



سيسكو
SISCO
الشركة السعودية للخدمات الصناعية
Saudi Industrial Services Company

ANNUAL REPORT

2020



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Aamer Abdullah Alireza (Chairman)
Adnan Abdulfattah Soufi (Vice Chairman)
Abdulaziz Abdullatif Jazzar
Saleh Ahmed Hefni
Muneerah Hejab Aldossary
Talal Nasser Aldakhil
Ahmad Mohammed Alrabiah

BANKS

Al-Jazira Bank
National Commercial Bank
Saudi British Bank
Riyadh Bank

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Jeddah 1994
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MANAGEMENT

Mohammed M. Kamal Al-Mudarres (Chief Executive Officer)
Mahmood Hussain (Chief Finance Officer)
Saleem Raza Sheikh (Chief Legal Officer)
Hesham El Gindy (Chief Audit Executive)
Richard Fourie (Chief Corporate Affairs Officer)
Maqbool O. Aswni (Admin & Shareholder Affairs Manager)
Youssef M. Abu Olyyan (Board Secretary)
Abdullah M. Habadia (Group Head of IT)

SHARE REGISTRAR

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This report has been prepared in line with the requirements of the Capital Markets Authority (CMA) particularly with regards to Corporate Governance guidelines and Listing rules. In addition, special consideration has been given to the applicable laws of the Ministry of Commerce and Investment (MoCI) and international best practices of good governance and transparency.



CHAIRMAN'S LETTER

In the Name of Allah, the Most Compassionate, the Most Merciful

Praise be to Allah, prayer and peace be upon the Messenger of Allah

Dear Shareholders,

On behalf of the Board, I am delighted to introduce SISCO's Annual Report for 2020. This is my first letter to our shareholders since accepting the role of SISCO's Chairman in 2020. I would like to warmly welcome our fellow new Board Members who joined us in 2020, bringing unique expertise and diversity to SISCO. I am confident that the new Board will build on the Company's achievements.

I would also like to extend my immense gratitude to our previous Board and, in particular our outgoing Chairman, Mr. Mohamed Ahmed Alireza, who has played a pivotal role over a 19-year period in shaping SISCO to become one of the leading national companies in its sector. His perseverance and incisiveness were instrumental in building the solid foundations for our businesses. It is also with great sadness that we bid farewell to, and remember with fondness, our much-respected, Mr. Adnan A. Maimani, for his dedicated service as a previous Board member, who passed away in 2020. May God rest his soul in peace.

2020 was an extraordinary and challenging year dominated by the COVID-19 pandemic that continues to impact the world with probable economic consequences for some time to come. Despite the challenges presented by the pandemic, we have steadfastly remained focused and resolutely committed towards protecting our employees, supporting our customers, and contributing to wider society and engaging with our other key stakeholders.

I take this opportunity to thank all the employees at SISCO, and our subsidiaries and affiliates, who overcame the pandemic challenges, and resolutely continued to serve our clients and ensured successful business continuity.

Financial Performance

2020 has been a year of substantial progress for SISCO and its operating companies, with some notable milestones. The Group delivered a strong and resilient trading performance in particularly challenging markets. We closed the year with the highest revenue in the Company's history and a robust balance sheet - a testament to our strong business model which operates in key strategic areas such as ports, logistics and water services.

SISCO's operating revenue (excluding special accounting adjustment) has increased by 27.5% to reach 861.6 million Saudi Riyals, with a net income of 139.4 million Saudi Riyals (including some extraordinary items), an increase of 173% compared to 2019. A detailed variance analysis is presented later in this report, shedding light on some factors which impacted on business results.

Portfolio Review

Ports & Terminal Sector:

2020 was a monumental year for Red Sea Gateway Terminal Company (RSGT), during which the new 30-year concession with Saudi Ports Authority "Mawani" commenced in the second quarter. This has enabled RSGT to become a significant player in the Kingdom and the leading terminal operator in the Red Sea region, and as a result, RSGT generated record financial performance. The numbers, however, do not fully reflect the potential scale and volume expected by RSGT in the coming years. The company will continue to serve as a gateway for KSA commerce through its continued investment and development of Jeddah Islamic Port, logistics chain integration and digitalization.

RSGT's next phase of strategic growth will be to replicate its success in KSA and focused regional markets.



Logistics & Services Sector:

LogiPoint's strategy of investing in high-quality warehousing assets in prime locations is reaping rewards, as global supply-chains are constrained, and e-commerce is witnessing exponential growth in the Kingdom.

LogiPoint is well positioned to capitalize on the changing market dynamics by providing high quality infrastructure and unique service offering to its blue-chip customers with whom it has developed successful long-term relationships.

We aim to transform LogiPoint from an industrial landlord to a key logistics enabler by providing integrated logistics services.

In 2021, our capital spending is expected to increase significantly, as our focus will be on fast-tracking the construction of projects in the pipeline and diversifying the revenue base by establishing presence in new locations.

Despite the challenging year for the global petrochemical industry particularly in logistics and supply chain, SA TALKE was able to maintain its market leading position and deliver another successful year due to the company's direct measures in responding proactively to evolving market conditions. The company was able to retain all of its current clients, and handled the highest volumes in the company's history, while maintaining a conspicuous safety record.

Water Solutions Sector:

Although the water sector continues to face short term challenges, we remain committed towards our long-term strategy of strengthening our presence in this sector.

Kindasa continues to lead the way in the private water sector, producing and distributing water to Jeddah Industrial Cities, and other industrial clients in Jeddah and Rabigh, where the recently built desalination plant in Rabigh entered 1st phase of operation in 2020. Kindasa plans to grow the business in the coming years, through participation in selective and high yield PPP programs, working towards the 2030 vision, and engaging in active participation in the O&M business for the water sector.

Tawzea also had its share of success in 2020 by winning the Taif ISTP project and achieving financial closure for the project. The project is 25-year BOT contract giving Tawzea 50% shareholding with the Spanish company, Cobra. The project is scheduled to be completed with construction and commissioning during the third quarter of 2023. Tawzea was also able to expand its footprint in additional industrial cities in Sudair, Kharj and Madina. As the company proceeds from strength, it will expand and enhance its business through increasing the level of services provided in all industrial cities in the Kingdom.

Strategic Value Creation

During the year, we also took a significant step towards our long-term strategy of maximizing the build-out and monetization of our existing asset base, through the divestment of SISCO's direct equity stake in RSGT (along with other minority shareholders of RSGT) to the Public Investment Fund (PIF) and COSCO Shipping Ports Limited (CSPL).

The partnership with PIF and CSPL is expected to add long term strategic value to RSGT, as follows:

- PIF – KSA's sovereign wealth fund with an agenda to promote and support the domestic and international growth of national champions such as RSGT.
- CSPL – a key global strategic player bringing-in additional technical know-how, expertise and additional transshipment volume.

Attracting prominent investors like PIF and COSCO is a testament to our strong positioning, robust governance structure and delivery track record achieved over the years through extensive teamwork. We believe this transaction will not only enhance RSGT's position as major regional and international port operator, but also shed



light to the financial value of some of our underlining assets. SISCO will continue to consolidate RSGT on its books through its remaining ownership of the company, creating long-term shareholder value for the coming years.

The transaction will also enable SISCO to meet its established objective of providing long term sustainable returns to its shareholders, through a balanced and diversified portfolio.

Sustainability

If the Coronavirus pandemic has taught us anything, it is that Environmental, Social and Governance (ESG) issues are now more important than ever. As a responsible stakeholder and investor, we are continually developing our ESG strategy to ensure that sustainability and business continuity remain a focus across the SISCO Group of companies, and our future investments.

Furthermore, our portfolio companies will continue to focus on building a strong and diversified workforce and management teams. This will empower and create new opportunities for young Saudis, and a greater representation of the proportion of women in various roles.

Looking Ahead

SISCO and its operating companies have made excellent progress this year on many fronts despite considerable challenges. Although we expect the year ahead to be no less challenging, the strategic steps we undertook during 2020 should enable us to deliver a resilient performance in the shorter term, and to benefit from the opportunities that our markets offer over the medium and longer term.

We enter 2021 with a high level of optimism. We will continue to be an enabler for the industrial diversification of the Kingdom, and the buildout of the national infrastructure in line with Vision 2030 objectives.

In particular we plan to:

1. Support our Group companies in expanding their businesses, both locally and internationally, including an international expansion of RSGT.
2. Drive growth through attractive M&A opportunities both in KSA and regionally, that would complement our businesses, and where we have a competitive advantage that meet our investment criteria.
3. Continue to execute our business plan and implement best governance practices to ensure optimum capital allocation.

I would like to extend our sincere thanks and gratitude to SISCO's shareholders for your continued support and engagement during 2020. I also wish to thank my colleagues on the Board of Directors, members of the committees and the executive management for their dedication and commitment in ensuring the continued stability and growth of the group.

Aamer A. Alireza,
Chairman of the Board

HOW OUR BUSINESS PERFORMED IN 2020

2020 Performance Highlights

Revenue

SAR **862** Million
+27.5% ↑



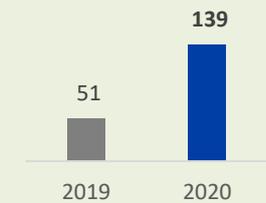
Operating Profit

SAR **256** Million
+174.3% ↑



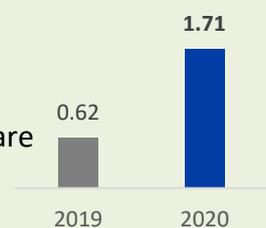
Net Income

SAR **139** Million
+173.8%



Earning Per Share

SAR **1.71** per share
+175.8% ↑



Dividend per share

SAR **0.8** per share
+33.3% ↑



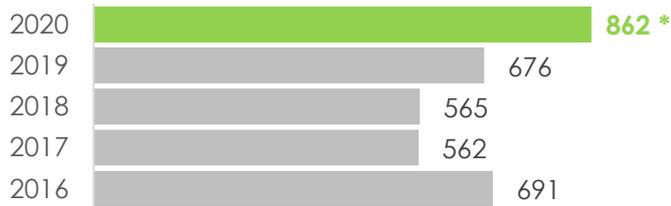
* Revenue excludes non-operating accounting revenue of SAR 159 million



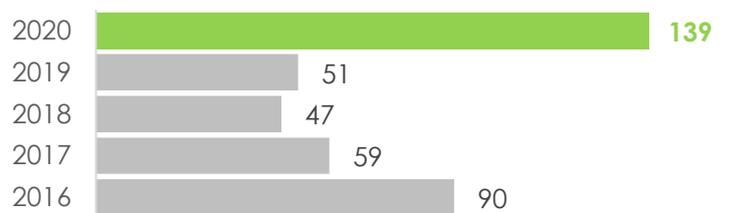
PERFORMANCE AT A GLANCE

(in SAR million)

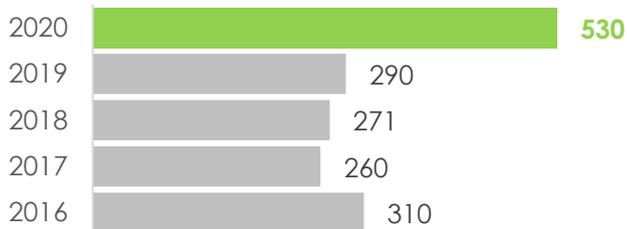
Revenue



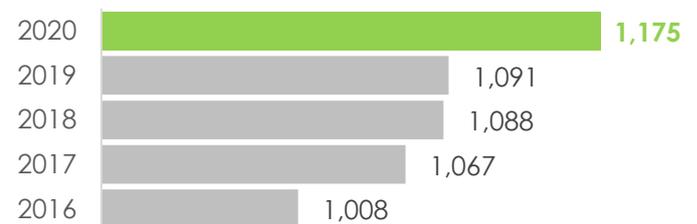
Net Income



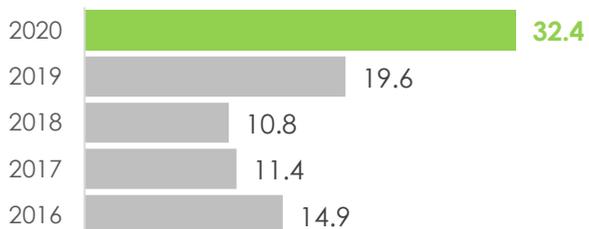
EBITDA



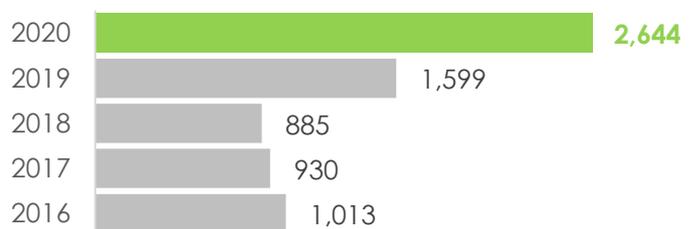
Shareholders' Equity



Share Price (SR @ Year End)



Market Capitalization (Year End)



* Revenue excludes non-operating accounting revenue of SAR 159 million

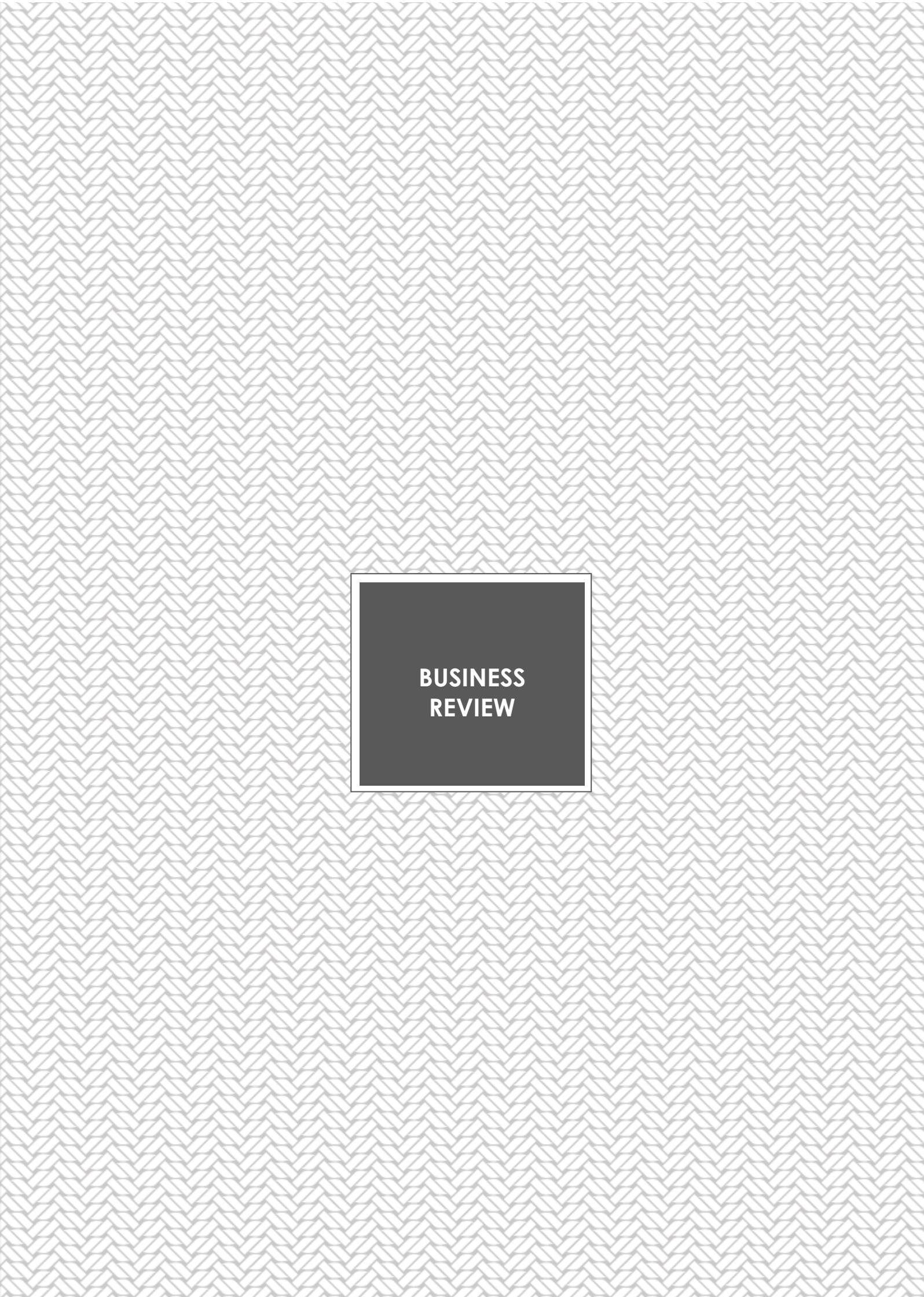


ANALYSIS OF FINANCIAL RESULTS

SISCO reported positive growth during 2020 with an increase in revenue to SAR 862 million (excluding accounting revenue of SAR 159 million) and net income of SAR 139 million respectively. The Company achieved the highest ever top line in its history. The key driver for growth was Ports & Terminals segment where revenue increased by 67% driven by consolidation of NCT terminal and an improvement in volumes.

A summarized analysis of the 2020 results and its comparison with 2019 is presented in the table below:

(SAR million)	2020	2019	Variance	%	Notes
Operating Revenue	862	676	186	28	Revenue growth was mainly due to the increase in port segment revenue by SAR 180 million driven by an increase in volumes. Reported revenue also included an increase in accounting revenue of SAR 159 million.
Construction Revenue	159	-	159	100	
Total Revenue	1,021	676	345	51	
Cost of Revenue	(438)	(416)	(22)	5.3	Cost of revenue increased due to ports segment mainly due to an increase in employees related expenses relating to the takeover of NCT terminal, and depreciation. The increase of SAR 181 also includes notional accounting cost of SAR 159 million.
Cost of Construction	(159)	-	(159)	100	
Total Cost	(597)	(416)	(181)	44	
Gross Profit	424	260	164	63%	
Selling / G&A Expenses	(168)	(167)	(1)	1%	
Operating Profit	256	93	163	175%	
Net Finance Cost	(133)	(47)	(86)	183%	Increase in finance charges is due to capitalization of fixed and guaranteed variable fees. The increase is offset by one off IFRS 9 gain on modification of long-term loan of SAR 31.9 million.
Share of Result of Associates	22	27	(5)	-19%	Net decline in results from Tawzea and Saudi WESSCO which is offset by improvement in results from SA Talke.
Other Income	88	11	77	700%	Other income increased due to reversals of some old liabilities and a release of provision for asset replacement costs of SAR 75 million.
Zakat & Income Tax	(16)	(6)	(10)	167%	
Group Net Profit	217	78	139	178%	
Non-Controlling Interest	(78)	(27)	(51)	189%	Changes in NCI are in accordance with results of individual subsidiaries.
Net Profit	139	51	88	173%	



**BUSINESS
REVIEW**

BUSINESS SECTORS

Over the past few years, SISCO has adopted the strategy of becoming a strategic investment parent company. This has been achieved through implementing and applying strategy and growth management policies, as well as being responsible for the operating companies' results in performance, decision-making and corporate governance framework that govern the relationship between the Group and its operating companies.

SISCO subsidiaries and associated companies are grouped under three main business sectors:

<h3>PORTS & TERMINALS</h3>  <ul style="list-style-type: none"> - Red Sea Ports Development Co. (RSPD) - Red Sea Gateway Terminal Co. (RSGT) 	<h3>LOGISTICS PARKS & SERVICES</h3>  <ul style="list-style-type: none"> - Saudi Trade & Export Development Co. (LOGIPOINT) - Support Services Operation Co. (ISNAD) - Saudi Aljabr Talke Co. (SA TALKE) 	<h3>WATER SOLUTIONS</h3>  <ul style="list-style-type: none"> - Kindasa Water Services Co. (KINDASA) - International Water Distribution Co. (TAWZEA)
 <p>شركة البحر الأحمر لتطوير الموانئ RED SEA PORTS DEVELOPMENT COMPANY</p>  <p>محطة بوابة البحر الأحمر RED SEA GATEWAY TERMINAL</p>	  <p>شركة تشغيل الخدمات المساندة ISNAD Support Services Operation Company</p>  <p>س.أ. تالكي</p>	 <p>Kindasa WATER SERVICES كنداسة لخدمات المياه</p>  <p>توزيع TAWZEA</p> <p>الشركة الدولية لتوزيع المياه المحدودة International Water Distribution Co. Ltd</p>



SUBSIDIARY COMPANIES

Consolidated companies are those where in which SISCO either owns directly or through other subsidiaries, more than half of the capital of the company or control the composition of the board.

Details of the subsidiary companies are as follows:

COMPANY & ITS BUSINESS	SHARE CAPITAL	DIRECT OWNERSHIP	HEAD OFFICE	COUNTRY OF INCORPORATION
<p>Red Sea Ports Development Company Development, construction, operation and maintenance of container terminals, handling and unloading services and shipping, navigation and marine support services necessary to provide ships with water, energy, sewage treatment and the excavation and backfill and investment in these activities.</p>	SAR 333 million	53 %	Jeddah	Saudi Arabia
<p>Red Sea Gateway Terminal Company Development, construction, operation and maintenance of container terminals, handling and unloading services and shipping, navigation and marine support services necessary to provide ships with water, energy, sewage treatment and the excavation and backfill and investment in these activities.</p>	SAR 555 million	21.2 %	Jeddah	Saudi Arabia
<p>Saudi Trade and Export Development Company Storage and Re-export of cars / containers provide container storage yards and perform container handling operation, examination of customs for export and re-export, provide warehouses for different types of goods, and provide packaging and re-handling services for goods in warehouses and open yards.</p>	SAR 140 million	76 %	Jeddah	Saudi Arabia
<p>Kindasa Water Services Company Construction and operation of sea-water desalination plants.</p>	SAR 77 million	65 %	Jeddah	Saudi Arabia
<p>Support Services Operations Co. Ltd. Services to projects in the industrial cities; operate gas stations and vehicle maintenance shops; logistics support services for ports; water transport services; trade in industrial machinery and spare parts.</p>	SAR 15 million	97 %	Jeddah	Saudi Arabia



ASSOCIATED COMPANIES

Associated companies are those where SISCO has substantial long-term interest and where SISCO is in a position to exercise a significant influence over the associated company by participating in their financial and operating policy decisions.

Details of the associated companies are as follows:

COMPANY & ITS BUSINESS	SHARE CAPITAL	DIRECT OWNERSHIP	HEAD OFFICE	COUNTRY OF INCORPORATION
<p>International Water Distribution Co. Construction of public works of water, sewage, irrigation and sanitation (water and storm water drainage); and mechanical works, waterworks, sewage technology and pumping stations; maintenance and operation of water facilities, sewage and running channeling water to various networks.</p>	SAR 146 million	50 %	Jeddah	Saudi Arabia
<p>Saudi Al-Jabr Talke Company Implementation of contracting construction, operation and maintenance of warehouses and logistics for the petrochemical sector contracts.</p>	SAR 21 million	33.33 %	Jubail	Saudi Arabia

OTHER INVESTMENTS

- SISCO has invested USD 2.5 million (SAR 9.4 million) in Growth Gate Corporation BSC (Bahrain). SISCO's investment represents 1.17% of Growth Gate's total share capital of USD 213.3 million.
- SISCO has indirect investment in Water and Environment Saudi Service Company Limited ("WESSCO") through its subsidiary Kindasa Water Services Company, which owns 49% of WESSCO.
- SISCO has indirect investment in Xenmet SA, Vaduz ("Xenmet") through its subsidiary Saudi Trade and Export Development Company, which owns 25% of Xenmet SA.



RED SEA PORTS DEVELOPMENT CO. (RSPD)

Established	2009
Company Type	Closed Joint Stock Company
Principal Place of Operations	Jeddah, Saudi Arabia
Main Business	Development, Management, and Operation of Container Terminals.
Share Capital	SAR 333.125 million
No. of Shares	33,312,500 of SAR 10 each.

Impact on SISCO Financials

RSPD owns 60% of RSGT, which is eliminated in group consolidation. Therefore, there is no impact on SISCO financials.

RED SEA GATEWAY TERMINAL CO. LIMITED (RSGT)

Established	2007
Company Type	Limited Liability Co.
Principal Place of Operations	Jeddah, Saudi Arabia
Main Business	Development, Management, and Operation of Container Terminals.
Share Capital	SAR 555.207 million
No. of Shares	555,207 of SAR 1,000 each

Impact on SISCO Financials

Revenues	82.6%
Assets	80.2%
Net Income	86.7%



COMPANY	NO. OF SHARES	%
SISCO	17,655,625	53.0%
CITY ISLAND HOLDING	6,662,500	20.0%
XENEL INDUSTRIES	5,330,000	16.0%
SAUDI TRADE AND EXPORT DEVELOPMENT CO.	3,331,250	10.0%
XENEL MAINTENANCE	333,125	1.0%
TOTAL	33,312,500	100%



COMPANY	NO. OF SHARES	%
RED SEA PORTS DEVELOPMENT	333,125	60.0%
SISCO	117,704	21.2%
CITY ISLAND HOLDING	44,416	8.0%
XENEL INDUSTRIES	37,754	6.8%
SAUDI TRADE AND EXPORT DEVELOPMENT CO.	22,208	4.0%
TOTAL	555,207	100%



Business Analysis:

The Kingdom's GDP growth in 2020 contracted by 410 basis points compared to the previous year, mainly due to the COVID-19 pandemic that affected both oil and non-oil sector activities (e.g., tourism). In addition, curtailed oil production, the VAT hike, and a weaker labor market depressed private consumption affecting economic output. Source: Central Department of Statistics & Information.

Total container volume handled in 2020 by major container terminals in KSA was approximately 9.3 million TEUs, registering 4% growth over the previous year. This growth was driven primarily by an 8% increase in Transshipment volume. Gateway volume increased by 1%, with import remaining at similar levels to last year, while export container volume increased by 2%. Transshipment accounted for about 42% of the total volume in the KSA, in line with the previous year.

The total number of import containers coming through the Jeddah Wider Area (Jeddah Islamic Port and King Abdullah Port) increased by 3% to 1.38 million TEU in 2020. Export containers (empty and full) also witnessed an increase of 3% to 1.39 million TEU in 2020, subsequently resulting in a 3% growth in gateway container volume. Transshipment container volume recorded noticeable growth of 9% as major shipping lines consolidated volume and reworked network within the Gulf / Red sea region.

Total container volume in Jeddah Islamic Port (JIP) in 2020 was approximately SAR 4.6 million TEUs representing an increase of 6% over 2019. This growth was primarily driven by transshipment which increased by 12% over the previous year.

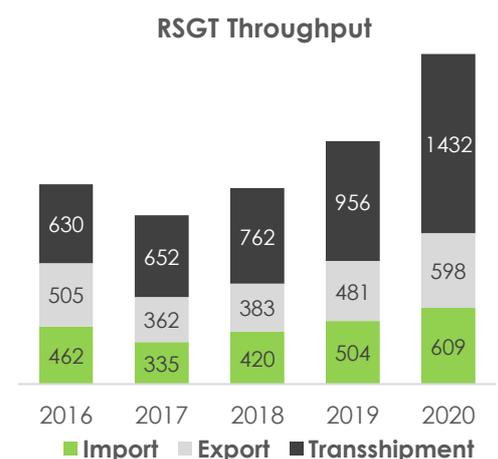
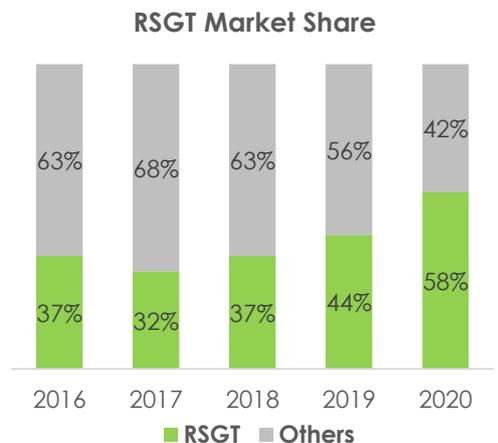
Overall, RSGT's market share in JIP increased to 58% in 2020 from 44% in 2019. Gateway volume grew by 23% to 1.2 million TEU, with import and export volumes increasing by 21% and 24%, respectively. Transshipment volumes grew by 51% in 2020 to 1.4 million TEU. RSGT's annual throughput grew 36% while maintaining its customer base.

2020 was a year full of significant milestones for RSGT:

- In April 2020, RSGT took over the Northern Container Terminal and began expansion work, receiving the first order of new equipment in November 2020, which increased capacity from 2.5 million TEU to 4.8 million TEU.
- In April 2020, RSGT started handling vessels for the new CMA Service JEDDEX.
- RSGT built several commercial initiatives focusing on the local importers and traders to build a better value proposition to improve customer experience and loyalty and pave the way to increase RSGT's market share. Such initiatives include implementing a customer relations management system, digitalizing services, door-to-door solutions, and increased active interaction with customers.

Such milestones were accompanied by record results in 2020:

- In 2020, RSGT recorded its highest annual volume of 2.6 million TEU handled in 2020 compared to 1.9 million TEU in 2019, becoming the biggest terminal in KSA.
- In 2020, RSGT handled 1087 vessel calls, which marks the highest number of ships handled in a year since the start of the operations.
- In August 2020, RSGT handled 264,000+ TEU, registering the highest monthly volume recorded by a Terminal in KSA.





- The number of mega vessels called increased by 37% to 310 calls from 226 calls in 2019.

The number of mega vessel calls is expected to increase in the coming years, as shipping lines are proceeding with the upgrade to bigger vessels, which will cascade into the routes calling Jeddah.

SAUDI TRADE & EXPORT DEVELOPMENT CO.



Established	1999
Company Type	Limited Liability Co.
Principal Place of Operations	Jeddah, Saudi Arabia
Main Business	Development, Management, and Operation of Logistics Parks and Zones
Share Capital	SAR 140 million
No. of Shares	140,000 of SAR 10,000 each

COMPANY	NO. OF SHARES	%
SISCO	106,400	76.0%
XENEL INDUSTRIES	33,600	24.0%
TOTAL	140,000	100%

Impact on SISCO Financials

Revenues	4.6%
Assets	10.7%
Net Profit	0.1%

Business Analysis:

2020 was a challenging year for LogiPoint due to the impact of COVID-19. The Saudi Arabian demand and spending patterns demonstrated a major shift.

Warehousing: Warehousing occupancy remained consistent at the Bonded and Re-Export Zone. The demand for Bonded Warehousing remained high during COVID-19, as it completely changed the global supply chain landscape. Companies looking for efficient & cost-effective solutions to serve their customers always find Bonded Warehousing offering as a viable option to cater to their customer needs. The demand for Bonded Warehousing is expected to remain strong and the phenomenal growth of the E-Commerce segment has further established that LogiPoint need to increase its Bonded Warehousing capacity to fulfill the needs for this growing segment.

Open Yards: The downward trend in the demand for open yards continued in 2020. Saudi Arabia increased the Value Added Tax (VAT) to 15%, which greatly impacted the automobile sector, that was the highest occupier of open yards. The auto industry revisited their import and inventory strategies in light of the VAT increase and the impact of COVID on the local economy. Additionally, construction projects suffered greatly due to the economic pressures on the consumers that were directly impacted by the pandemic restrictions and limitations. This ultimately impacted the company's ability to increase the utilization of open yards. However the company did witness some relief in the fourth quarter of 2020 by contracting a few profitable short-term deals with an automotive importer and a global 3PL customer.



**SUPPORT SERVICES OPERATION COMPANY LIMITED
(LOGIPOINT SERVICES)**



Established	2004
Company Type	Limited Liability Co.
Principal Place of Operations	Jeddah, Riyadh Saudi Arabia
Main Business	Logistics Operation Management and services including investing and developing logistics services hubs, logistics operations, and, value added services.
Share Capital	SAR 15 Million
No. of Shares	15,000 of SAR 1,000 each

Impact on SISCO Financials

Revenues	3.7%
Assets	1.07%
Net Profit	7.6%

COMPANY	NO. OF SHARES	%
SISCO	14,550	97.0%
LOGIPOINT	450	3.0%
TOTAL	15,000	100%

Business Analysis:

Support Services Operation Company (branded as LogiPoint Services) designed and offered the concept of export HUB to Aramco, which was launched successfully during 2020. The plan is to further expand the company's offerings to multiple segments and position LogiPoint as the Leading HUB solution provider in the region.

LogiPoint Services successfully introduced customized solutions in the market during 2020.

Companies dealing in perishable commodities looking for faster transit times were targeted with bonded Multimodal Solutions Such as Sea to Air and Air to Sea along with cross-border transit movements. LogiPoint worked with the well-renowned global logistics companies like Maersk & CEVA for the sea-land bonded movement between Jeddah Port and Kuwait which resulted in a reduced lead time of approximately 09 days. The end-to-end process was controlled by LogiPoint without any service failures.

LogiPoint Services offerings for labeling the FMCG products are very well received in the market. The company witnessed very impressive penetration in the market for this offering and will continue to focus on developing this further in 2021.

The re-exporting of vehicles is another success story for 2020. These were discharged at Jeddah Port, where they were containerized in the Bonded & Re-Export zone and were re-exported to their destinations.

On the operational front, real-time information is essential in allowing not only timely execution, but equally important, resource planning. Therefore, the main focus of the operational division of LogiPoint Services in 2020 was dedicated to Planning, Shipment Visibility / Milestones of Execution Data Integrating across operational platforms providing E2E visibility, Capacity Planning & Management.



AL-JABR TALKE COMPANY LTD. (SA TALKE)

S.A. TALKE
س.أ.تالكي

Established	2004
Company Type	Limited Liability Co.
Principal Place of Operations	Jubail, Saudi Arabia
Main Business	Packaging, Material Handling, Distribution of Petro-chemical and / or Hazardous materials.
Share Capital	SAR 21.099 million
No. of Shares	21,099 of SAR 1,000 each

Impact on SISCO Financials

S.A. TALKE is not a consolidated subsidiary of SISCO group; therefore, there is no direct contribution towards SISCO's Consolidated Assets or Revenues.

Revenues	SAR 260.7 million
Assets	SAR 201.1 million
Net Profit	SAR 40.1 million

COMPANY	NO. OF SHARES	%
SISCO	7,033	33.3%
TALKE GmbH	7,033	33.3%
AZMEEL International	5,627	26.7%
Abdullatif Mogahed	1,406	6.7%
TOTAL	21,099	100%

Business Analysis:

Despite the challenging environment and COVID-19 outbreak, 2020 was a good year for SAT's growth. The company retained all of its existing projects and acquired two new projects.

In 2020, the company's volume throughput in Saudi Arabia was more than 18 million tonnes of chemical products. S.A. TALKE currently operates 16 projects in the Kingdom of Saudi Arabia.

COVID-19 had a significant impact on the operations during H1 2020 with demand being impacted due to the decline in the petrochemical sector. In addition, work on some projects was impacted in the short term due to strict lockdown measures in Saudi Arabia which restricted movement of people and goods. To mitigate this impact.

S.A. Talke took various proactive and preventative measures including setting up special facilities for operational staff thus to ensure continuity of operations. Despite the challenging market conditions, the company acquired 2 new projects during 2020 resulting in an increase in the demand for additional workforce. However, recruitment of new employees presented a challenge due to travel restrictions.

The company also continued its drive for growth and commenced services in Yanbu by securing 3 year contracts with potential additional two year extension. The company plans to add additional assets to in the coming years to improve both the offering and volume handling capacity for current and potential clients.

The company also celebrated a new milestone — the achievement of 12 million safe man-hours without a lost-time injury (LTI). This has resulted from a continuous effort to create an organizational culture where safety is a core value and always comes first. All employees are continuously encouraged to drive the safety performance forward and are rewarded for generating creative ideas.

S.A. Talke's Act Safety Program (ASP), Behaviour-Based Safety (BBS), and Leadership Safety (L.S.) are a few of the programs which are implemented in S.A. TALKE, seeking to continuously improve awareness through a series of focused and interactive quarterly safety campaigns.



KINDASA WATER SERVICES CO. (KINDASA)



Established	2000
Company Type	Closed Joint Stock Co.
Principal Place of Operations	Jeddah, Saudi Arabia
Main Business	Construction and Operation of Water Desalination Plants and Water Distribution.
Share Capital	SAR 77.3 million
No. of Shares	7,730,000 of SAR 10 each.

COMPANY	NO. OF SHARES	%
SISCO	5,024,500	65.0%
M. Abdul Latif Jameel Co.	2,705,500	35.0%
TOTAL	7,730,000	100%

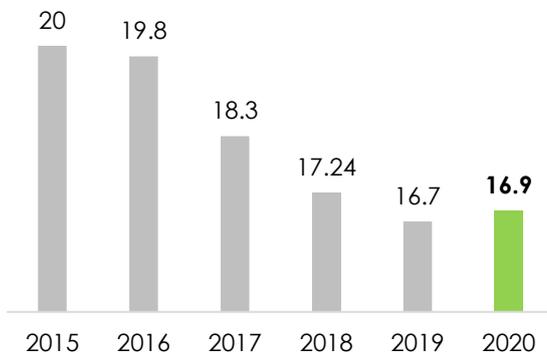
Impact on SISCO Financials

Revenues	9%
Assets	4 %
Net Profit	1.7%

Business Analysis:

Total quantity sold during 2020 was 16.9 million cubic meters compared to 16.7 million cubic meters sold in 2019 due to the increased demand in Rabigh.

Water Sales



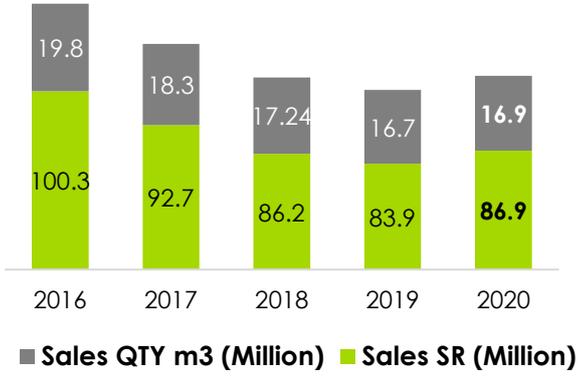
Kindasa's design capacity is 24.6 million cubic meters per year, and during 2020 the plant operated at 68.7% utilization.

Kindasa has expanded its business in 2018 through the sale of water to third industrial zone in Jeddah, and it is seeking to invest in new projects to compensate for the decline in first industrial city in Jeddah sales.

In 2019, Rabigh desalination plant was completed with its operations kicking off in July of the same year. The plant has a design capacity of 6,000 cubic meters per day expandable to 12,000 cubic meters per day. By the end of the year 2020 sales averaged around 3,000 cubic meters per day which is roughly half of its production capacity.



Kindasa uses cost-effective Reverse Osmosis (RO) desalination technology, which has minimal environmental impact. Further, Kindasa has commissioned hybrid pre-treatment system consisting of conventional Dual Media Filtration in conjunction with state-of-the-art Ultra Filtration (UF) process to produce stable RO feed-water quality that remains unaffected by seasonal changes in sea water quality. In fact, Kindasa's water quality is implying to the World Health Organization (WHO) and Saudi Arabian Standards Organization (SASO).



	2016	2017	2018	2019	2020
Sales SR (Million)	100.3	92.7	86.2	83.9	86.9
Sales QTY m³ (Million)	19.8	18.3	17.24	16.7	16.9



INTERNATIONAL WATER DISTRIBUTION COMPANY LTD. (TAWZEA)



Established	2006
Company Type	Limited Liability Co.
Principal Place of Operations	Jeddah, Riyadh, Qassim Saudi Arabia
Main Business	Potable Water Distribution and Wastewater Treatment and use of re-cycled water for irrigation.
Share Capital	SAR 146 million
No. of Shares	146,000 of SAR 1,000 each

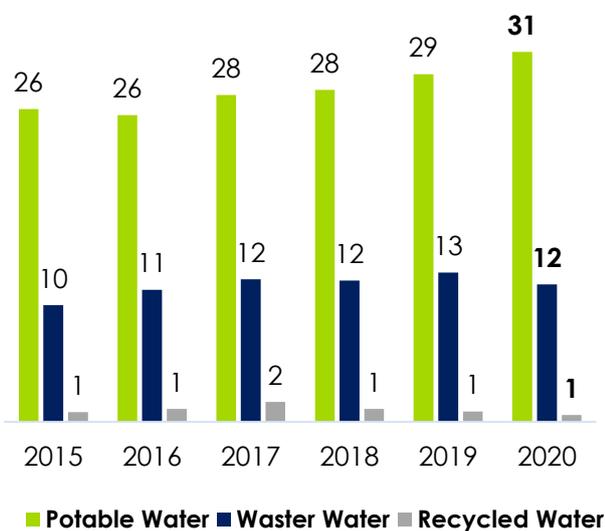
COMPANY	NO. OF SHARES	%
SISCO	73,000	50.0%
AMIWATER (AMIAANTIT)	73,000	50.0%
TOTAL	146,000	100%

Impact on SISCO Financials

TAWZEA is not a consolidated subsidiary of SISCO group; therefore, there is no direct contribution towards SISCO's Consolidated Assets or Revenues.

Revenues	SAR 260.7 million
Assets	SAR 276 million
Net Profit	SAR 14.4 million

Water Sales



Business Analysis:

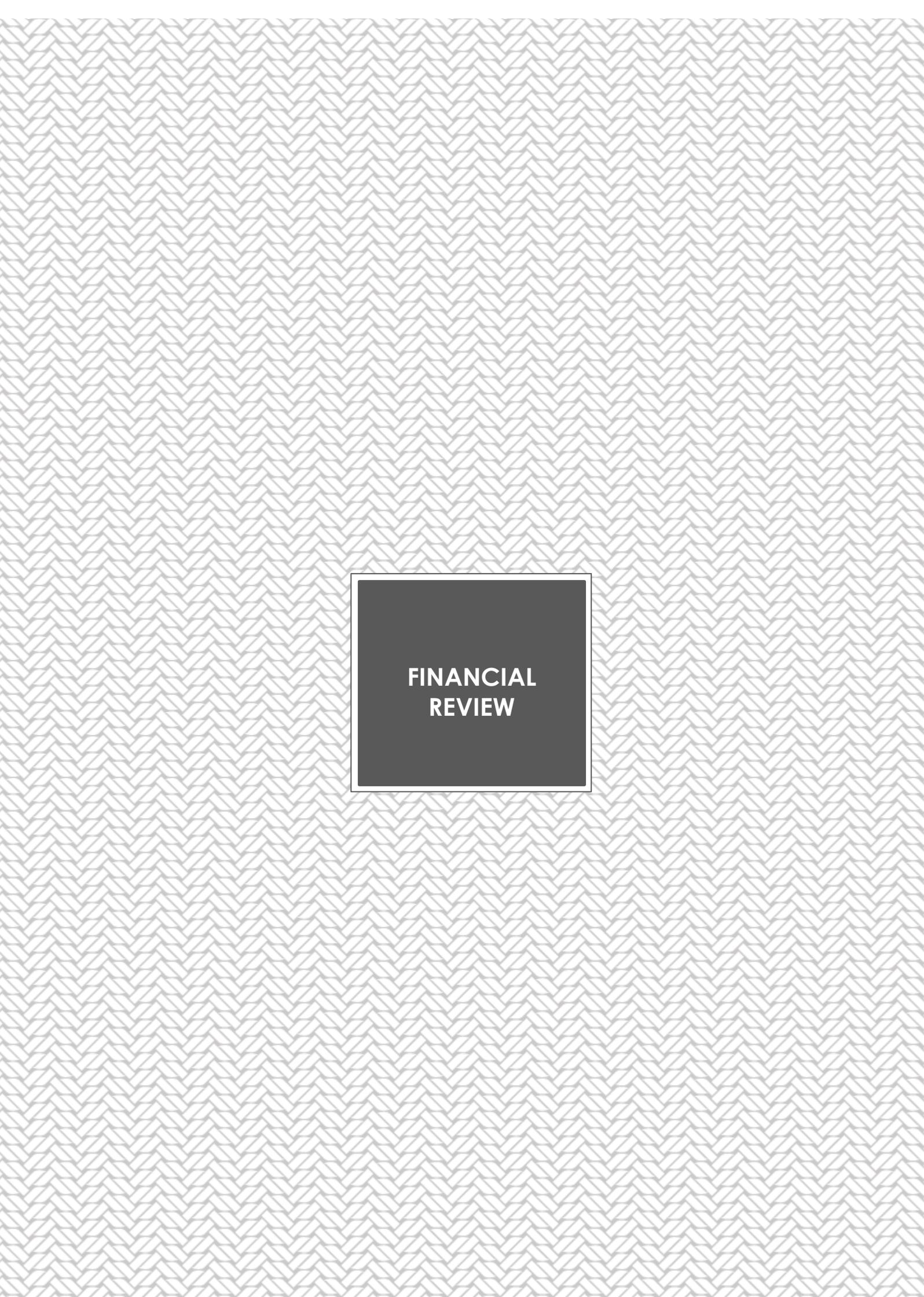
Tawzea is engaged in providing potable and wastewater services to industrial cities under concession agreement from Saudi Industrial Property Authority (MODON). Tawzea specializes in Management of industrial cities, operation and maintenance of Potable Water, and Waste Water facilities in cities like Jeddah, Riyadh, and Qassim among others. It is also one of the first companies that have been successful in the privatization of the water sector in the Kingdom of Saudi Arabia and PPP projects.

Tawzea's joint venture with Aquapur Company to secure supply and maintenance concession for Jeddah Industrial City 2nd and 3rd at the end of 2016 has contributed in increasing the revenue of 2020.

As part of Saudi Arabia's Vision 2030, Tawzea in consortium with Cobra, won the bid for the development of Taif ISTP at the end of 2019 the consortium successfully achieved financial close and the project is in the construction stage now. The completion of the project is expected by 4th quarter of 2022.

Furthermore during last two years Tawzea won a number of O&M contracts as part of its long term strategy to diversify its business thereby reducing concentration on one particular revenue stream.

In long run Tawzea will continue its participation in privatization projects and O&M contracts in line with its strategy to increase market share.

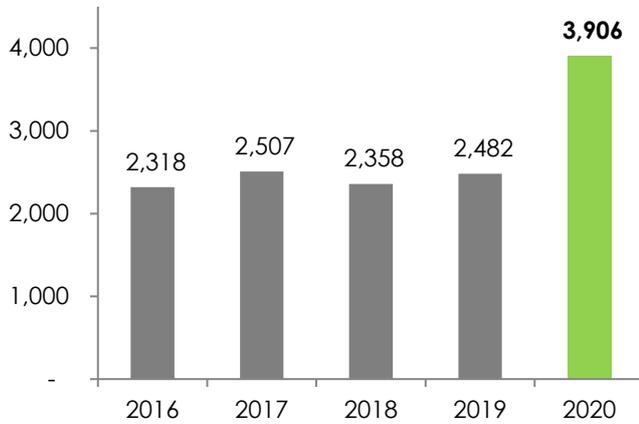


**FINANCIAL
REVIEW**

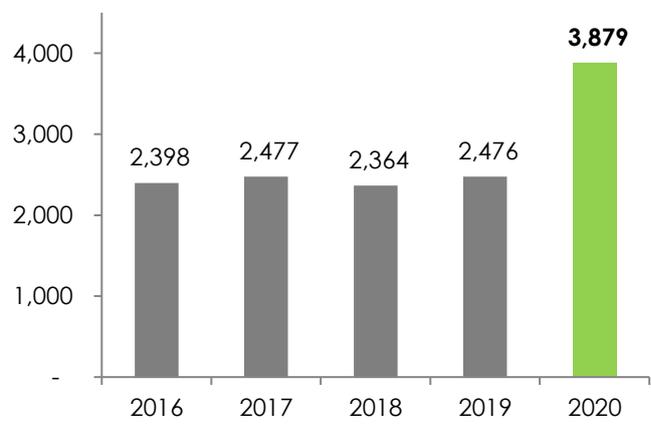
KEY FINANCIAL INDICATORS

(SAR Millions)

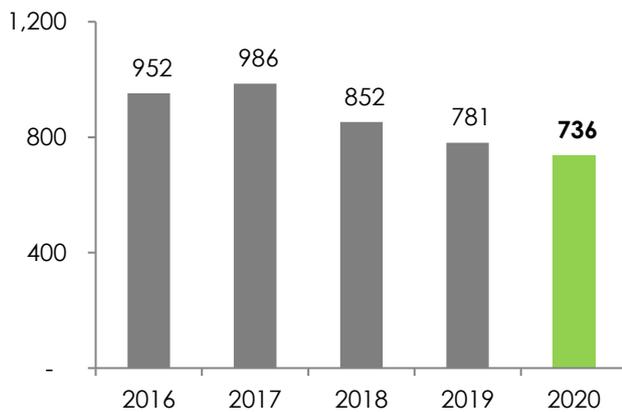
Long Term Assets



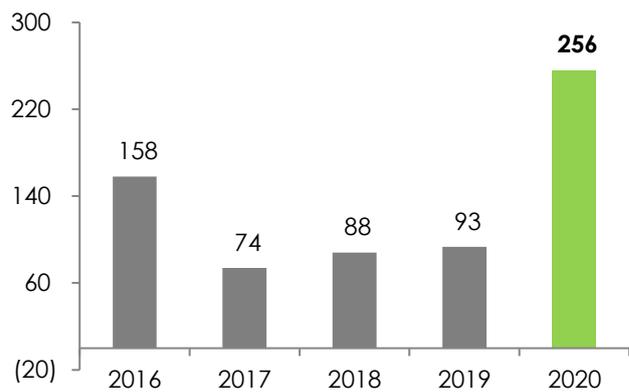
Capital Employed



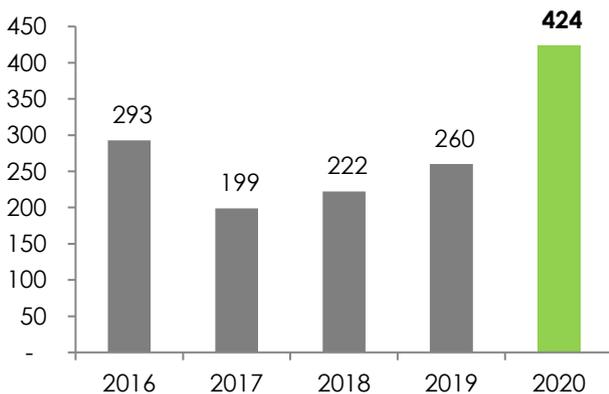
Long Term Borrowings



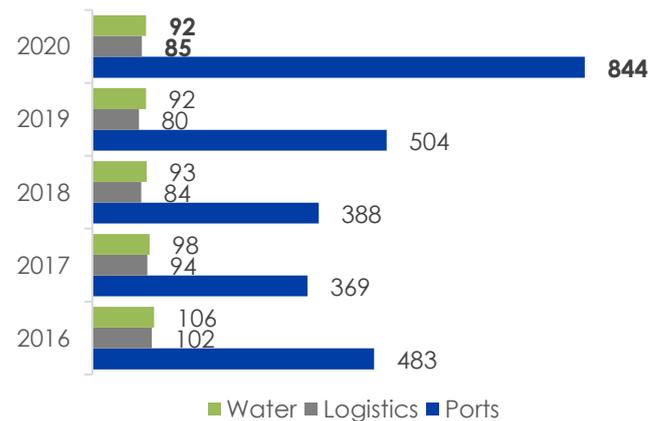
Operating Profit



Gross Profit



Segment wise revenue





BALANCE SHEET

(SAR '000)	2020	20 vs. 19 % Change	2019	2018	2017	2016
ASSETS						
CURRENT ASSETS						
Bank Balances and Cash	336,534	14.0%	295,101	180,584	150,708	195,404
Receivables	144,990	30.3%	111,274	117,953	101,588	113,962
Inventories	19,628	8.0%	18,172	21,303	25,503	31,120
	501,152	18.0%	424,546	319,840	277,799	340,486
NON-CURRENT ASSETS						
Investments	160,672	2.5%	156,737	147,792	180,297	117,473
Property, Plant and Equipment	514,436	-49.0%	1,008,201	1,039,960	1,079,520	892,863
Right of Use Assets	86,918	-64.1%	241,825	-	-	-
Other Non-Current Assets	3,143,976	192.5%	1,074,792	1,170,143	1,247,218	1,307,795
	3,906,002	57.4%	2,481,556	2,357,895	2,507,036	2,318,131
TOTAL ASSETS	4,407,154	51.7%	2,906,102	2,677,735	2,784,835	2,658,617
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Payables	457,050	140.8%	189,769	160,605	161,938	144,520
Short-term Loans	70,671	-70.6%	240,712	153,414	146,391	116,018
	527,721	22.6%	430,480	314,019	308,329	260,538
NON-CURRENT LIABILITIES						
Long Term Bank Loans	665,663	23.2%	540,390	699,027	839,710	836,402
Other Non-Current Liabilities	1,371,469	1,464.9%	87,641	66,042	66,041	54,602
Lease Liabilities	84,598	-61.0%	217,086	-	-	-
Employees' End of Service Benefits	48,126	21.9%	39,470	27,216	26,693	21,884
	2,169,856	145.3%	884,587	792,285	932,444	912,888
SHAREHOLDERS' EQUITY						
Share Capital	816,000	-	816,000	816,000	816,000	680,000
Share Premium	36,409	-	36,409	36,409	36,409	36,409
Reserves	90,324	18.3%	76,383	71,290	66,616	59,629
Other Non-Distributable Reserves	(16,482)	73.2%	(9,517)	5,907	10,697	8,061
Retained Earnings / (Loss)	248,330	44.5%	171,818	158,627	137,569	224,218
Equity Attributable to Parent Company	1,174,581	7.7%	1,091,093	1,088,233	1,067,292	1,008,317
Non-Controlling Interest	534,996	7.0%	499,942	483,198	476,769	476,875
Total Equity	1,709,577	7.5%	1,591,035	1,571,431	1,544,061	1,485,192
TOTAL LIABILITIES AND EQUITY	4,407,154	51.7%	2,906,102	2,677,735	2,784,835	2,658,617



BALANCE SHEET

(Horizontal Analysis)

Horizontal analysis is done using 2016 as the base year and shows the development in key elements of the balance sheet over last 5 years.

(2016 as base year)	2020	2019	2018	2017	2016
ASSETS					
CURRENT ASSETS					
Bank Balances and Cash	172	151	92	77	100
Receivables	127	98	104	89	100
Inventories	63	58	68	82	100
	147	125	94	82	100
NON-CURRENT ASSETS					
Investments	137	133	126	153	100
Property, Plant and Equipment	58	113	116	121	100
Right of Use Assets	100	100	100	100	-
Other Non-Current Assets	240	82	89	95	100
	168	107	102	108	100
TOTAL ASSETS	166	109	101	105	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Payables	316	131	111	112	100
Short-term Loans	61	207	132	126	100
	203	165	121	118	100
NON-CURRENT LIABILITIES					
Long Term Bank Loans	80	65	84	100	100
Other Non-Current Liabilities	2,512	161	121	121	100
Lease Liabilities	100	100	100	100	-
Employees' End of Service Benefits	220	180	124	122	100
	238	97	87	102	100
SHAREHOLDERS' EQUITY					
Share Capital	120	120	120	120	100
Share Premium	100	100	100	100	100
Reserves	151	128	120	112	100
Other Non-Distributable Reserves	(204)	(118)	73	133	100
Retained Earnings / (Loss)	111	77	71	61	100
Equity Attributable to Parent Company	116	108	108	106	100
Non-Controlling Interest	112	105	101	100	100
Total Equity	115	107	106	104	100
TOTAL LIABILITIES AND EQUITY	166	109	101	105	100



BALANCE SHEET

(Vertical Analysis)

Vertical analysis is done using Total Assets of the year as base and reflects the proportion of key balance sheet elements as compared to Total Assets of that year.

(Total Assets as the base)	2020	2019	2018	2017	2016
ASSETS					
CURRENT ASSETS					
Bank Balances and Cash	7.6	10.2	6.7	5.4	7.3
Receivables	3.3	3.8	4.4	3.6	4.3
Inventories	0.5	0.6	0.8	1.0	1.2
	11.4	14.6	11.9	10.0	12.8
NON-CURRENT ASSETS					
Investments	3.6	5.4	5.5	6.5	4.4
Property, Plant and Equipment	11.7	34.7	38.8	38.8	33.6
Right of Use Assets	2.0	8.3	-	-	-
Other Non-Current Assets	71.3	37.0	43.8	44.7	49.2
	88.6	85.4	88.1	90.0	87.2
TOTAL ASSETS	100.0	100.0	100.0	100.0	100.0
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Payables	10.4	6.5	6.0	5.7	5.4
Short-term Loans	1.6	8.3	5.7	5.3	4.4
	12.0	14.8	11.7	11.0	9.8
NON-CURRENT LIABILITIES					
Long Term Bank Loans	15.1	18.6	26.1	30.2	31.5
Other Non-Current Liabilities	31.1	3.0	2.5	2.4	2.1
Lease Liabilities	1.9	7.5	-	-	-
Employees' End of Service Benefits	1.1	1.4	1.0	1.0	0.8
	49.2	30.4	29.6	33.6	34.4
SHAREHOLDERS' EQUITY					
Share Capital	18.5	28.1	30.5	29.3	25.6
Share Premium	0.8	1.3	1.4	1.3	1.4
Reserves	2.0	2.6	2.7	2.4	2.2
Other Non-Distributable Reserves	(0.4)	(0.3)	0.2	0.4	0.3
Retained Earnings / (Loss)	5.6	5.9	5.9	4.9	8.4
Equity Attributable to Parent Company	26.5	37.5	40.7	38.3	37.9
Non-Controlling Interest	12.3	17.2	18.0	17.1	17.9
Total Equity	38.8	54.7	58.7	55.4	55.8
TOTAL LIABILITIES AND EQUITY	100.0	100.0	100.0	100.0	100.0

STATEMENT OF INCOME

(SAR '000)	2020	20 vs. 19 %Change	2019	2018	2017	2016
Revenue ⁽¹⁾	1,020,865	51.0%	675,884	564,705	562,407	690,772
Direct Costs ⁽¹⁾	(597,125)	43.7%	(415,577)	(342,639)	(363,720)	(398,063)
GROSS PROFIT	423,740	62.8%	260,307	222,066	198,687	292,709
Selling & Distribution Expenses	(20,825)	-36.6%	(32,863)	(16,395)	(19,467)	(13,287)
General & Administrative Expenses	(146,672)	9.4%	(134,036)	(117,592)	(105,300)	(121,439)
OPERATING PROFIT	256,242	174.3%	93,408	88,078	73,920	157,983
Finance Costs	(133,481)	179.7%	(47,727)	(50,780)	(34,994)	(36,279)
Share of Results from Associates	21,609	-21.1%	27,372	23,745	20,736	11,650
Other Income / (Loss)	88,728	720.2%	10,818	9,283	28,162	12,013
Net Income before Zakat	233,099	177.9%	83,872	70,327	87,824	145,367
Zakat & Income Tax	(16,430)	174.2%	(5,993)	(4,806)	(6,702)	(9,330)
Group Net Income	216,669	178.2%	77,879	65,520	81,122	136,037
Group Net Income Attributable to:						
Non-Controlling Interest	77,256	186.6%	26,956	18,775	22,311	45,781
Parent Company	139,413	173.8%	50,923	46,745	58,811	90,256

Notes:

1. Revenue and cost of revenue in 2020 include accounting revenue and cost of SAR 159 million.
2. Certain comparative figures in the financial statements have been reclassified to conform to this year's presentation.
3. Main variances in profitability and operating results are explained in the sections of 'Analysis of Financial Results' and for each business under each company's profile.



STATEMENT OF INCOME

(Horizontal Analysis)

Horizontal analysis is done using 2016 as the base year, and shows the development in key elements of the income statement over the last 5 years.

(2016 as base year)	2020	2019	2018	2017	2016
Revenue	148	98	82	81	100
Direct Costs	150	104	86	91	100
GROSS PROFIT	145	89	76	68	100
Selling & Distribution expenses	157	247	123	147	100
General & Administrative expenses	121	110	97	87	100
OPERATING PROFIT	162	59	56	47	100
Finance Costs	368	132	140	96	100
Share of results from associates	185	235	204	18	100
Other Income / (Loss)	739	90	77	234	100
Net Income before Zakat	160	58	48	60	100
Zakat & Income Tax	176	64	52	72	100
Group Net Income	159	57	48	60	100
Group Net Income Attributable to:					
Non-Controlling Interest	169	59	41	49	100
Parent Company	154	56	52	65	100



STATEMENT OF INCOME

(Vertical Analysis)

Vertical analysis is done using Revenue of the year as base and reflects the proportion of key income statement elements as compared to Total Revenue of that year.

(Revenue as the base)	2020	2019	2018	2017	2016
Revenue	100.0	100.0	100.0	100.0	100.0
Direct Costs	(58.5)	(61.5)	(60.7)	(64.7)	(57.6)
GROSS PROFIT	41.5	38.5	39.3	35.3	42.4
Selling & Distribution Expenses	(2.0)	(4.9)	(2.9)	(3.5)	(1.9)
General & Administrative Expenses	(14.4)	(19.8)	(20.8)	(18.7)	(17.6)
OPERATING PROFIT	25.1	13.8	15.6	13.1	22.9
Finance Costs	(13.1)	(7.1)	(9.0)	(6.2)	(5.3)
Share of Results from Associates	2.1	4.0	4.2	3.7	1.7
Other Income / (Loss)	8.7	1.6	1.6	5.0	1.7
Net Income before Zakat	22.8	12.4	12.5	15.6	21.0
Zakat & Income Tax	(1.6)	(0.9)	(0.9)	(1.2)	(1.4)
Group Net Income	21.2	11.5	11.6	14.4	19.6
Group Net Income Attributable to:					
Non-Controlling Interest	7.5	4.0	3.3	4.0	6.6
Parent Company	13.7	7.5	8.3	10.4	13.0

KEY RATIOS

	2020	2019	2018	2017	2016
Liquidity Ratios					
Current Ratio	0.9	1.0	1.0	0.9	1.3
Quick Ratio	0.9	0.9	1.0	0.8	1.2
Cash to Current Liabilities	0.6	0.7	0.6	0.5	0.8
Cash Flow from Operations to Sales	0.3	0.4	0.3	0.4	0.4
Capital Structure Ratios					
Debt-Equity Ratio	0.4	0.5	0.5	0.6	0.6
Financial Leverage Ratio	0.6	1.2	1.4	1.2	1.3
Interest Cover Ratio	2.7	2.8	2.4	3.5	5.0
Activity Ratios					
Average Collection Period	43.7	48.0	55.6	48.3	47.3
Fixed Assets Turnover	0.3	0.3	0.3	0.2	0.3
Total Assets Turnover	0.2	0.2	0.2	0.2	0.3
Accounts Receivables Turnover	7.0	6.1	4.8	5.5	6.1
Profitability Ratios					
Gross Profit Margin (%)	41.5	38.5	39.3	35.3	42.4
Operating Profit Margin (%)	25.1	13.8	17.2	18.0	24.4
Net Profit Margin (%)	22.8	12.4	12.5	15.6	21.0
Return on Assets (%)	4.9	2.7	2.4	2.9	5.1
Return on Equity (%)	12.7	4.9	4.2	5.3	9.2
EBITDA Margin to Sales (%)	52.0	42.8	48.0	46.3	44.9
Investment / Market Ratio					
Price Earnings Ratio	18.9	31.6	19.0	15.8	13.4
<i>Market Price per Share (SAR)</i>					
<i>At the end of the year</i>	32.4	19.6	10.8	11.4	14.9
<i>Highest during the year</i>	33.5	19.9	16.2	13.5	16.9
<i>Lowest during the year</i>	13.1	10.7	10.8	9.9	9.5
Book Value per Share (SAR)	14.4	13.4	13.3	13.1	14.8
EBITDA Multiple	5.0	5.5	3.3	3.6	3.3
EV / EBITDA	6.7	8.9	7.5	8.6	7.2



KEY FINANCIAL DATA

	2020	2019	2018	2017	2016
Balance Sheet (SAR '000)					
Share Capital	816,000	816,000	816,000	816,000	680,000
Reserves	90,324	76,383	71,290	66,616	59,629
Shareholders` Equity	1,174,581	1,091,093	1,088,234	1,067,292	1,008,317
Long-term Borrowing	665,663	540,390	699,027	839,710	836,402
Capital Employed	3,879,433	2,475,622	2,363,717	2,476,506	2,398,080
Property, Plant, & Equipment	514,436	1,008,201	1,039,960	1,079,520	892,863
Right of Use Assets	86,918	241,825	-	-	-
Other Non-Current Assets	3,141,574	1,070,385	1,162,103	1,238,841	1,307,795
Profit & Loss (SAR '000)					
Sales	1,020,865	675,884	564,705	562,407	690,772
Gross Profit	423,740	260,307	222,066	198,687	292,709
Operating Profit	256,242	93,408	88,078	73,920	157,983
Profit before Zakat and NCI	233,099	83,872	70,327	87,824	145,367
Net Profit	139,413	50,923	46,745	58,811	90,256
EBITDA	530,424	289,543	220,193	225,416	273,685
Earnings per Share	1.71	0.62	0.57	0.72	1.11
Cash-flow (SAR '000)					
Cash Flows from Operating Activities	355,907	256,064	183,951	243,550	262,440
Cash Flows from Investing Activities	(194,694)	(23,726)	20,742	(296,071)	(268,930)
Cash Flows from Financing Activities	(119,779)	(117,821)	(174,817)	7,824	(50,775)
Change in Cash and Cash Equivalentents	41,433	114,517	29,876	(44,696)	(57,265)
Closing Cash and Cash Equivalentents	336,534	295,101	180,584	150,708	195,404
Capitalization					
Closing Price (SAR per Share)	32.4	19.60	10.84	11.40	14.89
Market Capitalization (SAR million)	2,643,840	1,599	885	930	1,013
Enterprise Value (SAR million)	3,579	2,585	2,040	2,242	2,246
Numbers of Shares Issued (SAR million)	81,600	81,600	81,600	81,600	68,000
Operational Statistics					
Containers ('000 TEUs)	2,667	1,959	1,581	1,363	1,614
No. of Vehicles	1,761	4,688	7,348	8,304	14,160
General Cargo (metric tons)	48,505	73,881	63,720	38,280	44,739
Water Production (million m ³)	16.9	16.7	17.3	18.3	19.8



GEOGRAPHICAL ANALYSIS OF REVENUE

The Group's consolidated subsidiaries principally operate in western region of the Kingdom.

COMPANY (SAR '000)	2020			2019		
	WESTERN	CENTRAL	EASTERN	WESTERN	CENTRAL	EASTERN
RSGT	843,524	-	-	504,359	-	-
LOGIPOINT	46,960	-	-	48,833	-	-
KINDASA	92,247	-	-	91,769	-	-
ISNAD	38,133	-	-	30,923	-	-
TOTAL	1,020,864	-	-	675,884	-	-
	1,020,864			675,884		

SISCO's associated entities, whose revenues are not consolidated in SISCO's financial statements, operate across the Kingdom and their revenue break-down is as follows:

COMPANY (SAR '000)	2020			2019		
	WESTERN	CENTRAL	EASTERN	WESTERN	CENTRAL	EASTERN
TAWZEA	111,859	133,747	-	117,938	145,375	-
SA TALKE	64,207	-	196,493	76,196	-	182,671
TOTAL	176,066	133,747	196,493	194,134	145,375	182,671
	506,306			506,854		

BANK LOANS AND DEBT INSTRUMENTS

No.	COMPANY (SAR '000)	LENDER	START YEAR	ORIGINAL PRINCIPAL	BALANCE 1/1/2020	DRAWDOWNS	REPAYMENTS	BALANCE 31/12/2020
1	RSGT	Al Rajhi / BSF	2016	260,000	203,138	-	(203,138)	-
			2008	1,271,061	590,632	-	(590,632)	-
		Al Rajhi / BSF	2020	793,771	-	793,771	(50,246)	743,525
			2020	750,000	-	45,000	-	45,000
2	KINDASA	SABB	2016	24,000	5,757	-	(886)	4,871
TOTAL				3,098,832	799,527	838,771	(844,902)	793,396

REPAYMENT PROFILE

COMPANY (SAR '000)	RSGT		KINDASA	TOTAL
Lender	Al-Rajhi / BSF (1)	Al-Rajhi / BSF (2)	SABB	
Less than one year	68,899	-	1,771	70,670
From 1 to 2 years	71,439	-	1,771	73,210
From 2 to 5 years	230,749	10,809	1,329	242,887
More than 5 years	372,438	34,191	-	406,629
Closing Balance of the Period	743,525	45,000	4,871	793,396

PAYMENTS TO GOVERNMENT AUTHORITIES

INSTITUTION (SAR '000)	2020		DESCRIPTION
	PAID DURING THE YEAR	DUE UP TO END OF 2020 AND HAS NOT BEEN PAID	
General Authority of Zakat and Tax	15,086	-	
General Organization of Social Insurance	11,470	260	Received after the year end.
Ministry of Interior for Passport / Visa Services	3,557	-	
Department of Customs	12,452	-	
Saudi Ports Authority	144,438	152	Received after the year end.
TOTAL	187,003	412	



DIVIDEND POLICY

The Company's dividend policy is governed by Articles (45) and (46) of its Articles of Association.

Article 45 mandates the following regarding distribution of the company's annual Net Profits:

1. The Company sets aside ten (10) percent of Net Profits after Zakat as statutory reserve until the reserve reaches thirty (30) percent of the company's paid up share capital.
2. The Company has the right to set aside other reserves to the extent that benefits the company and stabilizes the dividends paid to shareholders. In addition, the company can cut off some of the Net Profits to be used in either establishing or contributing to social institutions for the company's employees.
3. The remaining amount, if any, would be used in distributing at least ten (10) percent of the Company's annual Net Profits to shareholders based on Board's suggestion and partner's approval.

The Company may choose to distribute dividends quarterly or semi-annually if it meets the following requirements:

- The Board's resolution/ decision should be renewed annually.
- The company should maintain good/stable profits.
- The company should have adequate liquidity, and it should be able to anticipate its future profits clearly.
- The company should have an adequate amount of Profits, based on the final audited financial statements, to cover the amount proposed to be distributed as dividends after deducting what has been distributed or used as capital beyond the date of the financials.

Article (46) states that the shareholders are authorized to receive their dividends based on the Company's/ Board's resolution, which should include the ex-dividend date and the distribution/payment date for the dividends. Shareholders are eligible for the dividends if they are registered in the company's record by end of the ex-dividend date.

Historical Dividends Paid by the Company:

	2015	2016	2017	2018	2019	2020 (proposed)
Dividend/Share	0.5	*	0.3	0.4	0.6	0.8
Distribution %	5% of share capital which is SAR 680 Million	*	3% of share capital which is SAR 816 Million	4% of share capital which is SAR 816 Million	6% of share capital which is SAR 816 Million	8% of share capital which is SAR 816 Million
Total Amount	SAR 34 Million	*	SAR 24.4 Million	SAR 32.6 Million	SAR 48.9 Million	SAR 65.2 Million

* Bonus shares were granted to all shareholders by issuing one bonus share for each five shares as approved by the General Assembly of Shareholders on 16 April 2017.



**MANAGEMENT
FRAMEWORK**



MANAGEMENT STRUCTURE AND PHILOSOPHY

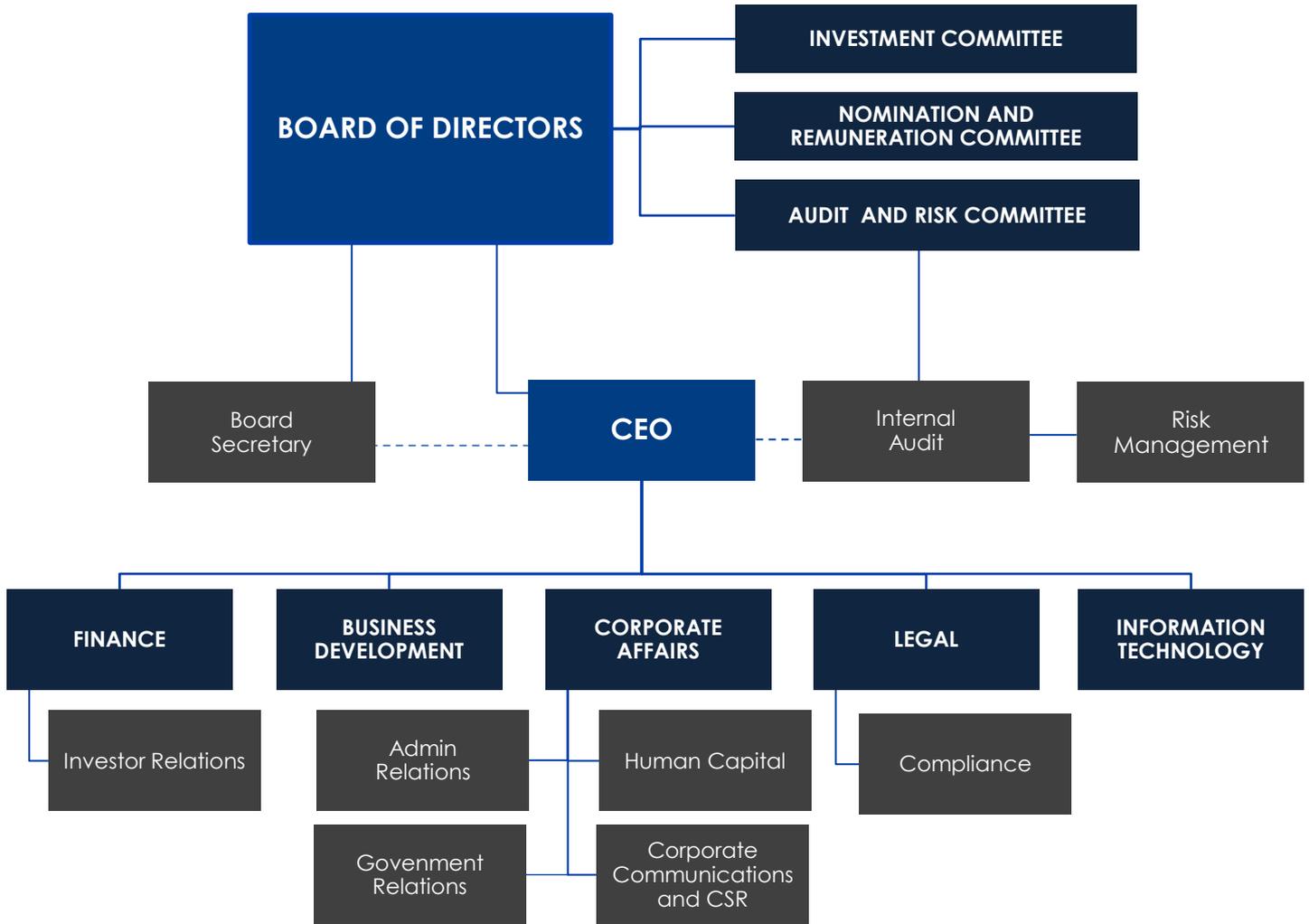
SISCO manages its group companies with the concept of strategic long-term investment, where the individual business companies focus on growth within their respective sector, and corporate center supports the unit through key advisory functions to bring in synergies.

SISCO's Board has a top down view as the custodian of stakeholders' interests and works with the CEO in deciding overall strategic vision and direction of the company and implementation of that vision. The Board is assisted by a number of Board Committees in making decisions related to Audit, Risk, Investments, Remunerations and Nomination.

Each SISCO company (both subsidiaries and associated) is governed by an independent board, which appoints an independent CEO to the respective company, who is responsible for implementing the direction set by the Board into tangible results. SISCO is represented in each consolidated and associated company's board in-line with its shareholding position. This approach of managing its investments ensures accountability without impeding the flexibility and entrepreneurial spirit within each company, translating in to SISCO group's continued growth.

Corporate functions provide the Board and CEO with a set of functional strengths and enable a 'portfolio-oriented' management of SISCO's investments. The core responsibility of the Corporate Center is to advise and support in establishing a system and mechanism across the group, which is in accordance with highest standards of integrity, and provides a uniform set of reporting, risk management, and compliance procedures.

ORGANIZATION CHART



BOARD AND COMMITTEE MEMBERS



AAMER ABDULLAH ALIREZA
Chairman of the Board

On SISCO Board Since 2003
Investment Committee Member and Nomination & Remuneration Committee Member

MEMBERSHIP IN COMPANIES	LAW ENTITY
<ul style="list-style-type: none"> - Red Sea Ports Development - Tabadul (Previously) - Al Balad Development Co. 	Closed Joint Stock
<ul style="list-style-type: none"> - BUPA Arabia for Co-operative Insurance (Previously) 	Listed / Joint Stock
<ul style="list-style-type: none"> - Xenel Industries Co. - Red Sea Gateway Terminal Co. - Saudi Trade & Export Development Co. - Support Services Operation Co. - Aecom Arabia Ltd. - Magrabi Hospitals & Centers - NEOM – Industrial City (Under Formation) - Green Dome Investments (United Arab Emirates) 	Limited liability

CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
<ul style="list-style-type: none"> - Executive Chairman of the board of directors (LogiPoint) - Executive Chairman of the Board of Directors RSGT - Board Member of Xenel Industries Ltd. And Managing Director of its Services Division in Xenel Industries Co. - Chairman of the Board of Aecom Arabia Ltd. 	<ul style="list-style-type: none"> - SISCO Vice Chairman - CEO and Board Member of LogiPoint - CEO and Board Member of RSGT 	<ul style="list-style-type: none"> - BA in Economics and Political Science. - He has also taken part in various management executive programs at the University of California, Singularity University and Harvard University. 	<p>A Board Member of the Xenel Group of Companies, the Managing Director of Services Division, and a Board Member of a number of its subsidiaries and affiliates.</p> <p>He is the Chairman of the Board of AECOM Arabia Ltd. Previously a Board Member of Tabadul and BUPA Arabia.</p> <p>He also serves on the board of directors for Friends of Jeddah Parks, a non-profit organization.</p>



ADNAN ABDULFATTAH SOUFI
The Vice Chairman

On SISCO Board Since 2020
Investment Committee Chairman

MEMBERSHIP IN COMPANIES	LAW ENTITY
- NCB Capital Company (and Nomination & Remuneration Committee Member)	
- Panda Retail Company (and Investment Committee Member)	Closed Joint Stock
- Wadi Jeddah Company (and Investment Committee Member)	
- The Savola Group (and Investment Committee Member)	
- Fitaihi Holding Group (and Audit Committee Member)	Listed /Joint Stock

CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
Co-founder and Executive Partner, Dr. Adnan Abdel Fattah Soufi Office for Management Consultancy	He has previously held several positions in many companies and positions such as a member of the Capital Market Authority Board, CEO of SEDCO Holding Company, and the Dean of the Faculty of Economics at King Abdulaziz University.	<ul style="list-style-type: none"> - PhD in Business Administration from George Washington University, USA. - Master's in Business Administration from Seattle University, USA. 	22 years' experience in corporate management, membership of the Boards, governance, business development, strategies, management change, transformation programs and institutional investment.



ABDULAZIZ ABDULLATIF JAZZAR

On SISCO Board Since 2014

Nomination & Remuneration Committee Chairman and
Audit Committee Member

MEMBERSHIP IN COMPANIES	LAW ENTITY
<ul style="list-style-type: none"> - Malaz Capital - Initiatives Co. For IT & Telecom (Previously) 	Closed Joint Stock
<ul style="list-style-type: none"> - Salama Cooperative Insurance Co. (Previously) 	Listed /Joint Stock
<ul style="list-style-type: none"> - Korom Ajjad Ltd. - Malaz Group Co. 	Limited liability

CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
<ul style="list-style-type: none"> - Executive and Managing Partner of Malaz Capital - Chairman of the Board of Directors (Malaz Group) 	<p>Managing Director of Saudi Research and Publishing Co (SRPC)</p>	<ul style="list-style-type: none"> - Doctorate in Computer Science. - Masters in System Engineering - Bachelor Degree in Computer & Communications Engineering 	<p>The President/CEO of International Systems Engineering Ltd (ISE) a company formed in partnership with The Boeing Company.</p> <p>Between 1976-1993 he was an officer in the Royal Saudi Airforce. He retired as the Director of computing, HQ. His Public assignments include Board Membership of the Riyadh Chamber of Commerce & Industry (2000 -2004) and the chairman of the organizing committee for Riyadh Economic Forum (2002 – 2006). He was also a member of the board of Trustees of the Centennial Fund and a Member of the board of directors of the Economic Cities Authority and of the National Industrial Cluster Development Program.</p>



SALEH A. HEFNI

On SISCO Board Since 1998

Investment Committee Member

MEMBERSHIP IN COMPANIES	LAW ENTITY
<ul style="list-style-type: none"> - Halwani Brothers Co. (Previously) - Al-Ahli Takaful (and Executive Committee, Risk Committee Member) - Middle East Healthcare Company - MEAHCO (Previously) - Saudi Ground Services Co. (and NRC, Executive Committee Member) 	Listed /Joint Stock
<ul style="list-style-type: none"> - Kindasa Water Services Co. - Halwani Brothers Co. (Egypt) (Previously) 	Closed Joint Stock
<ul style="list-style-type: none"> - Saudi Trade & Export Development Co. 	LLC

CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
CEO of Omar Kassem Al-Esayi Marketing Co.	Managing Director and CEO of Halwani Brothers Co.	<ul style="list-style-type: none"> - Bachelor of Science in Civil Engineering, - Master's degree in Civil Engineering 	Experience in management and aiding companies to structure and in business development.



MUNEERA HEJAB AL-DOSSARY

On SISCO Board Since 2020

Investment Committee Member

BOARD MEMBERSHIP IN COMPANIES	LAW ENTITY
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Rugove European Water Company "Kosovo"

Closed Joint Stock

CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
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- CEO of the Mulkia Investment Company.
- Chairman of Capital Market Financial Institutions Committee.
- Vice Chairman of National Committee of Financial & Insurance Sectors at Conical of Saudi Chambers.
- Member of Investment & Securities Committee at Riyadh Chamber of Commerce.

She has previously held several positions such as Head of Equity Investments with Saudi Fransi Capital, and MIS Administrator – Budget & Planning Department at the Saudi Fransi Bank. Vice Chairman of Taleem REIT.

- Bachelor's degree in Business Administration Studies/ MIS from Arab Open University.
- Banking Operations Diploma from Institute of Public Administration.

Over 15 years of experience in Banking and Asset Management.



TALAL NASIR AL-DAKHIL

On SISCO Board Since 2020

Nomination & Remuneration Committee Member

BOARD MEMBERSHIP IN COMPANIES	LAW ENTITY
- Washmen Holding Limited	Limited liability

CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
Senior Banker Corporate Banking Division at Banque Saudi Fransi.	He has previously held several positions such as Senior Relationship Manager for Corporate Banking at the Saudi Fransi Bank, and a Relationship Officer for Corporate Banking at the Saudi Fransi Bank.	- Bachelor's degree in Finance from King Saud University.	10 years' experience in banking relations.



AHMED MOHAMMED AL-RABIAH

On SISCO Board Since 2020

Nomination & Remuneration Committee Member

BOARD MEMBERSHIP IN COMPANIES BASED IN KSA	LAW ENTITY
--	------------

- | | |
|--|-------------------|
| - Innovative Foods Company | |
| - Saudi Trade & Export Development Co. | Limited liability |

CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
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Investment and strategic Manager in Innovative Foods Company.	He has previously held several positions such as a Director of Wealth and Investment Management at Audah Capital, and Senior Director of Corporate Banking Relations at Saudi British Bank.	Bachelor's degree in Computer Science from Boston University, USA.	14 years' experience in wealth management, investment and banking relationships.
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WALEED ABDULAZIZ KAYYAL
Audit Committee Chairman

MEMBERSHIP IN COMPANIES BASED IN KSA	LAW ENTITY
<ul style="list-style-type: none"> - Kinan International Co. (Member of Remuneration Committee) (Previously) - Itqan Capital (Previously) - AMS BAESHEN & CO. (Audit Committee Member) 	Closed Joint Stock
<ul style="list-style-type: none"> - Middle East Healthcare Company – MEAHCO (and Audit Committee member) - SABB Takaful (Previously) 	Listed /Joint Stock

CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
Businessman	Regional Director in Saudi British Bank	Bachelor's degree in Commerce	Depth experience of banking business gained through his employment with Saudi British Bank, and other companies.



ABUBAKER ALI BAGABIR

Audit Committee Member

MEMBERSHIP IN COMPANIES BASED IN KSA	LAW ENTITY
<ul style="list-style-type: none"> - SABB Takaful - Anfaal Capital (Previously) 	Listed /Joint Stock

<ul style="list-style-type: none"> - Al-Nahdi Medical Company - Abdel Latif Jameel Finance Company - AMS BAESHEN & CO. (Previously) 	Limited liability
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CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
<ul style="list-style-type: none"> - Associable Professor in University of Business and Technology. - Financial and Management Consulting Office (Dr. Abu Bakr Bajabir Office). 	Head of Finance & Accounting Division (Group Responsibilities) in The National Commercial Bank (NCB).	<ul style="list-style-type: none"> - Doctor of Philosophy (Ph.D.) Accountancy and Finance, University of Strathclyde, UK - Master's degree (M. Soc. Sc.) Accounting, University of Birmingham UK. - Bachelor of Science (B.Sc.) Accounting, University of Khartoum, Sudan, - (Fellow Chartered Certified Accountant, UK (FCCA) 	Depth experience of banking business gained through his employment with The National Commercial Bank (NCB)



THAMER SAEED AL-HARTHI

Nomination and Remuneration Committee Member

CURRENT POSITION	PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
Independent Senior Consultant	<ul style="list-style-type: none">- Executive Manager- Human Capital Management in Fakeeh Care.	Bachelor's degree in Law.	Long experience in Human Capital Management gained through his employment with several entities as Bupa Arabia, Fonterra, NCB, and Nicholson International.

EXECUTIVE MEMBERS



MOHAMMED M. KAMAL AL-MUDARRES

Chief Executive Officer

PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
<ul style="list-style-type: none"> - Stork Cooperheat, ME Regional Manager - SIEMENS, GM Power General Division 	<ul style="list-style-type: none"> - M.Sc. & B.Sc. - Electrical Engineering, Colorado (USA) 	<ul style="list-style-type: none"> - Extensive experience (27+ years) in Management of National and International Companies. - Board Member in RSGT, LogiPoint, ISNAD, S A Talke, Kindasa and Tawzea - Committees Member in SISCO Subsidiaries and Associated



MAHMOOD HUSSAIN

Chief Financial Officer

PREVIOUS POSITION	QUALIFICATIONS	EXPERIENCE
<ul style="list-style-type: none"> - Head of Investment Banking and Head of Proprietary Investments at Alkhabeer Capital 	<ul style="list-style-type: none"> - MA (Hons) in Accounting Management - ACA - CISI 	<ul style="list-style-type: none"> Extensive experience (21+ years) in Financial and Investment Management with National and International Companies



HUMAN CAPITAL DEVELOPMENT

We at SISCO and our group of companies have worked hard to develop a culture of respecting and valuing our people. We are constantly looking for ways to improve and develop our people and processes to ensure that we become the employer of choice for top Saudi talent, as well as needed expert expatriate talent. We pride ourselves on our high rate of retention but are always looking to improve.

Our ability to create and develop high performance teams in a culture of transparency, inclusiveness, professionalism and excellence is what drives our success more than any other factor. We place great emphasis on the pursuit of knowledge and training - a commitment that we have designed to motivate and inspire our people in delivering unbeatable quality, value and services to the company.

As a parent company, SISCO strives to create a 'one firm' culture to ensure that we leverage the most in terms of the synergies between our businesses. To this end, a unified talent management model has been developed to ensure that the firm is maximizing its ability to attract, retain and nurture highly skilled employees with diverse skills and abilities across the board.

Nationalization of operational and managerial positions has been the cornerstone of the group's HR philosophy. SISCO has driven forward the nationalization of numerous positions in all its companies by training and developing Saudi nationals, this will remain a priority for the coming years.

Today SISCO companies increased the number of Saudi Nationals employed has increased from 757 to 896 of our total workforce. We have focused on employing Saudi women, where appropriate, and have 51 women currently employed, not only in traditional roles but as engineers and planning functions. In addition, 85% of SISCO companies have a Platinum Nitaqat status, with the remaining 15% at high green.

SISCO entities pride themselves in maintaining the highest standards in health and safety at our facilities, monitoring carefully potential risks to our employees and our operations, so that we could provide a safe working environment for our team members, contractors, suppliers, and customers.

HR PERFORMANCE

Committed to our resolve to establish a sustainable institutional mechanism to hire and retain people, the group inculcates the culture of employee engagement at all levels of the work force.



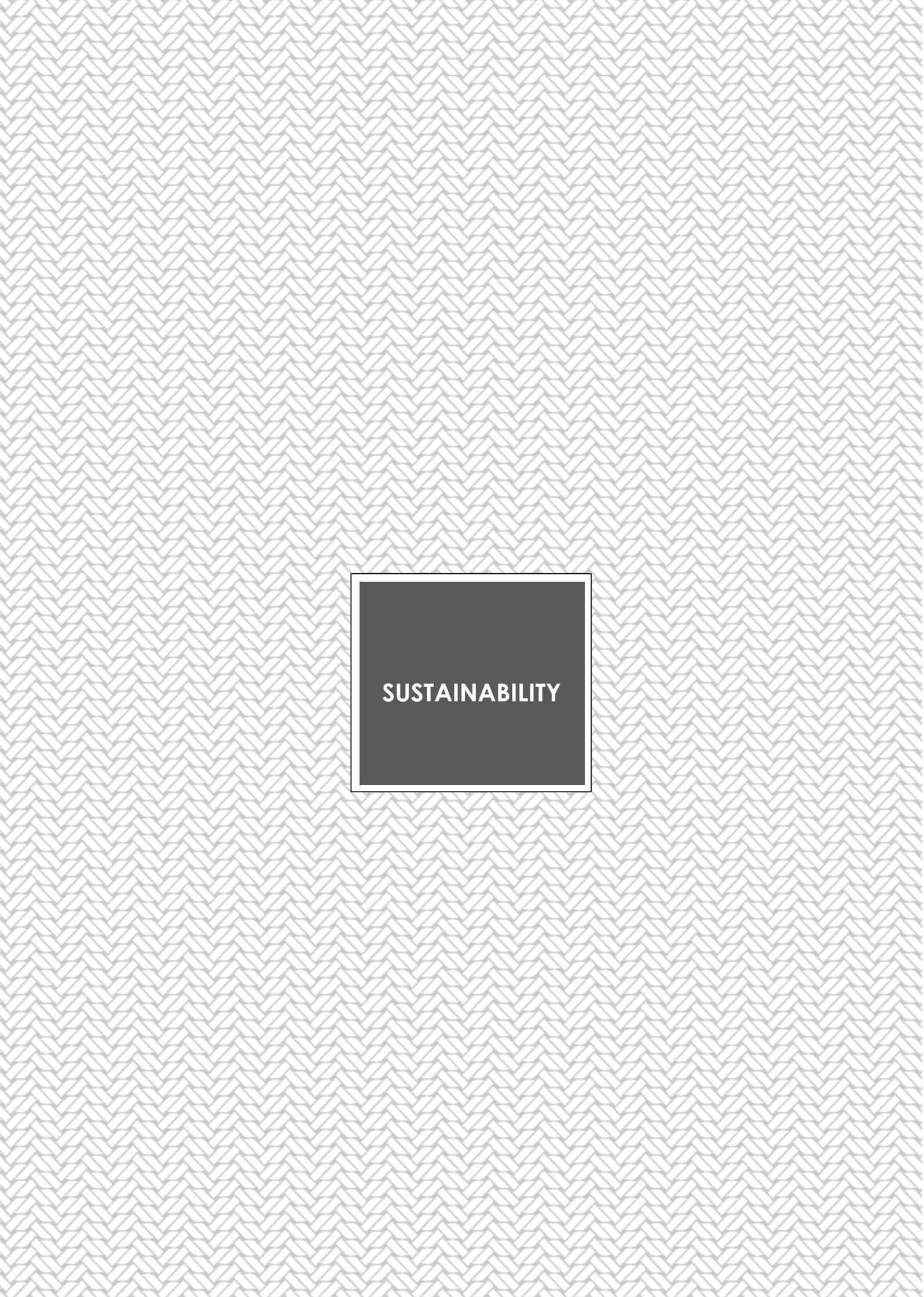
A culture of continuous improvement is now part of the SISCO way and as such, SISCO, as a group of companies, engaged in 34,785-man hours of training during 2020 despite the challenges of dealing the social distancing measures of COVID and the closure of borders. Included in this training is behavioral training, English, professional development and operational excellence training, and plan to try increase this number even further in 2021 by implementing the SISCO management development program (LEAD), the start of our graduate program and continued English language training.

SISCO carries out a summer internship program, and this year we had 7 female interns in our IT department over the summer. The training was conducted virtually, and each participant received a total of 200 hours each.



COMPOSITION OF TOTAL EMPLOYEES BY COMPANIES

COMPANY	2019	2020
Saudi Industrial Services Co. (SISCO)	39	39
Red Sea Gateway Terminal (RSGT)	1,011	1,436
Saudi Trade and Export Development (LOGIPOINT)	129	142
Kindasa Water Services (KINDASA)	138	133
Support Services Operation Co. (ISNAD)	30	28
International Water Distribution Co. (TAWZEA)	247	299
Al-Jabr Talke Co. (SA TALKE)	1,768	1,698
TOTAL	3,362	3,775
<i>Total Number of National Employees</i>	757	898
<i>Total Number of Expatriate Employees</i>	2,605	2877



SUSTAINABILITY



Sustainability at SISCO Group

A winning approach to sustainability seeks to capture financial business benefits while pushing for a positive environmental impact. Fostering a sustainable green economy is a powerful way to maintain and strengthen the Kingdom's economic, environmental, and social development, reinforcing its international competitiveness. We believe our sustainability efforts, will further expand our businesses in key markets to achieve diversified and sustainable results.

The following section presents the summary Environment, Social and Governance (ESG) performance across SISCO and its subsidiaries.

Our Sustainability Framework

For SISCO Group, sustainability means permanently creating value for all stakeholders: customers, employees, investors, business partners and society as a whole. For us, sustainability is not an isolated area where we take action, but an integral part of our corporate strategy.

SISCO's sustainability framework encapsulates the essence of sustainability for the SISCO Group by identifying the key areas that need to be addressed and well-adjusted. Our sustainability framework comprises of four pillars that align with SISCO Group's corporate mission and values. These pillars have been aligned with our material issues.





Alignment with National, and International standards and guidelines

We have aligned SISCO Group's material issues with the GRI Standards, UN SDGs, SASB Guidelines, Saudi Vision 2030 and the National Standards of Sustainability (Ministry of Commerce and Industry).





2020 ESG Highlights



Red Sea Gateway Terminal (RSGT) was named winner of the 2020 Sustainability Award at the 17th Annual Seatrade Maritime Awards, Middle East, Indian Subcontinent & Africa.



LogiPoint, has successfully developed an environmental policy with the objective of assessing compliance and monitoring energy and natural resources consumption. Audits and inspections regularly assist in maintaining adequate implementation of the preventive maintenance.



S.A Talke, invested SAR 4.5 million in acquiring two additional accommodation premises for blue collared workers to implement appropriate social distancing among workers.

S.A Talke also implemented an energy saving reminder programme "Go Green", which monitors and measures the direct consumption of energy from operations, reported monthly.



Kindasa, along with SISCO, RSGT and LogiPoint, donated SAR 1 million to the Makkah COVID - 19 relief fund " under supervising of Emirate of Makkah Province" , as well as Iftar meals during Ramadan to various deserving parts of the community.



Tawzea designed a sewage system to treat residential-strength and industrial wastewater to be used for irrigation. The subsurface system also caters to customers for industrial city irrigation. The treated sewage effluent (TSE) has reduced reliance on an independent source or third party to provide irrigation water.

Tawzea was also able to bring the NRW (water loss in networks) to 3%-5% only within the industrial cities under its jurisdiction, where this number is much higher in other municipalities in KSA or even internationally.



Empowering our People

Our employees play an integral role in the success of SISCO Group. We ensure that our employees are deeply appreciated and valued. We seek to attract the best talent while also promoting nationalisation efforts and pride ourselves in maintaining the highest standards in health and safety at our facilities, monitoring carefully potential risks to our employees and our operations, to provide a safe working environment for our workforce.

<p>Material Issues Covered</p>	<ul style="list-style-type: none"> - Talent Attraction, Development and Retention - Health and Safety - Diversity and Equality
<p>Saudi Vision 2030 Pillar</p>	
<p>Sustainable Development Goals</p>	

Talent Attraction, Development and Retention

Our efforts to attract and retain staff, provide equal opportunities and increase diversity in our workforce, are fundamental to our ability to operate. SISCO is a diverse Group. We strive to treat everyone fairly and without discrimination, creating value for our employees by supporting them in reaching their potential. To remain the industry leader, it is imperative that we continue to retain high-calibre experts across the SISCO and its subsidiaries.

By using vocational, technical and tertiary compliance training, we ensure that our employees across the Group retain the necessary certifications and qualifications and continue their professional growth. SISCO Group provides the learning and development opportunities through on - the - job training, internal training opportunities through our Professional Learning & Development Programme and external training.

The way we acquire, manage, develop, and engage people across the Group is divided into four foundational areas: talent acquisition, engagement and well-being, talent development and remuneration. The majority of SISCO Group's talent management programmes are created and delivered at the local level, based on each affiliate's needs. However, the top line strategy remains the same across the Group, encompassing performance management, leadership development, succession management and employee capability building.



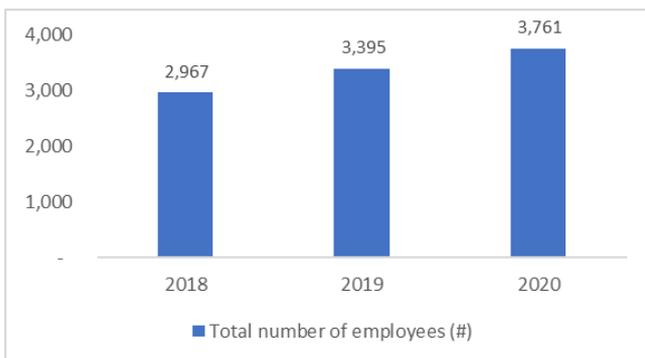
Employee Engagement and Satisfaction

We want SISCO Group to be a great place to work. We respect and value our people, their rights and their conditions of employment. We provide opportunities for them to grow and develop and, we create an environment where all individuals feel valued and there is equal opportunity for all.

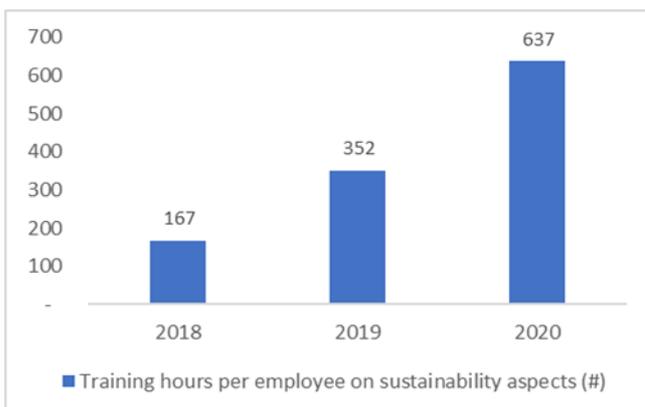
Every two years, SISCO Group undertakes a comprehensive employee engagement survey which covers sustainable engagement, strategy and direction, senior leadership, line management, performance management, training, communication, culture and values, quality and customer focus, development opportunities, work organisation, remuneration considerations, safety and other SISCO Group and subsidiary-specific questions. The survey is intended to provide SISCO Group insight on areas of strength and weakness. We gather the feedback from the surveys and undertake a benchmarking assessment of the results as well as develops action plans to enhance employee satisfaction.

89% employee engagement vs. 83% average response rate for global high performing companies 12% Turnover rate.

Training & Development



We invest in learning and development, as it is key for SISCO Group and is targeted at supporting both the long- and short-term commercial needs of the company as well as the empowerment of our workforce. We provide support mechanisms and resources to increase individual and internal team capabilities, developing management standards and, enhancing performance levels - providing a platform for career development. In addition to internal programmes and function-based training, all employees have the opportunity to discuss and identify external specialist courses or areas of interest that enhance individual and company performance.



- Kindasa aims to train a minimum of 20% of employees annually, based on employee's training needs and their performance on a yearly basis.
- S.A Talke developed distinct policies and programs including an Employee Performance Appraisal Evaluation Policy and Employee Recognition Program.
- LogiPoint utilizes a Performance Management System to manage employee progress, performance, and personal development in relation to the overall organizational goals.



Health and Safety



SISCO and our subsidiaries work tirelessly to ensure the safety of our employees over this time. All necessary social distancing was implemented, and mandatory PPE requirements implemented with all necessary PPE made available to the staff. Where necessary we acquired additional accommodation for our staff to ensure the appropriate quarantine and social distancing measures were met.

Work from home measures were implemented and encouraged where possible.

As a group we believe that Health and Safety is a priority. All employees and visitors to our places of work have the right to:

- Return home safely
- Earn a living in an environment that is safe
- Not suffer any long-term effects from working for a SISCO company
- To an environment where profit is not put above the wellbeing of our people

We have worked hard this year to ensure that the companies have the appropriate level of expertise to develop and strengthen our HSSE systems and programmes. The culture we endeavour to install is one of "Safety First" where we are all responsible for ensuring that work is carried out in a safe manner, and to ensure any unsafe act is reported, investigated and changes made as needed.

During the COVID-19 pandemic in 2020, SISCO Group instituted the necessary precautions, including allowing remote working for half of the workforce – with a special focus on high-risk employees. Employees across SISCO Group's operations were required to comply with ministry recommendations of wearing masks, keeping hygiene, and sanitising workstations. Designated quarantine areas were made for workers across the group.

In 2020, S.A Talke, invested SAR 4.5 million in acquiring two additional accommodation premises for blue collared workers to implement appropriate social distancing among workers. Our other subsidiaries followed similar health and safety measures in line with the requirements of the Saudi Government.

Zero employee fatalities since 2018

37% reduction in employee total recordable injuries between 2019 and 2020



Healthy Living and Group Activities

SISCO held our second annual group football tournament in 2020 prior to the COVID outbreak, with 10 teams competing with LogiPoint emerging the winners after a hard day of knockout football.



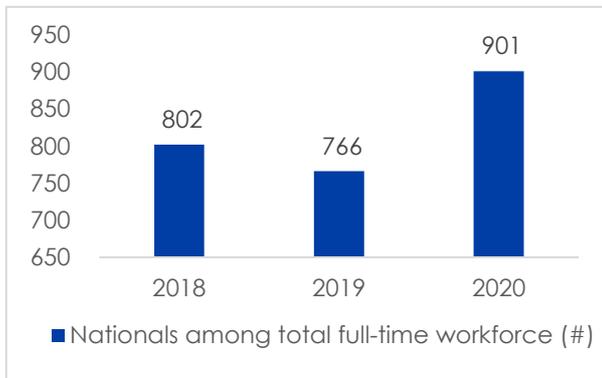
Diversity and Equality

SISCO Group is a diverse company. We strive to treat everyone fairly and without discrimination, creating value for our employees by supporting them in reaching their potential. We have placed a significant emphasis on recruiting KSA Nationals to achieve strong performance for today and sustainable talent for tomorrow.

In line with the Saudi Vision 2030, we are increasing our hires of women in the workforce, in an effort to reduce the gender employment gap. SISCO Group has also ensured that there is a zero gender pay gap for individuals engaged in the same role. In 2020, we appointed the first female Board member to the Group. We encourage an environment where female employees feel welcomed. Additionally, recruitment efforts do not discriminate between candidates based on gender identity – nor any other related identity categories.

10% increase in female employment rate between 2019 and 2020

21% increase in youth workforce hires



SISCO Group is leading the way for recruiting KSA Nationals for all positions. Our leadership management programme LEAD is focused on hiring Saudi nationals. In addition, the Group runs a graduate programme runs on a two-year cycle for newly graduate Saudi Nationals, with the first programme completed in 2020. As per our Saudization plan for recruitment we are targeting professional agencies for senior level positions and using the Group's media platforms to attract Saudi applicants.





Good Governance and Strong Intuition

Sisco group is committed to conducting its business with the highest standards of integrity, transparency, and accountability. Our robust governance structure is guided by a sound risk management framework. We work diligently to eliminate all sorts of fraud, bribery, corruption, and all forms of financial crime, while advocating human rights. We continuously aim to create value for our stakeholders, by keeping a solid balance sheet with an impressive track record both financially and operationally and ensuring we take into account the effects on stakeholders in decision making.

<p>Material Issues Covered</p>	<p>Governance, Ethics and Compliance Data Privacy and Cyber Security Financial Performance</p>
<p>Saudi Vision 2030 Pillars</p>	
<p>Sustainable Development Goals</p>	

Governance, Ethics and Compliance

To provide our customers confidence our busines we have to maintain the exceptionally high standards of integrity on which this trust is built. We do not seek to compromise our integrity or threaten our assets, brand, people or intellectual property. All our operations are aligned with the KSA labour law, which complies with all current labour regulations and protects the rights of employees.

The Group's corporate strategy is based on developing and expanding its core business activities of port terminals, logistics and water solutions. The value proposition is that the SISCO and its subsidiaries add value to projects in alignment with the mission and vision statements. The compliance role at SISCO Group oversees and ensures our compliance with regulatory rules and regulations, reviews constitutional documents and labour contracts.

We carry out several initiatives to guarantee adherence to the industry governance laws. Staff is periodically trained on compliance with applicable laws and regulations impacting SISCO Group. We provide an induction programme for new Board members, showcasing transparency on the policies, governance, and the strategy of the company. The Group provides trainings for subsidiary and associated companies on ethical issues. Our 'Whistleblowing Box' has been set up for receiving anonymous reports on environmental, health, corruption, fraud and any illegal activities received by internal auditors. The Internal Audit Department set in place conducts periodical Fraud Risk Assessments, audits and investigations. Zero incidents of non-compliance with laws and regulations in 2020

<p>Zero incidents of non-compliance with laws and regulations in 2020</p>	<p>Zero non-monetary sanctions since 2018</p>	<p>Zero incidents of complaints or issues from internal reporting mechanisms since 2018</p>
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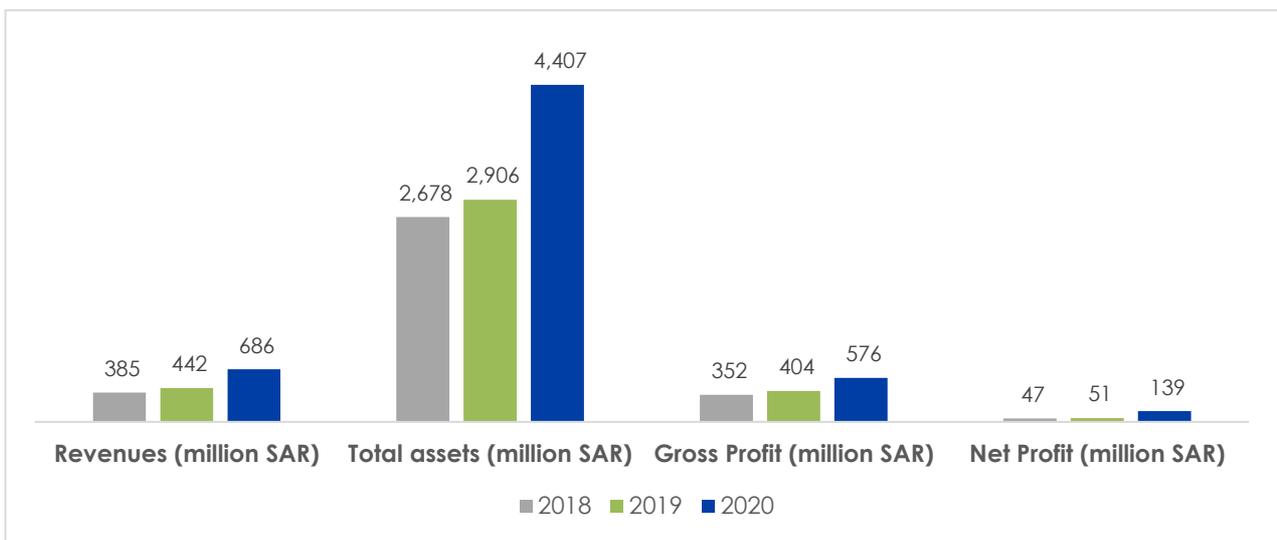


Data Privacy and Cybersecurity

Protecting personal data, compliance with privacy laws and strengthening cybersecurity are essential commitments for the SISCO Group. We recognise that any breach would affect our ability to operate as normal and, the integrity of our shareholders and commercially sensitive customer information.

As a business, we implement the best security controls, based on international standards and best practices. Our IT infrastructure management team ensures effective crisis management planning systems are in place to deal with any eventuality including data recovery. SISCO Group's IT management team works closely with our Business Continuity team to ensure effective crisis management planning systems are in place to deal with any eventuality.

Financial Performance



Our financial stability creates value for our stakeholders and the economic growth of KSA. We aim to achieve continual, stable financial growth, maintaining low costs and high operating efficiency, while ensuring adequate capital reserves to absorb losses, retained earnings for growth, and meet obligations in the event of adverse operating conditions. By adopting a sustainable business model to achieve financial and performance gains we aim not only to positively contribute to the economic vitality of country, but also ensure the overall attainment of the Saudi Vision 2030.

Despite the economic downturn due to COVID-19 Pandemic across the globe, SISCO Group was able to achieve the highest ever revenue and profits through its subsidiaries and investee companies. Through automation we were able to improve investor engagement by successfully conducting online investor conferences and earning calls. For further details on our financial performance, please refer to the Financial Statements of the 2020 Annual Report.



Supporting our Communities

Sisco group believes that as a contributor to the economic future of KSA, we also need to contribute to the community. Community development initiatives uplift, making the lives of people better through our engagement. Through our products and services, we guarantee a rich customer experience. Additionally, we are committed to ethical sourcing. At the group, we foster mutually rewarding relationships with our suppliers. SISCO is proud of our “**Making a Difference**” CSR program. We are aware that as a contributor to the economic future of the Kingdom of Saudi Arabia we also need to contribute to the community and environment we find ourselves in.



We, as a group, focus our energy on the following three areas:

1. The ocean and coastline boarded on the Kingdom, both the Red Sea and the Arabian Gulf.
2. Community development and up lift, making the lives of people better through our engagement.
3. Regular one-off high participation low cost activities (blood drives, charity help etc..).

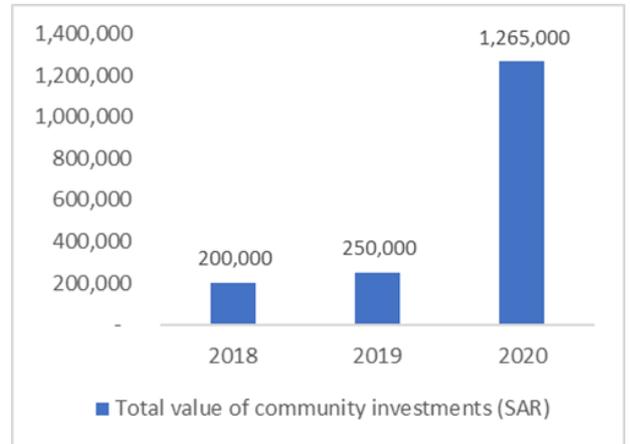
Material Issues Covered	<ul style="list-style-type: none"> - Community Investment and Engagement - Sustainable Procurement - Customer Experience
Saudi Vision 2030 Pillars	
Sustainable Development Goals	



Community Investment and Engagement

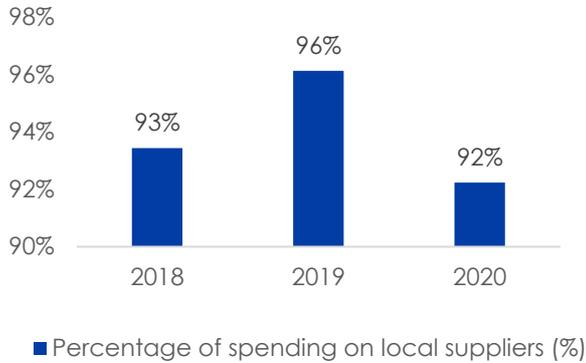
We are committed to investing in the communities where we operate in a way that has a positive, measurable and lasting effect. As a responsible corporate citizen, we endeavour to not have any significant negative impacts on our communities. As in previous years, SISCO Group carried out several social programmes during the year under review. During the COVID-19 pandemic, the Group rolled out several initiatives.

In 2020, S.A Talke successfully initiated an educational programme at an orphanage, in collaboration with Petro Rabigh Company (PRC). The same year we donated SAR 1 million to the Makkah COVID - 19 relief fund "under supervising of Emirate of Makkah Province", as well as Iftar meals during Ramadan to various deserving parts of the community. The company was able to measure the success of specific community initiatives by realising the total beneficiaries of the particular activity.





Sustainable Procurement



Our engagement with suppliers and associates in fostering commitment to sustainability continues to gather momentum. As a responsible major purchaser, we ensure that goods and services are sourced sustainably. In our efforts to promote local suppliers and SMEs, increased our SME supplier engagements as well as our procurement spending on local suppliers compared to the previous year.

92% of overall procurement spending dedicated to local suppliers

18% increase in number of local suppliers engaged between 2019 and 2020

Customer Experience

Customers are a key stakeholder for SISCO Group and engaging with them is critical to ensuring the Group's continued survival and growth. SISCO Group takes into consideration the requirements, perceptions, and preferences of customers when developing new products and services.

We regularly conduct online surveys to understand our customers better and gauge their level of satisfaction. Keeping our customers in the forefront we re-designed, our websites to include customer care features across our customer relationship management (CRM) systems. SISCO Group also seeks to strengthen relationships with its customers through customer insights activities.

59% decrease in incidents of non-compliance with related to health and safety of products and services between 2019 and 2020

Sustainable Environment and Infrastructure

We aim to manage our environmental impact through reducing the negative adverse effects our operations have on it. We seek to reduce our water consumption and waste generation. In our attempt to safeguard our planet, we set out to combat climate change and reduce energy consumption. SISCO Group also relies on implementing cost-effective technology and infrastructure, which also has minimal environmental impact.

<p>Material Issues Covered</p>	<p>Climate Change and Energy Technology and Innovation Environmental Management Water and Waste Management</p>
<p>Saudi Vision 2030 Pillar</p>	
<p>Sustainable Development Goals</p>	

Climate Change and Energy

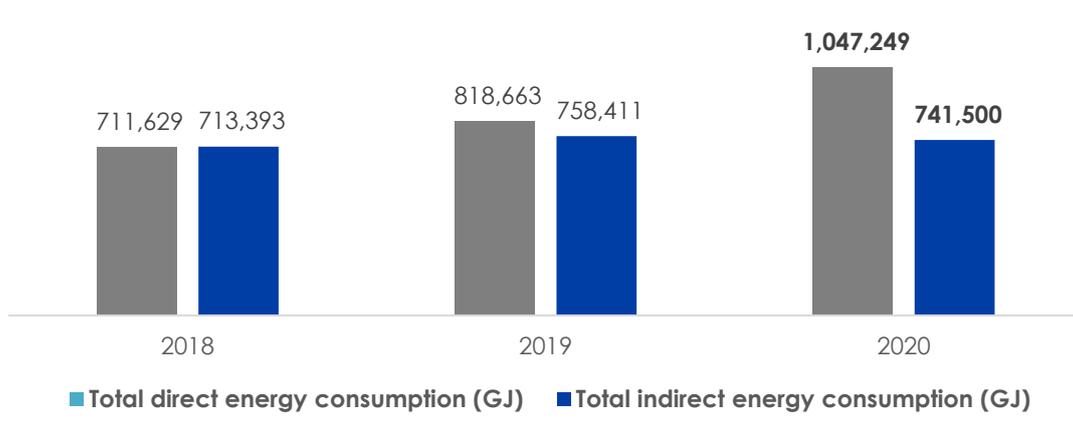
We feel that it is important for us to show leadership in worldwide efforts to mitigate the adverse effects of climate change, by reducing our carbon emissions. We recognise that we operate in an energy intensive sector, therefore, we concentrate our efforts to reduce energy consumption and implement initiatives that positively impact the environment. The SISCO Group, monitors and tracks its carbon emissions generated by both its direct and indirect energy consumption.

In 2020, RSGT continued maintenance of combustion and electrical prime movers, ensuring continued efficient power generation and consumption. RSGT also plans to launch a program in 2021, to replace conventional lighting systems with LED or low energy consuming lighting, as already being done at LogiPoint and S.A Talke.

S.A Talke also implemented an energy saving reminder program "Go Green", which monitors and measures the direct consumption of energy from operations, reported monthly.

LogiPoint, has successfully developed an environmental policy with the objective of assessing compliance and monitoring energy and natural resources consumption. Audits and inspections regularly assist in maintaining adequate implementation of the preventive maintenance.

Over the past several years, energy efficiency and energy conservation has been at the forefront at SISCO Group. We have implemented several initiatives during the reviewed year, across business sectors to ensure reduction in company-wide energy consumption. We recognise that there is still scope for improving our energy efficiency performance in the years ahead.



Technology and Innovation

At a time of rapid digitalisation when traditional thinking is being challenged, our ability to innovate keeps SISCO Group ahead of the curve. By fostering a technologically savvy workforce, we ensure that our people are prepared for a digital future. We are committed to the development of innovative services that benefit our customers and better processes that enable SISCO Group to deliver our products and services more efficiently.

In 2020, RSGT announced the arrival of the first consignment of new advanced terminal equipment, which includes terminal trucks and trailers that will accelerate and speed up port and quay operations at the Northern Part of Jeddah Islamic Port (JIP), the biggest and busiest port in Saudi Arabia to redevelop and modernize the Northern Part of Jeddah Islamic Port in a more environmentally friendly manner.

The new Terminal Trucks and Trailers, the newest of its kind in the Kingdom, come equipped with the latest and most demanding safety features, which will significantly contribute to increasing productivity and performance at JIP. This comes in the wake of the 30-year concession mega contract

Environmental Management

SISCO Group is committed to managing its environmental impact and protecting natural resources through Health, Safety Environment & Social Policy, where environmental measures are managed through our Integrated Management Moreover, SISCO Group is ISO 14001 certified for environmental management.

RSGT was named winner of the 2020 Sustainability Award at the 17th Annual Seatrade Maritime Awards, Middle East, Indian Subcontinent & Africa, hosted virtually from Dubai. RSGT was recognized for its exceptional sustainable maritime commerce initiative by the panel of industry experts. RSGT remains dedicated to pursuing environmentally sustainable operations at KSA's largest container terminal, through its CSR program. RSGT has also established artificial reefs on the outskirts of the port area in support of biodiversity and marine life.

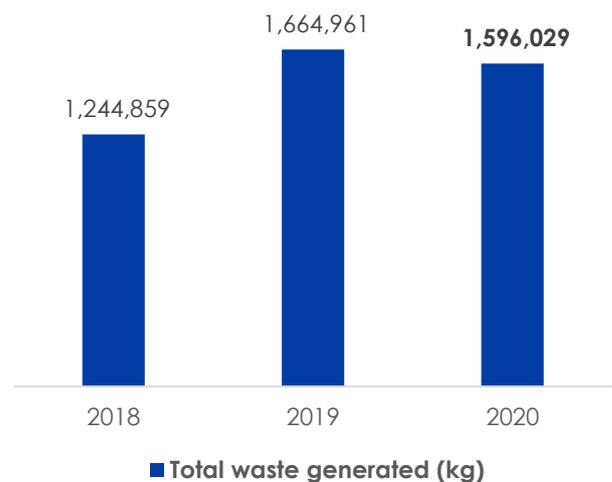
S.A Talke introduced the international Operation Clean Sweep® (OCS) program to prevent the loss of plastic granules (pellets, flakes and powders) during handling by the various entities in the plastics value chain and their release into the environment.

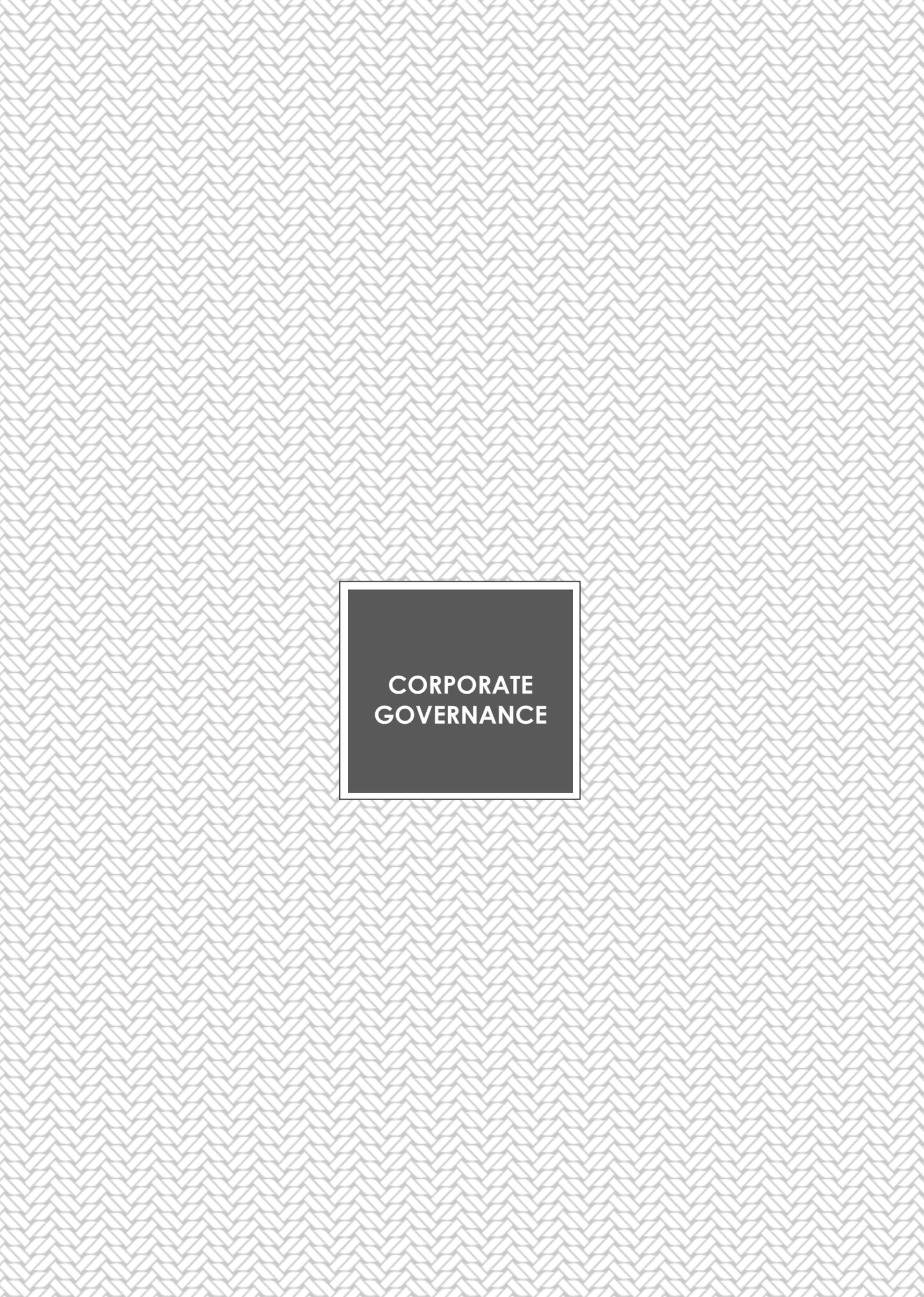


Water and Waste Management

The Group is conscious of its environmental responsibilities and seeks to limit its environmental footprint. We seek to boost our waste recycling efforts. We aim to achieve this through our reliance on electronic systems rather than paper-based systems. We also aim to keep our water ways clean by treating our operational waste. At SISCO Group we are committed to reducing our water consumption and using water more responsibly.

In 2020, Tawzea designed a sewage system to treat residential-strength and industrial wastewater to be used for irrigation. The subsurface system also caters to customers for industrial city irrigation. The TSE has reduced reliance on an independent source or third party to provide irrigation water.





**CORPORATE
GOVERNANCE**

GOVERNANCE PERFORMANCE

A robust Corporate Governance structure ensures the Group's continued high performance and integrity, while retaining the trust of its stakeholders. Maintaining effective corporate governance is, therefore, a key priority for the board, and this is achieved through implementing the principles and best practices and guidelines promulgated by the Capital Markets Authority of Saudi Arabia and other relevant regulations as well as international best practices.

THE BOARD

Every three years the shareholders elect a new board of directors that is responsible to the shareholders for the direction of the Group. The board has the ultimate and overall responsibility to set up a robust corporate governance structure, to envisage the Group's strategic direction and help in achieving the business objectives. The CEO, with the direction of the board, is responsible for implementing the acquisition and divestment policies, major capital expenditures and the consideration of significant financial matters while the board monitors the Group's key business risks and reviews the direction of individual business units, and other investments.

Article (15) of SISCO's Articles of Association states that the Board of Directors is to comprise 7 members, which complies with paragraph (a), Article (12) of the Corporate Governance Regulation issued by the Capital Market Authority.

A total of seven meetings of the board of directors were held during the financial year 2020, and the attendance record of each of the directors was as follows:

For the term ended on 30th June 2020

NAME OF THE BOARD MEMBER	DATE AND ATTENDANCE OF THE BOARD MEETINGS	
	26 th February	06 th May
Mohamed A. Alireza	√	√
Aamer Abdullah Alireza	√	√
Adnan Abdullah Maimani	√	√
Saleh Ahmed Hefni	√	√
Alawi Mohammed. Kamel	√	√
Abdul-Aziz Abdullatif Jazzar	√	√
Abdul-Aziz Hamad Al-Meshal	√	√

For the term started on 01st July 2020

NAME OF THE BOARD MEMBER	DATE AND ATTENDANCE OF THE BOARD MEETINGS				
	01 st July	24 th August	28 th October	15 th November	17 th December
Aamer Abdullah Alireza	√	√	√	√	√
Adnan Abdulfattah Soufi	√	√		√	√
Abdul-Aziz Abdullatif Jazzar	√	√	√	√	√
Saleh Ahmed. Hefni	√	√	√	√	√
Muneerah Hejab Al Dossary	√	√	√	√	√
Tala Nasser Aldakhil	√	√	√	√	√
Ahmed Mohammed Alrabiah	√	√	√	√	√

The current Board was appointed by the Shareholders' General Assembly on 28 June 2020 for period of three years, starting 1st July 2020.

The dates of the General Assembly Meeting (GAM, EGAM) held in 2020 and the board of director's attendance:

NAME OF THE BOARD MEMBER	EGAM NO. 17 on 13 th APRIL	GAM NO. 29 on 28 th JUNE
Mohamed Ahmed Alireza	√	√
Aamer Abdullah Alireza	√	√
Adnan Abdullah Maimani	√	
Saleh Ahmed Hefni	√	√
Alawi Mohammed. Kamel	√	√
Abdul-Aziz Abdullatif Jazzar	√	√
Abdul-Aziz Hamad Al-Meshal	√	

BOARD BALANCE

SISCO's board is balanced and complies with the independent members criteria set out under the requirements of the Capital Markets Authority. All the seven board members are non-executive and three of them are independent members with expertise in different fields, bringing independent judgment on matters of strategy, performance and utilization of resources of the Group. They provide unbiased views and their presence improves corporate accountability.

The following table provides the classification of each member of the board of directors:

For the term ended on 30th June 2020

NAME OF THE BOARD MEMBER	TITLE	INDEPENDENT	EXECUTIVE	NON-EXECUTIVE
Mohamed Ahmed Alireza	Chairman			√
Aamer Abdullah Alireza	Vice Chairman			√
Adnan Abdullah Maimani	Member			√
Saleh Ahmed Hefni	Member			√
Alawi Mohammed. Kamel	Member	√		√
Abdul-Aziz Abdullatif Jazzar	Member	√		√
Abdul-Aziz Hamad Al-Meshal	Member	√		√

For the term started on 01 July 2020

NAME OF THE BOARD MEMBERS	TITLE	INDEPENDENT	EXECUTIVE	NON-EXECUTIVE
Aamer Abdullah Alireza	Chairman			√
Adnan Abdulfattah Soufi	Vice Chairman	√		√
Abdul-Aziz Abdullatif Jazzar	Member	√		√
Saleh Ahmed Hefni	Member			√
Muneerah Hejab Al Dossary	Member	√		√
Tala Nasser Aldakhil	Member	√		√
Ahmed Mohammed Alrabiah	Member			√

Overall, the board comprises an appropriate mix of diverse academic and professional backgrounds to provide a collective range of skills, expertise and experience relevant to support the growth and address the complexities, competition and changes in SISCO's business environment.



BOARD COMMITTEES

The Board has established three committees, comprising of board members, and external independent experts, these committees have specific charters approved by the Board.

These committees are:

AUDIT COMMITTEE (For the term ended on 30th June 2020)

NAME OF THE COMMITTEE MEMBER	DATE AND ATTENDANCE OF THE COMMITTEE MEETINGS	
	25 th February	05 th May
Waleed Abdulaziz Kayyal (Chairman)		√
Adnan Abdullah Maimani	√	√
Alawi Mohammed Kamel	√	√
Abu Baker Ali Bagabir	√	√

For the term started on 01st July 2020

NAME OF THE COMMITTEE MEMBER	DATE AND ATTENDANCE OF THE COMMITTEE MEETINGS		
	24 th August	27 th October	22 nd December
Waleed Abdulaziz Kayyal (Chairman)	√	√	√
Abu Baker Ali Bagabir	√	√	√
Abdul-Aziz Abdullatif Jazzar	√	√	√

Responsibilities

The committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities; primarily in reviewing quarterly and annual financial statements, reporting financial and non-financial information, reviewing systems of internal controls, risk management, the audit process, and the related party transactions. The Audit Committee has also been assigned by the Board to oversee the Risk Function of the company. SISCO has a designated risk officer whose main responsibilities are to coordinate with all subsidiaries in related to risk management matters and gather related information to be reviewed and evaluated by the audit committee and presented to the board.

The current Audit Committee was appointed by the Shareholders' General Assembly on 28th June 2020 for period of three years, starting 1st July 2020.

INTERNAL CONTROL FRAMEWORK

The Board is responsible for SISCO's system of internal control and for reviewing its effectiveness. The Board, while maintaining its overall responsibility for managing risk within the Group, has delegated the review of the detailed design and operation of the system to Audit Committee which comprising of board members and external experts while the responsibility of maintaining a robust framework of internal controls rests with SISCO management.

The Group maintains an effective internal control framework comprising clear structures, authority limits, accountabilities, well understood policies and procedures, and annual budgets. The Board meets regularly to consider SISCO's financial performance, business growth and development plans, capital expenditure proposals and other key performance indicators.

INTERNAL AUDIT FUNCTION



The Audit Committee annually reviews the appropriateness of resources and capabilities of the internal audit function. The Chief Audit Executive functionally reports to the Audit Committee. The Audit Committee approves the annual audit plan, based on an annual risk assessment. The internal audit function undertakes audit of financial, operational, and compliance controls, and reports the audit results to the Audit Committee.

The boards of all subsidiary and associated companies have established their own audit committees with dedicated internal audit resources. SISCO monitors their internal audit functions by having its nominated members in the respective audit committees of those companies.

INVESTMENT COMMITTEE
(For the term ended on 30th June 2020)

NAME OF THE COMMITTEE MEMBER	No meeting held
Aamer Abdullah Alireza (Chairman)	
Mohamed Ahmed Alireza	
Waleed Abdulaziz Kayyal	
Abdul-Aziz Abdullatif Jazzar	

For the term started on 01st July 2020

NAME OF THE COMMITTEE MEMBER	DATE AND ATTENDANCE OF THE COMMITTEE MEETINGS
	07 th December
Adnan Abdulfattah Soufi (Chairman)	√
Aamer Abdullah Alireza	√
Saleh Ahmed Hefni	√
Muneerah Hejab Al Dossary	√

Responsibilities

The committee assists the Board in reviewing the Group's major investment transactions and performances, oversees the Group's financial resources and advises on future financial strategy. The Committee meets on as needed basis.

The current Investment Committee was appointed by the Board on 01st July 2020 for period of three years, starting 01st July 2020.

NOMINATION AND REMUNERATION COMMITTEE
(For the term ended on 30th June 2020)

NAME OF THE COMMITTEE MEMBER	Date and Attendance of The Committee Meetings	
	03 rd February	19 th May
Abdul-Aziz Abdullatif Jazzar (Chairman)	√	√
Aamer Abdullah Alireza	√	√
Saleh Ahmed Hefni	√	√
Thamer Saeed Al-Harathi	√	√

For the term started on 01st July 2020

NAME OF THE COMMITTEE MEMBER	Date and Attendance of The Committee Meetings
	15 th December
Abdul-Aziz Abdullatif Jazzar (Chairman)	√
Aamer Abdullah Alireza	√
Tala Nasser Aldakhil	√
Ahmed Mohammed Alrabiah	√
Thamer Saeed Al-Harathi	√

Responsibilities

The committee meets at least twice a year, to assist the Board of Directors in reviewing and approving the compensation to be provided to SISCO Corporation, Board members, Chief Executive Officer and employees. In addition, the Committee is responsible for overseeing the development, screening and nomination of qualified individuals for membership of the Board and its committees.

The current Nomination and Remuneration Committee was appointed by the Board on 01st July 2020 for period of three years, starting 01st July 2020.

AUDIT COMMITTEE REPORT

Audit Committee met for five times during the year 2020. The committee's primary role was to assist the Board of Directors (Board) in fulfilling its oversight responsibilities related to the internal and financial control systems and risk management systems in the company to ensure its adequate and effective implementation. Also, the committee has the main following responsibilities:

- Assists the Board in fulfilling its responsibilities by recommending the approval of the company's quarterly and annual financial statements after discussing them with the company's management.
- Met the external auditor to obtain their independent opinion related to their assessments of the Group's internal control systems and other matters related to the audit process.

Additionally, The Committee performed the following:

- Overseeing the company's Internal Audit function and verifying its effectiveness by reviewing the submitted Internal Audit reports and Following-up on the corrective action included in these reports.
- Analyzing the submitted external audit proposals, submit recommendations to the Board of Directors and the General Assembly regarding the appointment of the company's external auditors for next year based on the applicable standards.
- Review and approve the annual Internal Audit plan.
- Review the external audit plan and makes necessary comments (if any).
- Discussing and follow up on the observations included in the company's external auditor management report.
- Overseeing the Company's whistleblowing program and investigations (if any).
- Recommend to the Board the approval of related party transactions.

In addition to the responsibilities mentioned above, the Audit Committee carries out any other tasks assigned to them by the Board of Directors.

Governance Performance and Internal Audit Results

The Company follows a comprehensive approach towards governance programs and internal control to ensure maximum transparency and disclosure. The Internal Audit functions designs audit programs to timely detect internal control weaknesses and monitor follow up mechanisms to take the corrective measures in reasonable time. The Audit Committee highlighted that during 2020, the Company's Internal Audit function followed up on all the high-priority findings which dealt with and closed by Company's management.

The Audit Committee confirms that nothing came to its attention to cause it to believe that there are significant deficiencies in the internal and financial control systems and risk management systems established by the Company and its subsidiaries. The Audit Committee's efforts are continuously focused to developing and improving the effectiveness and efficiency of the internal and financial control systems and risk management systems.

Audit Committees have been established in all SISCO subsidiaries and affiliates, these committees are carrying out their responsibilities in assisting their Boards in overseeing the governance and internal control Systems. In addition, SISCO Audit Committee has not been informed of any significant deficiencies in the internal control System in SISCO subsidiaries and affiliates.

RISK MANAGEMENT

Risk Management is an integral part of SISCO's overall management philosophy. SISCO follows a combination of top-down and bottom-up approaches to identify and assess the risks faced by its group and develops mitigation plans accordingly. During 2020, management teams of all group companies participated in this process, and risk-register was updated incorporating recent market / economic conditions and trends.

Risks across the group companies were monitored throughout the year, and appropriate actions were taken to ensure that the risks are properly mitigated.

NO.	POTENTIAL RISK	MITIGATING ACTIONS
1.	<p>Business Concentration</p> <p>The Group is highly dependent on the port segment. If this segment was affected, it might have a major impact on SISCO's turnover.</p>	<p>The Group is continuously reviewing its portfolio of investments to diversify its sectors as well as developing the non-port related businesses, which will balance the dependence on the three business segments.</p>
2.	<p>Macroeconomic and Geographical Environment</p> <p>Market conditions in the sectors can be challenging due to macroeconomic or geographical issues which can potentially impact growth and profitability as well as investment in new assets.</p>	<p>The Group's subsidiaries are exploring opportunities to expand globally in order to reduce its geographical concentration risk in the market. Economic and political environments of countries in which the Group is willing to operate are carefully evaluated and examined.</p>
3.	<p>Regulatory Compliance Risk</p> <p>SISCO's underlying investments operate in highly regulated industries and there is a probability of regulatory changes, which presents implementation challenges and hence risk of non-compliance.</p> <p>As a result, any change in regulations or laws may adversely impact SISCO or its underlying investee companies.</p>	<p>The Group monitors changes to regulations across its portfolio to ensure that appropriate steps are taken to mitigate the effect of any change in regulations and ensure compliance is continuously managed.</p> <p>SISCO also has a central legal team to support its portfolio companies to manage and comply with regulatory changes.</p>
4.	<p>Credit Risk and debt collection</p> <p>The current market condition might negatively affect the customers' credit strength and liquidity causing delay in collecting receivables.</p>	<p>Group companies have improved their credit control and customer collection procedures through regular follow up with customers, updating the credit policy, and strengthening the controls over granting credit lines.</p>
5.	<p>Financing Constraints Risk</p> <p>The Group may encounter difficulty in obtaining new facilities for future investments.</p>	<p>The Company manages its financing constraints by ensuring it is maintaining a balanced debt coverage ratio.</p>
6.	<p>Information Technology (IT) and Cyber Security</p> <p>The evolving sophistication of IT environment might expose the Group and its subsidiaries to IT and cyber security threats.</p>	<p>In order to avoid cyber security threats, IT systems, software, and IT security processes are regularly reviewed. All software and systems are upgraded or patched regularly to ensure minimizing any vulnerabilities.</p>
7.	<p>Business Continuity</p> <p>The risk of business interruptions from a range of internal and external incidents or threats including environmental and climatic issues, terrorism, economic instabilities, pandemic and operational incidents.</p>	<p>The Group and its subsidiaries are enhancing their operational resilience framework to strengthen their responses to disruptions.</p> <p>They are also updating their disaster recovery and business continuity plans to minimize disruption to operations from natural disasters.</p>



LIQUIDITY MANAGEMENT POLICY

Cash is managed and controlled separately by the parent company and each subsidiary and associate and is carried out in accordance with the policies approved by the respective Boards of each company after thorough consultation. The purpose of the policies is to ensure that adequate cost-effective funding is available at all times and exposure to financial risk is minimized. The risks managed are liquidity risk, interest rate risk, and currency exchange rate risk. Derivative financial instruments like hedging strategies are applied to manage exposure to interest rate risk and currency risk. Derivative financial instruments are not used for speculative or profiteering purposes.

SISCO's liquidity policy objectives include implementation of good business practices such as repayment of obligations on a timely basis that assist in building the image of the company for future funding requirements and meeting business commitments on a timely basis. Liquidity risk is mitigated by careful monitoring of cash flow needs, regular communication with our credit providers, and careful selection of financial strategies and appropriate financial partners.

RELATED PARTY TRANSACTIONS

Various group companies had transactions with related parties of the Group. These transactions follow the same conditions and principles as dealing with third parties. The related parties include: The Group board members, major shareholders, senior executives and any of their first-degree relatives pursuant to the CMA and Ministry of Commerce and Investment regulations. All related party transactions are carried out according to best practices and as per the companies approved procurement procedures and policies.

The following table sets out all related party transactions where the relation is through the Board Member of SISCO and are required to be approved by the General Assembly in accordance with Article 71 of the Saudi Company Law:

RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION	AMOUNT OF TRANSACTION
Karam Fedics	Xenel Industries (SISCO shareholder) is also a shareholder of Karam Fedics. Also, Mr. Aamer A. Alireza (SISCO Chairman) is a board member of Karam Fedics.	- Purchase of goods and services including catering and employee housing by RSGT.	18,557,097
Xenel Industries Limited (XIL)	XIL is a shareholder of SISCO and Mr. Mohammed A. Alireza (SISCO Ex-Chairman) and Mr. Aamer A. Alireza (SISCO Chairman) are also board members of XIL.	- Payments made by the Group on behalf of shareholder. - Expenses incurred by shareholder on behalf of the Group. - Dividend paid by LogiPoint to XIL - Dividend paid by RSGT/RSPD to XIL	315,628 160,845 5,040,000 8,195,319
Al Jabr Talke Co. Ltd. (SA Talke)	SA Talke is an associated company of SISCO and Mr. Aamer A. Alireza (SISCO Chairman) is a board member of SA Talke.	- Expenses incurred by Group on behalf of associate. - Dividend received from associate. - Expenses cross charged by Group to associate	342,000 11,025,967 127,100
Saudi Cables Co.	Xenel Industries (SISCO shareholder) is also a significant shareholder in Saudi Cable. Mr. Mohammed A. Alireza (SISCO Ex-Chairman), Mr. Mr. Aamer Alireza (SICO Chairman) are board members of XIL. Also, Mr. Adnan A. Maimani (SISCO Ex-board member) is a board member of Saudi Cables.	- Lease of land and warehouses by LogiPoint.	306,165
Arabian Bulk Trade Co. Ltd (ABT)	ABT is owned by Xenel Industries (SISCO shareholder). Mr. Mohammed A. Alireza (SISCO Ex-Chairman) and Mr. Aamer A. Alireza (SISCO Chairman) are also board members of ABT.	- Sale of goods and services by LogiPoint. - Expenses incurred by Group on behalf of associate	69,510 6,193
Haji Abdullah Ali Reza & Co. (GENTEC)	Mr. Mohammed A. Alireza (SISCO Ex-Chairman) is a shareholder of the holding company of GENTEC.	- Purchase of Goods by RSGT.	657,736

In addition to the above table, following are the additional related party transactions required to be disclosed in accordance with Listing Rules and Corporate Governance Guideline issued by Capital Market Authority.

RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION	AMOUNT OF TRANSACTION
International Water Distribution Co. Ltd. (Tawzea)	SISCO owns 50% of Tawzea. Mr. Mohammed Mudarres (SISCO CEO) is board member of TAWZEA.	- Sales of water by Kindasa. - Expenses incurred by SISCO on behalf of associate. - Expenses incurred by associate on behalf of SISCO. - Dividend received from associate	65,195,102 843,704 10,088 4,000,000
Water & Environmental Services Saudi Co. Ltd.	Kindasa (SISCO subsidiary) owns 49% of WESSCO.	- Sale of operation and management services by Kindasa	5,019,904
Red Sea Gateway Terminal Company Limited ("RSGT")	RSGT is a subsidiary of SISCO. Mr. Mohammed A. Alireza (SISCO Ex-Chairman), Mr. Aamer A. Alireza (SISCO Chairman) and Mr. Mohammed Mudarres (SISCO CEO) are board members of RSGT.	- Expenses incurred by SISCO on behalf of subsidiary.	1,005,067
Saudi Trade and Export Development Company Limited ("LogiPoint")	LogiPoint is a subsidiary of SISCO. Mr. Aamer A. Alireza (SISCO Chairman), Mr. Saleh A. Hefni (SISCO board member) and Mr. Mohammed Mudarres (SISCO CEO) are board members of LogiPoint.	- Expenses incurred by SISCO on behalf of subsidiary. - Expenses incurred by subsidiary on behalf of SISCO.	1,174,160 133,412
Kindasa Water Services Company ("Kindasa")	Kindasa is a subsidiary of SISCO. Mr. Mohammed A. Alireza (SISCO Ex-Chairman), Mr. Saleh A. Hefni (SISCO board members), Mr. Adnan Maimani (SISCO Ex-board member) and Mr. Mohammed Mudarres (SISCO CEO) are board members of Kindasa.	- Expenses incurred by SISCO on behalf of subsidiary.	945,962
Support Services Operation Company Limited ("ISNAD")	ISNAD is subsidiary of SISCO. Mr. Aamer A. Alireza (SISCO Chairman)) and Mr. Mohammed Mudarres (SISCO CEO) are board members of ISNAD.	Expenses incurred by SISCO on behalf of subsidiary.	8,400
Ambro Limited	Ambro is an affiliate of Xenmet which is 25% owned by SISCO subsidiary LogiPoint.	Purchase of services from LogiPoint	39,091

BOARD AND MANAGEMENT REMUNERATION

SISCO' Board and committee members are compensated through annual remuneration and meeting attendance fee based on the rules and regulations stipulated by the Ministry of Commerce and Investment and in accordance with the Company's Articles of Association.

Compensation paid to Board Members from 1/1/2020 until 30/6/2020 is as follows:

BOARD MEMBERS	FIXED REMUNERATION				VARIABLE REMUNERATION		END OF SERVICE BENEFITS	TOTAL
	Specific Amount (committee Remuneration)	Allowance for Attending Board Meetings	Total Allowance for attending committee meetings committee	TOTAL	Periodic remunerations (Board Remuneration)	TOTAL		
Independent Members								
Alawi M. Kamel	50,000	20,000	20,000	90,000	100,000	100,000	-	190,000
AbdulAziz Jazzar	-	20,000	20,000	40,000	-	0	-	40,000
Abdul-Aziz Al-Meshal	-	20,000	-	20,000	100,000	100,000	-	120,000
TOTAL	50,000	60,000	40,000	150,000	200,000	200,000	0	350,000
Non-Executive Members								
Mohamed A. Zainal	37,500	10,000	10,000	57,500	175,000	175,000	-	232,500
Aamer A. Alireza	-	20,000	20,000	40,000	-	0	-	40,000
Adnan Abdullah Maimani	50,000	20,000	20,000	90,000	100,000	100,000	-	190,000
Saleh A. Hefni	-	20,000	20,000	40,000	-	0	-	40,000
TOTAL	87,500	70,000	70,000	227,500	275,000	275,000	0	502,500

Compensation paid to Board Members from 1/7/2020 until 31/12/2020 is as follows:

BOARD MEMBERS	FIXED REMUNERATION				VARIABLE REMUNIRATION		END OF SERVICE BENEFITS	TOTAL
	Specific Amount (committee Remuneration)	Allowance for Attending Board Meetings	Total Allowance for attending committee meetings committee	TOTAL	Periodic remunerations (Board Remuneration)	TOTAL		
Independent Members								
AbdulAziz Jazzar	187,500	50,000	40,000	277,500	182,500	182,500	-	460,000
Adnan Abdulfattah Soufi	37,500	40,000	10,000	87,500	125,000	125,000	-	212,500
Muneerah Hejab Al Dossary	37,500	50,000	10,000	97,500	100,000	100,000	-	197,500
Talal Nasser Aldakhil	37,500	50,000	10,000	97,500	100,000	100,000	-	197,500
TOTAL	300,000	190,000	70,000	560,000	507,500	507,500	0	1,067,500
Non-Executive Members								
Aamer A. Alireza	150,000	50,000	20,000	220,000	237,500	237,500	-	457,500
Saleh A. Hefni	75,000	50,000	10,000	135,000	200,000	200,000	-	335,000
Ahmed Mohammed Alrabiah	37,500	50,000	10,000	97,500	100,000	100,000	-	197,500
TOTAL	262,500	150,000	40,000	452,500	537,500	537,500	0	990,000

Compensation paid to Committee Members from 1/1/2020 until 30/6/2020 is as follows:

COMMITTEE MEMBERS	FIXED REMUNERATION (except for the allowance for attending board meetings)	ALLOWANCE FOR ATTENDING BOARD MEETINGS	TOTAL
Audit Committee Members			
Waleed A. Kayyal	-	10,000	10,000
Abubaker Ali Bagabir	-	20,000	20,000
AbdulAziz Jazzar	-	-	0
Alawi M. Kamel	50,000	20,000	70,000
Adnan Abdullah Maimani	50,000	20,000	70,000
TOTAL	100,000	70,000	170,000
Nomination and Remuneration Committee Members			
AbdulAziz Jazzar	-	20,000	20,000
Aamer A. Alireza	-	20,000	20,000
Thamer Al-Harathi	-	20,000	20,000
Saleh A. Hefni	-	20,000	20,000
TOTAL	0	80,000	80,000
Investment Committee Members			
Aamer A. Alireza	-	-	0
Saleh A. Hefni	-	-	0
AbdulAziz Jazzar	-	-	0
Waleed A. Kayyal	-	-	0
Mohamed A. Zainal	37,500	-	37,500
TOTAL	37,500	0	37,500

Compensation paid to Committee Members from 1/7/2020 until 31/12/2020 is as follows:

COMMITTEE MEMBERS	FIXED REMUNERATION (except for the allowance for attending board meetings)	ALLOWANCE FOR ATTENDING BOARD MEETINGS	TOTAL
Audit Committee Members			
Waleed A. Kayyal	150,000	30,000	180,000
Abubaker Ali Bagabir	100,000	30,000	130,000
AbdulAziz Jazzar	50,000	30,000	80,000
TOTAL	300,000	90,000	390,000
Nomination and Remuneration Committee Members			
AbdulAziz Jazzar	100,000	10,000	110,000
Aamer A. Alireza	75,000	10,000	85,000
Talal Nasser Aldakhil	37,500	10,000	47,500
Ahmed Mohammed Alrabiah	37,500	10,000	47,500
Thamer Al-Harathi	75,000	10,000	85,000
Saleh A. Hefni	37,500	0	37,500
TOTAL	362,500	50,000	412,500
Investment Committee Members			
Adnan Abdulfattah Soufi	37,500	10,000	47,500
Aamer A. Alireza	75,000	10,000	85,000
Saleh A. Hefni	37,500	10,000	47,500
Muneerah Hejab Al Dossary	37,500	10,000	47,500
Waleed A. Kayyal	37,500	-	37,500
AbdulAziz Jazzar	37,500	-	37,500
TOTAL	262,500	40,000	302,500

MANAGEMENT REMUNERATION

Compensation and benefits paid to Senior Executives (Including CEO & CFO) during 2020 are as follows:

EXECUTIVES	FIXED REMUNERATION				VARIABLE REMUNERATION		END OF SERVICE BENEFITS
	Salaries	Allowances	Other benefits	TOTAL	Periodic Remunerations	TOTAL	
Chief Executive Officer	1,140,000	834,000	50,000	2,024,000	1,187,500	1,187,500	1,373,329
Chief Financial Officer	780,000	363,000	32,500	1,175,500	212,500	212,500	76,932
Chief Corporate Affairs Officer	642,000	359,200	64,660	1,065,860	251,750	251,750	154,146
Chief Audit Executive	642,000	289,200	26,750	957,950	226,750	226,750	163,842
Chief Legal Counsel	582,000	233,700	24,250	839,950	248,500	248,500	223,422
TOTAL	3,786,000	2,079,100	198,160	6,063,260	2,127,000	2,127,000	1,991,671

REMUNERATION POLICY

The Company pays annual bonuses and expenses for attendance and any other relevant expenses for Board of Directors and Committee members in accordance with regulations stipulated by Ministry of Commerce and Investment and in accordance with Company Bylaws and approved charters.

Article (19) of the Company Bylaw's states that:

The remuneration of the Board of Directors consists of a combination of, attendance fees for the required meetings or a percentage of the net profits. Two or more of the benefits may be combined as approved by the Board of Directors and within the limits stipulated by the Companies Law and its regulations as specified by relevant authorities. The report of the Board of Directors to the General Assembly should include a comprehensive statement of all remuneration, fees, and other benefits received by the members during the fiscal year. The report should also include a statement of payments to the members as an employee, administrator or otherwise for technical, administrative or consulting service for the Company. The report should include a statement of the number of meetings, list of attendees of Board and General Assembly meetings.

Remuneration and Allowances Policy of the Board members and Board secretary in accordance with the Board charter:

- Based on Article 19 of the Articles of Association of the Company and the Company Law, the total remuneration of each member including all benefits shall not exceed five hundred thousand Saudi Riyals annually.
- Ten Thousand Saudi Riyals for each member for attending each Board meeting and Committee meeting.
- The company provides first class travel tickets, transportation, and accommodation for non-resident members.



- d. The Board of Directors determines the annual remuneration of the Secretary of the Board. The Company also covers the expenses such as travel tickets, accommodation, and all matters pertaining to the Board.
- e. The remuneration, attendance fees, and other allowances as mentioned above should be paid at the end of the financial year, except in the case of termination of membership before the end of the financial year; where remuneration is paid at termination.

Executive Remuneration

The Company pays salaries, allowances and any other remuneration and benefits for its executive based on their contracts and performance.

- The benefits paid are in compliance with the Company's reward and benefit policy.
- Members of the Board of Directors have not taken any amount from the Company for any administrative, technical or advisory work. All members of the Board of Directors are non-executive.

BOARD AND MANAGEMENT PERFORMANCE

The Nomination and Remuneration Committee evaluates the Board performance through an annual review of the necessary skills and expertise required for board membership and executive management functions to:

- Verify annually that there are no conflicts of interest
- Identify weaknesses and strengths of the Board
- Propose solutions to address the weaknesses of the Board
- Verify independency of the independent members
- Evaluates the performance of SISCO's Executive Management through the review of Corporate KPI Scorecard achievement for the current year and agree the Corporate KPI Scorecard for the next year.

BOARD DECLARATION / CONFIRMATION

In accordance with the requirements of Article (90) of the Corporate Governance Regulations, and Articles (76-4) and (126-2) of the Companies Law and Articles 7 – 15 - 40 of the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies. To ensure the Board's commitment to highlight the applicable and non-applicable requirements under these Articles, the Board confirms the following:

Not applicable items from Article (90) of the Corporate Governance Regulations:

ARTICLE NO.	DESCRIPTION	REASON FOR NON-COMPLIANCE
9	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;	Not Applicable
11	The audit committee's recommendation on the need for appointing an internal auditor for the Company, if there is no internal auditor	Not Applicable
12	The audit committee's recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor, as well as justifications for those recommendations and reasons for disregarding them.	Not Applicable
21	Any inconsistency with the standards approved by the Saudi Organizations for Certified Public Accountant.	Not Applicable
25	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 Article 45 of Listing Rules, together with any change to such interests during the last fiscal year;	Not Applicable
26	A description of any interest, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the company or its affiliates, and any change on these interest or rights during the last fiscal year.	Not Applicable
28	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, as well as stating any compensation obtained by the company in this regard.	Not Applicable
29	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;	Not Applicable
30	Description of any redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the company and those purchased by its affiliates.	Not Applicable
35	A description of any arrangement or agreement under which a director or a Senior Executive of the company has waived any remuneration.	Not Applicable
36	A description of any arrangement or agreement under which a shareholder of the company has waived any rights to dividends.	Not Applicable
38	A statement as to the value of any investments made or any reserves set up for the benefit of the employees of the company.	Not Applicable
40	If the external auditor's report contains reservations on the annual financial statements, the Board report shall highlight this mentioning the reasons and any relevant information.	Not Applicable
41	If the Board recommended replacing the external auditor before the end of its term, the report shall indicate this mentioning the reasons for the replacement recommendation.	Not Applicable



Pursuant to sub-clause (39) of article (90) of Corporate Governance Regulations, the Board of Directors of the Company hereby declare that:

- a) The Group's accounting records were properly prepared.
- b) The Group's internal control systems and procedures were properly developed and effectively executed.
- c) There are no doubts about the Group's ability to continue its business activities.

Not applicable items from the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies:

ARTICLE NO.	DESCRIPTION	REASON FOR NON-COMPLIANCE
15	The Board annual report must contain details relating to Treasury Shares retained by the company and details on the use of these shares.	Not Applicable

SHAREHOLDING INTERESTS

Information of the shareholding required under the reporting framework is as follows:

Number and dates of shareholders request

REQ. NO.	REQUEST DATE	SHAREHOLDER LIST DATE	REQUEST REASON
1	19/01/2020	19/01/2020	Others
2	08/02/2020	06/02/2020	Others
3	02/03/2020	02/03/2020	Others
4	12/03/2020	12/03/2020	Company Procedures
5	06/04/2020	06/04/2020	Company Procedures
6	07/04/2020	07/04/2020	Company Procedures
7	13/04/2020	13/04/2020	GAM
8	15/04/2020	15/04/2020	Dividend File
9	20/04/2020	15/04/2020	Dividend File
10	16/06/2020	16/06/2020	Company Procedures
11	23/06/2020	22/06/2020	Company Procedures
12	28/06/2020	28/06/2020	GAM
13	24/08/2020	24/08/2020	Company Procedures
14	03/11/2020	02/11/2020	Company Procedures
15	03/11/2020	30/09/2020	Company Procedures

Shareholders holding more than 5% of the paid-up voting share capital of the Company

NAME	NO. OF SHARE AS OF 01/01/2020	% OF CAPITAL	NO. OF SHARE AS OF 31/12/2020	% OF CAPITAL	CHANGE	
					NO.	%
Xenel Industries Limited	11,992,924	14.7	11,992,924	14.7%	.	-

Board Members and Senior Executives Interest and changes during the year

NAME	NO. OF SHARE AS OF 01/01/2020	% OF CAPITAL	NO. OF SHARE AS OF 30/06/2020	% OF CAPITAL	CHANGE	
					SHARES	%
Mohamed A. Alireza	938,345	1.14	1,015,056	1.24	76,711	0.100
Adnan A. Maimani	544,102	0.67	644,102	0.79	100,000	0.120
Alawi M. Kamel	5,513	0.001	5,513	0.006	-	0.005
Saleh A. Hefni	1,200	0.00	26,000	0.032	24,800	0.032
Aamer A. Alireza	31,677	0.04	50,927	0.062	19,250	0.022
Abdulaziz Al-Meshal	1,152,000	1.4	700,000	0.86	(452,000)	(0.54)
Abdulaziz A. Jazzar	20,400	0.03	29,400	0.036	9,000	0.006

NAME	NO. OF SHARE AS OF 01/07/2020	% OF CAPITAL	NO. OF SHARE AS OF 31/12/2020	% OF CAPITAL	CHANGE	
					SHARES	%
Aamer A. Alireza	50,927	0.062	50,927	0.062	-	-
Adnan Abdulfattah M. Soufi	100	-	100	-	-	-
Saleh A. Hefni	26,000	0.032	26,000	0.032	-	-
Abdulaziz A. Jazzar	29,400	0.036	29,400	0.036	-	-
Muneerah Hejab AL Dossary	2,000	0.002	8,100	0.010	6,100	0.008
Ahmed Mohammed A. Alrabiah	20,000	0.025	20,000	0.025	-	-
Talal Naser AIDakhil	250,000	0.306	275,000	0.337	25,000	0.031

Shareholding Pattern as of 31 December 2020

NO.	OWNERSHIP OF SHARES	SHAREHOLDERS		SHARES	
		NO.	%	NO.	%
1.	Less than 20 shares	1,681	16.6	7,156	0.01
2.	From 20 to 99 shares	1,350	13.4	72,998	0.09
3.	From 100 to 499 shares	2,938	29.1	711,615	0.87
4.	From 500 to 999 shares	1,197	11.8	813,748	1.00
5.	From 1,000 to 19,999 shares	2,609	25.8	9397,549	11.52
6.	From 20,000 to 99,999 shares	238	2.4	9,632,864	11.80
7.	From 100,000 to 999,999 shares	71	0.7	17,426,958	21.36
8.	From 1,000,000 to 4,999,999 shares	18	0.2	31,544,188	38.66
9.	More than 5,000,000 shares	1	0.0	11,992,924	14.70
	TOTAL	10,103	100.0%	81,600,000	100.00%

Shareholder Categories as of 31 December 2020

NO.	CATEGORY OF SHAREHOLDER	NO. OF INVESTORS	TOTAL SHARES OWNED	%
1.	Companies	21	23,815,368	29.2
2.	Funds	71	6,385,536	7.8
3.	Individuals	10,011	51,399,096	63.0
	TOTAL	10,103	81,600,000	100.00%

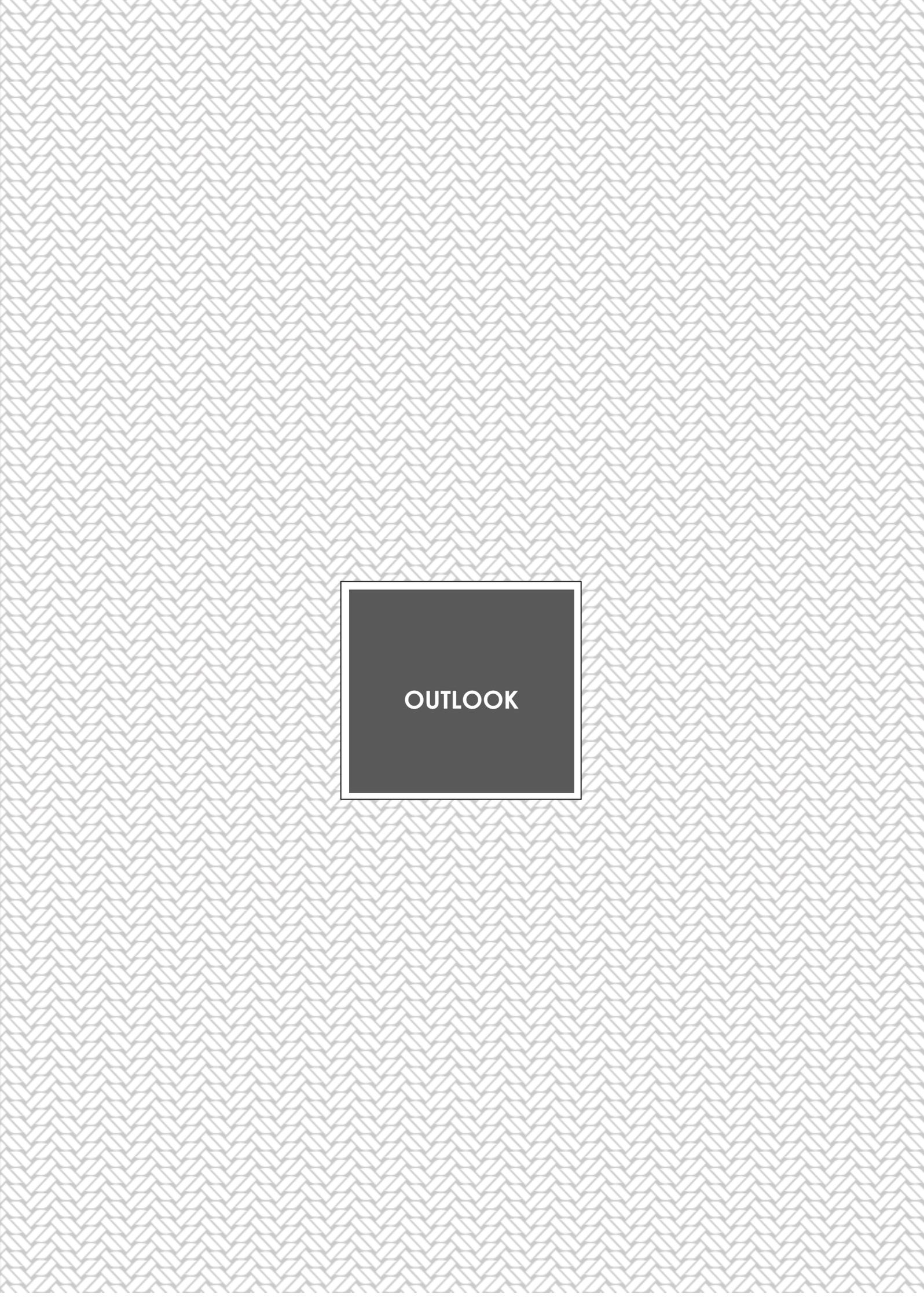


Nationality of shareholders as of 31 December 2020

NO.	NATIONALITY	CURRENT BALANCE	%
1.	Saudi	77,679,859	95.2
2.	USA	2,347,697	2.9
3.	Others (23 Countries)	1,572,444	1.9
	TOTAL	81,600,000	100.00%

SHAREHOLDER PROPOSAL

If the company receives any proposal, note or enquiry from a shareholder, the liaison officer directly informs executive management to address and respond to the enquiry. The Secretary of the Board shall notify the Board for discussion, if necessary.



OUTLOOK

FUTURE OUTLOOK

The COVID-19 pandemic, one of our era's defining black swan events, made a significant impact to businesses and people's livelihood throughout the global economy. In Saudi Arabia, the government introduced various lockdown measure to curb the spread of the virus which amongst other included the suspension of travel and cancellation of Hajj and Umrah. These measures coupled with falling oil prices resulted in a contraction of GDP in 2020.



The outlook for 2021 is more optimistic with an expectation of a broad-based recovery of the Saudi economy. The rollout of the COVID-19 vaccine will result in relaxation of restrictions that will positively impact all sectors, in particular entertainment and domestic tourism activities notably Umrah and Hajj. In addition, the construction sector is also expected to experience an increase in activity as work on mega projects recommence. The subsequent recovery in oil price should also boost the economy.



A strong level of growth, in particular in the non-oil sector, should improve local activity and keep imports at healthy levels. We expect this to translate into further growth for all our business segments.

Segment performance and outlook

On 1 April 2020, SISCO's subsidiary Red Sea Gateway Terminal (RSGT) completed the takeover and consolidation of the adjacent North Container Terminal on 1 April 2020 to become the largest container terminal in Saudi Arabia. The enlarged terminal gives RSGT a significant competitive advantage and increased capability to handle mega vessels, which are expected to increase in the coming years as shipping lines are moving towards upgrading to larger vessels. This should contribute to an increase in RSGT's volume throughput and market share in the coming years.

Separately, Mawani also announced a tariff increase on 24 September 2020 which came into effect on 1 January 2021. This is expected to positively impact the financial performance of the port segment in 2021 and beyond.

The logistics sector continues to be in high demand, in particular the requirement of logistic hubs and warehouse space as businesses shift towards e-commerce post COVID. In response to the challenges faced on its open yard utilization and the increase in e-commerce activity, LogiPoint has accelerated its plans to develop additional warehouse space in the bonded zone coupled with the development of its logistic hubs in MODON and Khumrah. Additional growth opportunities are also being considered through mergers and acquisitions of selective logistics businesses.

The water sector in the Kingdom is currently undergoing major changes as the 2030 vision is implemented. SISCO is actively seeking to take advantage of this vision 2030 privatization program in this sector through its affiliate companies Kindasa and Tawzea.

SISCO also made significant progress in the water sector through its affiliate Tawzea securing financing and commencing construction of the Taif Independent Sewerage Plant Project. Tawzea aims to build on this success and is currently part of the bidding process for additional water treatment and sewerage projects across the Kingdom.

** This section of the annual report includes statements subject to risks and uncertainties that are based on several economic and political factors out of SISCO's control.*