



المتقدمة  
Advanced

# Driving Growth Through Excellence: Fueling Innovation and Sustainability



BOARD REPORT 2023

ثقافة التميز  
Culture Of Excellence



Please scan the QR code to download the respective documents.



Financial Statements



CSR Report



ESG Report



Audit Committee Report

“

My primary goal is to be an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavour.



Custodian of the Two Holy Mosques,  
**King Salman bin Abdulaziz Al Saud**  
King of the Kingdom of Saudi Arabia

“

Our ambition is for the long term. It goes beyond replenishing sources of income that have weakened or preserving what we have already achieved. We are determined to build a thriving country in which all citizens can fulfill their dreams.



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

Crown Prince, Prime Minister



**Mr. Khalifa Abdullatif Al Mulhem**

Chairman of the Board

## CHAIRMAN'S STATEMENT

Advanced is determined to implement its growth strategies by overcoming global economic challenges to contribute to GDP growth and create long-term value in line with the Kingdom's Vision 2030

At Advanced, we are proactively pursuing our strategies by strengthening all areas of the business

2023  
Revenue reached  
**2.4B**  
Saudi Riyals

I am pleased to share with you, on behalf of the Company's Board of Directors, the Annual Board of Directors Report for the financial year 2023. This report includes a comprehensive analysis of Advanced operational performance and its affiliates, transformation initiatives in the areas of human capital and digitization, business strategy and growth projects, as well as environmental, social and governance performance.

Year 2023 witnessed significant challenges for the petrochemical industry and market, characterized by geopolitical tension, economic uncertainty, soaring prices of raw materials, interest rates and additional capacity in the Chinese market.

Despite these challenges, Advanced has remained steadfast in achieving its objectives of meeting the requirements of its customers by maintaining prominent levels of operational performance and sales, adopting continuous rationalization of operations, raising the level of reliability, and enhancing the integrity of its assets.

2023  
Retention Rate  
**96%**

With regards to the growth strategy, a framework support agreement was signed with Shareek program to enable maximizing the company's local investment plan to achieve Vision 2030, in addition to announcing a strategic project in food security for the production of Methionine. Moreover, signing an agreement with Jubail United Petrochemical Company (a subsidiary of SABIC) to establish a pipeline and supply the associated gas product.

Moreover, the current project of Advanced Polyolefins Company is expected to be completed by the second half of 2024. The Board of Directors is confident that Advanced strategies will be successfully achieved through the commitment of all employees to a culture of excellence.

In conclusion, and on behalf of the Board of Directors and the employees of Advanced, I would like to express my sincere thanks and appreciation to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud, and his Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, and our wishes for success to all in 2024.

At Advanced, we focus on responsible care, human capital, customers, production and reliability, profitability and growth as pillars for sustainable future

On stream factor reached more than **98%** in both plants

Utilization capacity reached more than **100%** in both plants

## PRESIDENT AND CEO'S STATEMENT

The company has continued to enhance its performance by achieving the sustainability of the operational excellence and development, as well as continuously implementing growth and transformation initiatives.

Advanced sustainable investment in responsible care, human capital, digitization and maintaining the reliability of factories has led to the achievement of twenty-four million safe working hours, sustainable and safe operation with a reliability rate of more than 98%, and a production rate that exceeded the maximum production capacity, which confirmed the company's commitment to the future plan towards excellence in the environment, social and governance.

Advanced pays great attention to the aspects of responsible care, developing and improving the reliability of its plants, maintaining a strong financial position, achieving outstanding performance in accordance with industry standards, and profitability has been maintained during tough times of the year through careful attention to operational excellence and reviewing market dynamics.

The company also works to invest in its human resources, qualify them administratively and

technically, develop their skills, and provide them with continuous development programs and training opportunities as a contribution to achieving sustainability represented in the company's Vision and Goals.

Digital transformation has been another essential element of the company's strategy, as it enabled it to enhance operational efficiency, reduce costs, and improve decision-making processes as the future depends on technological progress. Also, the company is committed to staying at the forefront of this development while maintaining cybersecurity requirements in all its businesses.

In conclusion, I would like to thank the Board of Directors for their unlimited support in all aspects of the business as well as all the employees of Advanced Company and its subsidiaries, and we look forward to continuous improvement and innovation to achieve a "Culture of Excellence", and I wish all the best and success to everyone in 2024.



**Eng. Fahad S. Al Matrafi**

President and CEO



**Mr. Abdulaziz S. Al-Ardhi**

Chief Financial Officer

## CHIEF FINANCIAL OFFICER'S STATEMENT

**Advanced will continue to invest in enhancement programs to improve and raise the efficiency of spending by adopting the concept of shared services and maintaining sufficient liquidity to meet the needs of the company's investments to create sustainable value for its shareholders.**

Despite the market challenges, Advanced has implemented several profitability initiatives across all areas of the business including production, costs, marketing, financing and cash management, contributing to a net profit of SAR 171 million, a decrease of 42% compared to 2022 (SAR 295 million), due to lower profit margins and sales quantities resulting from the decrease in the amount of propylene as a result of the scheduled periodic maintenance of SATORP. In addition to that, the maintenance work of the Propane pipeline of Jubail companies to improve reliability.

Advanced has reinforced its cost-efficient operating model that balances costs and asset preservation in a manner that ensures their safe and reliable operation. Advanced Company has restructured the credit facilities by obtaining better competitive rates than previous facilities to reduce financing costs and maintain sufficient liquidity for the company's future projects.

In addition, the company has implemented several programs that will improve and raise efficiency to

reduce its capital and operating expenses and establish a marketing subsidiary of the company to market its products, in addition to implementing special programs that utilize shared services between subsidiaries, which contributes to reducing costs.

With regard to the performance of SK Advanced, the management of Advanced company is currently working intensively with the rest of the partners to search for all options that will improve the company's results, and we trust these efforts will yield satisfactory results for everyone in the future.

And during the coming period, Advanced will continue to invest in its capital programs in its main sectors to create sustainable value for its stakeholders, taking into account the various business challenges and risks, and to mitigate these risks, Advanced Company has implemented effective strategies through financial risk management by developing plans that reduce these challenges in line with growth initiatives and economic hedging measures.

**Advanced achieved a number of milestones, including implementing the shared services concept in the group to distribute the costs among Advanced subsidiaries; reducing project financing cost**

**2023 Consolidated EBITDA reached 452M Saudi Riyals**

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# 01

# OVERVIEW

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**Achieving Together A Year Marked by  
Exceptional Growth, Resilience, and  
Collaborative Success**

## VISION

Growing chemical company acting responsibly towards all stakeholders.

## MISSION

Provide quality products through professional work environment to maximize profit in a socially responsible and sustainable manner.

## OUR VALUES



### Excellence

We do the right things right first time; deliver on commitments.



### Continuous Improvements

We pro-actively recognize business opportunities; benchmark and implement best practices; challenge status quo.



### Customer Care

We adjust business processes to best meet customer needs and to ensure customer satisfaction.



### Team Spirit

We sacrifice own needs for the good of the team; Never undermine team efforts; Celebrate achievements;



### Transparency

We speak up our mind; give positive and constructive feedback.

# ADVANCED AT A GLANCE

Advanced Petrochemical Company (Advanced) or (Company) is engaged in the manufacture of plastics in primary forms, investment in industrial projects including, but not limited to, projects relating to petrochemical, chemical, basic and conversion industries and industries relating to renewable energy and to establish, operate and own industrial projects both within and outside of the Kingdom of Saudi Arabia.

In May 2005, Advanced started the construction of its integrated petrochemical plants, located in Jubail Industrial City in the Eastern Province of the Kingdom of Saudi Arabia, which started its commercial production from its polypropylene facility on the March 03, 2008. The integrated plant is designed to produce 455,000 tons per year of propylene and 450,000 tons per year of polypropylene (nameplate capacities) from its production facility. Advanced utilizes the PDH-Catofin Technology, which is licensed by LummusTechnology, for the production of propylene, and it uses the Novolen Technology for the production of various polypropylene products. The products are marketed locally and globally through well-renowned off-takers. The Company's products are used in plastic applications such as cast film, BOPP films, fibers, filaments, woven tapes, non woven fabrics, and injection molding. Since the inception of Advanced, it has established itself as one of the major players in the petrochemical industry in the region.

## Advanced in Numbers

Established in **2005**

**2.6B** SAR Capital

**04** Affiliates

**574** Employees

The Activity: **Manufacturing of Propylene & Polypropylene**

The Activity Revenues in 2023:

**2,374** (in Millions SAR)

The Company's products are the basic building blocks used to manufacture countless goods such as:



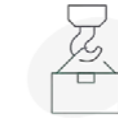
Personal care products



Fresh food packaging



Lightweight plastics



Construction materials



Automotive components

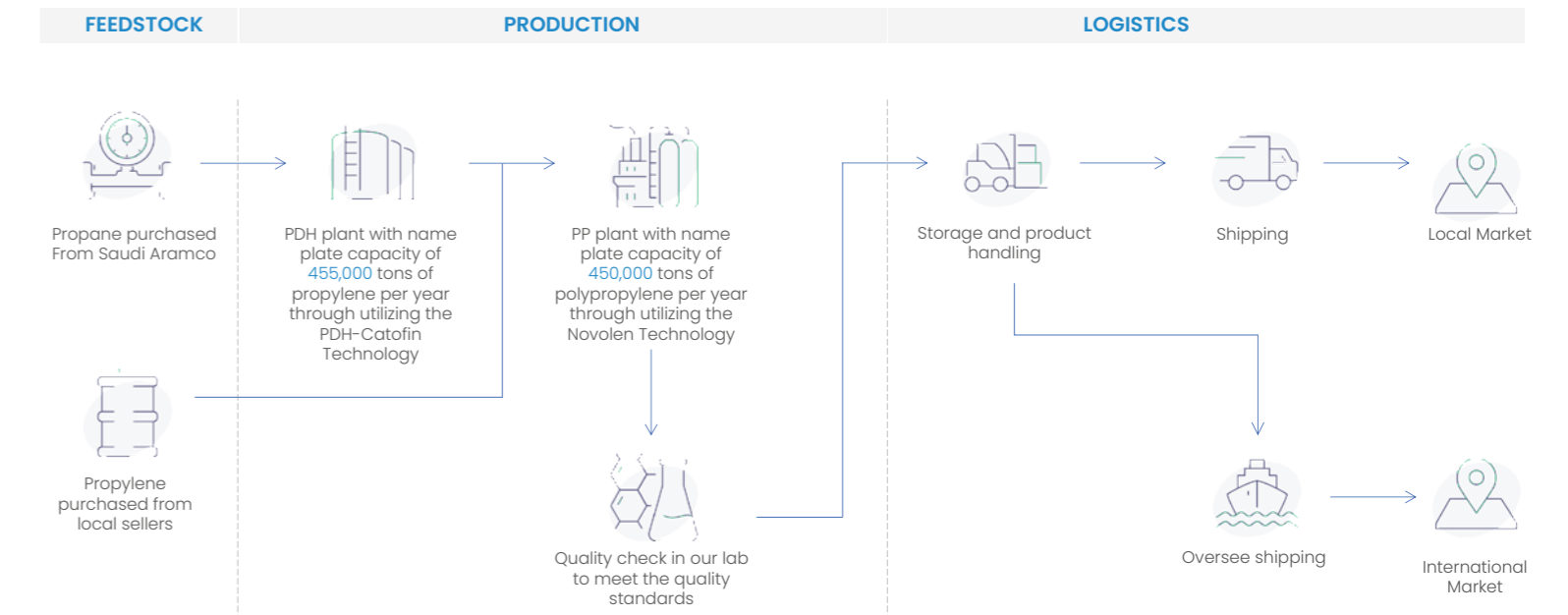


Durable textiles

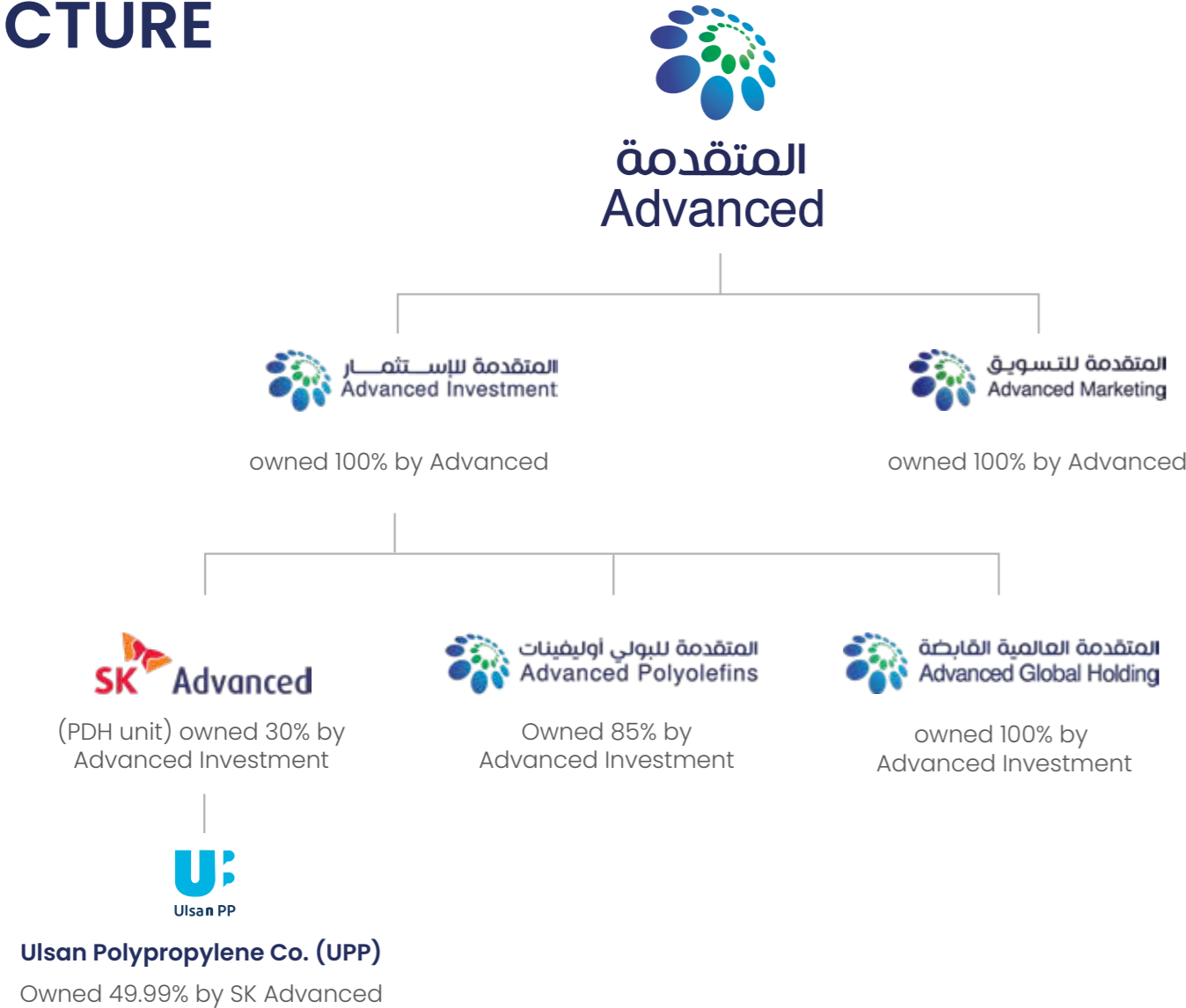


Medical applications

## Business Model



# CORPORATE STRUCTURE



## The Main Activity of the Company and its Subsidiaries:

The main activity of the Company is in the field of manufacturing and converting petrochemicals, which includes the production of propylene and polypropylene and the marketing and selling of the final product (polypropylene) inside the Kingdom by the Company, and outside the Kingdom through international offtakers. The company's main product, which is polypropylene, generated a revenue of 2,374 Million SAR in 2023.



### Advanced Global Investment Company (AGIC):

It is a Saudi company, Single Shareholder limited liability Company wholly owned by Advanced, established in August 2012 with a paid-up capital of one million Saudi Riyals and its activity is to invest in industrial projects including projects relating to petrochemical and chemical industries, basic and conversion industries, and to establish, operate and own industrial projects both within and outside of the Kingdom of Saudi Arabia.

The company has industrial investments in (i) SK Advanced Ltd. in Ulsan City, South Korea, in which it owns 30% in equity, and the realized share of losses by the end of 2023 amounted to a total of 97 Million Saudi riyals, and (ii) Advanced Polyolefins Industry Company (APOC) with ownership of 85% by Advanced Global Investment Company and 15% is owned by SK Gas Petrochemical Pte. Ltd. The total equity injection for APOC from AGIC is SAR 2.18 Billion which has been partly funded by its own cash as well as by borrowing through Revolving Credit Facility (RCF).



### Advanced Global Marketing Company (AGMC):

It is a Saudi company, Single Shareholder limited liability Company wholly owned by Advanced, established in March 2012 with a paid-up capital of one million Saudi Riyals. The principal objective of the Company are to market products of petrochemical, chemical, basic and downstream industries as well as the provision of marketing services on behalf of Advanced, APOC and Advanced's future growth projects, within and outside of the Kingdom of Saudi Arabia. It has not recorded any assets, liabilities or any operations including any potential liabilities for the period ending on December 31, 2023. Consequently, there is no impact on the Company's business volume during the fiscal year 2023.



### Advanced Global Holding Company Ltd.:

It is a limited liability company whose activity is to invest in the production and marketing of petrochemical and chemical products, and it was registered in Luxembourg in February 2014 with a paid-up capital of one hundred USD with a 100% investment by Advanced Global Investment Company, and the amount of the capital contribution during the year 2014 was deposited in the company's bank account and it did not register any assets, liabilities, or any operations, including any potential liabilities, for the period ending on December 31, 2023. Consequently, there is no impact on the volume of the Company's business during the fiscal year 2023.



### Advanced Polyolefins Industry Company (APOC):

Advanced Polyolefins Industry Company is a Saudi mixed closed joint stock company registered in Jubail, Kingdom of Saudi Arabia with a paid-up capital of (2,210,625,000) Saudi Riyals and 85% is owned by Advanced Global Investment Company (remaining 15% is owned by SK Gas Petrochemical Pte. Ltd., a company organized and existing under the laws of Republic of Singapore). The Company has not commenced its commercial operations and is under construction phase which is expected to be completed by H2 2024.

# ADVANCED'S JOURNEY

2005

Advanced Site Construction

2006

Initial Public Offering in December 2006 and listed in the Saudi Exchange in January 2007 with a capital of (SAR 1,413,750,000)

2008

Commissioning of PDH and Polypropylene plant

2012

First Paid Capital increased by 16% to (SAR 1,639,950,000) through issuing bonus shares

2013

Signed agreement with SATORP to purchase 80 KTA Propylene to enhance PP production utilizing the same assets (currently extended to 120 KTA up to Dec 2025)

2014

MOU with SK Gas to establish state-of-the-art Propane Dehydrogenation (PDH) plant in South Korea to produce Propylene with Name Plate Capacity of 600,000 KTA

2016

Started commercial production of SK Advanced PDH Plant in South Korea  
Second Paid Capital increased by 20% to (SAR 1,967,940,000) through issuing bonus shares

2018

Awarded EPC contract for 400 KTA PP plant to be set up in South Korea ("UPP"), which is 50% owned by SK Advanced

2019

Third Paid Capital increased by 10% to (SAR 2,164,730,000) through issuing bonus shares  
Redemption of SAR 1 billion for Advanced Petrochemical Company from SUKUK  
Obtained feedstock allocation from the Ministry of Energy to set up a new PDH-PP complex in Jubail industrial City

2020

Signed Joint Venture agreement for new PDH-PP project in Jubail industrial with SK Gas (to form Advanced Polyolefins Company "APOC")

2021

Awarded EPC for the new PDH-PP project by APOC, planned for commissioning in 2024  
Received additional feedstock allocation to establish a new Petrochemical Complex in Jubail-2  
UPP (PP plant in South Korea 50% owned by SK Advanced) started commercial operation

2022

Achieving 22 Million safe man-hours without lost workday Injuries

Awarded the 1st Rank in Environmental Performance among Jubail Primary industries by the Royal Commission of Jubail & Yanbu.

Achieved highest ever PP production and sales.

Fourth Paid Capital increased by 20.11% to (SAR 2,600,000,000) through issuing bonus shares

2023

Achieved the highest monthly sales and shipped volume since the inception of our company.

Achieved the highest direct sales in company history.

Advanced got certified as GCC Economic Operator.

Achieving 24 Million safe man-hours without lost workday Injuries

# 02

## PERFORMANCE & ACHIEVEMENTS

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**Achieving Excellence,  
Fueling Innovation,  
Delivering Impact.**

# RESPONSIBLE CARE

Responsible Care is the global chemical industry's unifying commitment to the safe management of chemicals throughout their life cycle, while promoting their role in improving quality of life and contributing to sustainable development. As a signatory to the Responsible Care Global Charter, Advanced Petrochemical Company will actively strengthen the Responsible Care initiative worldwide and is committed to:

Achieving  
**24**  
Million safe  
man-hours without  
lost workday Injuries  
in 2023.



**01**

A Corporate Leadership Culture that proactively supports safe chemicals management through the global Responsible Care initiative.

**03**

Strengthening Chemicals Management Systems by participating in the development and implementation of lifecycle-oriented, sound-science and risk-based chemical safety legislation and best practices

**05**

Engaging Stakeholders, understanding and responding to their concerns and expectations for safer operations and products and communicating openly on our performance and products

**02**

Safeguarding People and the Environment by continuously improving our environmental, health and safety performance; the security of our facilities, processes and technologies; and by driving continuous improvement in chemical product safety and stewardship throughout the supply chain.

**04**

Influencing Business Partners to promote the safe management of chemicals within their own operations.

**06**

Contributing to Sustainability through improved performance, expanded economic opportunities and the development of innovative technologies and other solutions to societal challenges

Advanced's Management System has embedded international requirements and best practices needed to maintain responsible operation with objectives of developing and maintaining a safe work environment for employees and maintaining the contribution to achieve excellent environmental performance.

Advanced has an Integrated Management System covering Quality, Environment, Occupational Health & Safety, Process Safety, Responsible Care & Cybersecurity, which makes it committed to:



**Deliver**

Quality products & services that meet stakeholders' expectations.



**Promote**

Quality products & services that meet stakeholders' expectations.



**Comply**

With all relevant laws, regulations, standards and other applicable requirements.



**Demonstrate**

With all relevant laws, regulations, standards and other applicable requirements.



**Consult**

Our policies ensure we consult and engage the relevant personnel in decision making for work related activities.



**Protect**

Our policies ensure we consult and engage the relevant personnel in decision making for work related activities.



**Prevent**

Quality products & services that meet stakeholders' expectations.



**Improve**

Our business practices through organizational excellence, create a competitive work environment in ethical ways.



## Environment

Advanced recognizes the emerging challenges facing our eco-system and is committed to improving the environmental performance of its operations, products and services. Our greatest contribution to meeting the challenge is to pioneer new technologies for environmentally progressive products and services. Advanced has implemented aggressive targets for improving its environmental performance for its operations by adopting an Environment Management system that is aligned with industry best practices and international Industry standards.

Energy efficiency, Waste reduction and recycling, emission reduction and conservation of natural resources are the key Goals in our Environmental Management System. Long-term plans are set for emission reduction, energy efficiency and conservation of natural resources to leverage our company's positive impact on the environment.



## Occupational Health and Safety

Advanced is committed to a well-developed Occupational Health and safety program that will excel in the protection of our employees, Assets, and Communities from Occupational Incidents. In addition, Advanced Continue supports the Industry's Guiding principles in Occupational Health and safety to comply with government regulations through Advanced Leadership practices.

Employees at every level, including senior management, are embedded the Occupational health and safety practices as part of Advanced Culture in routine activities. In addition, management supports the coordination of safety among all workers and contractors on the job site and has encouraged compliance toward Occupational Health and Safety Practices.

Management encourages employees' engagement and participation in occupational Health and safety programs and initiatives and provides proper required Resources, training, and guidance to achieve the concept of continuous improvement on the part of Occupational health and safety. Employees feel responsible for following all Occupational Health and safety practices, maintaining the necessary protection measures to work safely, and, wherever possible, improving safety standards. An injury and accident-free workplace is our optimum goal, and Through the collaborative efforts of Advanced team, we can accomplish this goal.



## Quality

Quality and continuous improvement are the basic operating principles at Advanced. As a pioneer institution in the sector in terms of quality, we are conscious of our responsibilities for the stakeholders. We have adopted sustainable growth as our lifestyle, our target is to present products and services, which will ensure the greatest benefit for our customers, as the best solution partner and to ensure repeated customer satisfaction.

Reducing our costs, increasing our long-term profitability, keeping our future safe can be ensured if we work with our employees within the framework of collaboration and trust. In this context our objective is to adopt Total Quality Management as a lifestyle and fulfill its needs with a view to ensuring quality consciousness in all activity fields and service units systematically and regularly, thereby contributing to our management strategies. At Advanced, we are committed to obtain business perfection through Total Quality Management & Management Strategies.

### Advanced Management System is certified for :

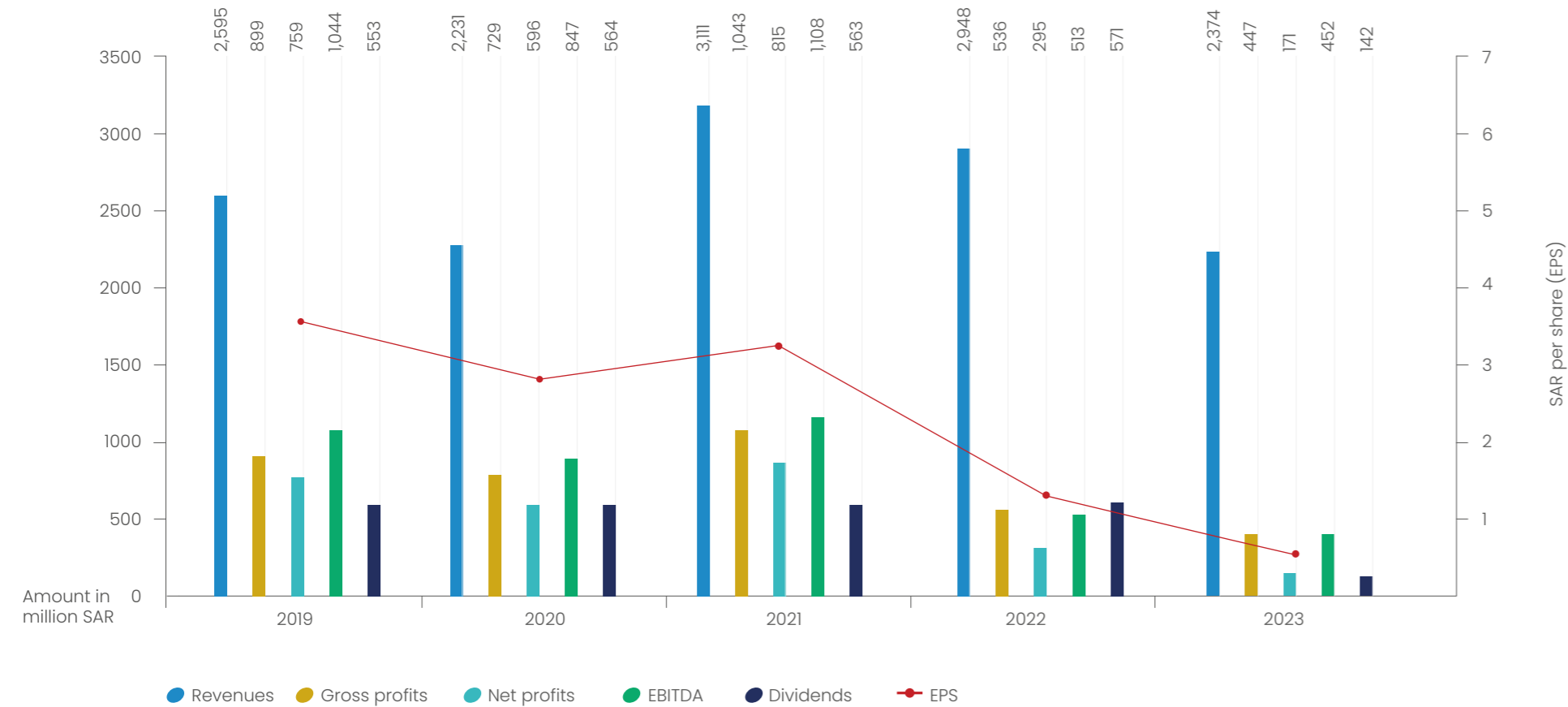
- Responsible Care (RC 14001:2015) & Environment Management System (ISO 14001:2015)
- Occupational Health and Safety Management (ISO 45001:2018 )
- Quality Management System (ISO 9001:2015)
- Information Security Management System (ISO/IEC 27001:2013)



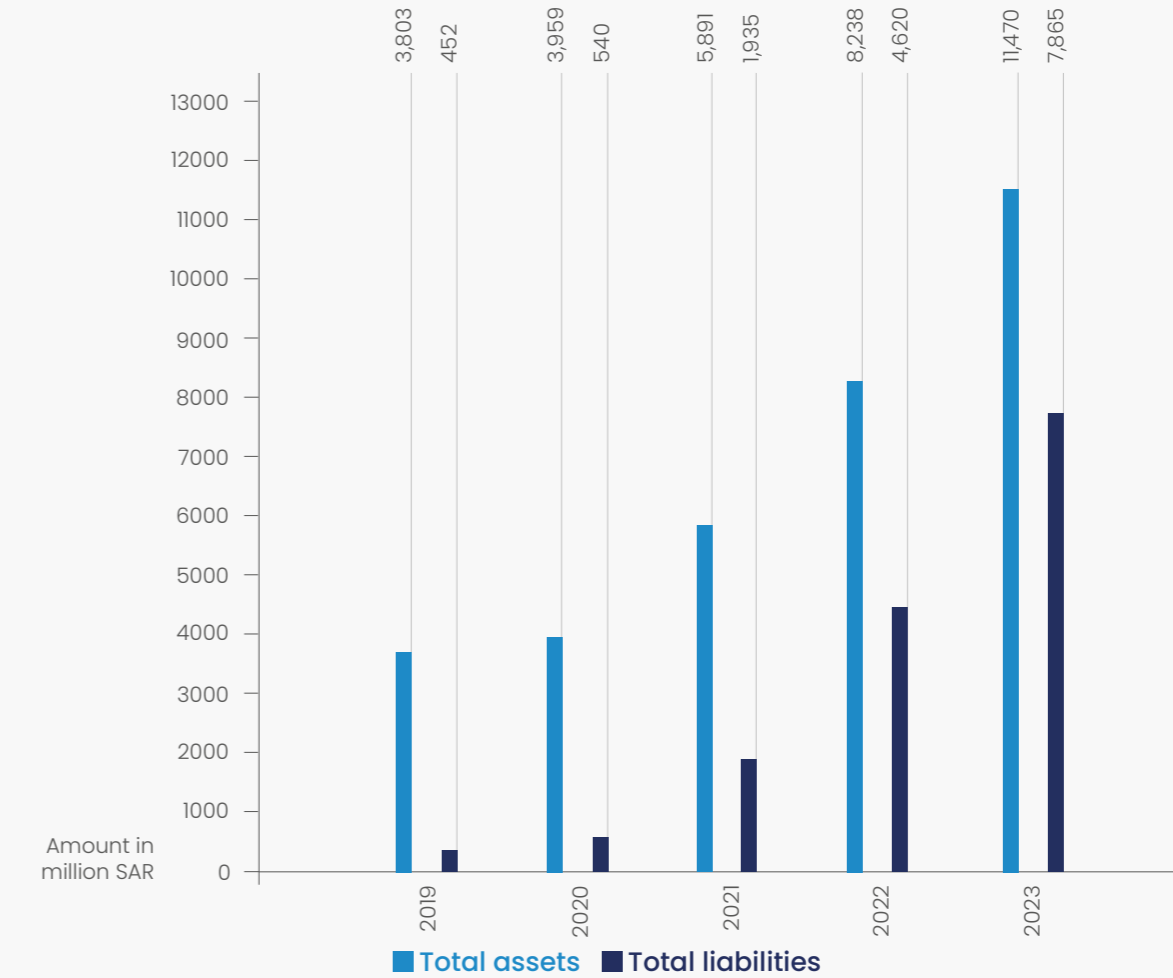
# BUSINESS PERFORMANCE

Advanced has achieved a net profit of SAR 171 million in 2023. The reason of the decrease in the net profit is due to the reduction in the net sales price and volumes by %15 and %5 respectively; despite of the reduction in propane and purchased propylene prices by %24 and %17 respectively, as well as the reduction in share of loss in SK Advanced investment by SAR 12 million.

## Business results for the last five years:

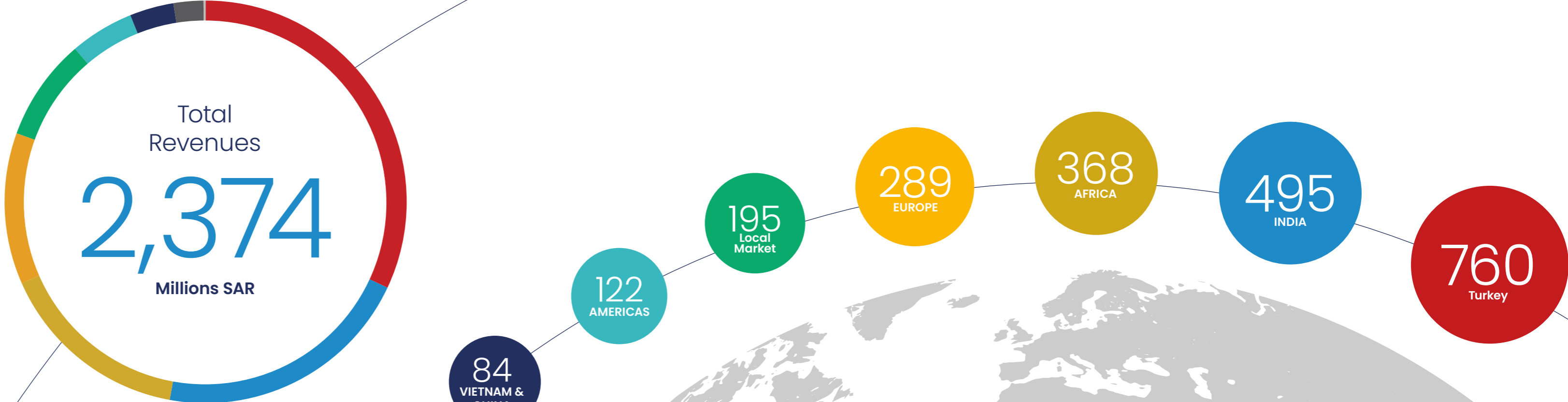


## Assets and Liabilities for the Last Five Years:



# GEOGRAPHICAL DISTRIBUTION OF SALES

Geographical Analysis of the Total Revenues of Advanced and Affiliated Companies in 2023\*



\*There was no revenue recognized during 2023 by all the affiliated companies.

# CSR PROGRAMS

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Programs have been conducted during 2023 under CSR in different cities across KSA

2 Health

4 Education

4 Environmental

9 Charity

10 Community services

## CSR Programs for creating a sustainable value

At Advanced, we've proactively focused on improving and expanding our innovative CSR programs, which have enabled us to make a positive impact across the Health, Education & Charitable sectors over time.

As social responsibility continues to be our company's pillar of success, we look forward to continuing our efforts that align with our values and principles, and create lasting impact and help contribute towards the community.



57 Volunteer  
171 Hours



30,000+ Beneficiaries



More information is available at:



CSR Report

# MEMBERSHIPS

Advanced is a member of the following organizations:



**The Gulf Petrochemical and Chemical Association (full member).**

GPCA represents the downstream hydrocarbon industry in the Arabian Gulf and elevates its connection with the global petrochemicals industry.



**Jubail Area Mutual Aid Association (JAMA'A).**

A specialized voluntary committee to combat industrial and petrochemical fires and respond to emergencies in Jubail Industrial Area.



**Royal Society for the Prevention of Accidents (RoSPA)**

RoSPA is a leading voice in health and safety that campaigns to reduce avoidable accidents at home, on the road, at work and at leisure.



**Middle East Investor Relations Association (MIRA)**

MEIRA is an organization that promotes Investor Relations best practice in the capital market of the Middle East

# AWARDS



**HRH Princess Seetah award for CSR**  
Awarded by: HRH Seetah Est. 2020



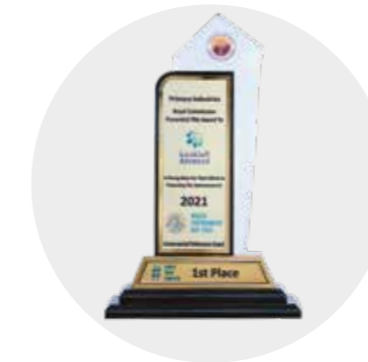
**Occupational Safety and Health Pioneer Award (2022)**



**Best training programs for students and graduates (2022)**



**1st Cycle Energy Saving Credits Certified**  
Awarded by: Saudi Energy Efficiency Center (SEEC) 2021



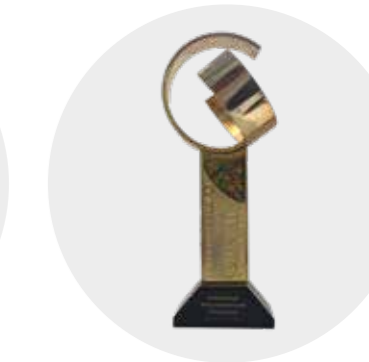
**1st Rank Environmental Performance Award**  
Awarded by: Royal Commission in 2021



**Best company in Environmental Program Sponsorship**  
Awarded by: Royal Commission 2021



**RoSPA Gold Award**  
Awarded by: Royal Society for the Prevention of Accidents 7 consecutive times ,2021 ,2020 2015 ,2016 ,2017 2018 ,2019



**International Quality Star – Diamond**  
Awarded by: International Core Quality 2017

# 03

## FINANCIAL REVIEW

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**Investing in today, to enable tomorrow.**

## Preparation of the Financial Statements

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS®) that are endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants (SOCPA), which proves that the company has a strong financial position and positive financial indicators that help in continuous growth, and strengthen its position in the local and global markets.

The following table and graph shows the business results for the last five fiscal years:

## External auditors' report & annual financial statements

The external auditor's report appears the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year ended.

## Financial performance for the last five years

Statement	2019	2020	2021	2022	2023
Amount in Million SAR					
Revenues	2,595	2,231	3,111	2,948	2,374
Cost of Revenues	1,695	1,502	2,068	2,412	1,926
Gross Profits	899	729	1,043	536	447
Net Profits	759	596	815	295	171

## Clarification of the operating results compared to the results of the previous year

## Assets and Liabilities for the Last Five Years:

Statement	2019	2020	2021	2022	2023
Amount in Million SAR					
Current Assets	530	653	1,056	1,706	1,635
Non-Current Assets	3,273	3,305	4,835	6,532	9,835
Total Assets	3,803	3,959	5,891	8,238	11,470
Current Liabilities	328	397	1,603	2,158	590
Non-Current Liabilities	124	142	332	2,462	7,275
Total Liabilities	452	540	1,935	4,620	7,865

## Clarification of any Difference from Accounting Standards:

The financial statements of the company during the fiscal year ending on 31 December 2023 were prepared in accordance with the International Financial Reporting Standards (IFRS®) approved in the Kingdom of Saudi Arabia.

Statement	2023	2022	Changes +/-	Change Percentage
Amount in Thousands SAR				
Revenues	2,373,514	2,948,471	(574,957)	-20%
Cost of Revenues	(1,926,552)	(2,412,176)	485,624	-20%
Gross Profit	446,962	536,295	(89,333)	-17%
Other Operating Revenues	-	-	-	0%
Other Operating Expenses	(173,416)	(137,327)	(36,089)	26%
Operating Profit	273,546	398,968	(125,422)	-31%
Net Profit	171,061	294,501	(123,440)	-42%

## Total Debts of the Company and its Subsidiaries:

Total Debts were disclosed in the audited financial statements for the year 2023, and the following are the details of the total facilities and information related to Advanced Petrochemical Company during the fiscal year 2023:

### a) As for Advanced Petrochemical Company

Amount in Million SAR

No.	Statement	Lender	Loan Amount	Duration	Paid Amount during 2023	Remaining Amount	Total Debts
1.	Islamic Credit Facilities	Saudi Awwal Bank	1,800	5 years	500	-----	1,300
2.	Islamic Credit Facilities	Saudi National Bank	1,400	5 years	-----	1,400	1,400

### b) As for Advanced Polyolefins Industry Company

No.	Statement	Lender	Loan Amount	Duration	Paid Amount during 2023	Remaining Amount	Total Debts
1.	SIDF loan	SIDF	3,000	8 Years	-----	3,000	3,000
2.	Various Islamic Facilities	Commercial banks	1,421	Various dates	-----	1,421	1,421

c) As for the other subsidiaries, there is no liabilities or loans obtained from any financing entity during the year 2023.

## Government Payments Due:

Amount in SAR				
Statement	2023		Description in Brief	Reasons
	Paid	Due at Year-end and not Paid		
Zakat	15,399,182	8,797,827	Company 's Zakat	Mandatory
Tax	401,899	204,260	Company 's Tax	Mandatory
GOSI	20,963,496	2,191,366	Payment of GOSI subscriptions	Mandatory
Passports & Visas Costs	405,342	-	Payment of Visas & Passports fees for employees	Mandatory
Fees for Issuing Labor permits	12,569	-	Payments of Iqamas' fees for employees	Mandatory

# 04

# ESG

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**ESG Excellence: Advancing Sustainability, Governance, and Social Impact Throughout the Year**





**Advanced commitment to achieving ESG excellence is firmly anchored in Advanced values. The balance among, environmental protection, social responsibility and economic performance is an integral part of Advanced culture and an embedded part of Advanced business strategies.**

At Advanced, we strive to create more value for our stakeholders, including our commitment and contribution to the initiatives related to Environment, Social, and Governance. We aim to innovate new initiatives for sustainable development while shaping our business responsibly and increasing our economic success. Our ESG framework reflects plans and performance to meet and exceed stakeholders' expectations.

Advanced ESG Report for 2021 marks the inception of our journey towards ESG excellence.

Published in 2022, this report reflects Advanced's proactive stance on ESG investment and its commitment to mitigating globally identified ESG risks. The maturity of Advanced's ESG approach continued to evolve in the 2022 ESG report, published in 2023. Advanced is dedicated to further advancing its journey of positive ESG contribution, striving to enhance its positive impact while minimizing negative effects across all aspects of ESG.

More information is available at:



ESG Report

# LONG TERM ESG OBJECTIVES

BY 2030, THE COMPANY AIMS TO REDUCE GHG EMISSIONS AND ENERGY INTENSITY BY 13%; REDUCE WATER INTENSITY BY 26%; AND IMPROVE MATERIAL EFFECTIVENESS BY 26%

Using 2017 as the baseline year for sustainability improvements, in 2018 Advanced launched its Sustainability Program. This marked the start of a journey towards lowering environmental impacts and enhancing efficiency. Advanced appreciates that it will take time to develop and execute various elements of this program. Therefore, the company set 2030 as its target measurement year. 2030 is also a critical milestone for reducing CO<sub>2</sub> emissions. By 2030, the company aims to reduce GHG emissions and energy intensity by 13%; reduce water intensity by 26%; and improve material effectiveness by 26%.








The company also deepened its efforts in Corporate Social Responsibility (CSR) and joined a number of initiatives.

Advanced's long-term strategy is one of continued growth in the chemicals sector and it is aiming for multiples of our current size. The company also wants to be recognized as a leader in operational and manufacturing excellence

in the petrochemical sector, while complying with, and improving performance across, all aspects of ESG.

In support of its growth strategy, Advanced is currently executing its multi-billion-dollar Propane Dehydrogenation; Polypropylene & Isopropanol (PDH-PP-IPA) project in Jubail-2, Saudi Arabia, with approximately twice its current size, which is expected to come on stream by 2024. This project aims to produce various specialized PP product grades which will provide an edge for Advanced to penetrate value added PP segments.

Further to this, Advanced also obtained feedstock allocation from the Ministry of Energy in 2023 to set up an integrated world scale cracker complex. This project will also focus on producing various downstream products for conversion and for local industry. It will serve to enhance and boost local consumption and employment.

Indicators	Baseline 2017	2030 Plan
 SHE Index*	0	0
 Incident rate direct hire*	0	0
 Incident rate contractors*	0	0
 GHG tCO <sub>2</sub> e/t product	1.37	1.19
 Energy GJ/t product	23.95	20.84
 Water Withdrawal tH <sub>2</sub> O/t product	1.18	0.87
 Material effectiveness KG/t product	11.55	8.55

\* Refer to Appendix A: Glossary & Formula Published in 2022 ESG Report

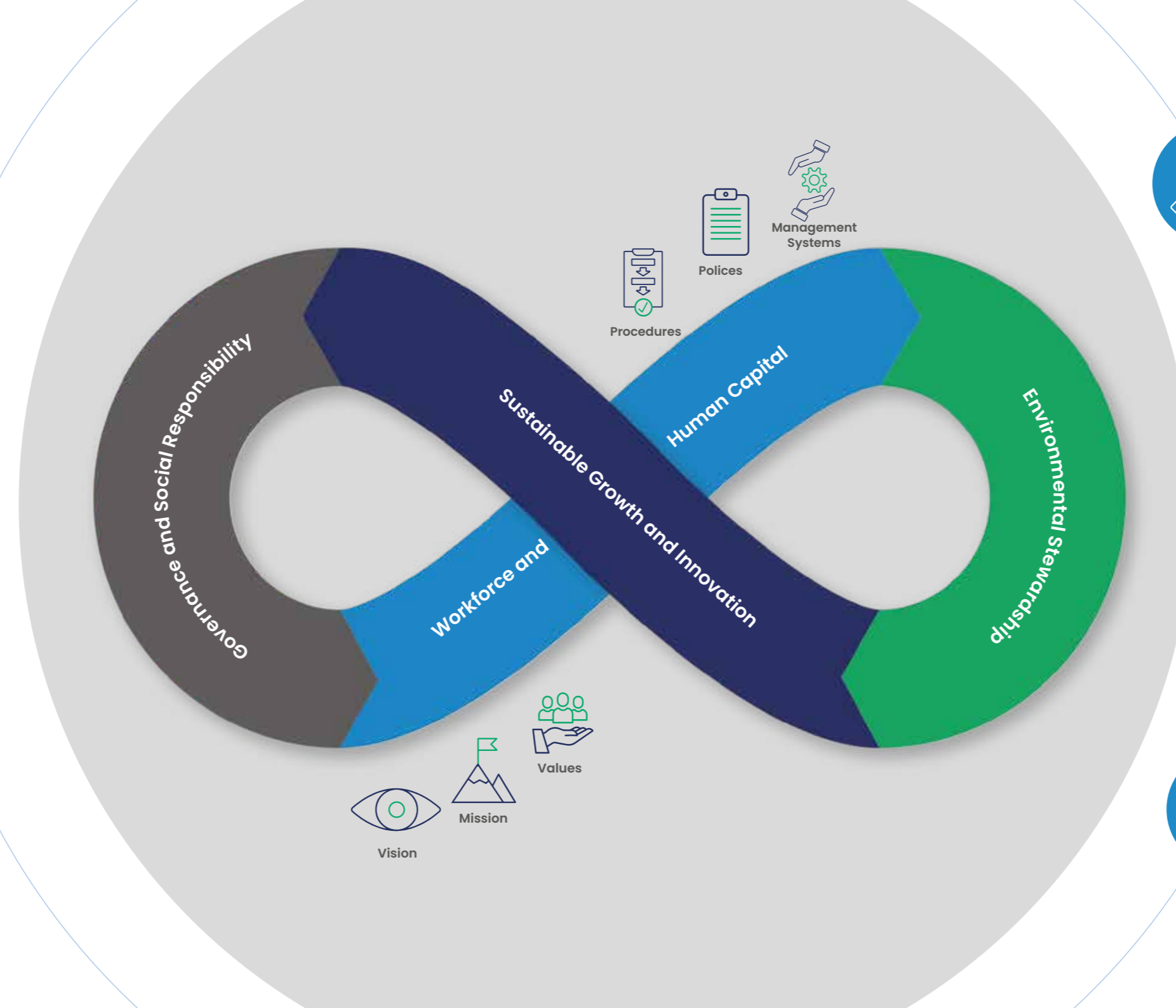
# ESG FRAMEWORK

Advanced Petrochemical's ESG and Sustainability Framework summarizes what sustainability means for the company by identifying the key areas that need to be addressed and balanced. The Framework revolves around Advanced Petrochemicals values:

Advanced ESG framework is aligned with many national and international frameworks such as the UNGC, UNSDGs, and the Saudi Vision 2030. The framework has been developed based on ESG materiality assessment with the engagement of Stakeholders. The materiality assessment covered environmental, social, governance, and economic issues that range from broad global and national issues and

Initiatives such as climate change and commitment to carbon footprint reduction, supporting the Sustainable Development Goals (SDGs) of the United Nations, moving to contribute and support national 2030 Saudi Vision initiatives and programs.

Advanced is moving toward exploring further initiatives and projects to contribute to enhancing the maturity level of ESG performance in the years to come.



## Governance and Social Responsibility

- Governance, ethics and compliance
- Community investment and CSR
- Customer Satisfaction
- Data Security



## Workforce and Human Capital

- Health and Safety
- Human Welfare and Development
- Diversity and Equality



## Environmental Stewardship

- Energy, GHG Emissions and Climate Change
- Water Management
- Waste Management
- Biodiversity



## Sustainable Growth and Innovation

- Economic performance
- Product Stewardship
- Circular Economy
- Technology and Innovation
- Sustainable Supply Chain



# 05

# BUSINESS STRATEGIES & RISK MANAGEMENT

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**Strategic Agility: Navigating Risks and Seizing Opportunities for Exceptional Business Growth**

## Description of the Company's Significant Plans, Decisions, Forecasts and Risks:

### Future Plans and Forecasts:

Advanced has achieved an operating profit of SAR 273.5 million during 2023 in spite of the severe downturn in the global petrochemical business.

The current petrochemical market dynamics continues to be very challenging due to low spreads between the feedstock and product prices. This has been primarily caused due to slower global growth in addition to several capacity additions in China. Needless to say, safety, plant reliability and dynamic marketing strategy will play a key role in mitigating the challenges. Further, several efficiency and profit improvement programs are planned to be implemented, some of which are commissioning by mid 2024, completion of Turnaround maintenance by Feb 2024 in order to fully utilize enhanced catalyst performance for the rest of year, implementation

of shared services for efficient resource utilization etc. Another strategy is centralizing sales and marketing function, and we have formed Advanced Global Marketing Company (AGMC) to handle sales from the existing as well as the new facilities.

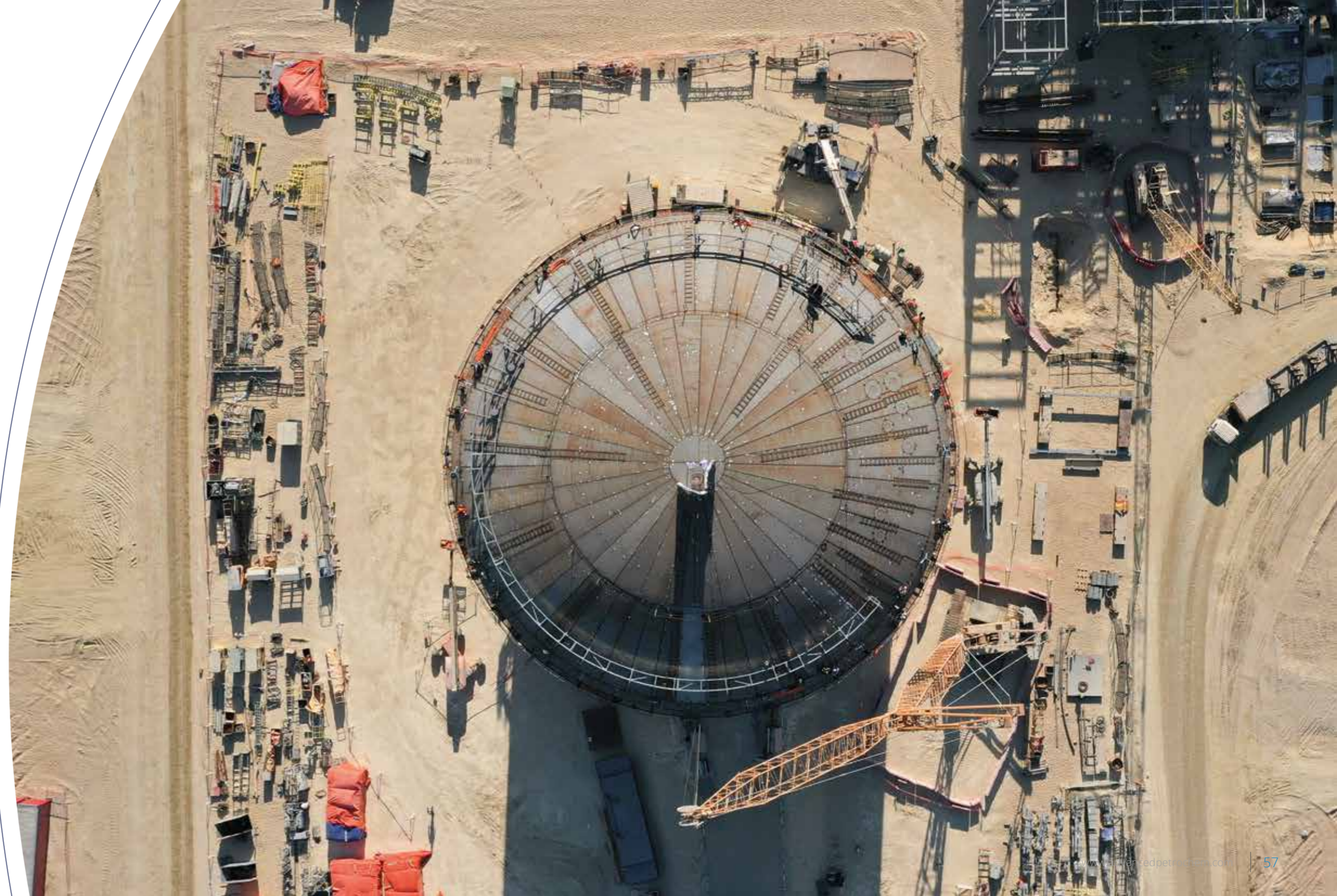
Another critical activity to be successfully completed is the start up of our new PDH-PP project which is expected by second half of 2024. Further, in 2024, efforts will be maximized towards operational & maintenance readiness to ensure smooth and sustainable operations of the new plant(s).

From a growth strategy point of view, Advanced is evaluating several growth projects including a cracker complex; production of protein feed etc. It is noteworthy to mention that Advanced has signed the Support Framework Agreement with SHAREEK to enable Advanced to maximize its domestic investment plan, in which Advanced was selected as one of the companies eligible to participate in SHAREEK Program.

From the challenges point of view, SK Advanced's business has been negatively impacted due to the market down turn, resulting in a loss in the share of profits

of SKA, in spite of Advanced making an operating profit of SAR 273.5 Million in 2023. We are working very closely with them wherein several improvement plans and mitigation measures have put in place to minimize the impact of the market downturn to the maximum extent possible.

There are challenges also being faced with regards to product logistics cost, due to the tensions around the Red Sea. However, we are managing this situation by dynamically placing the product(s) into those regions to minimize the impact.



# ADVANCED POLYOLEFINS INDUSTRY COMPANY (APOC)

ADVANCED'S LONG-TERM STRATEGY IS TO GROW IN THE CHEMICAL SECTOR TO MULTIPLES OF ITS CURRENT SIZE AND TO BE FURTHER RECOGNIZED AS A LEADER IN OPERATIONAL AND MANUFACTURING EXCELLENCE IN THE PETROCHEMICAL SECTOR WORLDWIDE.

Advanced follows both short-term as well as long-term business strategies. The short-term strategy is normally based on yearly companywide business objectives which focuses on Responsible Care, Human Capital, Commercial, Manufacturing Excellence and Profitability. These objectives are closely monitored on a monthly and quarterly basis by all levels in the organization, to take proactive and timely actions to ensure the KPIs and goals in the key areas are being achieved.

## 2023 Advanced has obtained feedstock allocation from the Ministry of Energy (MOE) for Cracker complex project

As already announced in the Saudi Exchange's website, Advanced is currently executing its Propane Dehydrogenation; Polypropylene & Isopropanol (PDH-PP-IPA) project in Jubail - 2, Saudi Arabia, with approximately twice its current size, which is expected to come on stream during second half of 2024. This project aims to produce various specialized PP product grades which

will provide an edge for Advanced to penetrate value added PP segments.

Further, Advanced has renewed the feedstock allocation from the Ministry of energy in 2023, to set up an integrated world scale cracker complex, which will focus on producing various downstream products to enhance local consumption and employment.





## PDH-PP PROJECT

Advanced Polyolefins Industry Company (APOC) is executing the new greenfield propane dehydrogenation (PDH), polypropylene (PP) and isopropanol (IPA) complex with all required offsite and utilities in Jubail Industrial City, Saudi Arabia. The complex (currently undergoing construction) will be operated by APOC.

### The Project will consist of:

- A single train PDH with a total nameplate capacity of 843 000 tons per year of Propylene using CATOFIN Technology
- Two PP trains, each with a nameplate capacity of 400 000 tons per year of Polypropylene using Spheripol and Spherizon technologies from LyondellBasell respectively.
- An IPA plant with a nameplate capacity of 70 000 tons per year of Isopropanol Commissioning is currently planned for Q4, 2026.

### The scope of work for the Project has been divided into three different packages as follows:

- PDH/UTOS: the PDH plant as well as utilities and offsites associated with the plant, performed by Samsung Engineering Co.
- PP: both polypropylene plants, the warehouse and associated works performed by Technimont.
- OSBL: The scope includes pipelines to bring feedstock and utilities to the site as well as all non-process buildings. Separate local contractors are employed per discipline.

- IPA: The Front End Engineering Design (FEED) has been completed and EPC award is planned in Q1, 2024.

### Overall Project Progress Status

The overall project has completed more than 39 million safe man-hours. The overall Project Execution Phase has achieved an Actual Progress about 88%.



## RISK MANAGEMENT

**Advanced has its own risk management platform wherein key business risks already identified were being continuously monitored with very clear action and mitigation plans.**

The risk assessment process is carried out continuously at the strategic and operational level, whereby the relevant procedures are monitored periodically and continuously in order to deal with them and take the necessary preventive measures to minimize these risks. A dedicated Enterprise Risk Management Committee is involved in reviewing the business risks on a periodic basis to evaluate the residual risk and take any further preventive actions, as required.

The Board of Directors periodically reviews the top risks to ensure that special programs are in place in order to minimize the impact. The Executive Management of the Company also ensures that the risk management processes, and the followed systems operate efficiently at all levels of the Company.

Further, a business risk revalidation was carried out

in 2022, in coordination with third party experts, wherein the current risks were re-validated and new potential risks were identified. These business risks were categorized into "high"; "medium" and "low" risks, and controls as well as mitigations, as applicable, are in place. Further, the risk validation was done in 2023 by the internal team and outcome was presented to the Board.

**Below is an insight into a few common and specific risks pertaining to the industry:**

Advanced, similar to the rest of the petrochemical industries, may be sometimes exposed to some interruptions of its operating units, and to minimize the risks of these interruptions, the Company applies a comprehensive reliability program for all its units in addition to procuring comprehensive insurance for all its assets and business. The Company continuously monitors the management

of these risks and takes preventive measures that contribute to raising awareness and limiting their impact.

**With regards to the risks identified in 2023, based on a risk revalidation done in 2022, the following are the continuing high risks:**

**Market price fluctuation:**

Price fluctuation has been retained as "high" risk considering the current market behavior. Mitigations and close monitoring in the areas of cost optimization and sales efficiency improvement are already in place.

**Equity investments:**

Considering the high share of losses from Advanced affiliate in South Korea (SK Advanced) mainly due to drop in product prices and spreads, this risk has been retained as "high". Mitigations and close monitoring with

regards to actions to be taken to minimize the impact, are already in place.

**Financing cost:**

Due to the current increasing trend in the financing cost (SIBOR and LIBOR), and considering Advanced current growth requirements etc, "financing cost" has been retained as "high" risk. Mitigations and actions are being put in place for efficient cash management.

Other high risks which are typical are "Critical spare parts management" and "Cyber security breach". All relevant mitigations are in place and under close monitoring.

All of the above risks will be monitored on a regular basis to ensure mitigations and actions are in place as well as to review the requirement of further re-classification, if required.



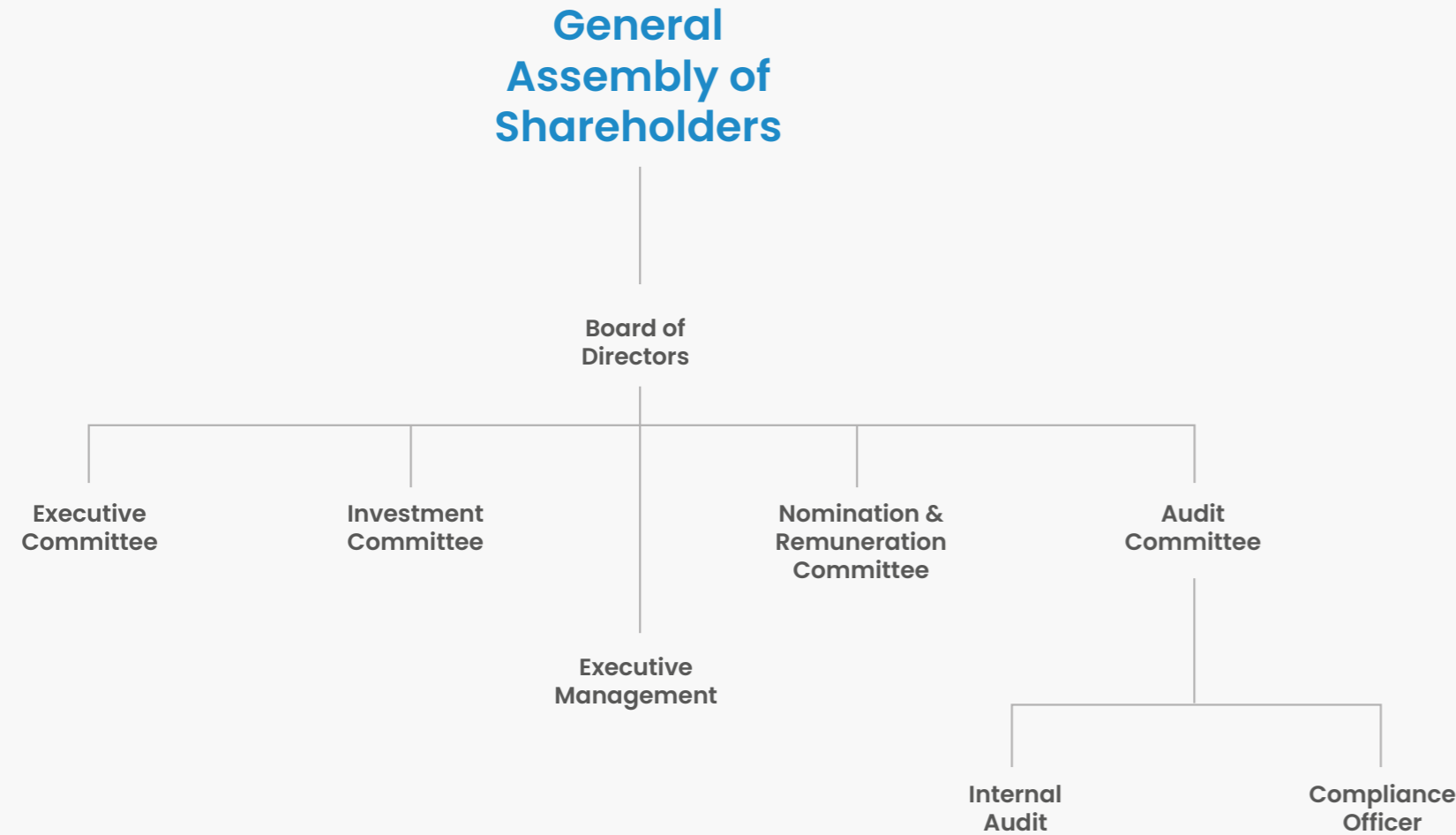
# 06

# GOVERNANCE

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**Sustainable Governance:  
Balancing Stakeholder Interests with  
Long-Term Vision**

# GOVERNANCE FRAMEWORK



# BOARD OF DIRECTORS

## Board Formation

Advanced's Bylaws provides that the Company shall be managed by a board of directors composed of nine (9) members to be elected by the Ordinary General Assembly for a term not exceeding three years. The current Board (three independent members and six non-executive members) was elected by the Ordinary General Assembly Meeting held on August 31, 2022 for the current term that started October 1, 2022 for three years and ending on September 30, 2025.

The election of the Board was conducted in accordance with the provisions of the Companies Laws, the Regulations of the Capital Market Authority, the Company's Bylaws as well as the Policies, Standards & Procedures for the Board Membership approved by the General Assembly of the Company's shareholders.

## Board Functions

The Board has the broadest powers in managing the Company and guiding its activities to achieve its objectives, which include:

**01**

Approving plans, policies, strategies and main objectives of the Company; supervising their implementation and reviewing them periodically; and ensuring that the human and financial resources required to fulfill them are available;

**02**

Setting rules and procedures for internal control and generally overseeing them;

**03**

supervising the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties;

**04**

Approval of significant contracts;

**05**

Determining succession planning and new Board and Audit Committee appointments in the event of vacancy; and

**06**

Overseeing Corporate Governance matters.

## Members of the Board of Directors



**Mr. Khalifa A. Al-Mulhem**

Chairman of the Board of Directors  
Non-executive Member

### Experience & Qualifications:

Mr. Khalifa is one of the founders of the Company, in which he has vast experience in industrial and commercial projects, management of banking and banking services. He worked at the Saudi Industrial Development Fund "SIDF" and held multiple memberships in several Boards, such as: SABB, Saudi Spanish Bank, General Organization for Social Insurance "Governmental Authority", Nama Chemicals Company, Riyadh Cement Co. and Al-Ittefaq Steel Products Company.

Mr. Khalifa graduated from University of Colorado, Boulder, USA, in 1978 with bachelor's degree in Business Administration.

#### Tenure

Re-appointed as a Director from October 1, 2022, to September 30, 2025.

#### Board committees membership

- Chairman of the Executive Committee
- Member of the Nomination & Remuneration Committee

#### Board and committees membership in affiliates

- Chairman of the Board of Advanced Global Investment Company (AGIC)
- Chairman of the Board of Advanced Global Marketing Company (AGMC)
- Chairman of the Board of Advanced Polyolefins Industry Company (APOC)
- Chairman of the Executive Committee of APOC

#### Outside interests/commitments

- Chairman of Khalifa Abdullatif Abdullah Al-Mulhem Ltd. Company
- Vice Chairman of Walaa Cooperative Insurance Company
- Vice Chairman of Canadian Medical Center Company
- Chairman of ALPHA Capital

#### Nationality

Saudi



**Mr. Waleed M. Al-Jaafari**

Vice Chairman of the Board of Directors  
Non-executive Member

### Experience & Qualifications:

Mr. Waleed has wide experience in the administrative, financial, economic, medical services, industrial and insurance sectors. He held the position of Chairman and Managing Director of the Al-Dawaa Company for Medical Services (DMISCO) between 1998 and 2020, and He served as a faculty member at the Institute of Public Administration in the early 1980s and as the General Manager and member of the Board of Directors of the Gulf Stevedoring Contracting Company between 1985 and 1998.

Mr. Waleed graduated from King Saud University in 1982 with a bachelor's degree in economics.

#### Tenure

Re-appointed as a Director from October 1, 2022, to September 30, 2025.

#### Board committees membership

- Member of the Nominations & Remunerations Committee
- Member of the Investment Committee
- Member of the Audit Committee

#### Outside interests/commitments

- Board Member in Walaa Cooperative Insurance Company
- Board Member and Managing Director of Al-Dawaa Medical Services Company
- Board Member in Eastern Province Cement Company
- Chairman of the Board of Gulf Real Estate Development Company
- Board Member in Meshraf Real estate Company
- Board Member in Digital Business Systems Company
- Board Member in Siyaha Company

#### Nationality

Saudi



### H.E. Eng. Abdallah I. Al Saadan

Member of the Board of Directors  
Non-executive Member

#### Experience & Qualifications:

Eng. Abdullah has extensive experience in several leadership positions, where he had more than 30 years of experience at the Saudi Aramco. He held multiple positions during his career such as: Senior Vice President for Finance, Strategy and Development at Saudi Aramco, President and CEO of Saudi Aramco Mobil Refinery Co. Ltd. (SAMREF) and the Vice President of Saudi Aramco Gas Operations, and President of the Royal Commission for Jubail and Yanbu (Governmental Authority)

Eng. Abdullah acquired a master's degree in business administration from Massachusetts Institute of Technology, US, in 2007, and a master's in chemical engineering from University of Louisiana at Lafayette and a bachelor's degree in chemical engineering from King Fahad University of Petroleum & Minerals.

<b>Tenure</b>	Appointed a Member from October 1, 2022, to September 30, 2025.
<b>Board committees membership</b>	<ul style="list-style-type: none"> <li>Member of the Executive Committee</li> </ul>
<b>Outside interests/commitments</b>	<ul style="list-style-type: none"> <li>Board Chairman in Hassana Investment Company</li> <li>Board Chairman in Al Raidah Investment Company</li> </ul>
<b>Nationality</b>	Saudi



### Eng. Abdulaziz A. Al-Habardi

Member of the Board of Directors  
Non-executive Member

#### Experience & Qualifications:

Eng. Abdulaziz has extensive experience in petrochemical industry, where he served as a board member, president and General Manager of many petrochemical companies in SABIC between 1996 and 2016 such as: Al Jubail Petrochemical Company (Kemya), Eastern Petrochemical Company (Sharq), Arabian Petrochemical Company (Petrokemya) and Saudi Petrochemical Company (Sadaf).

Eng. Abdulaziz graduated from King Fahad University for Petroleum and Minerals, in 1984 with bachelor's degree in mechanical engineering.

<b>Tenure</b>	Re-appointed as a Member from October 1, 2022, to September 30, 2025.
<b>Board committees membership</b>	<ul style="list-style-type: none"> <li>Member of the Executive Committee</li> </ul>
<b>Board and committees membership in affiliates</b>	<ul style="list-style-type: none"> <li>Vice Chairman of the Board of Advanced Polyolefins Industry Company (APOC)</li> <li>Member of the Audit Committee of APOC</li> <li>Member of the Executive Committee of APOC</li> </ul>
<b>Outside interests/commitments</b>	<ul style="list-style-type: none"> <li>Board Member in Yanbu Cement Company</li> </ul>
<b>Nationality</b>	Saudi



### Eng. Abdulsalam M. Al-Mazro

Member of the Board of Directors  
Independent Member

#### Experience & Qualifications:

Eng. Abdulsalam has more than 38 years of experience in the fields of manufacturing, planning, and marketing petrochemicals, as he was a board member in multiple of SABIC's affiliates, and a board member of Methanol Chemicals Company (Chemanol) and Rabigh Refining and Petrochemical Company (Petro Rabigh).

Eng. Abdulsalam acquired master's in business administration from the University of Bradford, West Yorkshire UK, and a bachelor's degree in chemical engineering from King Saud University.

<b>Tenure</b>	Appointed a Member from October 1, 2022, to September 30, 2025.
<b>Board committees membership</b>	<ul style="list-style-type: none"> <li>Member of the Audit Committee</li> </ul>
<b>Outside interests/commitments</b>	<ul style="list-style-type: none"> <li>Chairman of the Board of Maz Holding Company</li> <li>Vice Chairman of Board Member in Gulf Cryo Gas Industries Company</li> </ul>
<b>Nationality</b>	Saudi



### Mr. Abdulaziz A. AlMolhem

Member of the Board of Directors  
Non-executive Member

#### Experience & Qualifications:

Mr. Abdulaziz has rich experience in the banking and insurance sectors. He was a Regional Manager at the Saudi Hollandi Bank and held multiple memberships in several Boards, such as: the Mediterranean and Gulf Insurance and Reinsurance Company, Tourism Enterprise (Shams) Company, Saudi Fransi Leasing Company, Mehan for Human Resources Co. and Global Anti Corrosion Techniques Co.

Mr. Abdulaziz graduated from Evansville University, Indiana, USA, in 1983 with a bachelor's degree in business administration and minor in economics.

<b>Tenure</b>	Re-appointed as a Member from October 1, 2022, to September 30, 2025.
<b>Board committees membership</b>	<ul style="list-style-type: none"> <li>Member of the Executive Committee</li> <li>Member of the Nominations &amp; Remunerations Committee</li> <li>Member of the Investment Committee</li> <li>Member of the Audit Committee</li> </ul>
<b>Board and committees membership in affiliates</b>	<ul style="list-style-type: none"> <li>Member of the Executive Committee of APOC</li> <li>Chairman of the Audit Committee of APOC</li> </ul>
<b>Outside interests/commitments</b>	<ul style="list-style-type: none"> <li>Regional General Manager of the Banque Saudi Fransi</li> <li>Member of the Board of Sofinco Saudi Fransi Company</li> </ul>
<b>Nationality</b>	Saudi



**Dr. Badr O. Johar**

Member of the Board of Directors  
Independent Member

**Experience & Qualifications:**

Dr. Badr has rich experience in the cement industry. He is currently the Chief Executive Officer of Arabian Cement Company. Previously, He held many positions such as Chief Executive Officer of Najran Cement Company, and Chief Projects Officer of Yanbu Cement Company prior to joining Arabian Cement Company.

Dr. Badr acquired a PhD in Industrial Engineering in 2011, master's degree in engineering/Industrial Management in 2004, bachelor's degree in industrial engineering in 2003, all from the Northeastern University, USA.

**Tenure**

Re-appointed as a Member from October 1, 2022, to September 30, 2025.

**Board committees membership**

- Chairman of the Nominations & Remunerations Committee

**Outside interests/commitments**

- Board Member in Cement Products Industry Company
- Board Member in Qatrana Cement Company
- Chief Executive Officer at Arabian Cement Company

**Nationality**

Saudi



**Eng. Nader S. Al-Dakheel**

Member of the Board of Directors  
Independent Member

**Experience & Qualifications:**

Eng. Nader has vast experience in petrochemical and petrochemical conversion, FMCG and Pulp & Paper industries. He served in many engineering, Operation, and management roles at SABIC, P&G, SPM, FARABI Petrochemical and currently serving as CEO at Tahweel Holding company.

Eng. Nader acquired master's in business Administration from London Business School (LBS), and a master's in Construction & Engineering Management from King Fahd University of Petroleum and Minerals (KFUPM), as well as a bachelor's degree in mechanical engineering from (KFUPM).

**Tenure**

Appointed a Member from October 1, 2022, to September 30, 2025.

**Outside interests/commitments**

- Board Member in Mattex Company
- Board Member in Building Construction Company
- Board Member in Al-Tawfiq Company for Plastic Industries and Woven Bags
- Board Member in Elsewedy cables, KSA
- Board Member in Makana Company
- Chief Executive Officer of the Saudi Industrial Manufacturing Holding (Tahweel Holding) Company

**Nationality**

Saudi



## Eng. Mohammed K. Al-Mulhem

Member of the Board of Directors  
Non-executive Member

### Experience & Qualifications:

Eng. Mohammed has broad experience in industrial and commercial projects. He worked in Saudi Aramco as a Civil Engineer and served as a board member in many companies.

Eng. Mohammed acquired a master's degree in finance and Banking from Queen Mary University of London, England, in 2021 and graduated from Concordia University, Canada, in 2014 with bachelor's degree in civil engineering.

<b>Tenure</b>	Re-appointed as a Member from October 1, 2022, to September 30, 2025.
<b>Board committees membership</b>	<ul style="list-style-type: none"> <li>Member of the Executive Committee</li> <li>Member of the Investment Committee</li> </ul>
<b>Board and committees membership in affiliates</b>	<ul style="list-style-type: none"> <li>Board Member of Advanced Polyolefins Industry Company (APOC)</li> <li>Member of the Executive Committee of APOC</li> </ul>
<b>Outside interests/commitments</b>	<ul style="list-style-type: none"> <li>Board Member in Riyadh Cement Company</li> <li>Board Member in Al-Ittefaq Steel Products Company</li> <li>Board Member in Al Jazeera Support Services Company (MEHAN)</li> <li>Managing Director at Precast Building System Co</li> </ul>
<b>Nationality</b>	Saudi

## Board Meetings & Attendance

Advanced's Bylaws provides that the Board of Directors shall meet at least twice a year and a Board meeting may be held in person or using modern means of communication. The Board held Five (5) meetings during 2023, as the following table illustrates the Board's meetings and the attendance during 2023:

✓ Attended ✗ Not Attended

Board Meetings During 2023							
No	Names	1 <sup>st</sup> Meeting (# 76)	2 <sup>nd</sup> Meeting (# 77)	3 <sup>rd</sup> Meeting (# 78)	4 <sup>th</sup> Meeting (# 79)	5 <sup>th</sup> Meeting (# 80)	Total Attendance
		20/02/2023	30/03/2023	11/06/2023	28/09/2023	26/12/2023	
1	Mr. Khalifa A. Al-Mulhem	✓	✓	✓	✓	✓	5
2	Mr. Waleed M. Al-Jaafari	✓	✓	✓	✓	✓	5
3	H.E. Eng. Abdallah I. Al Saadan	✓	✓	✓	✓	✓	5
4	Eng. Abdulaziz A. Al-Habardi	✓	✓	✓	✓	✓	5
5	Eng. Abdulsalam M. Al-Mazro	✓	✓	✓	✓	✓	5
6	Mr. Abdulaziz A. Al-Molhem	✓	✓	✓	✓	✓	5
7	Dr. Badr O. Johar	✓	✓	✓	✓	✓	5
8	Eng. Nader S. Al-Dakheel	✓	✓	✓	✓	✓	5
9	Eng. Mohammed K. Al-Mulhem	✓	✓	✓	✓	✓	5

### Assessment & Evaluation of the Board of Directors, its Committees and Directors Performance

The Nominations and Remuneration Committee decided during 2023 to conduct an evaluation for the Board Directors, its Committees and Directors' performance in order to uphold the highest standards of corporate governance and board under the direction of an independent external company, the GCC Board Directors Institute (GCC BDI).

GCC BDI has extensive experience in delivering top quality board evaluations for organizations across the GCC and has developed a proprietary tool to assist in the process. With over 15 years of experience in conducting board evaluations across the GCC, as well as an unrivalled knowledge of best practice in board effectiveness both internationally and locally, GCC BDI is the leading regional entity when it comes to the delivery of simultaneously customized and exhaustive board evaluations.

The Company ensures all recommendations of the evaluation are implemented in order to maintain the adoption of high standards in corporate governance.

### Shareholders Engagement

The Board has approved the Shareholders Rights Policy whereby the rights of shareholders stated in Companies Law and the regulations of the Capital Market Authority are protected. The Board of Directors and the Executive Management ensure that all shareholders have access to their rights with fair treatment.

The Board also ensures that the communication between the company and the shareholders based on the common understanding of the strategic objectives and interests of the company and all Board members are informed of the opinions of the shareholders.

The company provides various channels for investors to reach out the company, such as, the company's website, emails, direct line telephone, AGM Q&A, social media platforms, conference calls and media.

### The Company's Policy on Dividend Distribution

The annual net profits of the company are distributed in accordance with the

provisions of the company's Bylaws and the Dividends Distribution Policy, as follows:

**01** Ten percent (10%) of the net profits is set aside to the statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when the statutory reserve reaches thirty (30%) percent of the company's capital.

**02** The Ordinary General Assembly may, upon request of the board of directors, set aside a certain percentage of the annual net profits to form an additional reserve to be allocated for a certain purpose or purposes as may be approved by the Ordinary General Assembly.

**03** The Ordinary General Assembly may resolve to form other reserves to the extent that achieves the interests of the company or ensures the distribution of fixed dividends to the shareholders. The said assembly may also withhold certain amounts from the net profits for establishing social organizations for the company's employees, or for supporting any such existing organizations.

**04** The remaining balance shall be distributed to the shareholders as a first payment of dividends equaling at least five percent (5%) of the paid up capital.

The company may distribute interim dividends to its shareholders on a biannual or quarterly basis in accordance with the rules set out by the competent authority.

The Company Announced the recommendation of the Board Of Directors for no distribution of cash dividends to shareholders for the first quarter of the financial year 2023. The reason for the recommendation is due to the Company's willing to focus on its future expansions and projects, and the recommendation will be reconsidered after the start of the commercial operation of the Advanced Polyolefins Company.

### Changes of Statutory and Consensual Reserves

There was no change of Statutory and Consensual Reserves

**Any punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Authority or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future**

There is no penalty imposed on Advanced from Capital Market Authority or any other supervisory, regulatory or judiciary authority during 2023.

**A description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company**

There is no conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Company during 2023.

**A description of the class and number of any convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the company during the fiscal year**

There is no convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the Company during 2023.

**A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments**

There is no redemption, purchase or cancellation by the Company of any redeemable debt instruments

### Details of shares and debt instruments issued for each affiliate Company.

No affiliate has issued shares or debt instruments.

### Details of the treasury shares held by the Company and details of the uses of these shares:

During the year 2022, shareholders approved to purchase the Company's own shares, with a maximum of 1,500,000 shares, for the purpose of allocating them to the Company's employees within the Employees' Incentive Shares Program. The company has purchased a portion of the total approved treasury shares, with a total number of shares 849,345 shares during the same year.

During the year 2023, shareholders approved to complete the purchase of the Company's remaining 650,655 shares.



# BOARD OF DIRECTORS COMMITTEES

## Audit Committee

### a. Audit Committee Formation

Advanced's Bylaws provides that the Audit Committee shall be formed by the General Assembly consisting from other than executive directors of the Board either from the shareholders or others, the number of the members shall not be less than three or more than five in accordance with the rules provided in the Companies Law and the related implementing regulations. Four (4) Members (three (3) Members from the Board and one (1) member from outside of the Board) were selected for Audit Committee in the General Assembly held on 27th September 2022.

### b. Audit Committee Functions

The Audit Committee is responsible for ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the Audit Committee shall particularly include the following:

- |  |  |   |
|--|--|---|
| <p>1. FINANCIAL REPORTS:</p> <ul style="list-style-type: none"> <li>Quarterly Interim Estimates and Financial Statements Reports Review</li> <li>Annual Audited Financial Statements and External Auditors Report Review and Recommendations</li> <li>Examination of significant matters &amp; estimates and applicable accounting policies</li> </ul> | <p>Reports and implementation of recommendations</p> <ul style="list-style-type: none"> <li>Internal Audit Function activities &amp; performance</li> <li>Availability and adequacy of Internal Audit resources</li> </ul>   | <p>4. ENSURING COMPLIANCE:</p> <ul style="list-style-type: none"> <li>Review the results of the supervisory authorities reports</li> <li>Ensure the Company is in compliance with Laws, Regulations, Policies</li> <li>Review of Related Party Transactions , including conflict interests situations, and recommendations</li> </ul> |
| <p>2. INTERNAL AUDIT:</p> <ul style="list-style-type: none"> <li>Review of Internal and Financial Control Systems</li> <li>Review of Risk Management Systems</li> <li>Review of Internal Audit</li> </ul>  | <p>3. EXTERNAL AUDITOR:</p> <ul style="list-style-type: none"> <li>Recommendation on the appointment, Renewal and Termination of services</li> <li>Independence of external auditors</li> <li>Assessment of activities and Performance</li> <li>Review of External Audit Reports, queries and implementation of recommendations</li> </ul> |   |

## Audit Committee Members



**Mr. Abdullah A. Buali**  
Chairman, Member from outside the Board of Directors

### Qualification & Work Experience:

Mr. Abdullah A. Buali has more than 30 years' experience in the field of finance and business in the Petrochemicals and Utilities business.

He has BS Degree in Industrial Management from King Fahad University of Petroleum and Minerals ( KFUPM).

Company Name	Legal Entity	Position	Location	Membership
Advanced Petrochemical Company	Listed Company	Chairman of the Audit Committee	Saudi Arabia	Current
Advanced Polyolefins Industry Company.	Closed Joint Stock Company	Audit Committee Member	Saudi Arabia	Current
Methanol Chemicals Company	Listed Company	Board Member	Saudi Arabia	Current
Saudi Water Partnership Company	LLC	Board Member & Chairman of the Audit Committee	Saudi Arabia	Current



**Mr. Waleed M. Al-Jaafari**

Committee Member,  
Non-executive Member

Please see the biography of Mr. Waleed M. Al-Jaafari on page No. (69)



**Mr. Abdulaziz A. Al-Mulhem**

Committee Member,  
Non-executive Member

Please see the biography of Mr. Abdulaziz A. Al-Molhem on page No. (73)



**Eng. Abdulsalam M. Al-Mazro**

Committee Member,  
Independent Member

Please see the biography of Mr. Abdulsalam M. Al-Mazro on page No. (72)

**Audit Committee Meetings & Attendance**

The committee held (7) meetings during the year 2023:

✓ Attended      ✗ Not Attended

Name	Type of Membership	No. of Meetings							Total Attendance
		1 <sup>st</sup> Meeting No. 76 19/02/2023	2 <sup>nd</sup> Meeting No. 77 08/05/2023	3 <sup>rd</sup> Meeting No. 78 21/05/2023	4 <sup>th</sup> Meeting No. 79 19/07/2023	5 <sup>th</sup> Meeting No. 80 26/09/2023	6 <sup>th</sup> Meeting No. 81 18/10/2023	7 <sup>th</sup> Meeting No. 82 08/11/2023	
Mr. Abdullah A. Buali	Chairman	✓	✓	✓	✓	✓	✓	✓	7
Mr. Waleed M. Al-Jaafari	Member	✓	✓	✓	✓	✓	✓	✓	7
Mr. Abdulaziz A. Al-Molhem	Member	✓	✓	✓	✓	✓	✓	✓	7
Eng. Abdulsalam M. Al-Mazro	Member	✓	✓	✓	✓	✓	✓	✓	7

## Audit Committee Report

- The Internal Audit carried out the planned internal audit as per the schedule to evaluate objectively and independently, the adequacy and effectiveness of the internal control systems. Internal Audit Reports were regularly issued to Audit Committee, updates on controls and systems, progress of implementation of audit recommendations.
- Internal audit also participated in special projects namely risk assessment, review of policy and procedures, review and revision of delegation of authority, participation as internal auditor in Total Quality Management audit.
- Internal audit carried with an expert external consulting firm for Cyber Security IT & Operation Technology (OT) annual audit of existing cyber security controls and compliance with KSA NCA ECC requirements. The detailed report and recommendations has

provided a sound basis for enhancement of effective cyber controls and implementation of recommendations to enhance the existing set up resilient and effective deterrent cyber security system.

- The Committee has, within its competencies as per the Audit Committee Charter, held regular meetings, reviewed the quarterly interim and audited financial statements and audit reports (internal and external).
- The Committee has examined and reviewed the Company's internal and financial control systems, risk management, governance, compliance and controls.
- Based on Executive Management representation and submissions, internal and external audit reports, compliances with law and regulations, there are no material or significant weaknesses reported during Audit Committee meetings in 2023 and the

Executive Management has maintained an effective internal control system that provided reasonable ground to formulate this opinion.

- Audit Committee has issued its report to the Board of Directors, and will issue a report to the annual General Assembly meeting.

## External Auditors

- The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants ("SOCPA").
- Review of annual audited financial statements of year 2023 was reviewed along with management analytical review, variance analysis and comparison with previous year(s).
- Auditor report shows that the financial statements

are true and fair and the consolidated statements are free from any material misstatement. External auditor, EY was invited to the meeting who explained the external audit, scope and coverage, findings and their unqualified audit opinion. After review with EY, the audited financial statements were recommended to Board for approval and presenting it to the General Assembly for review and discussion.

## Clarification of any Difference from Accounting Standards:

The financial statements of the Company during the fiscal year ending on 31 December 2023 were prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia.

## Accounting records, internal audit system and the Company's

## ability to continue its activity:

Based on the auditor's report, current market results and data, and future indicators, the Company acknowledges the following:

- That the account records were prepared in true and fair manner.
- The internal control system is on a sound basis and is effectively implemented.
- There is no doubt about the Company's ability to continue its activities.

## Company's External Auditor's Appointment:

The 11th Extraordinary General Assembly approved appointing Ernst & Young professional services as the auditor for the company among those nominees based on the recommendation of the Audit committee to review and audit (the second, third, annual financial statements of fiscal year 2023 and first quarter of 2024), and determine its remuneration.

## Recommendation of the Board regarding the Company's External Auditor:

No recommendation has been issued by the Board of Directors to replace the External Auditor since its approval in the Extraordinary General Assembly.

## Recommendations of the Audit Committee Which are in Conflict with the Decisions of the Board of Directors, or Which the Board Refused to Adopt Regarding the Appointment and Dismissal of the Company's External Auditor, Determining his Fees and Evaluating his Performance or Appointing the Internal Auditor:

There were no recommendation by the Audit Committee that were in conflict with the decisions of the Board of Directors regarding the appointment of the Company's External Auditor, his dismissal, determination of his fees, evaluation of his performance, or the appointment of the internal auditor.

## The Results of the Annual Review of the Effectiveness of the Company's Internal Control Procedures, in Addition to the Audit Committee's Opinion on the Adequacy of the Company's Internal Control System:

- The Audit Committee reviews periodic reports on the evaluation of internal control procedures in terms of organization and application, and many periodic and special review processes have been implemented that would ensure the accuracy and effectiveness of performance and quality, in addition to contributing to the review of the initial financial statements and their approval based on the delegated powers granted to it by the Board of Directors, and coordinates the activities of the external supervisory authorities.
- The audit committee reviewed the reports, and there is no significant or fundamental weakness in the Company's internal control systems.

## Recommendation of the Audit Committee Regarding the Need to Appoint an Internal Auditor in the Company:

No recommendation was issued from the Audit Committee regarding the need to appoint an internal auditor, due to the presence of the internal audit team in the Company that informs the Audit Committee periodically of its responsibilities, administrative powers and tasks assigned to it.

# NOMINATION & REMUNERATION COMMITTEE

## Nomination & Remuneration Committee Formation

The Charter of the Nomination & Remuneration Committee (NRC) was approved by the General Assembly and provides that NRC shall consist of number of members between three to five members, whether those members are from the Board (excluding Executive Directors) or persons other than the Board members either from shareholders or others to be appointed or reappointed by the Board.

## Nomination & Remuneration Committee Functions

The functions of NRC are provided within the Corporate Governance Regulations and the Charter of the NRC, including the following:

- Reviewing the matters referred to it by the

Board and submitting its recommendations to the Board to issue decisions in connection therewith, or taking decisions by itself if so delegated by the Board;

- The Committee may seek assistance from any experts or specialists, whether internal or external, within the scope of its powers. This shall be included in the minutes of the Committee meeting together with the name of the expert and his relation to the Company or its Executive Management;
- Preparing a clear policy for the remunerations of the Board members and its committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclosing and ensuring the implementation of such policy;

- Clarifying the relation between the paid remunerations and the adopted remuneration policy, and highlighting any material deviation from that policy.

- Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives;

- Providing recommendations to the Board in respect of the remunerations of its members, the committees members and Senior Executives, in accordance with the approved policy;

- Suggesting clear policies and standards for membership of the Board and the Executive Management;

- Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person

convicted of a crime involving moral turpitude or dishonesty;

- Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions;

- Determining the amount of time that the Board director shall allocate to the activities of the Board;

- Annually reviewing the skills and expertise required of the Board members and the Executive Management;

- Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that may be made to such structure;

- Annually ensuring the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board

of directors of another Company ;

- Providing job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executives ;

- Setting up procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant; and

- Determining the strengths and weaknesses of the Board and recommending remedial solutions in line with the Company's interest.

## Nomination & Remuneration Committee Members



**Dr. Badr O. Johar**

Committee Chairman, Independent Member

Please see the biography of Dr. Badr O. Johar on page No. (74).



**Mr. Khalifa A. Al-Mulhem**

Committee Member, Non-executive Member

Please see the biography of Mr. Khalifa A. Al Mulhem on page No. (68)



**Mr. Waleed M. Al-Jaafari**

Committee Member, Non-executive Member

Please see the biography of Mr. Waleed M. Al Jaafari on page No. (69)



**Mr. Abdulaziz A. Al-Mulhem**

Committee Member, Non-executive Member

Please see the biography of Mr. Abdulaziz A. Al-Mulhem on page No. (73)

## Meetings & Attendance of the Nomination & Remuneration Committee

The Board of Directors has formed Nomination & Remuneration Committee consisting of four members. The committee held (7) meetings during the year 2023:

✓ Attended      ✗ Not Attended

Name	Type of Membership	No. of Meetings						
		1 <sup>st</sup> Meeting 05/01/2023	2 <sup>nd</sup> Meeting 17/01/2023	3 <sup>rd</sup> Meeting 25/02/2023	4 <sup>th</sup> Meeting 24/03/2023	5 <sup>th</sup> Meeting 13/06/2023	6 <sup>th</sup> Meeting 17/10/2023	7 <sup>th</sup> Meeting 25/12/2023
Dr. Badr O. Johar	Chairman	✓	✓	✓	✓	✓	✓	✓
Mr. Khalifa Al-Mulhem	Member	✓	✓	✓	✓	✓	✓	✓
Mr. Waleed Al-Jaafari	Member	✓	✓	✓	✓	✓	✓	✓
Mr. Abdulaziz Al-Mulhem	Member	✓	✓	✓	✓	✓	✓	✓

# EXECUTIVE COMMITTEE

## Executive Committee Formation & Functions

The Board of Directors has formed from among its members an Executive Committee, consisting of five (5) members, with responsibilities that are summarized in making appropriate decisions about the Company's activities and the issues that the executive management does not have the authority to decide upon or approve according to the approved schedule of authority of the Company, and it also reviews the topics referred to it by the Company's Board of Directors for the purpose of examining them from all aspects and making recommendation to the Company's Board of Directors with its opinion in preparation for taking the appropriate decision by the Board.

## Executive Committee Members, Meetings & Attendance

### Members of the Executive Committee



#### Mr. Khalifa A. Al-Mulhem

Committee Chairman,  
Non-executive Member

Please see the biography of Mr. Khalifa A. Al Mulhem on page No. (68)



#### H.E. Eng. Abdallah I. Al Saadan

Committee Member,  
Non-executive Member

Please see the biography of H.E. Eng. Abdallah I. Al Saadan on page No. (70)



#### Eng. Abdulaziz A. Al-Habardi

Committee Member,  
Non-executive Member

Please see the biography of Eng. Abdulaziz A. Al Habardi on page No. (71)



#### Mr. Abdulaziz A. Al-Mulhem

Committee Member,  
Non-executive Member

Please see the biography of Mr. Abdulaziz A. Al Molhem on page No. (73)



#### Eng. Mohammed K. Al-Mulhem

Committee Member,  
Non-executive Member

Please see the biography of Eng . Mohammed K. Al Mulhem on page No. (76)

## Executive Committee Meetings & Attendance

The Board of Directors has formed the Executive Committee consisting of five members. The committee held (2) meeting during the year 2023:

✓ Attended \* Not Attended

No	Names	Type of Membership	1st Meeting (#66) 20-June-2023	2nd Meeting (#67) 20-Dec-2023	Total Attendance
1	Mr. Khalifa A. Al-Mulhem	Chairman	✓	✓	2
2	H.E. Eng. Abdallah I. Al Saadan	Member	✓	✓	2
3	Eng. Abdulaziz A. Al-Habardi	Member	✓	✓	2
4	Mr. Abdulaziz A. Al-Molhem	Member	✓	✓	2
5	Eng. Mohammed K. Al-Mulhem	Member	✓	✓	2

# INVESTMENT COMMITTEE

## Investment Committee Formation & Functions

The Board of Directors has formed an Investment Committee, consisting of three (3) members, with functions including the following:

- Approval of investing the total fund allocated by the Board for investments, with an objective to maximize its returns with acceptable risk
- Approval of appointing the investment manager(s) or fund managers as appropriate based on expertise, past performance and their credit rating and recommendation of Executive Management
- Ensure these investments are carried out in full compliance with CMA regulations for investments by listed entities in the Kingdom of Saudi Arabia
- Ensure all investments are in full compliance with Islamic Sharia
- Agreeing with the Board on the maximum limit of risks level for each category of the assets and for the portfolio in general
- Receiving and reviewing the periodic investment performance reports and submitting recommendations to the Board as appropriate

## Investment committee, Meetings & Attendance

### Members of the Executive Committee



**Mr. Waleed M. Al-Jaafari**

Committee Chairman,  
Non-executive Member

Please see the biography of Mr. Waleed M. Al Jaafari on page No. (69)



**Mr. Abdulaziz A. Al-Mulhem**

Committee Member,  
Non-executive Member

Please see the biography of Mr. Abdulaziz A. Al Molhem on page No. (73)



**Eng. Mohammed K. Al-Mulhem**

Committee Member,  
Non-executive Member

Please see the biography of Eng. Mohammed K. Al Mulhem on page No. (76)

## The Investment Committee Meetings & Attendance

The committee has held no meetings during the year 2023

# EXECUTIVE MANAGEMENT



**Fahad S. Al Matrafi**  
President & CEO

**Qualification & Work Experience:**

Completed Chemical Engineering in 1995 and Executive MBA program in 2006 from KFUPM. Mr. Al Matrafi started his career with SABIC and has more than 25 years' experience in various fields of the Petrochemical business.

He joined Advanced Petrochemical Company in 2008 and held several positions viz. GM Operations, GM Supply Chain, GM Technical and VP Technical. Currently, he is the President & CEO of Advanced from August 2019 till date.

Company Name	Legal Entity	Position	Location	Membership
Advanced Petrochemical Company	Listed Company	President & CEO	Saudi Arabia	Current
Advanced Polyolefins Industry Company	Closed Joint Stock Company	Board Member	Saudi Arabia	Current
SK Advanced Company	LLC	Board Member	South Korea	Current
Ulsan Polypropylene Company	LLC	Board Member	South Korea	Until October 2021
Advanced Global Investment Company	LLC	Board Member	Saudi Arabia	Current
Advanced Global Holding Company	LLC	Board Member	Luxembourg	Current



**Mamdouh H. Al Amri**  
EVP, Manufacturing

**Qualification & Work Experience:**

A Chemical Engineer, graduated in 1996 from King Fahd University of Petroleum and Minerals. At Advanced, he is currently holding the position of Advanced Polyolefins Company CEO and Vice President of Projects, handling all Project related activities of the company, and also held various positions as EHSS Manager, GM-Operations and GM-Administration. He has more than 26 years of experience in the Petrochemical sector. Has also been involved in commissioning, operations of various projects in Sabic affiliates.

Company Name	Legal Entity	Position	Location	Membership
Advanced Petrochemical Company	Listed Company	EVP, Manufacturing	Saudi Arabia	Current
Advanced Polyolefins Industry Company	Closed Joint Stock Company	CEO	Saudi Arabia	Current
Ulsan Polypropylene Company	LLC	Board Member	South Korea	Current
Advanced Global Investment Company	LLC	Board Member	Saudi Arabia	Current
Advanced Global Holding Company	LLC	Board Member	Luxembourg	Current



**Abdulaziz S. Al-Ardhi**

Chief Financial Officer

**Qualification & Work Experience:**

Holds a Bachelor's in Accounting from King Faisal University, and a Certified Public Accounting Fellowship (SOCPA). He has participated in several workshops with International Joint Ventures. Accomplishments of more than 11 years in the field of Finance, Accounting, Auditing, Shared Services and Digitalization.

Company Name	Legal Entity	Position	Location	Membership
Advanced Petrochemical Company	Listed Company	Chief Financial Officer	Saudi Arabia	Current
Advanced Global Marketing Company (AGMC)	Single Shareholder LLC	Board Member	Saudi Arabia	Current
SK Advanced Company	LLC	Board Member	South Korea	Current
National Metal Manufacturing and Casting Company (Maadaniyah)	Listed Company	Audit Committee Member	Saudi Arabia	Previous
Advanced Petrochemical Company	Listed Company	Finance & Accounting Manager	Saudi Arabia	Previous
National Industrialization Company (Tasnee)	Listed Company	Manager Budgeting and Financial Management Reporting Consolidation	Saudi Arabia	Previous



**Mohammed S. Al-Otaibi**

VP, Shared Services

**Qualification & Work Experience:**

Joined Advanced in September 2020 and led Human Resources, Information Technology, Procurement, and Facility Management as Vice President of Shared Services. Also, he is the secretary of the Nomination and Remuneration Board Committee.

Prior to that, he served Tasnee Petrochemicals Company as General Manager, Human Resources where he played a significant role in establishing and enhancing shared services functions.

He has a Bachelor's Degree in Computer Engineering from KFUPM and an Executive Master of Business Administration from KFUPM. He has completed many leadership and executive development programs at CCL and MIT.

Company Name	Legal Entity	Position	Location	Membership
Advanced Petrochemical Company	Listed Company	Vice President of Shared Services	Saudi Arabia	Current
Advanced Petrochemical Company	Listed Company	General Manager of Shared Services	Saudi Arabia	Previous
TASNEE Petrochemical Company	Listed Company	Human Resources General Manager	Saudi Arabia	Previous





**Ali M. Al-Shahrani**

VP, Operations

**Qualification & Work Experience:**

The Vice President of Operations, holding a Bachelor of Business Administration from Arab Open University, and has held various positions in Advanced including General Manager–Operations and General Manager–Technical. He has more than 29 years of experience in the Petrochemical and Refinery Sector. Has been involved in commissioning, operations, and engineering-related activities in new projects such as Refinery / Ethylene/ Linear Alpha Olefins / Propane Dehydrogenation, etc.

Company Name	Legal Entity	Position	Location	Membership
Advanced Petrochemical Company	Listed Company	Vice President of Operations	Saudi Arabia	Current
Advanced Petrochemical Company	Listed Company	General Manager of Operations	Saudi Arabia	Previous
SK Advanced Company	LLC	Board Member	South Korea	Previous



**Abdullah A. Boaysha**

VP, Maintenance and Technical

**Qualification & Work Experience:**

A Mechanical Engineer. He has been the Vice President of Maintenance and Technical since July 2023, and the General Manager of the Technical division before that. Before joining Advanced Petrochemical Company in April 2020, he was a General Manager at Saudi Kayan (A Sabic Affiliate) since 2015.

Company Name	Legal Entity	Position	Location	Membership
Advanced Petrochemical Company	Listed Company	Vice President of Maintenance and Technical	Saudi Arabia	Current
Advanced Petrochemical Company	Listed Company	General Manager of Technical Division	Saudi Arabia	Previous
Saudi Kayan Company (A Sabic Affiliate)	Listed Company	General Manager of Maintenance Division	Saudi Arabia	Previous
Saudi Kayan Company (A Sabic Affiliate)	Listed Company	General Manager of Technical Division	Saudi Arabia	Previous
Saudi Butanol Company	Listed Company	Board Member	Saudi Arabia	Previous

## Board Members, Committees Members & Executive Management Ownership

### Board Members, Committee Members & Executive Management Ownership in Advanced Petrochemical Company

The following table illustrates the percentage of ownership by members of the Board of Directors, Committee Members and Executive Management, including their relatives, in Advanced Petrochemical Company and debt instruments, and any change in that interest during the fiscal year 2023:

Names	Capacity	At the Beginning of the Year 2023		At the End of the Year 2023		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
<b>Board Members</b>							
Mr. Khalifa Abdullatif Al-Mulhem	Chairman of the Board	10,645,080		12,499,780		1,854,700	17%
Mr. Waleed Mohammed Al-Jaafari	Vice Chairman of the Board	1,247,471		831,500		(415,971)	-33%
H.E. Eng. Abdallah Ibrahim Al-Saadon	Board Member	0		100		100	100%
Eng. Abdulaziz Abdullah Al-Habardi	Board Member	10,188		13,000		2,812	28%
Eng. Abdulsalam Mazro Al-Mazro	Board Member	0		0		0	0%
Mr. Abdulaziz Abdullah Al-Molhem	Board Member	4,897		6,165		1,268	26%
Dr. Badr Osama Johar	Board Member	1		1		0	0%
Eng. Nader Saleh Al-Dakhil	Board Member	0		0		0	0%
Eng. Mohammed Khalifah Al-Mulhem	Board Member	58,737		56,734		(2,003)	-3%

Names	Capacity	At the Beginning of the Year 2022		At the End of the Year 2022		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
<b>Committee Member</b>							
Mr. Abdullah A. Buali	Audit Committee Chairman	0		0		0	0%
<b>Executive Management</b>							
Fahad S. Al Matrafi	CEO	0		0		0	0%
Mamdouh H. Al Amri	EVP Manufacturing	0		0		0	0%
Abdulaziz S. Al-Ardhi	CFO	0		0		0	0%
Mohammed S. Al-Otaibi	VP, Shared Services	15,012		27,012		12,000	80%
Ali M. Al-Shahrani	VP, Operations	0		0		0	0%
Abdullah A. Boaysha	VP, Maintenance & Technical	0		0		0	0%

\* There is no interest, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the affiliates of the Company.

## Remunerations and compensations for members of the Board of Directors

The following are details of the remunerations and compensations paid to Board members:

	Fixed remunerations							Variable remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings committee	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
<b>First : Independent Members</b>																
Dr. Badr O. Johar	4,500	30,000	30,000	-	-	-	64,500	-	300,000	-	-	-	300,000	-	364,500	14,250
Eng. Abdulsalam M. Al-Mazro	6,000	30,000	35,000	-	12,000	-	83,000	-	100,000	-	-	-	100,000	-	183,000	13,065
Eng. Nader S. Al-Dakheel	3,000	30,000	-	-	12,000	-	45,000	-	75,000	-	-	-	75,000	-	120,000	-
*Bander Sulaiman Al-Ghafees	3,000	30,000	-	-	-	-	-	-	300,000	-	-	-	300,000	-	300,000	-
*Ali Siddiq Al-Hakami	-	-	-	-	-	-	-	-	225,000	-	-	-	225,000	-	225,000	-
<b>Total</b>	<b>13,500</b>	<b>90,000</b>	<b>65,000</b>	<b>-</b>	<b>24,000</b>	<b>-</b>	<b>192,500</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,192,500</b>	<b>27,315</b>
<b>Second: Non Executive Members</b>																
Mr. Khalifa A. Al-Mulhem	-	-	40,000	-	-	-	71,500	-	300,000	-	-	-	300,000	-	371,500	-
Mr. Waleed M. Al-Jaafari	-	-	65,000	-	-	-	95,000	-	400,000	-	-	-	400,000	-	495,000	-
Eng. Mohammed K. Al-Mulhem	-	-	10,000	-	-	-	41,500	-	300,000	-	-	-	300,000	-	341,500	-
Mr. Abdulaziz A. Al-Mulhem	1,500	30,000	75,000	-	6,000	-	112,500	-	400,000	-	-	-	400,000	-	512,500	-
Eng. Abdulaziz A. Al-Habardi	6,000	30,000	15,000	-	-	-	51,000	-	300,000	-	-	-	300,000	-	351,000	-
*Eng. Sami Abdulaziz Al-Suwaigh	-	-	-	-	-	-	-	-	225,000	-	-	-	225,000	-	225,000	-
H.E. Eng. Abdallah I. Al Saadan	6,000	30,000	10,000	-	-	-	46,000	-	75,000	-	-	-	75,000	-	121,000	13,190
<b>Total</b>	<b>16,500</b>	<b>180,000</b>	<b>215,000</b>	<b>-</b>	<b>6,000</b>	<b>-</b>	<b>417,500</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>2,417,500</b>	<b>13,190</b>
<b>Third: Executive Members</b>																
None	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* His membership in the Board was ended on September 30, 2022 and received his Board remuneration in 2023

## Remunerations and compensations for Senior Executives:

Below are details of the remunerations and compensations paid to the Executive Management:

Item	Thirteen Senior Executives including the CEO & CFO
Salaries & Compensation	13,704,941
Allowances	6,383,505
Annual Periodic Remunerations	2,052,369
Incentive Plans	4,873,535
Compensation & In-Kind Benefits	None
<b>Total</b>	<b>27,014,350</b>

### Remuneration Policy for board members and executive management in the company:

The updated Remuneration Policy was disclosed in the announcement published on the Saudi Exchange website on March 20, 2022 when publishing the invitation to the Extraordinary General Assembly Meeting, as it was approved by the General Assembly.

### Relationship between granted Remunerations and applicable Remuneration Policy

The Nominations and Remunerations Committee evaluates the remuneration of members of the Board of Directors in accordance with the criteria stipulated in the Remuneration Policy approved by the General Assembly, and there is no fundamental deviation from the Remuneration Policy.

## Remunerations and compensations for members of the committees:

The following are details of the remunerations and compensations paid to Committees' members:

	Fixed Remuneration (Except for the allowance for attending Committee meetings)	Allowance for attending Committee meetings	Total
<b>Audit Committee Members</b>			
Mr. Abdullah A. Buali	100,000	35,000	135,000
Mr. Waleed M. Al-Jaafari	100,000	35,000	135,000
Eng. Abdulsalam M. Al-Mazro	100,000	35,000	135,000
Mr. Abdulaziz A. Al-Mulhem	100,000	35,000	135,000
<b>Total</b>	<b>400,000</b>	<b>140,000</b>	<b>540,000</b>
<b>Nomination and Remuneration Committee Members</b>			
Mr. Khalifa A. Al-Mulhem	-	30,000	30,000
Mr. Waleed M. Al-Jaafari	-	30,000	30,000
Mr. Abdulaziz A. Al-Mulhem	-	30,000	30,000
Dr. Badr O. Johar	-	30,000	30,000
<b>Total</b>	<b>-</b>	<b>120,000</b>	<b>120,000</b>
<b>Executive Committee Members</b>			
Mr. Khalifa A. Al-Mulhem	-	10,000	10,000
H.E. Eng. Abdallah I. Al Saadan	-	10,000	10,000
Eng. Abdulaziz A. Al-Habardi	-	10,000	10,000
Mr. Abdulaziz A. Al-Mulhem	-	10,000	10,000
Eng. Mohammed K. Al-Mulhem	-	10,000	10,000
<b>Total</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>
<b>Investment Committee Members</b>			
Mr. Waleed M. Al-Jaafari	-	-	-
Mr. Abdulaziz A. Al-Mulhem	-	-	-
Eng. Mohammed K. Al-Mulhem	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Board Members, Committee Members & Executive Management Ownership in the Affiliates of Advanced Petrochemical Company

Neither the Board Members, Committee Members, Executive Management officers, nor their relatives, have interest, contractual securities or rights issue on shares or debt instruments of the Company's affiliates.

## Board Participation in the General Assembly Meeting

✓ Attended ✗ Not Attended

Name	No. of Meetings
	Meeting on 10/04/2023
Mr. Khalifa Abdullatif Al-Mulhem	✓
Mr. Waleed Mohammed Al-Jaafari	✗
H.E. Eng. Abdallah Ibrahim Al-Saadani	✓
Eng. Abdulaziz Abdullah Al-Habardi	✓
Eng. Abdulsalam Mazro Al-Mazro	✓
Mr. Abdulaziz Abdullah Al-Mulhem	✓
Dr. Badr Osama H. Johar	✓
Eng. Nader Saleh Al-Dakhil	✓
Eng. Mohammed Khalifah Al-Mulhem	✓

Also Mr. Abdullah A. Buai (Chairman of the Audit Committee attended all the meetings)

## Procedure Taken by the Board Relating to Shareholders' Suggestions and Remarks on the Company and its Performance:

- The Chairman of the Board of Directors keeps the Board informed of any opinions, proposals or remarks raised by the shareholders about the Company and its performance.
- The Board discusses such opinions, proposals or remarks without the presence of the executive management.
- The Board members attend shareholders general assembly meeting where any questions or suggestions raised by shareholders are addressed.
- Investor Relations team also

provides the CEO with any suggestions raised by shareholders or investors on a timely basis.

- Providing effective communication channels that allow shareholders to continuously and periodically review the various aspects of the Company's businesses as well as any material developments.

**A description of any interest in a class of voting shares held by persons (other than the company's directors, Senior Executives and their relatives) who have notified the Company of their holdings pursuant to the Rules on the Offer of Securities and Continuing Obligations, together with any change to such interests during 2023:**

There was no interest in a class of voting shares held by persons who have notified the Company of such interests during 2023

### Waivers of Remunerations:

There are no waiver arrangements or agreements under which a member of the Company's Board of Directors or one of the Senior Executives has waived any bonuses.

### Shareholders Waivers of Rights to Profits:

There were no arrangements or agreements whereby any of the shareholders waived their rights to profits during the year 2023.

### Competing businesses with the Company:

There is no any competing business with the Company or any of its activities by any member of the Board.

## Related Party Transactions

The contracting party	The Conflicts of Interest situation	Nature of the contract	Contract period	Total Value SAR
Walaa Cooperative Insurance Company	Both Mr. Khalifa Abdullatif Abdullah Al-Mulhem and Mr. Waleed Mohammed Abdullah Al-Jaafari are members of the Board of Directors of the two companies (Advanced Petrochemical Company and Walaa Cooperative Insurance Company).	Providing multiple car insurance coverages	From June 23, 2023 until June 22, 2024	156,100.17

It is worth noting that this contract does not include any preferential terms as carried out in accordance with the same terms and conditions followed by the company with all third parties.

## Implementation of the Corporate Governance Regulations

Article/ Paragraph No.	Text of the Article/Paragraph	Reasons for Non-Compliance
37	Training	This is a guiding provision. However, the Company is developing programs for the recently-appointed Board members, committee members, and Executive Management to familiarize them with the progress of the Company's business and activities.
39	Assessment of the Board members	This is a guiding provision. However, the Nominations and Remuneration Committee decided during 2023 to conduct an evaluation for the Board Directors, its Committees and Directors' performance in order to uphold the highest standards of corporate governance and board under the direction of an independent external company, the GCC Board Directors Institute (GCC BDI).
51/c	The chairman of the audit committee shall be an Independent Director	This is a guiding provision. However, the chairman of the Audit Committee is outside the Board of Directors and has none of the issues affecting independence applies to the chairman.
51/d	Half of the audit committee's members must be Independent Directors or from those on whom the issues affecting independence in Article (19) of this Regulation do not apply.	This is a guiding provision. However, the Audit Committee consists of four members (two members are non-executive board members, one independent board member and one member from outside of the Board of Directors "the Chairman")
67	Composition of the Risk Management Committee	
68	Competencies of the Risk Management Committee	These are guiding provisions. However, the risk management is frequently reviewed during the meetings of the Audit Committee and Board of Directors.
69	Meetings of the Risk Management Committee	
80	Regulating the Relationship with Stakeholders	This is a guiding provision. The Bylaws of the Company, the policies and regulations approved by the General Assembly and the Board of Directors, and the relevant laws and regulations guarantee the protection and preservation of the rights of stakeholders.
85	Social Initiatives	This is a guiding provision. However, the Company is developing programs for social initiatives where the necessary methods for proposing social initiatives by the Company to be defined, including indicators, KPIs and awareness to the community.
90	Disclosure of Remunerations	The Company is committed under Paragraph No. (4/b) of Article (90) of the Corporate Governance Regulations to the disclosure of the remunerations and compensations of senior executives in details. In order to protect the interests of the Company, its shareholders and its employees, and to avoid causing any harm that may result from disclosure, the details of the remunerations and compensations of senior executives were not presented as contained in Annex No. (1) concerning the remuneration of senior executives from the Corporate Governance Regulations.
92	Formation of a Corporate Governance Committee	This is a guiding provision. The Company's executive management, in coordination with the audit committee, works on developing corporate governance rules, monitoring their implementation, verifying their effectiveness, and amending them when needed.



## INCENTIVE PROGRAMS FOR THE COMPANY'S EMPLOYEES:

### People and Workplace Environment:

Advanced Human Capital is a key asset for success for which Human Capital strategy have been set to retain, attract and engage talent through capitalizing on effectiveness of HR processes and digitalization solutions to maintain its competitive edge to sustain our culture of excellence.

During year 2023, Advanced has kept the flow of talents by attracting new joiners to support our company growth, where the Saudization reached 81% and Saudi nationals are provided the best opportunities for career growth within people-centric work environment.

Toward digitalization, Advanced proactively adopted latest technologies to improve and accelerate the transformation into up-to-date digitalization services. Human Resources function successfully inaugurated the new platform of HR processes digitalization called (HR-Gate) throughout best-in-class SAP cloud solution.



## Diversity and inclusion:

In order to strengthen our workforce diversity and inclusion, in 2023 Advanced have successfully attracted number of graduate's ladies trainees in several functions under TAMHEER program in collaboration with Ministry of Human Resources and Social Development with structured development plan that enable them to be part of Advanced workforce upon successful completion.

## Winner of Labor Award by Ministry of Human Resources and Social Development

In recognition of our commitment to sustain culture of excellence and continually adopting best.

in-class practices, Advanced Petrochemicals have won Labor Award in two consecutive years recognized by Ministry of Human Resources and Social Developments among 88,000 participating companies.

## 2023 Learning Journey:

In order to drive for organization excellence and promote Advanced as learning organization, Learning programs initiatives have been designed and deployed in order to accelerate our workforce development in numerous areas including:

### 1. Leadership Development Program:

Advanced Petrochemicals have lunched Leadership Psychometric Assessment to measure candidates' suitability for a role based on the required personality characteristics and leadership competencies, these help organization to prepare a proper Succession Planning and retain our talents, where GAP analysis will be linked to annual IDP Knowledge Sharing Program:

### 2. Knowledge Sharing Program:

Advanced Train Advanced Program is a platform for knowledge exchange where subject matter experts share their accumulated knowledge with young generation and cross functional employees. Part of Advanced Train Advanced we successfully

### 3. In-house Training Program:

Toward continually fostering learning environment and upskilling our workforce competence, in 2023 more of 500 employees trained, In- House training programs conducted in various learning fields including EHSS, technical, professional and leadership learning programs..

### 4. Establishing Advanced Career Development Programs

As part of our culture to encourage talent-development Advanced subject matter experts have identified the functional competencies required for employees to support learning and Development needs of each function to create a clear competency assessment in order to identify skill gap and link it to IDP, where more than 90% of employees have clear IDP.

### 5. Cooperative and Summer Training Program:

As part of developing new generation's skills and competence in 2023, Advanced enrolled more than 33 Saudi fresh graduates' talents from Universities and colleges through robust on-the-

job training programs encompass Corporate Social Responsibility and commitment toward our community.

The Retention Rate is

96%

## Advanced Retention Program:

In order to recognize best performance within Advanced, new scheme of retention program

designed and implemented to retain our talents, attract competent candidates to join our organization toward realizing our growth journey

and continue to be one of top preferred employers among Petrochemical industry.

The news retention program is robustly linked with performance management system in order to drive pay for performance culture and includes the following components:

### 1. Employees Incentive Shares Program:

The Company designed incentive share program to retain and engage the Company's key talents to achieve quantum leap performance, drive culture for excellence and promote sense of belonging and loyalty according to clear criteria and forceful process.

### 2. Home Loan Program for Saudi Employees

The program aims to provide the opportunity for Saudi employees working for it and who meet the terms of the program to own housing units, within the framework of the approved policy to secure stability and comfort for its employees and motivate them to continue and work for the Company where eligible Saudi employee get fund from commercial banks and company support to fund the loan interest.

### 3. Saving Program

The Company took the initiative to create thrift and saving program (optional) in order to motivate the Company's employees and ensure a better future for them and their families, where the Company deducts a part of the salary based on the employee's desire in order to invest such contribution for the interest of the employee participating in the program. The Company chooses suitable areas to invest the program's funds in accordance with the Islamic investment requirements.

### 4. Home Ownership Program for Saudi Employees

The program aims to provide the opportunity for Saudi employees working for it and who meet the terms of the program to own housing units, within the framework of the approved policy to secure stability and comfort for its employees and motivate them to continue and work for the Company. The Company built 220 residential villas through two phases of the project in Jalmudah neighborhood In Jubail Industrial City, and housing units were handed over to Saudi employees.

### 5. Master Degree Program

To provide opportunity for talented Saudi employees to upskill and diverse their knowledge and qualification by obtaining master degree in specialized field, which eventually reflects on work performance and business priorities.

### 6. Personal Loan Program

The program aims to provide employees option of personal loan from the company with zero interest with flexible repayment methods to enable

employees fulfill their short term financial commitment.

Above and beyond at Advanced, Human Capital Strategy designed to continually embrace sustenance of performance-focused, value-creating people excellence and competitiveness through our Human Capital as most valuable assets with clear roadmap ahead.

## INVESTOR RELATIONS REVIEW

Advanced equity shares are listed on the Saudi Exchange stock market on 20 January 2007. As at 31st December 2023, Advanced had SAR 2,6 billion in authorized capital and issued 260 million shares.

Closing Price	<b>39.10</b>
Market Cap	<b>10,166 B</b>
Dividend Pay-out	<b>142,431 M</b>

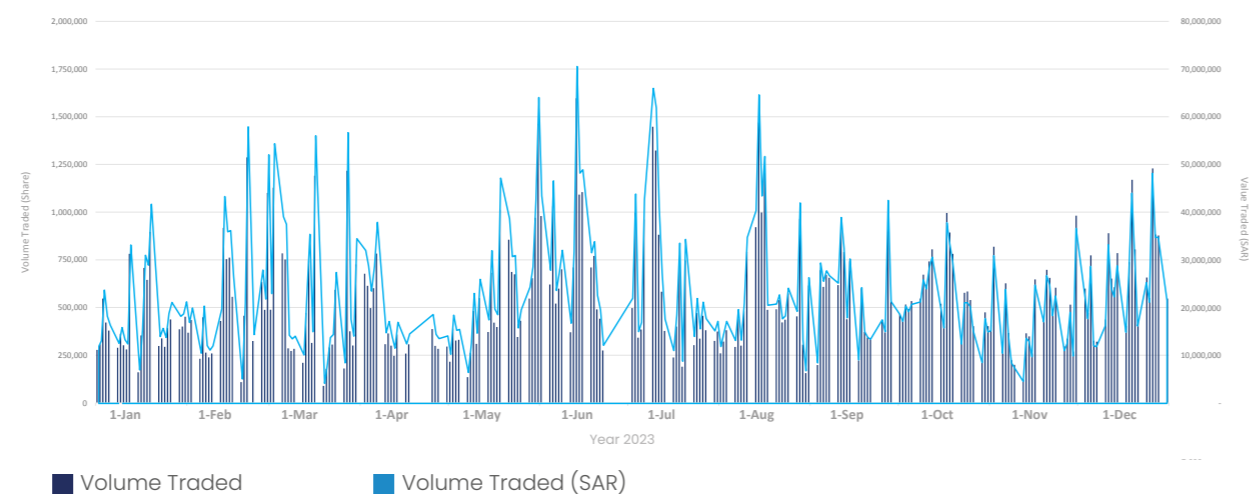
As of 31st December 2023 (SAR)

End of the Year (31 Dec 2023)	SAR 39.10
1 Year Ago	SAR 42.50
3 Year Ago	SAR 55.57
52 Weeks High (05 Mar 2023)	SAR 50.70
Symbol	2330
ISIN	SA000A0LE310
No. of Shares issued	260,000,000
Par Value	SAR 10.00

Share Price Performance in Relation to Materials Index



Share Volume vs Value Traded



## Investor Information

Below tables are information about investors in terms of type and nationality of investors as of 31<sup>st</sup> Dec 2023:

### Shares Onwership

	Institutions		Retail
<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <p>شركة البولي بروبيلين الوطنية المحدودة</p> <p>Major Shareholder</p> </div> <div style="text-align: center;"> <p>QFI*</p> <p>Qualified Foreign Investor</p> </div> </div>			

No. of shares	20,689,655	25,460,613	155,243,098	104,756,902
Percentage	7.95%	9.79%	59.71%	40.29%
Investors count	1	325	561	96,483

### Size of ownership (no. of shares held)

Size	No. of investors	No. of shares held	Ownership percentage
More than 1,000,000	33	137,456,380	52.87%
500,000 – 999,999	29	20,360,978	7.83%
100,000 – 499,999	174	39,652,097	15.25%
50,000 – 99,999	157	10,801,490	4.15%
10,000 – 49,999	992	19,748,822	7.60%
5,000 – 9,999	1,081	7,173,405	2.76%
1,000 – 4,999	6,400	12,604,693	4.85%
Fewer than 1,000	88,178	12,202,135	4.69%
<b>Total</b>	<b>97,044</b>	<b>260,000,000</b>	<b>100%</b>

\*Qualified Foreign Investor (QFI) is qualified in accordance with the Rules for Foreign Investment in Securities, to invest in the listed shares on the Main Market.

## Nationality of investors

Nationality	No of Investor	Qty Share	%
Saudi	94,525	225,934,780	97.86
GCC	140	5,797,096	0.14
Forigen	1,927	28,268,124	1.99
<b>Total</b>	<b>96,592</b>	<b>260,000,000</b>	<b>100.00</b>

## Investor Communication

At Advanced, Investor Relations takes the lead in communicating with the financial community, particularly institutional investors, individual investors and analysts. In line with Capital Markets Authority (CMA) regulations and global best practices, the Investor Relations team strives to provide optimal disclosures and transparency to financial community on regular basis.

## Investor Relations Activities

Throughout 2023, Advanced participated in multiple face-to-face and online conferences with investors and analysts. We conducted several site visits for analysts and institutional investors to our assets in Jubail Industrial City and meeting the executive management, where we hosted more than four international and local institutional investors.

Furthermore, the IR section organized an Extraordinary General Assembly Meeting, in compliance with the regulatory instructions, which was held on April 10, 2023. In addition, the investor relations section of the company's website and smart phone application were developed with the aim of providing multiple channels for investors to access the latest financial information, stock data and analyst coverage.

## The Company's requests for the Shareholders Register

Number of Requests	Date of Request	Reasons for the Request
1	2-Jan-2023	Corporates Procedures
2	11-Jan-2023	Corporates Procedures
3	5-Feb-2023	Corporates Procedures
4	8-Mar-2023	Corporates Procedures
5	10-Apr-2023	General Assembly
6	30-May-2023	Corporates Procedures
7	18-Jun-2023	Corporates Procedures
8	24-Jul-2023	Corporates Procedures
9	27-Aug-2023	Corporates Procedures
10	2-Oct-2023	Corporates Procedures
11	2-Nov-2023	Corporates Procedures
12	4-Dec-2023	Corporates Procedures

## The Announcements of the Company during 2023:

No.	Date	Subject of the Announcement
1	21/02/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES ITS ANNUAL FINANCIAL RESULTS ENDED ON 31-12-2022
2	21/02/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES THE DISTRIBUTION OF DIVIDEND FOR THE FOURTH QUARTER OF 2022
3	02/03/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES THE SIGNING OF THE SUPPORT FRAMEWORK AGREEMENT WITH SHAREEK PROGRAM
4	06/03/2023	ADVANCED PETROCHEMICAL COMPANY (ADVANCED) ANNOUNCES ENGINEERING PROCUREMENT & CONSTRUCTION CONTRACT AWARD TO GAS ARABIAN SERVICES COMPANY FOR CONSTRUCTION OF A PIPELINE BETWEEN ADVANCED AND JUBAIL UNITED PETROCHEMICAL COMPANY (UNITED)
5	16/03/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES ITS INTENTION TO PURCHASE ITS SHARES
6	20/03/2023	ADVANCED PETROCHEMICAL COMPANY INVITES ITS SHAREHOLDERS TO ATTEND THE 11TH EXTRAORDINARY GENERAL ASSEMBLY MEETING (FIRST MEETING) VIA MODERN TECHNOLOGY MEANS
7	02/04/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES THE RECOMMENDATION OF THE BOARD OF DIRECTORS FOR NO DISTRIBUTION OF CASH DIVIDENDS TO SHAREHOLDERS FOR THE FIRST QUARTER OF THE FINANCIAL YEAR 2023
8	11/04/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES THE RESULTS OF 11TH EXTRAORDINARY GENERAL ASSEMBLY MEETING (SECOND MEETING) THROUGH MODERN TECHNOLOGY MEANS
9	09/05/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES IT'S INTERIM FINANCIAL RESULTS FOR THE PERIOD ENDED ON 31 MARCH 2023 (THREE MONTHS)
10	29/05/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES OBTAINING A SHARIA-COMPLIANT ISLAMIC CREDIT FACILITY WITH COMPETITIVE PRICES TO PAY BACK THE EXISTING CREDIT FACILITIES
11	08/06/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES THE RESULTS OF PURCHASE OF ITS OWN SHARES ALLOCATED UNDER THE COMPANY'S EMPLOYEES INCENTIVE SHARES PROGRAM
12	20/07/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES IT'S INTERIM FINANCIAL RESULTS FOR THE PERIOD ENDED ON 30 JUNE 2023 (SIX MONTHS)
13	28/09/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES OBTAINING A SHARIA-COMPLIANT ISLAMIC CREDIT FACILITY WITH COMPETITIVE PRICES
14	19/10/2023	ADVANCED PETROCHEMICAL COMPANY ANNOUNCES IT'S INTERIM FINANCIAL RESULTS FOR THE PERIOD ENDED ON 30 SEPTEMBER 2023 ( NINE MONTHS )



Advanced Petrochemical  
Admin building, PP & PDH  
Facility in Jubail Industrial City



شركة البتروكيماويات المتقدمة  
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Advanced

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