	100
9	Factory of Amiantit Fiberglass Industries Co. Ltd (AFIL)	Pipes Production	KSA - Dammam	KSA - Dammam	100
10	Branch of Amiantit Fiberglass Industries Co. Ltd. (AFIL)	Contracting	KSA - Dammam	KSA - Dammam	100
11	Factory of Saudi Arabian Ductile Iron Pipes Co. Ltd	Pipes Production	KSA - Dammam	KSA - Dammam	100
12	Branch of Saudi Arabian Ductile Iron Pipes Co. Ltd	Contracting	KSA - Dammam	KSA - Dammam	100
13	Branch Infrastructure Engineering Contracting Co. Ltd.	Construction and machines sales	KSA - Dammam	KSA - Dammam	100
14	Infrastructure Engineering Contracting Co. Ltd. (ISECC Kuwait)	Design and Installation services	Kuwait	Kuwait	100
15	Infrastructure Engineering Contracting Co. Ltd. (ISEEC Dubai)	Design and Installation services	Dubai	UAE	100
16	Infrastructure Engineering Contracting Co. Ltd. (ISECC Qatar)	Design and Installation services	Doha	Qatar	100
17	Infrastructure Engineering Contracting Co. Ltd. (ISECC Abu Dhabi)	Design and Installation services	Abu Dhabi	UAE	100
18	Infrastructure Engineering Contracting Co. Ltd. (ISECC Oman)	Design and Installation services	Muscat	Oman	100

Note: Branches do not have capital, and they do not issue financial statements.

7.2 Fully or Partially owned Subsidiaries

#	Company	Activity	The country of incorporation / the main place of its operations	Capital	Currency	Amiantit Share %
1	Amiantit Fiberglass Industries Co. Ltd "AFIL"	Pipes Production	Dammam, KSA	86,999,000	SAR	100
2	Amiantit Rubber Industries Ltd. Co.	Rubber gaskets & pipe fittings	Dammam, KSA	8,750,000	SAR	100
3	Saudi Arabian Ductile Iron Pipes Co. Ltd	Pipes Production	Dammam, KSA	86,915,000	SAR	100
4	Ameron Saudi Arabia Ltd. Co. (Under Liquidation)	Pipes Production	Dammam, KSA	76,500,000	SAR	100
5	Factory of Bondstrand Co. Ltd	Pipes Production	Dammam, KSA	20,000,000	SAR	60
6	Saudi Arabia Concrete Products Co. (SACOP) (Under Liquidation)	Pipes Production	Jeddah, KSA	12,250,000	SAR	100
7	Saudi Amicon Co. Ltd.	Pipes and Valves production	Dammam, KSA	15,000,000	SAR	100 ⁷

⁷ On 21/04/1445H corresponding to 05/11/2023G, the partner Frank Haines waived his stake in Saudi AMICON, and AMICON became 100% owned by Saudi Arabian Amiantit Company.

8	International Infrastructure Development Management and Operation Co. Ltd. (Amiwater) ⁸	Management of water projects and plants and sub-Holding of companies operating in the same field	Dammam, KSA	90,000,000 ⁹	SAR	100
9	Arabian Building Materials & Industrial Equipment Trading Co. Ltd. (Al Arabia for Trade Co.)	Industrial Machines Trade	Dammam, KSA	2,000,000	SAR	100
10	Infra-Structure Engineering and Construction Company (ISECC)	Design & Installation Services	Dammam, KSA	500,000	SAR	100
11	Saudi Arabian Amiantit for Management Company Ltd. (SAAM)	Management	Dammam, KSA	10,000	SAR	100
12	PWT Saudi Co. Ltd.	Water Management	Dammam, KSA	500,000	SAR	100
13	Amiantit International Holding Company	Holding Company	Manama, Bahrain	32,000,000	USD	100
14	Ductile Technology Co. W.L.L.	Selling, buying, and rental of Real Estate	Manama, Bahrain	20,000	BD	100
15	Aquamundo GmbH	Water Management	Germany	3,000,000	EUR	100
16	P.W.T Wasser und- Abwassertechnik GmbH	EPC of Water Treatment Plants	Germany	3,000,000	EUR	100
17	Amiantit Malta Holding Ltd.	Holding	Malta	49,025,000	EUR	100
18	LLP Amitech Astana	Production of pipes	Kazakhstan	403,000,000	KZT	51
19	Amitech Switzerland AG	Holding	Switzerland	10,500,000	CHF	100
20	Flowtite Engineering GmbH (liquidated) ¹⁰	Consulting / technology	Germany	30,000	EUR	100
21	PWT SUW OOO Turkmenistan	Water Management	Turkmenistan	250,000	USD	100

7.3 Affiliated Companies:

Companies in which the Company owns non-controlling and unconsolidated shares in the financial statements, whether directly or indirectly

#	Company	Activity	The country of incorporation / the main place of its operations /	Capital	Currency	Amiantit Share%
1	SPA Amitech Algeria	Pipes Production	Algeria	262,769,000	DZD	50
2	Amiantit Qatar Pipes Co. W.L.L.	Pipes Production	Qatar	37,200,000	QAR	40
3	Eastern Gas	Gas distribution	Dammam, KSA	80,000,000	SAR	13
4	Sarplast S.A. (under liquidation)	Pipes Production	Switzerland	1,600,000	EUR	23.7
5	Fiber Tie Pipes and Accessories W.L.L.	Pipes Production	Qatar	200,000	QAR	20.4
6	Subor Boru Sanayi Ve Ticaret AS	Pipes Production	Turkey	48,306,000	TRY	20
7	Subor Gap Sanayi Ve Ticaret AS	Pipes Production	Turkey	21,700,000	TRY	16
8	Amitech Pipe Systems SRL	Trading of Pipes	Romania	327,620	RON	20
9	Amiblu Holding GmbH	Pipes Production	Austria	5,950,000	EUR	50

⁸ On 18/06/1445H corresponding to 31/12/2023G, a contract was signed to sell the company's shares to an investment fund managed by the financial company of Alinma Bank in exchange for the bank's assignment of receivables to Saudi Arabian Amiantit Company.

⁹ On 11/06/1445H corresponding to 24/12/2023G, the capital was reduced from SAR 100,000,000 to SAR 90,000,000.

¹⁰ On 24/12/1444H corresponding to 12/07/2023G, the company was liquidated.

10	International Water Distribution Company Ltd (Tawzea). ¹¹	Water Distribution	Jeddah, KSA	146,000,000	SAR	50
11	Initiative Industrial Spa	Pipe Production	Italy	3,700,000	EUR	4.48
12	Tawzea Aqua power ¹²	Water Distribution	Jeddah, KSA	500,000	SAR	35

In addition to the above, “The Company” has several commercial representation offices inside Saudi Arabia and abroad.

8 Details of Issued Shares & Debt Instruments of Subsidiaries

The issued shares of the subsidiaries are as follows:

Subsidiary	Issued shares	Shareholders
Amiantit Fiberglass Industries Ltd.	86,999 ordinary shares of each SAR 1,000 per share	1. Amiantit 100%
Saudi Arabian Ductile Iron Pipe Co. Ltd.	86,915 ordinary shares of each SAR 1,000 per share	1. Amiantit 100%
Bondstrand Ltd.	20,000 ordinary shares of each SAR 1,000 per share	1. Amiantit 60% 2. Ameron BV. Holland 40%
Ameron Saudi Arabia Ltd. (under liquidation)	76,500 ordinary shares of each SAR 1,000 per share	1. Amiantit 100%
Amiantit Rubber Industries Ltd.	8,750 ordinary shares of each SAR 1,000 per share	1. Amiantit 100%
Saudi Arabia Concrete Products Ltd. (Under liquidation)	24,500 ordinary shares of each SAR 500 per share	1. Amiantit 100%
Saudi Amicon Co. Ltd.	15,000 ordinary shares of each SAR 1,000 per share	1. Amiantit 100% ¹³
LLP Amitech Astana	Charter Capital of KZT 403 million-Limited Liability Partnership	1. Amiantit International Holding Co. 51% 2. Abykayev M 34% 3. Gavrilov V 10% 4. Listopadney G 5%
Amiantit International Holding Co. WLL	32,000 ordinary shares of each USD 1,000 per share	1. Amiantit 99.94% 2. Amiantit Fiberglass Ind. Ltd .06%
Amitech Switzerland AG	112 ordinary shares of each CHF 1,000 per share	1. Amiantit international Holding Co. 10.71% 2. Amiantit Malta Holding Ltd. 89.29%
Ductile Technology Co. W.L.L.	200 ordinary shares of each BHD 100 per share	1. Amiantit 75% 2. Amiantit International Holding 25%
Flowtite Engineering GmbH (liquidated) ¹⁴	1 ordinary share of EUR 30,000	1. Amitech Switzerland A. G. 100%
Aquamundo GmbH	10 ordinary shares of each EUR 300,000 per share	1. P.W.T Wasser Co. 100%
P.W.T Wasser und- Abwassertechnik GmbH	10 ordinary shares of each EUR 300,000 per share	1. AIH 100%
PWT Saudi Arabia Co.	500 ordinary shares of each SAR 1,000 per share	1. Amiantit 51% ¹⁵ 2. P.W.T Wasser Co. 49%

¹¹ A 50% owned by International Infrastructure Development Management and Operation Co. Ltd., and on 18/06/1445H corresponding to 31/12/2023G, a contract was signed to sell International Infrastructure Development Management and Operation Co. Ltd. shares to an investment fund managed by the financial company of Alinma Bank in exchange for the bank's assignment of receivables to Saudi Arabian Amiantit Company.

¹² A 35% owned company by the International Water Distribution Company.

¹³ On 21/04/1445H corresponding to 05/11/2023G, the partner Frank Haines waived his stake in Saudi AMICON, and AMICON became 100% owned by Saudi Arabian Amiantit Company.

¹⁴ On 24/12/1444H corresponding to 12/07/2023G, the company was liquidated.

¹⁵ On 21/05/1445H corresponding to 05/12/2023G, the entire shares owned by International Infrastructure Management and Operation Company Ltd. were assigned to Saudi Arabian Amiantit Company.

PWT SUW OOO Turkmenistan	1 ordinary shares of each USD 250,000 per share	1. P.W.T Wasser Co. 99% 2. Aquamundo Co. Ltd. 1%
International Infrastructure Management and Operation Co. Ltd.	90,000 ¹⁶ ordinary shares of each SAR 1,000 per share	1. Amiantit 80 % 2. Amiantit Fiberglass Industries Ltd. 20%
Infrastructure Engineering Contracting Co. Ltd.	500 ordinary shares of each SAR 1,000 per share	1. Amiantit 100%
Saudi Arabian Amiantit Management Co. Ltd.	10 ordinary shares of each SAR 1,000	1. Amiantit 90% 2. Amiwater 10%
Arabian Building Materials & Industrial Equipment Trading Co. Ltd. (Al Arabia for Trade Co.)	2000 ordinary shares of each SAR 1,000	1. Amiantit 100%

Notes:

- The Subsidiaries have not issued marketable debt instruments. The only external financial debts of the subsidiaries are represented by bank loans, which are covered under section (13) of this report.
- The entities under liquidation are mostly dormant entities, and the liquidation process will not have any material impact on the financial statements of “The Group”.

9 Dividends Policy

“The Company” distributes the profits according to the following policy:

- ❖ **“The Company” shall distribute dividends in accordance with Article (41) of the Company's by laws as follows:**

- 1- The General Assembly shall determine the percentage to be distributed to shareholders of the net profits after deducting the reserves, if any.
- 2- The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution shall indicate the date of maturity and the date of distribution. Dividends shall be eligible for shareholders registered in the shareholders' registers at the end of the day fixed for maturity. The bylaws specify the maximum period within which the Board of Directors must implement the resolution of the General Assembly regarding the distribution of dividends to shareholders.

9.1 Distribution of Intern Dividends:

According to the rules and regulations of the Saudi Capital Market Authority, “The Company” may distribute phases dividends to its shareholders on biannual or quarterly basis after satisfaction of the following requirements:

- 1- The Ordinary General Assembly shall authorize the Board of Directors to distribute interim dividends by virtue of a resolution renewed annually.
- 2- The "company" should be of good profitability and regularity.
- 3- The Company has reasonable liquidity and can reasonably predict its level of profits.
- 4- The Company shall have distributable dividends in accordance with the latest audited financial statements, sufficient to cover the profits proposed to be distributed, after deducting the dividends that have been distributed and capitalized after the date of these statements.

The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution shall indicate the maturity date and the date of distribution, and the eligibility for dividends shall be for the shareholders registered in the shareholders' registers at the end of the day specified for maturity.

¹⁶ On 11/06/1445H corresponding to 24/12/2023G, the capital was reduced from SAR 100,000,000 to SAR 90,000,000 and thus the number of shares was reduced.

10 Requests of Shareholders Book Application:

The shareholder registry was requested during 2023G as follows:

#	Number of "The Company's" Requests for the shareholders' register	Request Date	Reasons	#	Number of "The Company's" Requests for the shareholders' register	Request Date	Reasons
1	1	02/01/2023	Corporate Actions	2	1	09/01/2023	Corporate Actions
3	1	10/01/2023	Corporate Actions	4	1	11/01/2023	Corporate Actions
5	1	12/01/2023	Corporate Actions	6	1	15/01/2023	Corporate Actions
7	1	16/01/2023	Corporate Actions	8	1	18/01/2023	Corporate Actions
9	1	19/01/2023	Corporate Actions	10	1	26/01/2023	Corporate Actions
11	1	02/02/2023	Corporate Actions	12	1	09/02/2023	Corporate Actions
13	1	12/02/2023	Corporate Actions	14	1	16/02/2023	Corporate Actions
15	1	23/02/2023	Corporate Actions	16	1	02/03/2023	Corporate Actions
17	1	09/03/2023	Corporate Actions	18	1	12/03/2023	Corporate Actions
19	1	16/03/2023	Corporate Actions	20	1	23/03/2023	Corporate Actions
21	1	30/03/2023	Corporate Actions	22	1	06/04/2023	Corporate Actions
23	1	13/04/2023	Corporate Actions	24	1	27/04/2023	Corporate Actions
25	1	01/05/2023	Corporate Actions	26	1	03/05/2023	Corporate Actions
27	1	08/05/2023	Corporate Actions	28	1	09/05/2023	Corporate Actions
29	1	11/05/2023	General Assembly	30	1	18/05/2023	Corporate Actions
31	1	25/05/2023	Corporate Actions	32	1	01/06/2023	Corporate Actions
33	1	08/06/2023	Corporate Actions	34	1	13/06/2023	Corporate Actions
35	1	15/06/2023	Corporate Actions	36	1	22/06/2023	Corporate Actions
37	1	06/07/2023	Corporate Actions	38	1	11/07/2023	Corporate Actions
39	1	20/07/2023	Corporate Actions	40	1	27/07/2023	Corporate Actions
41	1	03/08/2023	Corporate Actions	42	1	10/08/2023	Corporate Actions
43	1	17/08/2023	Corporate Actions	44	1	24/08/2023	Corporate Actions
45	1	31/08/2023	Corporate Actions	46	1	07/09/2023	Corporate Actions
47	1	14/09/2023	Corporate Actions	48	1	21/09/2023	Corporate Actions
49	1	28/09/2023	Corporate Actions	50	1	05/10/2023	Corporate Actions
51	1	12/10/2023	Corporate Actions	52	1	19/10/2023	Corporate Actions
53	1	26/10/2023	Corporate Actions	54	1	02/11/2023	Corporate Actions
55	1	09/11/2023	Corporate Actions	56	1	16/11/2023	Corporate Actions
57	1	23/11/2023	Corporate Actions	58	1	30/11/2023	Corporate Actions
59	1	07/12/2023	Corporate Actions	60	1	12/12/2023	Corporate Actions
61	1	14/12/2023	Corporate Actions	62	1	21/12/2023	Corporate Actions
63	1	28/12/2023	General Assembly			-	

11 Major External Shareholders

As per Tadawul records, as on 31-12-2023G, the major owners who own 5% and more of the capital are:

Shareholder	Percentage of ownership in the capital %
HRH Prince Mohammad Bin Fahad Bin Abdulaziz Al-Saud	6.28
HH Prince Fahad Bin Khalid Bin Abdullah Bin Abdulrahman Al-Saud	5.23

12 Board members' and senior executives' Ownerships

12.1 Ownership by Board of Directors members, wives, and minor children in the shares of Saudi Arabian Amiantit Company:

No	Member Name	Number of Shares of Board member at Year-Start	%	Number of Shares of Board Member at Year- End	% Of Change	% At Year-End	Number of Shares of wife & Minor Children at Beginning of the year	%	Number of Shares of wife & Minor Children at End of the year	Change of Shares of Wife & Minor Children
1	HH Prince Ahmad bin Khalid bin Abdullah bin Abdurrahman Al-Saud	198,725	2.00732	198,725	0	2.00732	NA	NA	NA	NA
2	HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	7,096	0.07167	7,096	0	0.07167	NA	NA	NA	NA
3	Dr. Solaiman Abdulaziz Al Twaijri	0	0.00	0	0	0.00	NA	NA	NA	NA
4	Dr. Mohammad Saud Al-Bader	0	0.00	400	400	0.00404	NA	NA	NA	NA
5	Mr. Mohammad Abdurrahman Al-Luhaidan	0	0.00004	4	0	0.00004	NA	NA	NA	NA

12.2 Ownership of Senior Executives of “The Company” and wives and minor children in the shares of Saudi Arabian Amiantit Company:

No	Executive Name	Number of Shares of Senior Executive at Year Beginning	%	Number of Shares of Senior Executive at Year End	Change %	No of Shares of Wife & Minor Children at Year Beginning	%	No of Shares of Wife & Minor Children at Year End	Change of Shares of Wife & Minor Children
1	Mr. Feras Ghassab AlHarbi	NA	0	NA	0	NA	0	NA	0
2	Mr. Waleed Mohammad Abu Kishk	NA	0	NA	0	NA	0	NA	0
3	Eng. Abdullah Abbas Al-Baz	NA	0	NA	0	NA	0	NA	0
4	Mr. Asgar Yosuf Sarguroh	NA	0	NA	0	NA	0	NA	0
5	Eng. Mohammad Saleh Al-Shamrani	NA	0	NA	0	NA	0	NA	0
6	Mr. Omar Zainalabdeen Hakeem	NA	0	NA	0	NA	0	NA	0
7	Mr. Sohaib Zahid Warsi	NA	0	NA	0	NA	0	NA	0

12.3 Except what mentioned in clauses (12.1) and (12.2) and (27) of this report, "the Company" declares that there is no interest in the voting class of shares belonging to persons (other than directors, senior executives and their spouses, and their minor children), whether in the shares of "the Company" or its subsidiaries, and there has been no change during 2023G.

12.4 Except what mentioned in clauses (12.1) and (12.2) and (27) of this report, "the Company" declares that there is no interest, contractual securities and subscription rights belonging to the members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the Company or any of its subsidiaries and there was no change during 2023G.

13 Borrowings

The Borrowings of “The Company” were as such as of December 31, 2023G:

13.1 Current Portion of Long-Term Loans (SAR ‘000).

Borrower	Bank	Nature of Loan	Repayment Date	Balance as of December 31, 2022	New Borrowings	Repayments	Reclassifications	Currency Conversion Adjustments	Balance as of December 31, 2023
Saudi Arabian Amiantit	Al-Inma Bank	Loan	2024	286,479	-	-	238,202	-	524,681
Saudi Arabian Amiantit	Saudi National Bank	Loan	2024	-	-	-	312,937	-	312,937
Saudi Arabian Amiantit	Bank Albilad	Loan	2024	-	-	-	268,000	-	268,000
Amitech Astana	Mr. Abykayev	Partners Loan	-	9,457	-	(168)	-	171	9,460
	Total			295,936	-	(168)	819,139	171	1,115,078

13.2 Short Term Loans (SAR ‘000)

Borrower	Bank Name	Nature of loans	Balance as of December 31, 2022	New Borrowing	Repayments	Reclassifications	Currency Conversion Adjustments	Balance as of December 31, 2023
Saudi Arabian Amiantit	Saudi National Bank	Short-term	313,000	-	(63)	(312,937)	-	-
Saudi Arabian Amiantit	Bank Albilad	Short-term	268,000	-	-	(268,000)	-	-
Saudi Arabian Amiantit	Alinma Bank	Short-term	238,784	-	(582)	(238,202)	-	-
Saudi Arabian Amiantit	The Saudi Investment Bank	Short-term	23,219	114,297	(120,567)	-	-	16,949
Saudi Arabian Amiantit	Riyad Bank	Short-term	-	7,543	(2,254)	-	-	5,289
Saudi Arabian Amiantit	Saudi Awwal Bank	Short-term	-	7,508	(4,898)	-	-	2,610
Amiantit Fiberglass Industries Ltd.	The Saudi Investment Bank	Short-term	1,453	5,590	(1,453)	-	-	5,590
PWT Saudi Arabia Ltd.	The Saudi Investment Bank	Short-term	-	1,857	(1,527)	-	-	330
PWT Germany	Ulke Enterprise & Sowatly Doganlar Economic Society	Short-term	218	-	-	-	6	224
Total			844,674	136,795	(131,344)	(819,139)	6	30,992

Most of the short-term term loans are used to finance receivables and stock of raw materials, since these receivables amount to SAR 530 million at the end of the year of 2023G (SAR 550 million in 2022G) while the total inventory value reached SAR 283 million at the end of the year of 2023G (SAR 276 million in 2022G), and for the purpose of the disclosure the term of loan contemplated with clause 87 of the corporate governance regulations, the term of short term loans mentioned above is one year or less.

The Company signed an agreement to settle all financial obligations owed by “The Company” to Alinma Bank, amounting to 572.7 million Saudi riyals, according to this agreement, “The Company” will transfer the ownership of its entire shares in the International Infrastructure Management and Operation Co. Ltd., which is 100% owned by "The Company", on December 31, 2023 to an investment fund managed by the financial company affiliated by this bank. In return, the bank releases "The Company" from all its obligations towards the bank, amounting to 572.7 million Saudi riyals. During the year 2024, the procedures for transferring ownership of the subsidiary company to the investment fund affiliated with Alinma Bank were completed, and the company was exempted from all its obligations towards Alinma Bank, amounting to 572.7 million Saudi riyals, which constitute about 50% of the total obligations owed by the company with banks.

On February 15, 2024, an agreement was signed to settle the entire facilities due to the Saudi National Bank amounting to SAR 313 million, by getting a discount on settlement by 50% over the total outstanding liabilities due to the bank from the Company. During the year 2024, the amount of 156.5 million Saudi riyals was paid from the proceeds of the increase Capital through the issuance of priority rights, and the Company was exempted from the remaining amount of SAR 156.5 million as a settlement of the entire facilities due to the Bank.

Therefore, the total financial impact of these two transactions is to record an accounting profit of SAR 639 million and will not result in any expected cash inflow within the company, which means an increase in shareholders' equity by SAR 639 million.

The Company is also announced that as a result of completing these two transactions, approximately 77% of the total bank obligations due from the company have been settled, and the remaining only is the bank obligation with Albilad Bank amounting to SAR 268 million, rescheduled for ten years as previously announced.

13.3 Long-term Loans: Maturity Profile & Creditors of “The Group” (SAR ‘000)

Borrower	Bank Name	2024	2025	2026	2027	2028 and beyond	Total
Amitech Astana	Minority Partners Loan	9,460	-	-	-	-	9,460
Saudi Arabian Amiantit	Alinma Bank	524,681	-	-	-	-	524,681
Saudi Arabian Amiantit	Saudi National Bank	312,937	-	-	-	-	312,937
Saudi Arabian Amiantit	Bank Albilad	268,000	-	-	-	-	268,000
Total		1,115,078	-	-	-	-	1,115,078

With reference to item No. 3.11 "Bank Loan Settlements", the Group has signed agreements with creditor banks whereby about 77% of the total bank obligations owed by the Company have been settled, and the remaining only is Albilad's bank obligation of SAR 268 million and rescheduled for a period of ten years as previously announced.

14 Transfer rights or subscription rights under convertible debt instruments, contractual securities, right of issue memoranda or similar rights

"The Company" acknowledges that there are no transfer rights or subscription rights under convertible debt instruments, contractual securities, right of issue memoranda or similar rights issued or granted by the Company during 2023G.

15 Redeem, purchase, or cancel debt instruments

The Company acknowledges that there is no redemption, purchase, or cancellation by "the Company" of any redeemable debt instruments during 2023G.

16 Convertible debt instruments, contractual securities, right of issue memoranda or similar rights

"The Company" acknowledges that there are no denominations and numbers of any convertible debt instruments, contractual securities, right of issue memoranda or similar rights issued or granted by the Company during 2023G.

17 Board of Directors Composition & Committees

17.1 The Board of Directors is Composed of (5) Members:

Name	Title	Status
HH Prince Ahmad bin Khalid bin Abdullah bin Abdulrahman Al-Saud	Chairman	Non-Executive
HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	Vice Chairman	Non-Executive
Dr. Solaiman Abdulaziz Al-Twaijri	Member	Non-Executive
Dr. Mohammad Saud AlBadr	Member	Independent
Mr. Mohammad Abdulrahman Al-Luhaidan	Member	Independent

17.2 Board of Directors Meetings During 2023G:

The Board of Directors met during the year 2023 according to the following attendance schedule:

The attendance record of Board of Directors meetings for the fiscal year 2023 And the total is Eight						
#	Meeting date	Board Member Name				
		HH Prince Ahmad bin Khalid bin Abdullah bin Abdulrahman Al-Saud	HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	Dr. Solaiman Abdulaziz Al Twaijri	Dr. Mohammad S. AlBadr	Mr. Mohammad Abdulrahman Al-Luhaidan
		Membership				
		Chairman	vice-chairman	Member	Member	Member
1	28/01/2023	Attended	Attended	Attended	Attended	Attended
2	26/02/2023	Attended	Attended	Attended	Attended	Attended
3	10/04/2023	Attended	Attended	Attended	Attended	Attended
4	03/06/2023	Attended	Attended	Attended	Attended	Attended
5	29/07/2023	Attended	Attended	Attended	Attended	Attended
6	13/09/2023	Attended	Attended	Attended	Attended	Attended
7	26/10/2023	Attended	Attended	Attended	Attended	Attended
8	18/12/2023	Attended	Attended	Attended	Attended	Attended
Total		8	8	8	8	8

The Board of Directors confirmed that “The Company” maintained proper accounting records and the internal control system was sound and is effectively executed. There are no remarks on “The Company” going concern position.

18 Board of Directors and Nomination and Compensation Committee

This Nomination and Compensation Committee covers salaries, wages, and annual bonus related to performance and incentive plans (schemes) or any other benefits in kind. The policies and mechanisms for determining the remuneration of the Board Members are the following:

18.1 Board of Directors fees

According to Article 21 of the Company's Articles of Association, the Nomination and Remuneration Committee submits to the Board of Directors a recommendation regarding the remuneration of the members of the Board of Directors, and this remuneration may be a certain amount, attendance allowance for meetings, in-kind benefits, or a certain percentage of net profits, and it is permissible to combine two or more of the above, and the Board of Directors submits a proposal to the Ordinary General Assembly the maximum limit for such remuneration every year separately. The Ordinary General Assembly shall determine the amount of such remuneration, taking into account that the remuneration shall be fair, motivating and commensurate with the performance of the member and the performance of the company. The regulations shall specify the controls necessary for the implementation of this paragraph.

The report of the Board of Directors to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all remuneration, attendance allowance, expenses allowance and other benefits received or due to each member of the Board of Directors during the fiscal year. It shall also include a statement of what the members of the Council received as workers or administrators or what they received in return for technical, administrative or consulting work, and also include a statement of the number of meetings of the Council and the number of meetings attended by each member.

	Fixed Compensation							Variable Compensation						End of Service (Indemnity)	Gross Total SAR	Expenses Reimbursements
	Fixed Amount	Board Attendance Fees	Committees Attendance Fees	In-kind privileges	Compensation for consultation, administration, & technical works	Compensation for the chairman, MD, board secretary (In case that he is not a board member)	Total	Profit Share	Periodic Board Fees	Short Term Incentive Programs	Long Term Incentive Programs	Bonus Shares (Nominal Value)	Total			
First: Independent Members																
1. Dr. Mohammad S. AlBadr	-	24,000	21,000	-	-	-	45,000	-	200,000	-	-	-	-	-	245,000	-
2. Mr. Mohammad Abdurrahman Al-Luhaidan	-	24,000	3,000	-	-	-	27,000	-	200,000	-	-	-	-	-	227,000	-
Total	-	48,000	24,000	-	-	-	72,000	-	400,000	-	-	-	-	-	472,000	-
Second: Non-Executive Members																
1. HH Prince Ahmad bin Khalid bin Abdullah bin Abdurrahman Al-Saud	-	24,000	15,000	-	-	-	39,000	-	200,000	-	-	-	-	-	239,000	-
2. HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	-	24,000	9,000	-	-	-	33,000	-	200,000	-	-	-	-	-	233,000	-
3. Dr. Solaiman Al-Twajjri	-	24,000	6,000	-	-	-	30,000	-	200,000	-	-	-	-	-	230,000	-
Total	-	72,000	30,000	-	-	-	102,000	-	600,000	-	-	-	-	-	702,000	-

It is worth noting that the report of the Board of Directors for the year 2022G did not include the payment of the remuneration of the members of the Board of Directors, as the report was submitted on 27/02/2022, and on 11/05/2023, the General Assembly approved the payment of remuneration to the members of the Board of Directors with a total value of one million riyals distributed as follows:

Member	Board Of Directors Remuneration Fees 2022G which was received in 2023G / SAR
First: Independent Members	
Dr. Mohammad Saud AlBadr	200,000
Mr. Mohammad Abdurrahman Al-Luhaidan	200,000
Total	400,000
Second: Non-Executive Members	
HH Prince Ahmad bin Khalid bin Abdullah bin Abdurrahman Al-Saud	200,000
HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	200,000
Dr. Solaiman Al-Twaijri	200,000
Total	600,000
Grand Total	1,000,000

As for the remuneration of the members of the Board of Directors for the year 2023G, the Nomination and Remuneration Committee submitted a recommendation to the Board of Directors to pay the Board of Directors a remuneration for the year 2023G of one million Saudi Riyals, and the Board of Directors approved this recommendation and will submit a recommendation thereon to the General Assembly to vote on this recommendation, and if the General Assembly approves, the report of the Board of Directors for the year 2024G will include the disbursement of this remuneration.

18.2 Committee fees

In accordance with "the Company" 's governance law, the members of the committees emanating from the Board of Directors receive fees approved by the Board of Directors based on a proposal from the Nomination and Remuneration Committee. The value of these fees is 100,000 Saudi riyals (per member annually). While the member receives 3,000 Saudi riyals as an attendance allowance for each meeting. Whereas members who have membership in more than one committee shall receive a one-time fee. If several meetings are held on the same day, they shall receive attendance fees for one meeting only. The following table shows the details of the bonuses for the sub-committees for the year 2023G (Saudi riyals):

Members	Fixed Fees (Except Attendance Fees) (SAR)	Attendance Fees (SAR)	Total (SAR)
Executive Committee			
1. HH Prince Ahmad bin Khalid bin Abdullah bin Abdulrahman Al-Saud	100,000	6,000	106,000
2. HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	100,000	6,000	106,000
3. Dr. Khalil Abdulfattah Kordi	100,000	6,000	106,000
4. Dr. Solaiman Abdulaziz Al Twajri	100,000	6,000	106,000
5. Mr. Feras Ghassab AlHarbi	100,000	6,000	106,000
Total	500,000	30,000	530,000
Audit Committee			
1. Dr. Sulaiman Abdullah Al Sakran	100,000	21,000	121,000
2. Dr. Mohammad Saud Al-Badr	100,000	12,000	112,000
3. Mr. Waleed M. AlOthaimen	100,000	21,000	121,000
Total	300,000	54,000	354,000
Nomination & Compensation Committee			
1. HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	*-	9,000	9,000
2. Dr. Mohammad Saud Al-Badr	*-	9,000	9,000
3. Mr. Sulaiman Abdullah Al Amro	100,000	12,000	112,000
Total	100,000	30,000	130,000
Investment Committee			
1. HRH Prince Abdulaziz Bin Mohammad bin Fahad Bin Abdulaziz Al-Saud	*-	3,000	3,000
2. Mr. Sulaiman Abdullah Al Amro	*-	3,000	3,000
3. Mr. Mohammad Abdulrahman Al-Luhaidan	100,000	3,000	103,000
4. Mr. Feras Ghassab AlHarbi	*-	3,000	3,000
Total	100,000	12,000	112,000
Grand Total	1,000,000	126,000	1,126,000

Note: *- According to "The Company" 's policy, the member receives a one-time fixed fee if he is a member of more than one committee, the member shall also be entitled to a one-time annual fee if more than one meeting is held on the same day and at the headquarters, in addition, the member will not be compensated for attending meetings if he is present via phone.

19 Compensation and Remuneration of Senior Executives ¹⁷

The following table shows the bonuses and compensations received by senior executives for the year 2022G (in thousands of Saudi riyals):

Saudi Riyals	Fixed Compensation				Variable Compensation						End of Service (Indemnity)	Grand Total
	Salaries	Allowances	In-kind Privileges	Total	Periodic Bonus	Profits	Short-term incentive plans	Long-term incentive plans	Bonus Shares (Value)	Total		
Total	3,841	1,795	349	5,985	50	-	-	-	-	50	748	6,783

20 Actions Taken by the Board to Brief its Members About the Shareholder Suggestions

“The Company” has adopted the following procedures to keep the board of directors informed about the observation of shareholders on “The Company”’s performance:

1. Present the shareholders’ suggestions and comments (If any) to the board of directors in the nearest meeting or through communication means continuously.
2. “The Company” has investors’ relations Dept. which received the comments and enquiries of shareholders and keep the board of directors informed by the latest updates.
3. The board of directors attended the meeting of general assembly whereby the shareholders presenting their proposals and opinions during the general assembly meetings and the boards replies to them.

¹⁷ Senior executives mean (CEO, CFO, Director of Legal and Compliance, Director of Sales and Marketing, and Director of Shared Services)
2023 Amiantit Annual Report of the Board of Directors

21 Directors Mandates of Members of the Board of Directors:

Member Name	Names of companies in which the board member is a member of its current board of directors or its directors	Inside/ Outside KSA	Legal Entity	Names of the companies in which the member of the board of directors is a member of its previous board of directors or its directors.	Inside/ Outside KSA	Legal Entity
H.H. Prince Ahmad Bin Khalid Bin Abdullah Bin AbdulRahman Al-Saud	Saudi Arabian Cooperative Insurance Co. (SAICO)	Inside KSA	Listed	Saudi Chemical Holding Co.	Inside KSA	Listed
	American Express Saudi Arabia.	Inside KSA	Not Listed	Arab Business Enterprises Co. Ltd.	Inside KSA	Limited liability
	Amex Middle East B.S.C. (closed)	Outside KSA	Not Listed	Al Mward Ltd. Co. for Energy & Mining	Inside KSA	Limited liability
	MIG Holding Co. Limited	Outside KSA	Limited liability	-	-	-
	AlKhaldiya Law Firm	Inside KSA	Limited liability	-	-	-
H.R.H. Prince AbdulAziz Bin Mohammad Bin Fahad Bin Abdulaziz Al-Saud	-	-	-	-	-	-
Dr. Solaiman Abdulaziz Al Twaijri	First Abu Dhabi Bank	Inside KSA	Listed	Saudi Electricity Company	Inside KSA	Listed
	Wala Cooperative Insurance Company	Inside KSA	Listed	Chemical Co. for Development	Inside KSA	Not Listed
	Mulkia Investment Company	Inside KSA	Authorized person	NADEC	Inside KSA	Listed
	-	-	-	Takween Advanced Indus	Inside KSA	Listed
Dr. Mohammad Saud Al-Badr	Saudi Chemical Holding Co.	Inside KSA	Listed	Saudi Paper Manufacturing	Inside KSA	Listed
Mr. Mohammad Al-Luhaidan	Systems Expert Company for Information Technology	Inside KSA	Limited liability	Emaar Al-Watan Real Estate Investments Company	Inside KSA	Not Listed

22 Transactions with Related Parties

The table below shows the Group's transactions with its non-consolidated associates in terms of sales and purchases, dividends, and other transactions (in thousand Saudi Riyals):

Borrower	Nature of Transaction	Balance as of December 31, 2022	Additions	Repayments	CTA	Balance as of December 31, 2023
Amiantit Qatar	Know-how Fee & Dividends	60		-	-	60
Subor & Subor Gap	Trade Receivable	128		-	-	128
Amiblu Germany	Other Receivable	30		-	(7)	23
Amiblu Holding	Sale of Investment	83		-	(2)	81
Tawzea	Dividends Receivable	-	10,000	(7,000)	-	3,000
TOTAL		301	10,000	(7,000)	(9)	3,292

The issuer and "the Group" do not have any specific related party transaction to report which could cause a conflict of interest between the issuer or any of its subsidiaries and affiliates, on the one hand, and board members or members of the Management on the other hand.

23 Amounts due & paid by "The Group" to Zakat, Tax Authorities, & other Legal Fees

The following is a list of payments paid and due to Zakat, taxes, fees or any dues from the "Company" and its local subsidiaries according to the consolidated financial statements during the year 2023G (in thousands of Saudi Riyals).

Description	Total payments made in 2023	Total payments made in 2022	Total amounts due as at 31 December 2023	Total amounts due as at 31 December 2022	Reason
Zakat	14,348	13,048	315,707	198,288	According to the General Authority of Zakat, tax & Customs (ZATCA)
Income taxes imposed by the Saudi authorities	573	83	81	654	According to the Income Tax System on Foreigners
Income Taxes due to Foreign Authorities	4,735	753	4,643	1,957	Imposed under foreign laws in the countries where the consolidated subsidiaries are located
Total due balance for Zakat and income tax	19,655	13,884	320,432	200,899	
Social Insurance Subscription Fees	8,936	7,582	916	695	According to the Social Insurance System
Value Added Tax (VAT)	37,985	8,961	51,072	34,581	According to the General Authority of Zakat, tax & Customs (ZATCA)
With Holding Tax (WHT)	651	715	749	337	According to the General Authority of Zakat, tax & Customs (ZATCA)
Total	67,227	31,142	373,168	236,512	

24 Businesses or Contracts with Chief Executive Officer, Chief Finance Officer, or Related Individuals:

The Board of Directors assures that there is no business or contracts between “The Company” or “The Group” and the CEO or CFO or any related individuals during 2022G.

25 Waiver of Salary or Compensation by Directors or Senior Executives:

“The Company” declares that there were no waivers, arrangements, assignment or other modifications by any Board Member or Senior Executives of any salary or compensation rights or any profit rights in 2023G.

26 Waiver by any Shareholder of Rights to Dividends:

No shareholders of the issuer have waived any right to dividend.

27 Employee Share-Option Funds

In order to maintain outstanding employees, enhance their affiliation with the Company, and give them the opportunity to benefit from the Company's performance, the Company has a dedicated employee portfolio under the name of the Saudi Arabian Amiantit Employee share ownership plan, and the Company has obtained all regulatory approvals. As at 31 December 2023, the balance of shares reached 48,353 shares.

28 Social contributions

28.1 In line with the "Green Saudi" initiative, the company has contributed to the planting of 5,000 trees in Makkah, Riyadh and Dammam, as a contribution to the Kingdom's efforts to increase the percentage of vegetation cover, which contributes to improving air quality, reducing temperatures and increasing biodiversity, as this contribution will offset approximately 156,000 kilograms of carbon emissions annually by 2035.

28.2 In-kind donations are drinking water tanks for both Anak Charitable Association and Quran Memorization Association.

29 Declarations

29.1 Books of Accounts

The Directors declare that proper books of account have been maintained.

29.2 System of Internal Control

The Directors declare that the system of internal control is sound in design and has been effectively implemented.

29.3 Going-Concern

The Directors declare that there are no significant doubts concerning “The Company” ’s ability to continue as a going concern.

30 Corporate Governance

During the year 2009, the General Assembly of “The Company” has approved the Governance Regulations of the Saudi Arabian Amiantit Company “Internal Governance Regulations”. The Remuneration and Compensation committee has studied such policies and raised recommendation to Board of Directors to update it in order to reflect the latest developments and changes to adopt the new changes issued by CMA. The Board of Directors as well has approved such changes and decided to submit to the General Assembly for ratification, and on 26 April 2021G, the general assembly has approved them.

Accordingly, “The Company” laid down the following rules and mechanism for establishing the main Committees of the Board of Directors and their duties as follows:

30.1 Committees

30.1.1 Executive Committee

- Authorities:

- The Executive Committee shall exercise all authorities and play the role of the Board of Directors during the intervals between two Board of Directors meetings.
- The Committee shall discuss and adopt the decisions in relation to subjects requiring top urgent decisions on emergency matters.
- The responsibilities of the Committee include adopting the routine decisions relating to regular Company work.

Regarding “The Company” strategy and targets, the Executive Committee shall do the following:

- Check the strategic plans of “The Company” in cooperation with the Managing Director or the Chief Executive Officer.
- Confirm that the strategic plans are actually put to execution and actual work to achieve “The Company”’s objectives.
- Check the recommendations of the Managing Director and Chief Executive Officer regarding the allocation of “The Company” resources aimed at harmoniously balancing the strategic plans with the long terms’ operational goals.
- Periodical check the strategic plans and the operational goals of “The Company” and its affiliates to ensure their concurrence with the goals and mission of “The Company”.

Regarding the operational priorities of “The Company”, the Executive Committee shall check and prepare the required recommendations for the Board of Directors regarding the strategic plan and Company’s operational priorities including the expansion in or retrenchment from into or new markets or new countries.

Regarding the financial planning of “The Company” and profit distribution policy the Executive Committee shall:

- Prepare and check the recommendations to the Board of Directors regarding the long term annual financial strategies and related performance indicators.
- Check the important financial matters of “The Company” and its affiliates such as the matters related to the capital, credit classification, cash flow, borrowings, investment deposits, in coordination with “The Company” management and the audit Committee.
- Check and prepare the recommendations to be submitted to the Board of Directors on distribution of profits polices and how to implement them.
- Periodical and regular verification of the actual capital expenditure and their pre-approved budgets.

Regarding the productivity of “The Company” in the long term and the effectiveness of its operational process, the Committee shall check and prepare the required recommendation to the Board of Directors regarding the strategic decisions on the possibilities for “The Company” to improve the quality of its products and services.

- **Duties:**

- Requests the documents, reports, clarifications and other information from Company officials and executives.
- Invites “The Company” officials, executives and employees to attend its meetings for questioning them or hear to their clarifications.
- Takes help of outside experts and consultants.
- Presents any other services required by the Board of Directors within the jurisdiction of the Executive Committee.
- The Committee will annually check and evaluate its operating regulations to ensure smooth functioning in its work and completion of duties and raise any necessary revisions for the consideration of the Board of Directors.
- The Committee shall present a periodical report to the Board of Directors at least once every six months.
- In addition, the Executive Committee members shall do the following:
 - 1- Participate in the activities of the Committee and attend its meetings.
 - 2- Keep full awareness of all developments of the operating environment of “The Company”
 - 3- Keep all information obtained by the members as a result of being Committee member as confidential.
 - 4- Inform the Board of Directors of any conflict of interest that may arise as a result of any decision adopted by “The Company”.
 - 5- Perform annual preparation, checking and evaluation of the Committee activities and their members including the checking of “The Company” ’s compliance to the above implementation Rules.

- ***Committee Members & Meetings***

The attendance record of the members of the Executive Committee for the committee meetings for the fiscal year 2023 And the total is Two						
#	Meeting date	Member Name				
		HH Prince Ahmad bin Khalid bin Abdullah bin Abdulrahman Al-Saud	HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	Dr. Khalil Abdulfattah Kurdi	Dr. Solaiman Abdulaziz Al Twajri	Mr. Feras Ghassab AlHarbi
		Membership				
		Chairman	vice-chairman	Member	Member	Member
1	17/07/2023	Attended	Attended	Attended	Attended	Attended
2	12/09/2023	Attended	Attended	Attended	Attended	Attended
Total		2	2	2	2	2

Term: Three years starting 1st January 2021 ended 31st December 2023.
 The Secretary of the committee is Mr. Waleed Mohammad Abu Kishk.

30.1.2 Audit Committee:

- **Duties & Responsibilities:**

1) The Audit Committee shall be responsible for supervising “The Company” 's activities and verifying the effectiveness and adequacy of the internal control systems in “The Company” as well and making an opinion and providing the necessary relevant recommendations. The “Regulations of the Audit Committee” regulate the work of the committee with regard to both its powers and the responsibilities and duties assigned to it. However, particularly the committee’s responsibilities include the following:

2) Financial Reporting:

- The audit committee shall review the interim and annual financial statements before being submitted to the board of director and provide the board with its judgment on these statements to ensure their accuracy and integrity.
- Provides the board, upon its request, the required technical opinion on the board of directors’ reports and the financial statements, on whether, taken as a whole, fair, balanced and understandable and provides the information necessary for the shareholders & investors (stakeholders) to assess “The Company” ’s performance, business model and strategy.
- Looking into any significant or unusual transactions contained in the financial statements.
- Looking significantly for any important issues raised by the financial manager of “The Company” or his authorized representative, the commitment officer or the auditor of “The Company”.
- The committee shall check the accounting estimates on material issues in the financial reporting.
- Studying the accounting policies adopted by “The Company” and advise the board of directors thereon.
- Ensure the correctness of preparing the accounts and financial reports in accordance with the accepted accounting standards and the accounting policies followed by "the company" in order to achieve transparency in the financial information that the “company” discloses.
- Preparing recommendations to the Board of Directors regarding "the company" 's annual report, prior to its approval by the Board.
- Follow up on the continued independence of the Internal Audit Department with regard to the advisory tasks assigned to the department.
- Decide on the continued objectivity of the internal audit department and ensure that it is not biased in professional opinion.
- Reviewing the Internal Audit Department’s commitment to professional Code of ethics.

3) Internal Control System & Risk Management:

- The committee ensures the efficiency of the work of the internal audit department in "the company", and it also submits a report that includes the committee’s recommendations and opinion on the adequacy of the internal control systems and the committee’s work within the scope of its work. The Board of Directors shall deposit a copy of that report at the company’s head office within a period not exceeding 10 days prior to the holding of the company’s general assembly meeting so that it is available to those who wish to view it from attending the assembly meeting.
- Studying the draft regulations and instructions and expressing its opinion about them through its supervisory work before being approved by the Board of Directors.
- Reviewing the rules and regulations of the Board of Directors and its committees and providing advice to the Board of Directors on matters related to the regulations before they are approved by the Board.
- Reviewing the executive systems of the Board of Directors and the internal audit systems and their various components and providing advice to the Board in this regard.

- Studying any other matters referred to the Committee by the Board of Directors for the purpose of expressing their views within their supervisory responsibilities in "the Company".
- Studying the basic risks faced by the Company, which include financial, operational, and legal risks, and reviewing the policies applied by the management related to the processes of identifying, evaluating and addressing those risks.
- Studying the reports of the internal control systems and following up the implementation of corrective plans and procedures according to the notes contained therein.
- Overseeing and reviewing the performance and activities of the internal auditor and the company's internal audit department, if any, in order to ensure the availability of sufficient cadres and their efficiency in performing the tasks and responsibilities assigned to them. In the event that the Company does not have an internal audit manager, the committee submits its recommendations to the Board of Directors regarding the need to appoint an internal auditor and propose his fees.
- Make recommendations to the Board of Directors regarding the appointment/composition of an internal audit department and the appointment of an audit manager.
- Prepare recommendations related to the establishment, improvement, and dissemination of the control environment within the Company.

4) Associates and Subsidiaries:

- Ensuring the effectiveness of procedures for forming the performance of audit committees in subsidiaries in accordance with "The Company" 's agreements.
- Ensuring the efficiency of the internal audit department in the investee companies by reviewing the annual evaluation of the quality of the internal audit of companies wholly owned or controlled by or as permitted by the partner agreements and to submit to the Board of Directors what it deems appropriate in this regard.
- Ensuring that the nomination mechanism and the appointment of the external auditor of companies wholly owned or controlled by them or as permitted by the partners' agreements are referred to the Board of Directors as they see fit.
- Obtaining the necessary and appropriate assurance from the audit committees of the subsidiaries regarding the effectiveness and integrity of the internal control system in accordance with the applicable regulations and partner agreements.
- Approving the general framework and the audit protocol between "The Company" 's internal audit department, the audit committee and the internal audit department of the companies that are fully invested or controlled by parent company or as permitted by the partners' agreement.
- Examining the proposed audit proposals of the internal audit department of "The Company" to be applied to the subsidiaries and coordinating with the audit committees of the investee companies wholly owned or controlled by them or as permitted by the partners' agreements.

5) Independent External Audit:

- Recommending to the Board of Directors as to nomination or dismissal of "The Company" auditors and suggesting their fees and evaluation of their performance after ensuring of their independence and reviewing the scope of their work and the terms of their contract.
- Checking the independence, objectivity, fairness, and effectiveness of "The Company" 's accounts auditor, taking into account all relevant rules and standards.
- Work with the chartered accountant in order to coordinate the preparation of the audit plan and procedures for the fiscal year, and to ensure that he does not perform any technical or administrative work outside the scope of the audit work assigned to him, and the committee issues its recommendations in this regard.
- Discussing the important findings and recommendations reached by the chartered accountant and the degree of management response to them, as well as the corrective actions taken by the management based on those recommendations.

- Studying the legal accountant's opinion and his comments on the financial statements and following up on what has been done about them.
- Work to solve the problems that the chartered accountant may face while performing the audit process, which includes any difficulties he may face with regard to the objectives of the audit process or his difficulty in accessing information.
- Holding private meetings with the chartered accountant to discuss important issues that may be raised by the committee or the chartered accountant, and to ensure that the chartered accountant has the possibility to contact the head of the audit committee at any time.
- Preparing recommendations for the company's policy with regard to determining the period needed to change the chartered accountant.

For internal audit:

- Preparing the recommendations for the establishment of the internal audit department in "the company" and its budget, and the selection of the head of the department, as well as the degree of independence of the internal auditors.
- Preparing an evaluation of the performance of the internal audit department and its auditors, so that the evaluation includes the objectives and powers of the department, the reports it prepares, its audit plan for the coming year, the results it has reached during the current year, and the preparation of the necessary recommendations to improve its effectiveness.
- Discussing deviations and errors contained in the monthly reports prepared by the Internal Audit Department and ensuring that the administration takes appropriate corrective measures.

6) Ensuring Compliance:

- Reviewing the results of the reports issued by the regulatory authorities and ensuring that "the Company" took the necessary measures to comply with them.
- Ensuring the company's compliance with the rules, regulations, and instructions applicable to it.
- Ensure the existence of procedures for reviewing complaints related to internal control procedures and preparing financial reports.
- Ensuring the existence of procedures that enable employees to submit complaints so as to ensure complete confidentiality and review the process of disclosing any deviations or violations related to the administration or one of the employees of "the company".

7) Powers of the Committee:

The Audit Committee, in order to discharge its functions and responsibilities, shall have the following authorities:

- The right to access any record in "The Company".
- Request any clarification or statement from the members of the Board of Directors or the executive management of "The Company".
- Requesting the board of directors to invite the general assembly to convene if the board obstructs its work or if "The Company" is exposed to damage or serious financial losses.
- Approves the guidelines of nomination of "The Company" 's accounts auditor.
- Approves the internal auditing regulations.
- Approves the annual auditing plan and budget of the internal audit department.
- Approves the organization structure of the internal audit department in "The Company".
- Recommends the board of directors to appoint the internal auditor of "The Company" whether in case of resignation of internal auditor or, disability or dismissal and approves his monthly salary, allowances, and other benefits.
- Approves the annual evaluation of performance of the of internal auditing manager, remunerations, and increments.
- The Audit Committee shall have the right to seek, contract or direct awarding of consultants or consulting firms from inside or outside "The Company" to carry out its duties assigned to the

committee provided that “The Company” shall undertake such studies or consultations and shall include in its report the names of consultants / consulting firms and its relationship with “The Company” or the executive management.

8) Obligations of Audit Committee Members:

- Attending in the meetings of the committee regularly and actively participate in its work. In case of absence of any committee meeting, the committee member shall inform the chairman of the committee or the reasons of absence.
- The committee chairman or his authorized representative of the members of the committee shall attend the general assembly meeting to answer the shareholders' questions.
- The committee members shall maintain the secrets of “The Company”, so he shall never disclose to the shareholders other than in the general assembly meeting, or any other third party any of “The Company” 's secrets which he became aware of as a result of performance of his work otherwise he will be relieved as well as will be liable for any resulting consequences.
- The committee member shall not practice any executive work for “The Company”.
- The committee member shall give due diligence to his work professionally and keep abreast of the recent developments related to “The Company” 's business.
- The committee member shall be fair, equitable, honest, objective and impartial, and shall be free from personal interests so that the judgment shall not be under influence of any other person.
- A member of the Committee shall not engage directly or indirectly in any activity that harms honor or honesty.
- The member of the committee shall not accept anything of significant value from any employee, client or supplier or who has a business relationship with “The Company”, which may lead to the weakening of his independence in form and object or affects or is supposed to affect the decisions reached.
- The member of the committee shall disclose to the board of directors the operations carried out between him and “The Company” and the nature of that relationship, as well as the relationship between him and the board of directors and executive management of “The Company”, as required by “The Company” 's code of conduct.

- Committee Members & Meetings:

The attendance record of the members of the Audit Committee for the committee meetings for the fiscal year 2023 And the total is Seven				
#	Meeting date	Member Name		
		Dr. Sulaiman Abdullah Al Sakran (Outside the board)	Dr. Mohammad S. AlBadr	Mr. Waleed M. Al Othaimen (Outside the board)
Membership				
		Chairman	Member	Member
1	28/01/2023	Attended	Attended	Attended
2	10/04/2023	Attended	Attended	Attended
3	18/04/2023	Attended	Attended	Attended
4	01/06/2023	Attended	Attended	Attended
5	27/07/2023	Attended	Attended	Attended
6	14/08/2023	Attended	Attended	Attended
7	26/10/2023	Attended	Attended	Attended
Total		7	7	7

During 2023G the Audit Committee has studied the interim & annual financial statements and has raised them to the Board of Directors for ratification.

The Audit Committee Report for the Year 2023G

The Audit Committee held (7) meetings during the year 2023G, all through video communication, and through the committee's direct supervision of the work of the internal audit department in the company and the review of governance and risk systems, reports, financial statements and disclosures, the committee carried out the following basic work:

- Review and approve the company's annual and quarterly financial reports.
- Study the basic risks facing the company, which include financial, operational, and legal risks, and review the policies applied by management related to the processes of identifying, evaluating, and treating those risks.
- Review the independence of the internal audit department and whether it has been exposed to any deviation from objectivity and independence, which are among the basic principles of internal auditing.
- Evaluating the performance of the Audit Department by reviewing the reports and results recorded by the Internal Audit Department and the importance and extent of the impact achieved by the Committee through the Audit Department's implementation of follow-up procedures and closing important observations.
- Reviewing the extent of the company's implementation of reforms and corrective measures for observations that were recorded in previous years, as the committee stressed the need not to be lax in following up and ending observations that have a high-risk nature.
- Providing recommendations to the Board of Directors and the General Assembly of Shareholders regarding the selection of the chartered accountant, which is based on the committee's study of his professional competence, independence, and the expected risks of a conflict of interest, as well as the fees that he will receive.

Conclusion:

Based on what was mentioned, the committee studied all the essential aspects of the internal control systems through its direct supervision of the internal audit department during its successive meetings during the year 2023. The committee also reviewed reports related to the effectiveness of examining various operational activities and ensuring the integrity of the operational and financial procedures and their adequacy in the internal control system. With the aim of ensuring the effectiveness and adequacy of internal control systems and increasing reliability and reassurance to the degree of compliance with relevant laws and regulations. Based on the work of the aforementioned committee, it reached reasonable assurances that there are no fundamental observations, reservations, or weaknesses in the company's internal control systems, documents, and records.

30.1.3 *Nomination and Compensation Committee*

- Authorities:

1- **Regarding the nomination of Board of Directors members, executive managers, the Committee shall be responsible with the following:**

- Annual review of the competency requirements for Board of Directors membership and description of abilities and qualifications needed for the board membership including the time to be allocated by each member for the board work.
- Check the composition of Board of Directors and submit the necessary recommendations on the required amendments.
- Assess weaknesses and strengths of the Board of Directors and suggest solutions in the interest of “The Company”.
- Define the necessary criteria determining the independence of the board members, confirm of independence of the board members on annual basis and lay down the necessary mechanism to inform the shareholders of any circumstance likely to impair the independency of any member, and ensure that no conflict of interest would arise if a member occupied a seat in any other Company.
- Prepare the necessary directives and instruction programs for any new independent non-executive board members about the nature of work of “The Company” and provide a detailed description of their duties as board members.
- Prepare recommendations to the Board of Directors on defining certain criteria to select the person who will assume the position of Managing Director, Chief Executive Officer or head a major department in “The Company”.
- Prepare initial evaluation of persons nominated for Managing Director, Chief Executive Officer or heads of department and section in “The Company”.
- Prepare a job description of positions, contractual terms for each of the Chief Executive Officer and the department managers in “The Company”.
- Lay down of suitable standards and procedures to evaluate the performance of the Chief Executive Officer and the department managers in “The Company”.
- Prepare regular evaluation of the performance of the Chief Executive Officer and department managers in “The Company”.
- Conduct training programs for the Executive Directors on governance of “The Company”, ethical behavior, and draft polices on continuous improvement of performance of the employees at the top management level.

2- **Regarding the compensation of Board of Directors and Executive Directors, the Committee shall:**

- Lay down the reward and bonuses policy for board members and executive directors in “The Company” aiming at increasing “The Company” value and optimize the personal efforts for each Board Member and Executive Director in executing the strategic goals of “The Company”. The Committee shall evaluate the personal performance against the goals set by the Board of Directors.
- Regarding the compensation of the Board’s Members, the Committee shall draft the required criteria for compensation, and check them regularly, enabling “The Company” to achieve excellent performance without affecting the member’s independence.

- Regarding the compensation of the Managing Director, Executive Directors or Department Managers in “The Company”, the Committee shall draft the required criteria for compensation to be checked regularly and applied on the annual fixed salaries, as increments, based on evaluation of the financial and non-financial performance, and draft special criteria for the long-term incentives and bonuses aimed at aligning the directors’ and managers’ interests with the interest of the shareholders.
- Continuously ensure the adequacy of the incentive criteria considering the performance of “The Company”, its financial position, and the main trends on the employment market.
- Follow up on the decisions adopted by the General Assembly of “The Company” on the compensation of the Board of Directors’ members and the disclosure of these remunerations in the annual report.

- **Duties:**

- Request the documents, reports, clarifications and other information from Company officials and executives.
- Invite “The Company” officials, executives and employees to attend its meeting for questioning them or hear to their clarifications.
- Take help of outside experts and consultants.
- Perform the duties assigned to the Committee by the Board of Directors within the jurisdiction of the Committee.
- The Committee shall make an annual revision and evaluate its regulations to ensure smooth functioning of its work and adequacy of its duties and raise any necessary amendments to the Board of Directors for approval.

- **Committee Members & Meetings:**

The attendance record of the members of the Nomination and Compensation Committee for the committee meetings for the fiscal year 2023 And the total is Four				
#	Meeting date	Member Name		
		H.H. Prince Ahmad bin Khalid bin Abdullah bin Abdulrahman Al-Saud	Dr. Mohammad S. AlBadr	Mr. Sulaiman Abdullah Al Amro
		Membership		
		Member	Chairman	Member
1	31/05/2023	Attended	Attended	Attended
2	13/09/2023	Attended	Attended	Attended
3	23/10/2023	Attended	Attended	Attended
4	17/12/2023	Attended	Attended	Attended
Total		4	4	4

Term of Committee: Three Years starting January 1st, 2021, ended 31st December 2023.

The secretary of the committee is Mr. Waleed Mohammad Abu Kishk.

30.1.4 Investment Committee

- **Authorities:**

The following topics are considered within the powers of the Investment Committee:

- The committee meets at least once a year or as needed based on an invitation from the committee chairman.
- Meetings may be held in person or by means of modern technology, and the member's participation in this case is considered an authentic participation in his presence.
- The legal quorum for the committee meeting is the majority of its members.
- It is permissible to delegate to attend the meetings of the committee, but it is not permissible for a member of the committee to represent more than one member. In the event that the committee chairman is not present, he may delegate one of the members, and if he fails to do so, the members may delegate one of them to preside over the session.
- The decisions of the committee are issued by the majority of votes of the attendees or representatives in the meeting.
- The meeting agenda, which is included in the invitation, is prepared in coordination with the Chairman of the Committee before the meeting.
- The invitation to attend the meeting shall be sent and signed by the committee chairperson or the committee secretary if he is authorized to do so by the chairperson, and sent sufficiently before the date of the meeting. Presentations and necessary documents shall be sent well in advance of the meeting to enable them to peruse them.
- The Secretary of the Committee shall prepare a draft of the minutes of the Committee's meeting (includes a statement of the names of the present and absent members in addition to a summary of the discussions, deliberations, and decisions) and sends it to the Chairman and members of the Committee within ten days from the date of the meeting to be reviewed and any observations made on them (if any). Within seven days from the date of sending it via e-mail, and in the event that no notes are received, this is considered an acknowledgment of their approval, and then the minutes are signed by the chairman and secretary of the committee and all the members present.

- **Duties:**

- Develop an investment strategy in proportion to the company's main activities, complementary activities, or any investment activities that the committee considers their feasibility and suitability for the company, and the risks to which the company's investments are exposed, and submit a recommendation in this regard to the Board of Directors, and review this policy from time to time in a manner Periodically to ensure their suitability to the changes that occur in the company's business and to submit a recommendation in this regard to the Board of Directors.
- Supervising investment activities and setting appropriate procedures for measuring and evaluating investment performance.
- Studying and evaluating the company's investment opportunities.
- The committee may perform any other tasks compatible with its purposes or carry out any work requested by the board of directors.
- The committee submits its recommendations to the board of directors for approval.

- **Committee Members & Meetings:**

The attendance record of the members of the Investment Committee for the committee meetings for the fiscal year 2023 And the total is one					
#	Meeting date	Member Name			
		HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	Mr. Mohammad Abdurrahman Al-Luhaidan	Mr. Sulaiman Abdullah Al-Amro	Mr. Feras Ghassab AlHarbi
Membership					
		Chairman	Member	Member	Member
1	20/11/2023	Attended	Attended	Attended	Attended
Total		1	1	1	1

Term of Committee: Three Years starting January 1st, 2021, ended 31st December 2023.
the Secretary of the Committee is Mr. Asgar Yosuf Sarguroh.

31 Compliance to Governance Regulations:

The Following rules of Governance Policy have been Implemented:

The following table shows the items which adopted the Governance Policy & the items which did not adopt the Governance Policy:

#	Item	Adopted	Not Adopted	Reason in Case of Non-adoption
1	General rights of shareholders	Yes		
2	Right of shareholders to inquire & obtain information not effecting company interests.	Yes		
3	Shareholders' pertaining to the General Assembly	Yes		
4	Voting Rights	Yes		
5	Shareholders' rights in dividends	Yes		
6	Policies & procedures related to disclosures	Yes		
7	Disclosures in the Board of Directors' Report	Yes		
8	The main roles of Board Members	Yes		
9	The responsibilities of the Board of Directors	Yes		
10	The composition of the Board of Directors	Yes		
11	The committees of the board and their independence	Yes		
12	The Audit Committee	Yes		
13	The Nominations & Remuneration Committee	Yes		
14	Board of Directors meetings and their agenda	Yes		
15	Board of Directors' fees & remuneration	Yes		
16	Conflict of interest for the Board of Directors	Yes		
17	Cumulative Voting	Yes		
18	The means by which the Board of Directors relied in evaluating its performance, the performance of its committees and members, and the external party that carried out the evaluation	No	No (Not Applicable)	There are no events that require this assessment during the year.

32 Dates of the General Assemblies of Shareholders held during the last financial year and the names of the members of the Board of Directors present in the meeting:

An Extra Ordinary General Assembly was held once on 11/05/2023, and the meeting was attended by:

Member Name	Second GA Meeting 11/05/2023
HH Prince Ahmad bin Khalid bin Abdullah bin Abdurrahman Al-Saud	Attended
HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	Apologized
Dr. Solaiman Abdulaziz Al Twajri	Attended
Dr. Mohammad Saud Al Badr	Attended
Mr. Mohammad Abdurrahman Al-Luhaidan	Attended

An Ordinary General Assembly was held once on 28/12/2023, and the meeting was attended by:

Member Name	First GA Meeting 28/12/2023
HH Prince Ahmad bin Khalid bin Abdullah bin Abdurrahman Al-Saud	Apologized
HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	Apologized
Dr. Solaiman Abdulaziz Al Twajri	Attended
Dr. Mohammad Saud Al Badr	Attended
Mr. Mohammad Abdurrahman Al-Luhaidan	Attended

In this assembly, the members of the Board of Directors were elected for a next term of 4 years starting from 01/01/2024G and ending on 31/12/2027G, and the elected members are:

- 1- HH Prince Ahmad bin Khalid bin Abdullah bin Abdurrahman Al-Saud.
- 2- HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud.
- 3- Dr. Solaiman Abdulaziz Al Twajri.
- 4- Dr. Mohammad Saud Al Badr.
- 5- Mr. Khalid Mohammed Al Bowardi.

33 Policies Related to the Disclosure

The General assembly has adopted policies and procedures related to the disclosure which are still in practice.

34 Results of Annual Auditing for Effective Internal Control:

The Board of Directors has been assigned the responsibility to ensure that management maintains an effective system of internal controls, which provides reasonable assurance in all material respects of efficient and effective operation of controls.

35 Independence & Authority

The overall objective of the Internal Audit department is to provide at all levels of Management ,the Board of Directors, and The Stake Holders with an independent assessment of the quality of “The Company” ’s internal controls and administrative procedures and make recommendations for continuous improvement. The Internal Audit department is not subject to any influence from the executive management and has the required unrestricted access to all records (manual or electronic), Company assets and employees, required for performing its duties.

❖ Internal Audit Responsibility

The responsibilities of the Internal Audit department encompass the following:

- Preparing the annual strategic plan for internal audit work and updating it whenever necessary.
- Implementing inspections according to the annual plan.
- Providing detailed reports on the examination results.
- Identify financial and operational risks, and cooperate with management to provide effective control tools, at an appropriate cost, to reduce the effects of these risks and discover them as soon as they occur.
- Coordination between the various departments of the “company” and external regulatory bodies, including the external auditor.

- Develop audit implementation policies and procedures so that they are consistent with best professional practices.
- Using available resources consistent with the approved internal audit budget.
- Training and qualifying the company’s audit management personnel to carry out their tasks efficiently and effectively, whether by attending internal training sessions or by attending specialized courses, conferences and seminars related to internal audit topics.
- Carrying out advisory tasks (at the request of executive management or senior executives in the company) to participate in improving the quality of work

❖ **Scope of Work**

The Internal Audit department has adopted a well-organized approach to evaluate and recommend improvements for the efficiency of the internal controls in a manner that will enable “The Company” to achieve its objectives and protect its assets.

The scope of internal auditing covers examining the sufficiency and efficiency of internal control system in “The Company” and quality of management in order to verify whether the internal policies & procedures provide a reasonable confirmation to achieve “The Company” objectives.

❖ **Annual Results of Internal Audits**

- The Internal Audit Department at Saudi Amiantit Company carries out its activities in accordance with an agreed-upon work plan, which is designed to cover all the company’s main activities over a period of (3) years Risk Based Audit Plan (RBIA), considering the focus and priority given to activities with risks. The high. Several substantive recommendations were made as a result of the audit visits, with follow-up on the implementation of these observations in the form of corrective actions carried out in cooperation with the audit client (Client, Auditees) and with the support of the company’s executive management and several different departments during which these departments were comprehensively examined. Thus, it led to more valuable additions and improvement of the current internal control system.

- The Internal Audit Department participated as an observer member in reformulating and updating the company’s human resources policy and business manual. The review process was completed internally and without the need for any external consultations.
- The Internal Audit Department participated in improving and reducing the time period of the company’s payroll cycle.
- The Internal Audit Department participated in raising the quality of work in the company’s central warehouses in terms of submitting basic recommendations to improve the performance of users of the company’s accounting system and closing the gaps in the method of entry and receipt of materials.
- The Internal Audit Department participated in re-evaluating the authority matrix.
- The Internal Audit Department would like to confirm that the internal control system is (reasonable and adequate) and that there are no significant significant differences during the year 2023. The administration continued to submit quarterly reports to the Audit Committee on the work that was implemented and follow-up procedures with the departments that were visited.

Observations	Results of the Recommendations
Evaluating exceptions provided to clients.	The company's credit department has Reviewed and Reevaluated the standards that contribute to controlling the granting of exceptions to customers and classifying them into segments according to the volume of transactions, payment agreements, etc.
Archiving documents for previous periods related to fixed assets	The Finance Department updated its records, re-evaluated the existing archive of fixed assets, and linked it to the accounting system, which will provide faster access to all required information.
Re-evaluating the performance of transportation service suppliers	The Supply Chain Department has corrected the method of calculating invoices for transportation suppliers contracted with the company to transport finished goods to customers, as delay periods - if any - will be calculated and their value will be deducted from the invoices submitted to the company as stipulated in the official contracts.
Improving the controls and Authorities of the Company system	The Supply Chain Department implemented the recommendations of the Review Department in terms of re-evaluating the controls for receiving,

(SAP)related to the powers of central warehouses	returning, or rejecting materials within an important project in cooperation with the Technology Department (IT) in the company.
Re-evaluate dormant bank accounts	The Finance Department, in cooperation with the Legal Department, re-evaluated the stagnant bank accounts, prepared supporting documents, and contacted the banks again in this regard.
Reducing the time period of the company's payroll cycle.	The Internal Audit Department re-evaluated the payroll cycle and called for a meeting with those concerned from the Payroll Department and the Financial Department and finalized the preparation of practical procedures to reduce the delivery of salaries to workers and employees who have joined the company and whose residency has not yet been issued or who have their own legal circumstances that the company has nothing to do with.
Re-evaluation of cash transportation insurance agreements.	The Internal Audit Department studied and re-evaluated the insurance policies related to transporting and carrying cash and the risks resulting from that.
Weak settlements between the reservations department and the financial department	The Reservation Section started to make the adjustments for the amounts and the number of tickets paid by the company to the employees, regardless of their type and purpose, before sending them to the financial department to be reviewed again before being recorded on the system.
Reconsider training policies (internal or external) and employee qualification	The Internal Audit Department re-evaluated the status of the Training Department and the plans drawn up to find out what skills, courses and experiences are necessary to increase the level and qualifications of employees to increase their ability to work efficiently and professionally.

- Among the things worth noting is that the Internal Audit Department has set for itself goals that are consistent with the company's directions in terms of developing new methods related to evaluating activities and operations in the company's departments and factories related to performance and raising the quality of work as follows:
 - ✓ Adding the (Scorecards) activity to contribute to providing more tools that help executive management evaluate the company's operations more accurately.
 - ✓ Developing a method for evaluating the quality of work provided by the Internal Audit Department (Quality Assurance Program).
 - ✓ Updating the agreements for providing consulting tasks.
 - ✓ On a related level, the Audit Department communicated and coordinated with the external auditor and provided all the samples he needed from the Audit Department.

36 Changes in External Auditors:

"The Company" did not change the external auditor during their term in which "The Company" has appointed them.

37 Any irregularity, penalty, precautionary measure, or precautionary restriction

During the year 2023, no penalty, precautionary measure or precautionary restriction was imposed on the Company by the Capital Market Authority or any supervisory, regulatory, or judicial authority.

38 Employees

38.1.1 Management & Training:

- The total number of employees in the company reached 1,657 employees in 2023G compared to 1,705 employees in 2022G, distributed as follows:

Particulars	2023	2022	Increases/ (decrease)	Percentage increase (leakage)
Local Sector	1,418	1,417	1	.07%
International Sector	239	288	(49)	(17.01%)
Total	1,657	1,705	(48)	(2.82%)
Number of Saudi Employees	484	426	58	13.62%
Percentage of Saudis in the local sector	34%	30%		

- The following training courses were provided in 2023G:

Training	Participants
English Training Course - Beginner Level	38
English Training Course Elementary Level	34
English Training Course Pre-Intermediate Level	21
Business English Course	11
Basic Safety Rules	476
Crane Safety Training	12
Excel-1	68
Excel-2	49
Excel-3	31
MS Excel Pivot Tables	21
Cybersecurity Awareness Training	107
How to be a Certified Project Manager (PMP)	14
Human Resources E-Government Systems	1
Machine and Equipment Operation and Maintenance	2
Supply Chain	4
Operational Excellence in Digitalization	2
Performance Management and appraisal	1
Professional skills for the Internal Auditors	9
Saudi Internal Communication Conference	1
Awareness and Internal Auditor Training Session based on ISO 14001 & ISO 45001	38
Crisis and Disaster Management	1
Cyber Security	1
Lead Auditor Course ISO 14001 Environmental Management System	10
Lead Auditor ISO 45001 Occupational Health and Safety Management System	10

39 Safety & Security:

“The Company” factories continued their high level of safety and security thanks to the regular training and qualification programs and training courses in all factories for all employees. “The Company” continued to approve new standards to maintain the safety and linked the incentive given to employees by achieving high safety level in their place of work. The safety efforts made by “The Company” have reflected in the drop of work incidents remarkably over the years. “The Company” invests heavily to comply with local environmental standard & obtained the presidency of metrology and environment (PME) permits for all plants.

**Best Regards,
Board of Directors**