



To the Shareholders
Thob Al Aseel Group
Joint Stock Company

Limited assurance report on declaration submitted by the Chairman of the Board of Directors

We have undertaken a limited assurance engagement in respect of the accompanying declaration of statement of work and contracts concluded between Thob AlAseel Company and its subsidiary (the “Group”) and related parties of the directors of the Group (the “Declaration”) for the year ended December 31, 2021 to be submitted by the Chairman of the Board of Directors of the Group in accordance with the applicable criteria mentioned below so as to comply with the requirements of Article 71 of the Regulations for Companies.

Subject matter

The subject matter for our limited assurance engagement is the Declaration prepared by the management of the Group and approved by the Chairman of the Board of Directors as attached to this report and submitted to us.

Criteria

The applicable criteria is the requirement of Article 71 of the Regulations for Companies issued by the Ministry of Commerce (2015-1437H) which states that any member of the Board of directors (the “Board”) with any interest, both directly or indirectly, in the work or contracts made for the account of the Group shall declare such interests for the approval of a general assembly of the Group. Such member of the Board must notify the Board of such interest and refrain from voting in the vote by the Board to approve such work or contracts. The Chairman of the Board of Directors will notify the general assembly of work and contracts in which a member of the Board has a direct or indirect interest.

Management’s responsibility

The management of the Group is responsible for the preparation of the Declaration in accordance with the criteria and ensuring its completeness. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Declaration that is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the independence requirements of the code of professional conduct and ethics, that are endorsed in the Kingdom of Saudi Arabia, and the ethical requirements that are relevant to our limited assurance engagement in the Kingdom of Saudi Arabia, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1, that is endorsed in the Kingdom of Saudi Arabia, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' ("ISAE 3000"), that is endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Group has not complied with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration, for the year ended December 31, 2021.

The procedures selected depend on our judgment, including the assessment of risks such as failure of systems and controls, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Group's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration. Our procedures included examining, on a test basis, evidence supporting systems and controls in respect of the preparation of the Declaration in accordance with the requirements of Article 71 of the Regulations for Companies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of work performed

We have planned and performed the following procedures to obtain limited assurance over the Group's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration:

- Discuss with management the process for conducting business and entering into contracts with any of the Board members, either directly or indirectly, with the Group which includes that such member of the Board must notify the Board on the transactions and contracts entered into by the Group, in which the Board member may have any interest, either directly or indirectly, and further that the concerned Board member will not vote on the resolution issued in this regard at the meetings of the Board and the shareholders.
- Obtained the accompanying Declaration that includes the lists of all transactions and agreements entered into by any of the Board members of the Group, either directly or indirectly, with the Group during the year ended December 31, 2021.
- Reviewed the minutes of the Board meetings held during the year ended December 31, 2021; that meetings did not include any notification from the Board members related to any new transactions and agreement entered with the Group either directly or not directly compared to last year.
- Review the General Assembly minutes of meeting held on 28 June, 2021 in which the list of all transactions and contracts entered into by any of the Board members of the Group, either directly or indirectly, with the Group during the previous year ended December 31, 2020 were approved.
- Ensure the consistency of the transactions and contracts included in the Declaration with the disclosure in Notes (11,23) to the Group's audited consolidated financial statements for the year ended December 31, 2021.

Inherent limitations

Our procedures regarding systems and controls relating to the preparation of the Declaration in accordance with the requirements of the Article 71 of the Regulations for Companies, 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.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (revised), as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, that are endorsed in the Kingdom of Saudi Arabia, and accordingly we do not express an audit or a review opinion in relation to the adequacy of systems and controls.

This conclusion relates only to the Declaration for the year ended to December 31, 2021 and should not be seen as providing assurance as to any future dates or periods, as changes to systems or controls may alter the validity of our conclusion.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration of related party transactions for the year ended December 31, 2021.

Restriction of use

This report, including our conclusion, has been prepared solely upon the request of the management of the Group, to assist the Group and its Chairman of the Board in fulfilling its reporting obligations to the general assembly in accordance with Article 71 of the Regulations for Companies. The report should not be used for any other purpose or to be distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce, Capital Market Authority and the shareholders of the Group.

PricewaterhouseCoopers



Mufaddal Abbas Ali
License No. 447
24 May 2022





شركة مساهمة
Shareholding Co.

Date: 11/04/2022

Shareholders of the company

With reference to Article (71) of the Regulations for Companies, we would like to inform you that during the financial year 2021 The company has executed contracts and commercial transactions in which the members of the Board of Directors have an interest, according to the annex and what was included in the Board of Directors' report.

Knowing that the company does not give any preferences in the contracts concluded in the presence of related parties where they are the same terms as contracts with others. The agenda of the upcoming assembly included a recommendation from the Board of Directors to approve the mentioned contracts and renew them for the next year.

We also attach to you a special report from the External Auditor (PWC) on the mentioned transactions for the purpose of presenting it to the Assembly.

Best regards,

Chairman of the Board of Directors
Faisal Abdullah Ibrahim Aljedaie

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شركة مساهمة
Shareholding Co.

Remunerations and attendance allowances for members of the Board of Directors for the financial year 2021

No.	Members	Job	Remuneration	Attendance allowance	total
1	Faisal Abdullah Ibrahim Aljedaie	Chairman of the Board	490,000	-	490,000
2	Ajlan Abdul Rahman Al Ajlan *	vice president	80,000	-	80,000
3	Abdul Rahman Abdullah Ibrahim Aljedaie	Member	160,000	-	160,000
4	Mohammed Abdullah Ibrahim Aljedaie	Member	200,000	-	200,000
5	Tariq Saad Abdul-Aziz Al-Tuwaijri	Member	240,000	12,000	252,000
6	Haitham Mohammed Abdulaziz Al-Hamidi **	Member	120,000	-	120,000
	Total		1,290,000	12,000	1,302,000

*Membership began on September 4, 2021

**Membership expired on September 3, 2021

Note ' no other amounts have been dealt with other than what was previously mentioned.

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شركة مساهمة
Shareholding Co.

No.	Contracting company	Contract site	Contract value for the year in SAR	Expense 2021	Lease Liability	Duration of the contract	Board member name
1	THOB AL ASEEL CO.	Khan Shalila Warehouse	602,210	583,788	1,180,269	One year	Faisal Abdullah Ibrahim Aljedaie Abdul Rahman Abdullah Ibrahim Aljedaie Mohammed Abdullah Ibrahim Aljedaie
2		Jeddah Gallery	400,000	334,725	390,563	One year	
3		Jizan warehouse	120,000	103,829	235,188	One year	
4	AL JEDAIE FABRICS CO. (a subsidiary of Thobe Al-Aseel Company)	Jizan warehouse	60,000	60,693	58,584	One year	Mohammed Abdullah Ibrahim Aljedaie
5		Almadina retail branch	150,000	153,130	291,745	One year	
6		Almadina whole branch	150,000	153,165	291,745	One year	
Total			1,482,210	1,389,331	2,448,094		

No.	Contracting company	Contract site	Transaction amount (SAR)	Nature of the transaction	Board member name
1	THOB ALASEEL	Al-Jedaie Furniture	150,000	Technical support service provided by the Information Technology Department	Faisal Abdullah Ibrahim Aljedaie Abdul Rahman Abdullah Ibrahim Aljedaie Mohammed Abdullah Ibrahim Aljedaie
total			150,000		

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