

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY A SAUDI JOINT STOCK COMPANY

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INTRODUCTION

According to the request of the management of Saudi Fisheries Company ("the Company"), we have been engaged to perform a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), has not been reported and presented fairly, in all material respects, in accordance with the applicable criteria mentioned below ("Applicable Criteria").

SUBJECT MATTER

The scope of the engagement relates to the limited assurance engagement on the decision of Board of Directors of the Company circulated on 14 Rabi Al-Thani 1446H (corresponding to 17 October 2024) for the proposed reduction of share capital of the Company in which the Board decided to recommend to the Extraordinary General Assembly to reduce the share capital by an amount of SAR 333,013,960 from SAR 400,000,000 to SAR 66,986,040 by cancelling of 33,301,396 shares. The proposed reduction is approved to restructure the Company's capital to off-set total accumulated losses with a capital reduction percentage of 83.25349% through the extra ordinary general meeting dated 26 Rajab 1446H (corresponding to 26 January 2025).

APPLICABLE CRITERIA

1. Article (133 & 134) of the Companies' Law issued by the Ministry of Commerce;
2. Article (76) of the second chapter (part six) of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority;
3. Article (12) of the Company's by-laws.

MANAGEMENT RESPONSIBILITY

The management and the chairman of the Company's board of directors are responsible for preparing the subject matter of assurance and presenting it as appropriate in accordance with applicable criteria. The Company's management is also responsible for establishing and maintaining an adequate internal control system for the preparation and presentation of the subject matter of assurance that are free of material misstatements, whether arising from fraud or error, choosing and applying appropriate controls, maintaining adequate records, and making reasonable estimates according to the circumstances.

OUR RESPONSIBILITY

It is our responsibility to express the conclusion of a limited assurance on the subject matter of assurance based on the limited assurance engagement that we have performed in accordance with the International Standard for Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" that is endorsed in the Kingdom of Saudi Arabia and the terms and conditions of this engagement as agreed with the Company's management.

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
A SAUDI JOINT STOCK COMPANY

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OUR RESPONSIBILITY (CONTINUED)

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and as such do not provide all of the evidence that would require to provide a reasonable assurance. The procedures performed depend on our professional judgment, including the risk of material misstatement of the subject matter, whether due to fraud or error. While, we considered the effectiveness of management's internal control when determining the nature and extent of our procedure, our engagement was not designed to provide assurance on the effectiveness of internal control system.

INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence requirements in accordance with the International Code of Ethics for Professional Accountants, issued by the International Ethics Standard Board for Accountants, that are endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management (ISQM 1), "Quality Management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements, that is endorsed in the Kingdom of Saudi Arabia. Accordingly, ISQM 1 maintains a comprehensive system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

SUMMARY OF PROCEDURES PERFORMED

Our procedures regarding systems and controls relating to the preparation of the Notification in accordance with the requirements of applicable criteria, are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Furthermore, such procedures may not be relied upon as evidence of the effectiveness of the systems and controls against fraudulent collusion, especially on the part of those holding positions of authority or trust.

The procedures performed in the limited assurance engagement differ in nature and timing and are less in scope than the reasonable assurance engagement. Consequently, the level of assurance obtained in the limited assurance engagement is much less than the assurance that would have been obtained had we performed the reasonable assurance engagement. As part of this engagement, we have not performed any procedures of reviewing, examining, or verifying the subject matter of assurance, nor of the records or other sources from which the subject in question was extracted. Accordingly, we will not express reasonable assurance opinion.

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SUMMARY OF PROCEDURES PERFORMED (CONTINUED)

Our assurance procedure are as follows:

- Obtained the minutes of meetings of Board and Board of Directors' decision dated 14 Rabi Al-Thani 1446H (corresponding to 17 October 2024) in which the Board decided to recommend to the Extraordinary General Assembly to reduce the share capital from SAR 400,000,000 to SAR 66,986,040 by a reduction percentage of 83.25349%;
- Examining the accompanied information provided by the Company, which shows the rationale for reducing the share capital and the effect of the aforementioned reduction on the Company's obligations;
- Review the article (133 & 134) of the Companies' Law issued by the Ministry of Commerce and Investments, article (76) of the second chapter (sixth section) of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority and article (12) of the Company's by-laws.

CONCLUSION

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the subject matter above has not been reported and presented fairly, in all material respects, with the applicable criteria.

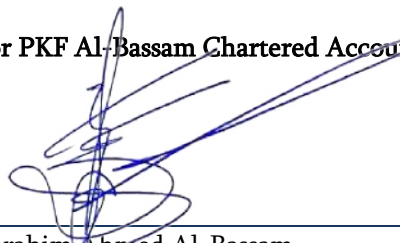
OTHER MATTER

The proposed adjusted share capital balance will be reflected in the Company's accounting records upon completion of the regulatory procedures with the Ministry of Commerce.

RESTRICTIONS ON THE USE OF OUR REPORT

Our report has been solely prepared upon the request of the Company's management to be presented to the shareholders in their Extraordinary General Assembly meeting in accordance with the requirements of applicable criteria. The report may not be used for any other purpose or to distribute to any other party other than the Ministry of Commerce and Capital Market Authority or to quote from or refer to it without obtaining our prior approval.

For PKF Al-Bassam Chartered Accountants



Ibrahim Ahmed Al-Bassam
Certified Public Accountant

License No. 337

Riyadh, Kingdom of Saudi Arabia

27 Sha'ban 1446H

Corresponding to: 26 February 2025



SAUDI FISHERIES COMPANY

(A Saudi Joint Stock Company)

**REPORT ON THE REASON FOR REDUCING CAPITAL AND ITS IMPACT ON THE
COMPANY'S OBLIGATIONS**

1. REASON OF SHARE CAPITAL REDUCTION:

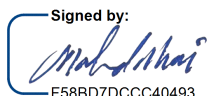
The reason for the share capital reduction is restructuring of the Company's share capital by reducing the amount of SAR 333,013,960, due to the accumulated losses reaching approximately 83.25349% of the share capital and off-set against the accumulated losses through cancelling 33,301,396 shares of the Company. There is no material impact from the capital reduction on the Company's financial, operational, or regulatory obligations, and the ownership percentage of any shareholder will not change as a result of the capital reduction.

SAUDI FISHERIES COMPANY**(A Joint Stock Company)****EXTRACT OF CONDENSED STATEMENT OF FINANCIAL POSITION****AS AT 26 JANUARY 2025****(All amounts are in Saudi Riyal unless otherwise stated)****2. IMPACT OF THE REDUCTION ON THE COMPANY'S OBLIGATIONS:**

The impact on the share capital and accumulated losses as of 26 January 2025 will be as follows:

	26 January 2025 (Unaudited)	Adjustments	26 January 2025 (Unaudited)
ASSETS			
Non-current assets			
Property, plant, and equipment	71,119,289	-	71,119,289
Capital work in progress	21,923,649	-	21,923,649
Investment properties	41,683,054	-	41,683,054
Right-of-use assets	8,331,273	-	8,331,273
Total non-current assets	143,057,265		143,057,265
Current assets			
Inventories	2,269,323	-	2,269,323
Trade receivables	2,412,187	-	2,412,187
Prepayments and other assets	6,950,011	-	6,950,011
Investments carried at FVTPL	20,155	-	20,155
Cash and bank balances	9,983,009	-	9,983,009
Total current assets	21,634,685	-	21,634,685
TOTAL ASSETS	164,691,950	-	164,691,950
EQUITY AND LIABILITIES			
EQUITY			
Share capital	400,000,000	(333,013,960)	66,986,040
Retained Earnings/(Accumulated losses)	(332,995,951)	333,013,960	18,009
Actuarial reserve	1,097,063	-	1,097,063
TOTAL EQUITY	68,101,112	-	68,101,112
LIABILITIES			
Non-current liabilities			
Long-term borrowings	20,971,706	-	20,971,706
Employees' post-employment benefits	2,714,999	-	2,714,999
Lease liabilities	10,017,183	-	10,017,183
Total non-current liabilities	33,703,888	-	33,703,888
Current liabilities			
Long-term borrowings - current portion	1,602,427	-	1,602,427
Trade and other payables	25,745,730	-	25,745,730
Shareholder's compensation to priority right shares	13,394,314	-	13,394,314
Lease liabilities – current portion	6,011,759	-	6,011,759
Provision for zakat	16,132,720	-	16,132,720
Total current liabilities	62,886,950	-	62,886,950
TOTAL LIABILITIES	96,590,838	-	96,590,838
TOTAL EQUITY AND LIABILITIES	164,691,950	-	164,691,950

Signed by:



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Chief Financial Officer

Signed by:



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Chief Executive Officer

Signed by:



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Authorized Member of the Board of Directors