

• **Audit Committee Report for Year Ended in 31 December 2024**

**Formation of the Audit Committee for the Period from 01/01/2024 to 31/12/2024 :**

<b>Committee Members Name</b>	<b>Position</b>
Mr. Waleed A. Al-Rumaih	Head of the Committee
Mr. Rashid A. Al-Rashid	Member (From outside the Board)
Mr. Hani A. Abu-AlNaja	Member (From outside the Board)

**Duties of the Audit Committee and duration of its work:**

**Committee's terms of Powers:**

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of the reports, financial statements and internal control systems. The committee's duties include, in particular, the following:

**1. Regarding the function of the chartered accountant (Audit Firm) Auditor and the preparation of financial statements and reports:**

- Recommending to the Board of Directors to appoint the chartered public accountants (Audit Firm), which includes the committee's reviewing their professional competencies, confirming of their independence and the expected risks of a conflict of interest, as well as determining their fees and dismissal.
- Verifying the auditor's independence, objectivity, fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.
- Reviewing the company's auditor's plan and his work, and ensuring that he does not submit technical or administrative work falls outside the scope of the audit-work in accordance with the principle of independence and expressing its views on that.
- Answering the company's auditor's inquiries.
- Studying the auditor's report and his observations on the financial statements and following up on the decisions taken thereon.

**2. With regard to the conformity and compliance function, the committee shall do the following:**

- Reviewing the results of the regulatory authorities' reports and verify that the company has taken the necessary measures in this regard.
- Verifying the company's compliance with relevant laws, regulations, policies and instructions.
- Reviewing the contracts and transactions proposed to be conducted by the company with the related parties and presenting its opinions regarding that to the Board of Directors. Opinion
- Raising the issues, it deems necessary to take action in its regards to the Board of Directors and expressing its recommendations regarding the measure that must be taken.

**3. With regard to the internal audit function, the Committee shall:**

- Study and review the company's internal control, financial and risk management systems; and deficiencies in the general structure and functioning of the internal control systems & their work.
- Study internal audit reports and follow-up the implementation of corrective actions based on the observations contained therein.
- General supervision of the performance and activities of the internal auditor and the internal audit department in the company, in order to verify their effectiveness in implementing the work and tasks assigned to them by the Board of Directors.
- Preparing recommendations for the establishing the company's internal audit department and its budget, selecting and appointing the Director of the Internal Audit unit or department, and ensuring the extent of the independence of the internal auditors.

**4. With regard to Financial Reports:**

- Studying the draft preliminary quarterly financial statements before publishing it, submitting it to the Board of Directors, and making recommendations about it, if necessary.
- Studying the draft annual financial statements before submitting it to the Board of Directors and expressing an opinion and recommendation on it.

- Expressing an opinion, upon at the request of the Board of Directors, as to whether the report of the Board of Directors and the company's financial statements are fair, balanced and understandable, and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.
- Examining any important or unusual issues contained in the financial reports.
- Carefully research any issues raised by the company's financial manager, or whoever assumes his duties, or the company's compliance officer, or the auditor.
- Verifying the accounting estimates regarding the essential issues mentioned in the financial reports.
- Studying the accounting policies followed in the company and express an opinion and recommendation to the Board of Directors in this regard.

#### **5. Regarding General Matters:**

- The committee should formulate a mechanism that allows the company's employees to submit, in complete confidentiality, all the observations contained in the financial reports, regarding transgressions or violations and the committee members must conduct an independent investigation commensurate with the extent of the violation.
- The Committee is responsible for its work in front of the Board of Directors, without prejudice to the responsibility of the Board for those actions and for the powers or authorities delegated to it.
- The Chairman of Committee must attend the General Assembly to answer shareholders' inquiries.

#### **6. Committee Powers:**

The Committee has the following powers:

- Request documents, records, documents, reports, clarifications and other appropriate information from members of the Board of Directors, executives and officials of the company.
- Inviting the Company's Executives, officials and employees to the committee's meetings to answer any inquiries the committee raises to them.

- To request the Board of Directors to invite the Company's General Assembly, if the Board of Directors obstructs its work or if the company is exposed to serious damage or losses.
- Seeking the assistance of experts, consultants and specialists from outside the company during the performance of its work.
- Carry out any duties assigned to it by the Board of Directors within the limits of its powers.
- Review and evaluate the provisions of these regulations and prepare recommendations to the Board of Directors regarding amending part of them, if required.
- Preparing quarterly reports to the Board of Directors on a periodic basis, and the Committee submits them to the Board of Directors immediately upon completion of the Committee meeting.
- Determining monthly salaries, incentive bonuses, and other rewards for the internal audit department, the internal auditor, or the conformity and compliance department in line with the internal regulations of the company approved by the Board.
- The committee conducts an annual review and evaluation of its bylaws and prepares recommendations, if necessary, to the Board of Directors regarding amending part of it.
- Treat the information they have as a result of undertaking the committee's work with complete confidentiality.
- Informing the Board of Directors of updates that affect their independence or conflicts of interest related to the decisions taken by the Committee.

#### **Committee Meetings:**

**The Committee has met 5 times during 2023/24, and attendance record is following:**

- The committee will end with session end.

**Attendance members record from 01/01/2024 to 31/12/2024**

Member Name	First Meeting 05/03/2024	Second Meeting 18/04/2024	Third Meeting 14/05/2024	Fourth Meeting 28/07/2024	Fifth Meeting 30/10/2024
Mr. Waleed A. Al-Rumaih	Attended	Attended	Attended	Attended	Attended
Mr. Rashid A. Al-Rashid	Attended	Attended	Attended	Attended	Attended
Mr. Hani A. Abu Al-Naga	Attended	Attended	Attended	Attended	Attended

- During the year 2024, there is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, whether regarding the appointment of the external or internal auditor or any other matter, as there is no conflict between the recommendations of the Committee and the Board of Directors.
- The company has an internal auditor, so there are no recommendations regarding appointing an internal auditor.

#### **Results of the Annual Review of the effectiveness of the company's internal control procedures:**

##### **First: The foundations of internal control and the application of the control cycle within the company:**

In light of the internal control reports, the Audit Committee reviews the control cycle for all the company's activities in accordance with the COSO framework, and identifies the strengths and weaknesses, as well as updating records of the risks to which the company is exposed and how to reduce them, and developing control systems that ensure that they do not occur or that their effects are not exposed. The Internal Audit Department develops an annual plan to ensure the quality of the internal control system in place and develops recommendations regarding updating the internal control system so that the systems are updated to reduce the effects of the new risks according to the risk records of the Internal Audit Department, submitting them to the Audit Committee and following up with the executive management in implementing those recommendations.

##### **Second: The Results of the Annual Review of the effectiveness of Internal Control. The following are the most important procedures and essential observations:**

During the year 2023, the committee examined and evaluated the company's internal control system through what was stated in the internal audit reports, and ensured the company's departments' commitment to implementing the recommendations contained in those reports. It also studied and reviewed the risks, in major operational, financial and administrative challenges that the company may face, in addition to studying Weaknesses and strengths of internal control, financial and risk management systems. The results of the examination revealed that there are no fundamental deficiencies that require disclosure, and that risk control procedures are managed within the limits that have been set, in a transparent manner and at the appropriate time, while emphasizing the continuous need to update the company's systems and policies in line with business changes and the requirements of continuous development. To manage risks and complete what is necessary to perform its tasks efficiently and effectively, in addition to changes in the relevant systems and regulations issued by the competent authorities. The Audit Committee considered that there were no fundamental deficiencies that required disclosure, and the Committee did not issue any recommendations regarding the adequacy of the company's internal and financial control and risk management systems.



**Waleed A. Al Rumaih**

**Chairman of the Audit Committee**

Date: 19/10/1446 AH

Corres. Dt. : 17/04/2025 AD

**Recommendation of the Audit Committee to Appoint an Audit Firm**  
**for the year 2025AD**

With reference to the Audit Committee procedure & responsibilities, and after reviewing the Regulatory bureau procedure and the instructions of the Ministry of Commerce, and the Corporate Governance procedure issued by the Capital Market Authority.

The Committee invited a number of Auditor firms licensed by the Capital Market Authority to submit quotations to Audit the Company's Accounts for the fiscal year ending on December 31, 2025. After reviewing and studying the offers on the volume of work, office experience and scope of work, the Committee recommended to your esteemed Assembly to approve the appointment of One of the following Offices:

**First Audit Firm:** The nomination of **El Sayed El Ayouty & Co Certified Public Accountants**, accountants and auditors Company, (to audit the company's accounts for the second and third quarters and the annual financial statements for the year ending on December 31, 2025 and the first quarter of 2026. The estimated cost is **SAR 570,00**

**Second Audit Firm:** Nomination of **Suleiman PKF Al Bassam Chartered Accountants** Company (to audit the company's accounts for the second and third quarters and the annual financial statements for the year ending on December 31, 2025 and the first quarter of 2026. The estimated cost is **SAR 494,000**

Based on the foregoing, we, the Chairman of the Audit Committee, approved the recommendation and signed below



Waleed Al-Rumaih

Chairman of the Audit Committee



**MOORE**

## السيد العيوطي وشركاه

محاسبون ومراجعون قانونيون

### ٥. الأتعاب ونطاق العمل

بناءً على المعلومات التي تمكنا من الحصول عليها حول نشاط الشركة، فإننا نقدر أتعابنا المهنية بمبلغ ٥٧٠,٠٠٠ ريال سعودي ( فقط خمسمائة وسبعون ألف ريال سعودي لا غير)، وسيتم إصدار فواتيرنا وفقاً لما يلي: -

■ ٥٠٪ عند البدء بأعمال المراجعة.

المبلغ	البيان
٢٥٠,٠٠٠	خدمات مراجعته القوائم المالية المنفصلة للشركة للسنة المنتهية في ٣١ ديسمبر ٢٠٢٥ م
٤٠,٠٠٠	خدمات مراجعته القوائم المالية الموحدة للشركة للسنة المنتهية في ٣١ ديسمبر ٢٠٢٥ م
١٨٠,٠٠٠	خدمات فحص القوائم المالية الأولية الموحدة المختصرة للربع ( الثاني، الثالث ) ٢٠٢٥ م ، الربع الأول ٢٠٢٦ م
٧٥,٠٠٠	خدمات مراجعته القوائم المالية لشركة الإحساء للمواد الغذائية في ٣١ ديسمبر ٢٠٢٥ م
١٠,٠٠٠	خدمات الزكاة لشركة الإحساء للمواد الغذائية للسنة المنتهية في ٣١ ديسمبر ٢٠٢٥ م
١٥,٠٠٠	خدمات الزكاة القوائم المالية المنفصلة للشركة للسنة المنتهية في ٣١ ديسمبر ٢٠٢٥ م
٥٧٠,٠٠٠	إجمالي الأتعاب

■ الأتعاب أعلاه بالريال السعودي إن تشمل ضريبة القيمة المضافة ١٥٪.

### الافتراضات

- يستند تقدير أتعابنا أعلاه على تفهم حجم عمليات ونشاط الشركة لسنة ٢٠٢٤ م وتقديرات سنة ٢٠٢٥ م، ويستند أيضاً إلى خبرتنا الكبيرة السابقه في مراجعته شركات في مثل نفس النشاط.
- إن أتعابنا أعلاه تم تقديرها على أساس مراجعة القوائم المالية المعدة من قبل إدارة الشركة وفقاً للمعايير الدولية للتقارير المالية المعتمدة في المملكة العربية السعودية.
- خدمات الزكاة أعلاه تتعلق بإعداد وتقديم الإقرار الزكوي للحصول على شهادة من هيئة الزكاة والدخل والجمارك، وتقديم إقرار واحد فقط نهائي، وفي حال رغبة الإدارة في تقديم أية إقرارات إضافية بناءً على قوائم مالية إدارية فسيتم تقدير أتعاب إضافية لها، ولا تتضمن أتعاب خدمات الزكاة أعلاه أي خدمات زكوية أو ضريبية أخرى بخلاف المنصوص عليها سابقاً.
- تلتزم إدارة الشركة بتوفير تقرير فني يتضمن إعداد وطريقه احتساب الخسائر الإئتمانية المتوقعة (ECL) لكافة الأرصدة للمدينون التجاريون والأرصدة المدينة الأخرى والدفعات المقدمة وفقاً للمعيار الدولي لإعداد التقارير المالية رقم (٩) للسنة المنتهية في ٢٠٢٥ م، على أن يتضمن التقرير كافة الافتراضات والمعدلات والنسب والمؤشرات التي إستندت إليها إدارة الشركة في الإحتساب.
- تلتزم إدارة الشركة بموافاتنا بتقرير بالحسبة الاكتوارية لإلتزامات منافع الموظفين لسنة ٢٠٢٥ م، موضحا به كافة الافتراضات والنسب والمؤشرات ومعدلات الحساسة.
- تتضمن خدماتنا أعلاه قيام مكتبنا بتحميل القوائم المالية للشركة على منصة قوائم الخاص بوزارة التجارة.
- قد تنشأ مصروفات إضافية وفقاً لتعقيد المهمة، والوقت الفعلي المستغرق، والمخاطر المصاحبة لها، وسيتم الإتفاق على قيمتها مع إدارة الشركة حال تكبدها.



٥

شركة عضو مستقلة في شبكة مور العالمية

التمكين | الشغف | العناية | التواصل

رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA



April 13, 2024

Ayyan Investment Company and Its Subsidiary  
Al Khobar  
Kingdom of Saudi Arabia  
Attn: Those Charged with governance

Dear Sir,

Thank you for providing us the opportunity for rendering the professional services relating to the audit of the financial statements of **Ayyan Investment Company and its subsidiary** ("the Group") for the year ending December 31, 2025.

The following is the fee structure for the above services (SAR excluding VAT):

S. No	Description	Fees (SR)	Payment Terms	Required Time (in weeks)
1.	Statutory Audit of Consolidated financial statements of Ayyan Investment Company for the year ending December 31, 2025 including uploading financial statements to Qwaeem Portal	155,000	- 50% upon signing of Engagement letter - 50% upon issuance of draft deliverables	7 weeks. This includes understanding the entity, planning, audit execution and completion.
2.	Audit of special purpose consolidated financial statements for the year ending December 31, 2024 including uploading financial statements to Qwaeem Portal	72,000	- 50% upon signing of Engagement letter - 50% upon issuance of draft deliverables	2 weeks
3.	Quarterly review of the Consolidated financial statements Ayyan Investment Company (74,000/quarter)	222,000	100% upon issuance of each draft deliverable	2 weeks
4.	Statutory Audit of financial statements of Al Ahsa Food Industries Company for the year ending December 31, 2025 including uploading financial statements to Qwaeem Portal	45,000	- 50% upon signing of Engagement letter - 50% upon issuance of draft deliverables	3 weeks. This includes understanding the entity, planning, audit execution and completion.

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