



The management  
Al Hassan Ghazi Ibrahim Shaker Company  
P.O. Box 5124 Riyadh 11422,  
Kingdom of Saudi Arabia

## **Factual Results Report of capital decrease as of May 31, 2022**

### **Purpose of this Factual Results report**

This report is produced in accordance with the terms of our agreement dated June 13, 2022. The procedures were performed solely to assist the management of Al Hassan Ghazi Ibrahim Shaker Company (“the Company”) in fulfilling its reporting obligations under in compliance with the requirements of the Capital Market Authority (“CMA”) related to the capital decrease as of May 31, 2022 and may not be suitable for another purpose.

### **Your responsibilities**

The management of the Company have prepared the capital decrease statements as of May 31, 2022 attached in appendix (1) and remain solely responsible for it and for the creation and maintenance of all accounting and other records supporting its contents. The Company’s management are also responsible for identifying and ensuring that the Company complies with the terms of our agreement.

The management is responsible for determining that the scope of the services is sufficient for its purposes and have confirmed that the procedures described herein are appropriate for the purpose for which of the services were engaged.

### **Our responsibilities**

We have performed the procedures agreed with you and listed below. Our work was performed in accordance with the International Standard on Related Services (ISRS) 4400 (Revised) ‘Agreed-Upon procedures Engagements.’ as endorsed in the Kingdom of Saudi Arabia.

We have complied with the rules of professional conduct and ethics as endorsed in the Kingdom of Saudi Arabia.

An Agreed-upon procedures engagement involves performing the procedures that have been agreed with you, and reporting the findings, which are the factual results of the Agreed-upon procedures performed. We make no representation regarding the appropriateness of the Agreed-upon procedures.

We have applied International Standard on Quality Control (ISQC) 1 ‘Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements’, as endorsed in the Kingdom of Saudi Arabia and accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Procedures and findings**

We performed the following procedures:

1. Obtain a copy of the commercial register and bylaws after the reduction of share capital, compare the new capital as per the Company's books with the commercial register and bylaws and identify any differences.
2. Obtain and inspecting the accounting journals that the management have recorded to reduce the share capital. Recalculate the figures stated in these journals and identify any differences.
3. Obtain the statement of financial position as at May 31, 2022 and the related statements of profit or loss and other comprehensive income, cash flows and equity for the five-month period then ended, prepared by the management before and after the capital decrease and check the mathematical accuracy of these statements. Identify and report any differences.
4. Obtain the minutes of the Extraordinary General Assembly meeting held on May 15, 2022 and confirm that the minutes evidence that the capital decrease was approved.

Based on the above procedures we found:

- For procedure no. 1, we obtained the Company's amended commercial register and bylaws after the reduction of capital. Also we compared the new capital as per the books of the Company with the new CR and bylaws no discrepancies noted except for the date of the commercial register which was amended on June 7, 2022, while the Company has reduced its capital in its books on May 31, 2022 "Before amending the commercial register".
- For the procedures 2, 3 and 4, we did not identify any discrepancies.

Our procedures, as stated in our agreement, did not constitute either an audit or review made in accordance with International Standards on Auditing or International Standards on Review Engagements, as endorsed in the Kingdom of Saudi Arabia, the objective of which would be the expression of assurance on the contents of the capital decrease. We do not express such assurance. Had we performed additional procedures or had we performed an audit or review of the capital decrease statements in accordance with International Standards on Auditing or International Standards on Review Engagements, as endorsed in the Kingdom of Saudi Arabia, other matters might have come to our attention that we would have reported to you. This report relates only to the capital decrease and does not extend to any financial statements of the Company taken as a whole.

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.

## **Restriction on distribution and use**

This report is solely for your use in connection with the purpose specified above and as set out in our agreement. No part of this report is to be copied or distributed to any other party except as permitted under the terms of our agreement. We do not accept any liability or responsibility to any third party.

## **PricewaterhouseCoopers**



Ali A. Alotaibi  
License Number 379

June 16, 2022



**AL HASSAN GHAZI IBRAHIM SHAKER COMPANY**  
(A Saudi Joint Stock Company)  
Consolidated statement of financial position as at May 31, 2022 (Before and after the capital reduction)  
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	Before Capital Reduction	Impact of Capital Reduction	After Capital Reduction
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	194,330	-	194,330
Right of use of assets	5,934	-	5,934
Intangible assets and goodwill	11,766	-	11,766
Trade and other receivables	12,221	-	12,221
Investment in an associate	452,323	-	452,323
<b>Total non-current assets</b>	<b>676,574</b>	<b>-</b>	<b>676,574</b>
<b>Current assets</b>			
Inventories	342,827	-	342,827
Trade and other receivables	469,694	-	469,694
Prepayments and other debt balances	59,555	-	59,555
Cash and cash equivalents	77,821	-	77,821
<b>Total current assets</b>	<b>949,897</b>	<b>-</b>	<b>949,897</b>
<b>Total assets</b>	<b>1,626,471</b>	<b>-</b>	<b>1,626,471</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	630,000	(147,666)	482,334
Statutory reserve	140,937	-	140,937
Accumulated losses	(130,486)	147,666	17,180
Equity attributable to owners of the Company	640,451	-	640,451
Non-controlling interests	13,461	-	13,461
<b>Total equity</b>	<b>653,912</b>	<b>-</b>	<b>653,912</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities and borrowings	59,765	-	59,765
Employee benefits obligation	23,053	-	23,053
<b>Total non-current liabilities</b>	<b>82,818</b>	<b>-</b>	<b>82,818</b>
<b>Current liabilities</b>			
Lease liabilities and borrowings	413,174	-	413,174
Trade and other payables	458,643	-	458,643
Zakat and income tax liabilities	4,481	-	4,481
Warranty provisions	13,443	-	13,443
<b>Total current liabilities</b>	<b>889,741</b>	<b>-</b>	<b>889,741</b>
<b>Total liabilities</b>	<b>972,559</b>	<b>-</b>	<b>972,559</b>
<b>Total equity and liabilities</b>	<b>1,626,471</b>	<b>-</b>	<b>1,626,471</b>



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**AL HASSAN GHAZI IBRAHIM SHAKER COMPANY**  
(A Saudi Joint Stock Company)  
**Consolidated statement of profit or loss and other comprehensive income for the five months period May 31, 2022 (Before and after the capital reduction)**  
(All amounts in thousands of Saudi Riyals unless otherwise stated)

	Before Capital Reduction	Impact of Capital Reduction	After Capital Reduction
Revenue	516,742	-	516,742
Cost of sales	(399,434)	-	(399,434)
Gross profit	117,308	-	117,308
General and administrative expenses	(36,380)	-	(36,380)
Selling and distribution expenses	(49,214)	-	(49,214)
Impairment loss on trade and other receivables	(12,888)	-	(12,888)
Other income, net	1,467	-	1,467
<b>Income from operations</b>	<b>20,293</b>	<b>-</b>	<b>20,293</b>
Finance costs	(7,710)	-	(7,710)
Other expense – foreign exchange loss	256	-	256
Share of profit from an associate	9,928	-	9,928
Profit before zakat and income tax	22,767	-	22,767
Zakat and income tax expense	(4,675)	-	(4,675)
<b>Net profit for the period</b>	<b>18,092</b>	<b>-</b>	<b>18,092</b>
<b>Other comprehensive income</b> <i>Items that will not be reclassified subsequently to the consolidated statement of profit or loss</i>			
Re-measurement of the defined benefit liability	(765)	-	(765)
<b>Other comprehensive (loss) / income for the period</b>	<b>(765)</b>	<b>-</b>	<b>(765)</b>
<b>Total comprehensive income for the period</b>	<b>17,327</b>	<b>-</b>	<b>17,327</b>
<b>Profit attributable to:</b>			
Owners of the Company	18,269	-	18,269
Non-controlling interests	(177)	-	(177)
<b>Total comprehensive income attributable to:</b>	<b>18,092</b>	<b>-</b>	<b>18,092</b>
Owners of the Company	17,516	-	17,516
Non-controlling interests	(189)	-	(189)
<b>Earnings per share (Saudi Riyals):</b>			
Basic and diluted earnings per share	0.29	-	0.29



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AL HASSAN GHAZI IBRAHIM SHAKER COMPANY  
(A Saudi Joint Stock Company)

Consolidated statement of changes in equity for the five months period ended May 31, 2022 (Before and after the capital reduction)  
(All amounts in thousands of Saudi Riyals unless otherwise stated)

Equity attributable to owners of the Company Before Capital Reduction		Equity attributable to owners of the Company After Capital Reduction			
Share capital	Statutory reserve	Accumulated losses	Non-controlling interests	Total	Total equity
630,000	140,937	(148,002)	13,650	622,935	636,585
-	-	18,269	(177)	18,269	18,092
-	-	(753)	(12)	(753)	(765)
-	-	17,516	(189)	17,516	17,327
630,000	140,937	(130,486)	13,461	640,451	653,912
Equity attributable to owners of the Company After Capital Reduction		Equity attributable to owners of the Company After Capital Reduction			
630,000	140,937	(148,002)	13,650	622,935	636,585
-	-	18,269	(177)	18,269	18,092
-	-	(753)	(12)	(753)	(765)
-	-	17,516	(189)	17,516	17,327
(147,666)	-	147,666	-	-	-
482,334	140,937	17,180	13,461	640,451	653,912

January 1, 2022

Net profit for the period

Other comprehensive loss for the period

Total comprehensive income for the period

May 31, 2022

January 1, 2021

Net profit for the period

Other comprehensive loss for the period

Total comprehensive income for the period

Capital Reduction

May 31, 2021



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**AL HASSAN GHAZI IBRAHIM SHAKER COMPANY**

(A Saudi Joint Stock Company)

Consolidated statement of cash flows for the five months period ended May 31, 2022 (Before and after the capital reduction)

(All amounts in thousands of Saudi Riyals unless otherwise stated)

	Before Reduction	Impact of Capital Reduction	After Reduction
<b>Cash flows from operating activities</b>			
Profit before zakat and income tax	22,767	-	22,767
<u>Adjustments for non-cash items</u>			
Depreciation	3,232	-	3,232
Depreciation of right of use of assets	2,545	-	2,545
Amortization	244	-	244
Impairment losses on trade and other receivables	12,888	-	12,888
Impairment losses on inventories	2,369	-	2,369
Share of profit from an associate	(9,928)	-	(9,928)
Provision for employee benefits obligation	1,501	-	1,501
Finance costs	7,710	-	7,710
<u>Changes in working capital</u>			
Trade and other receivables	(108,946)	-	(108,946)
Inventories	4,763	-	4,763
Prepayments and other debt balances	(19,549)	-	(19,549)
Trade and other payables	134,282	-	134,282
Warranty Provision	1,284	-	1,284
Zakat and income tax paid	(6,537)	-	(6,537)
Finance costs paid	(7,579)	-	(7,579)
End of service benefits paid	(1,739)	-	(1,739)
<b>Net cash generated from / (utilized in) operating activities</b>	<b>39,307</b>	<b>-</b>	<b>39,307</b>
<b>Cash flows from investing activities</b>			
Additions to property and equipment	(217)	-	(217)
<b>Net cash utilized in investing activities</b>	<b>(217)</b>	<b>-</b>	<b>(217)</b>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities	(1,038)	-	(1,038)
Repayment of bank borrowings	(872,563)	-	(872,563)
Proceeds from bank borrowings	859,312	-	859,312
<b>Net cash (utilized in) /generated from financing activities</b>	<b>(14,289)</b>	<b>-</b>	<b>(14,289)</b>
<b>Net change in cash and cash equivalents</b>	<b>24,801</b>	<b>-</b>	<b>24,801</b>
Cash and cash equivalents at beginning of the period	53,020	-	53,020
<b>Cash and cash equivalents at end of the period</b>	<b>77,821</b>	<b>-</b>	<b>77,821</b>

**Non-Cash Transaction**

Capital reduction

- (147,666) (147,666)

