



Proposed Amendments of AOA

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Article 3	To amend the company's purpose to enable it to sell its products and market the products of the Dammam Pharmaceutical Company
Article 4	To amend the company's purpose to enable it to sell its products and market the products of the Dammam Pharmaceutical Company
Article 6	To amend the company's purpose to enable it to sell its products and market the products of the Dammam Pharmaceutical Company
Article 7	In accordance with Article (60/1) of the new company's law
Article 10	In accordance with Article (115/3) of the new company's law
Article 11	In accordance with Article (106) of the new Companies Law, which does not stipulate that shares may not be distributed as dividends to beneficiaries.
New Article	<p>Without prejudice to the financial market system, it is permissible, after the approval of the shareholders who represent (at least ninety percent) of the company's shares that have voting rights, the following:</p> <p>A- The majority of shareholders may oblige the minority to accept an offer from a bona fide buyer to purchase all of the company's shares at the same price. And the terms and conditions for purchasing majority shares.</p> <p>B- That the minority shareholders must oblige the majority to guarantee the sale of minority shares in cases where the majority sells their shares at the same price, terms and conditions for the sale of majority shares.</p>
Article 14	In accordance with Article (117/C, 127/2) of the new company's law
Article 15	In accordance with Article (135/2) of the new company's law.

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Article 16	In accordance with Article (68/1) of the new company's law
Article 17	In accordance with Article (68,70) of the new companies' law
Article 18	In accordance with Article (69) of the new companies' law
Article 19/1/11	Requirements of the Ministry of Commerce in accordance with Article (78) of the new companies' law
Article 20	In accordance with Article (76) of the new companies law
Article 21	In accordance with Article (78) of the new companies law
Article 22	In accordance with Article (80) of the new companies law
Article 24	In accordance with Article (83) of the new companies law
Article 25	In accordance with Article (84) of the new companies law
Article 26	There is no constituent assembly
Article 27	In accordance with Article (82,87) of the new companies law
Article28	In accordance with Article (85) of the new companies law
Article29	In accordance with Article (90,91) of the new companies law
Article32	In accordance with Article (85) of the new companies law
Article33	In accordance with Article (95) of the new companies law

Proposed Amendments of AOA

Article34	In accordance with Article (93) of the new companies law
Article35	In accordance with Article (96) of the new companies law
Article37	In accordance with Article (A/51) of the new companies law
Article38	In accordance with Article (18) of the new companies law
Article41	In accordance with Article (122) of the new companies law
Article42	In accordance with Article (125,123) of the new companies law
Article44	In accordance with Article (132) of the new companies law
Article45	In accordance with Article (29) of the new companies law
Article46	In accordance with Article (242,143,144) of the new companies law



Limited Assurance report

Independent Limited Assurance Report on the Buy-Back of Ordinary Shares

To the Shareholders of

Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO - ADDWAEIH)

(Saudi Joint Stock Company)

Riyadh – Kingdom Saudi Arabia

We have performed a limited assurance engagement to determine whether it has come to our attention a matter that makes us believe that what has been detailed in the subject paragraph below (the “Subject Matter”) has not been prepared, in all material respects, in accordance with the relevant criteria (“Applicable Criteria”) hereinafter referred to below.

Subject Matter:

The subject of the limited assurance engagement relates to the Company’s assessment of solvency requirements (listed below) based on the proforma statement of financial position and the adequacy of working capital as set out in the accompanying appendix (the “Schedule”) which is prepared and submitted by the Company’s management.

The solvency requirements shall be in accordance with the Share Buy-back rules under Article-17 of the “Implementing Regulation of the Companies Law for Listed Joint Stock Companies” (“Regulations”) issued by the Capital Market Authority (“CMA”). Requirements must be complied with unless explicitly exempted by the CMA.

Applicable Criteria:

The applicable criteria for this engagement is Article-17 of the rules issued by the CMA. The Company’s management has assessed the solvency requirements under the aforementioned Article by taking into account the following:

1. The Company, prior to buying its shares, must have sufficient working capital for the twelve months immediately following the date of completion of the shares buy-back transaction;
2. The value of the Company’s assets must not be less than the value of its liabilities (including contingent liabilities), prior to and immediately upon the payment of the purchase price, according to the latest reviewed interim financial statements for the three-month period ended 31 March 2023;
3. The amount of treasury shares held must not exceed the amount of the retained earnings of the Company.

Management Responsibility:

Management of the Company is responsible for the preparation and fair presentation of the information mentioned in the above Subject Matter paragraph in accordance with the Applicable Criteria. In addition, the Management is responsible for implementing internal control systems that are deemed necessary to prepare and present the information contained in the above Subject Matter paragraph free from any material misstatements, whether due to fraud or error, and to apply appropriate controls, maintain adequate records, and make reasonable estimates according to the relevant circumstances and events.

Independent Limited Assurance Report on the Buy-Back of Ordinary Shares (Continued)

**To the Shareholders of
Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO - ADDWAEIH)**

Our Responsibility:

Our responsibility is to express a limited assurance conclusion on the above Subject Matter based on the assurance engagement we performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 – Revised : “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” as endorsed by the Kingdom of Saudi Arabia, along with the terms and conditions related to this limited assurance engagement which have been agreed with the Company's Management.

Our procedures have been designed to obtain a limited level of assurance that is sufficient to provide a basis for expressing our conclusion. Accordingly, we have not obtained all of the evidence required to provide a reasonable level of assurance. The implemented procedures depend on our professional judgment, including the risk of material misstatements in the Subject Matter, whether due to fraud or error. We also took into consideration the effectiveness of internal control systems when determining the nature and extent of our procedures, and our engagement was not designed to provide assurance about the effectiveness of those internal control systems.

Independence and quality control:

We have complied with independence and other ethical requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and endorsed in the Kingdom of Saudi Arabia (“IESBA Code”).

In addition, we comply with the International Standard on Quality Management (1) as endorsed in the Kingdom of Saudi Arabia, in order to maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable regulatory requirements.

Summary of the Procedures:

The procedures performed in a limited assurance engagement differ in nature, timing, and less in scope than those performed in a reasonable assurance engagement. As a result, the level of assurance that is obtained in the limited assurance engagement is significantly less than the assurance that would be obtained if a reasonable assurance engagement was performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the subject matter, nor the underlying records or other resources from which the subject matter was extracted. Accordingly, we don't express such an opinion.

The performed procedures included, but were not limited to, the following:

- Obtaining the Board of Directors' resolution related to the shares buy-back decision and ensuring that the decision has been approved in accordance with the established procedures and in conformity with the Company's bylaws.
- Assess reasonableness of the management's working capital calculation for the next month following the date of completion of the shares buy-back transaction.
- Comparing net assets position of the Company (value of the Company's assets minus value of the liabilities, including contingent liabilities) as at 31 March 2023, prior to shares buy back transaction to determine that the total assets of the Company not exceed total liabilities including the contingent liabilities.

Independent Limited Assurance Report on the Buy-Back of Ordinary Shares (Continued)

**To the Shareholders of
Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO - ADDWAEIH)**

Summary of the Procedures (Continued)

- Verifying the arithmetical accuracy of the net assets position calculated by the Company's management assuming the effect of the buy-back transaction as shown in the schedule as at 31 March 2023.
- Comparing the amount of treasury shares held with the retained earnings of the Company as at 31 March 2023.

Limited Assurance Conclusion:

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the subject matter has not been prepared in all material respects, in accordance with the Applicable Criteria.

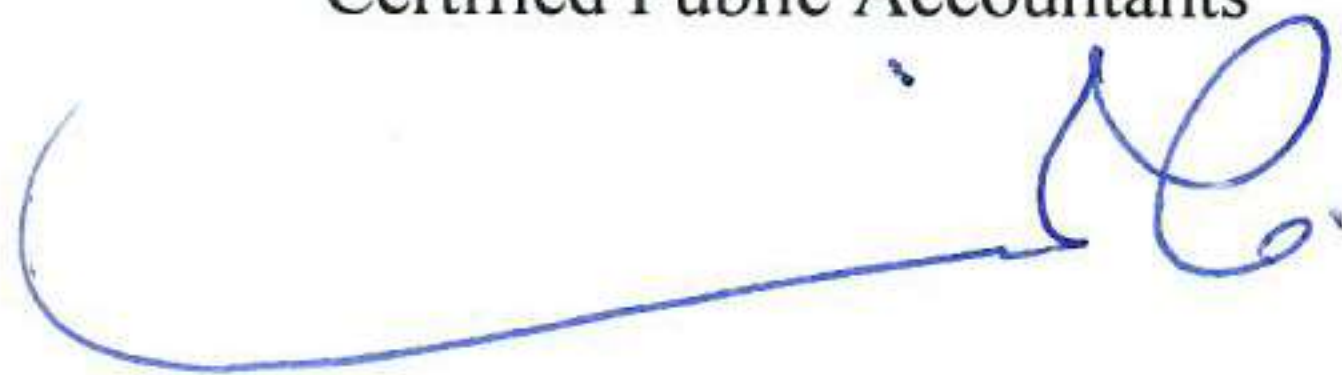
Other Matter:

As at 31 March 2023, the Company reported accumulated losses amounting to SAR 124.4 million. The Board of Directors of the Company resolved to transfer SAR 150 million and SAR 34.71 million from the general reserve and consensual reserve respectively to the retained earnings.

Restriction of Use:

This report has been solely prepared on the request of the Company's Management to assist the Company in fulfilling its obligations in reporting to the Extraordinary General Assembly in accordance with the Companies' Law. The report may not be used for any other purpose or distributed to any other parties other than the Capital Market Authority, and the Shareholders of the Company. In addition, no quote or reference can be made to this report without our prior consent.

Baker Tilly MKM & Co.
Certified Public Accountants



Majed Moneer Al-Nemer
(Certified Public Accountant - License No. 381)
Riyadh on Muharram 13, 1445 H
Corresponding to July 31, 2023



**Saudi Pharmaceutical Industries and Medical Appliances Corporation
(Saudi Joint Stock Company)**

Statement of solvency

(All amounts by thousands of Saudi Riyals except when otherwise indicated)

**Capital Market Authority - Kingdom of Saudi Arabia
Implementing Regulation of the Companies Law for Listed Joint Stock Companies
Part 6 - Chapter 1 - Article 17: Share Buy-back Rules**

1- The Company must have sufficient working capital for the twelve (12) months immediately following the date of completion of the share buy-back transaction.


	March 31, 2023 (Reviewed)	December 31, 2024 (Forecasted)
Current assets	2,284,173	2,138,000
Current liabilities	1,797,724	964,000
Surplus of current assets over current liabilities before share buy-back transaction	486,449	1,174,000
Surplus of current assets over current liabilities after share buy-back transaction	466,405	1,153,956

2- The value of the Company's assets must not be less than the value of its liabilities (including contingent liabilities), prior to and immediately upon payment of the purchase price, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.

	March 31, 2023 (Reviewed)	December 31, 2024 (Forecasted)
Total assets	4,232,424	4,323,000
Total liabilities	2,482,118	2,131,000
Contingent liabilities	10,810	20,000
Surplus of current assets over the current liabilities and contingent liabilities	1,739,496	2,172,000


Chairman of BOD


CEO


CFO

**Saudi Pharmaceutical Industries and Medical Appliances Corporation
(Saudi Joint Stock Company)**

Statement of solvency

(All amounts by thousands of Saudi Riyals except when otherwise indicated)

3- The amount of Treasury Shares held must not exceed the amount of the retained earnings of the Company.

	March 31, 2023 (Reviewed)	December 31, 2024 (Forecasted)
(Accumulated loss) Retained earnings	(124,358)	140,637
Transfer from general reserve	150,000	-
Transfer from consensual reserve	34,710	-
Retained earnings (Adjusted)	60,352	140,637
Amount of suggested share buy-back transaction	20,044	20,044
Surplus of retained earnings over the amount of share buy-back transaction on the expected date of transaction 30-11-2023	40,308	120,593

This statement should be read in conjunction with the limited assurance report dated July 18, 2023, issued according to the engagement letter between Baker Tilly MKM & Co. and Saudi Pharmaceutical Industries and Medical Appliances Corporation dated June 3, 2023.


Chairman of BOD


CEO


CFO