

Article 1

View and discuss the Board of directors' report for the year ended 31 December 2024

To view and read the report of the Board of Directors for the year ending on December 31, 2024 AD, please see the company's website on Tadawul website or click the link below:

https://www.saudiexchange.sa/Resources/fsPdf/400_0_2025-03-27_12-59-06_En.pdf

Article 2

View and discuss the Consolidated Financial Statements for the fiscal year ended on 31 December 2024

To view the financial statements for the year ending on December 31, 2024 AD, please see the company's website on Tadawul website or click the link below:

https://www.saudiexchange.sa/Resources/fsPdf/400_0_2025-03-06_14-24-11_En.pdf

Article 3

Vote to approve the External Auditors report for the year ended on 31 December 2024 after discussing it

Independent auditor's report on the financial statements
To the shareholders of Arabian Pipes Company
(A Saudi Joint Stock Company)

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Opinion

We have audited the financial statements of Arabian Pipes Company (A Saudi Joint Stock Company) ("the Company"), which comprise the statement of financial position as at 31 December 2024, statement of profit and loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in "Auditor's responsibilities for the Audit of the Financial Statements" section of our report. We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code's requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. The following describes the key audit matter and how it was addressed:

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>During the year ended 31 December 2024, revenues from contracts with customers amounted to SR 1,138,273 thousand were recognized.</p> <p>Revenue recognition is considered a key audit matter as the revenue are one of the key indicators for measuring performance which results in inherent risk of overstating revenue recognized to increase profitability, due to that revenue recognition was considered as a key audit matter.</p> <p>Please refer to notes to the financial statements for accounting policy relating to revenue and related disclosure.</p>	<p>The audit procedures we performed include, among others, the following:</p> <ul style="list-style-type: none"> The appropriateness of the Company's accounting policies related to revenue recognition and evaluating the extent of compliance of those policies with International Financial Reporting Standard No. (15) "revenue from contracts with customers" endorsed in the Kingdom of Saudi Arabia. Evaluated the design, implementation, and testing the operational effectiveness of the Company's internal controls when recognizing revenues in accordance with the company's policy. Examined revenue transactions on a sample basis, and verify relevant supporting documents to verify the revenue recognition. Reviewed significant sales contracts to verify the timing of revenue recognition (over a period of time or at point in time) in accordance with the requirements of International Financial Reporting Standard (15) endorsed in the Kingdom of Saudi Arabia. Conducted analytical procedures on the fluctuation of revenue recognized. Conducted a cut-off test on the timing of revenue recognition from services after delivering the goods or product to ensure it has been recognized in the correct accounting period. Evaluated the adequacy of the Company's disclosures regarding revenue from contracts with customers in the financial statements.



**Independent auditor's report on the financial statements
To the shareholders of Arabian Pipes Company
(A Saudi Joint Stock Company) – (Continued)**

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Other Information

Management is responsible for the other information. Other information consists of the information included in the annual report, but does not include the financial statements and our report thereon. It's expected that the annual report will be available to us after the date of our report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information referred to above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit or it appears in other way that it is materially misstated.

When we read the annual report, when it is available to us, if we become aware of a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's by-laws, and for such internal controls as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Board of Directors, are responsible for overseeing the Company's financial reporting process.

The Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also do the following:

- Identify and evaluate the risks of material misstatements in the financial statements, whether resulting from fraud or error, design and implement audit procedures to address those risks, and obtain sufficient and appropriate audit evidence to provide a basis for expressing our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, because fraud may involve collusion, forgery, intentional omissions, misleading statements, or the override of internal control procedures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates and related disclosures made by management.



**Independent auditor's report on the financial statements
To the shareholders of Arabian Pipes Company
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The Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Concluding the appropriateness of management's application of the going concern principle of accounting, and based on the audit evidence obtained, whether there is material uncertainty related to events or circumstances that may raise significant doubt about the Company's ability to continue to operate in accordance with the going concern principle. If we determine that a material uncertainty exists, we are required to draw attention in our report to the relevant disclosures in the financial statements, or if those disclosures are inadequate, we will modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may cause the Company to cease continuing its business as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the transactions and events they represent in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current year and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Maham Company for Professional Services.



**Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no. (339)**



**4 Ramadhan 1446H
4 March 2025**



Article 5

Attached below is the proposed amendment to Article No. (7) of the Company's Articles of Association

Amending Article No. (7) of the company's bylaws

Article number	Description of the material	Text of the article before amendment	Text of the article after modification
(7)	Capital	The capital of the issuing company is fixed at an amount of (150,000,000) SR divided into (150,000,000) shares of equal value with a face value of (1) SR (One SR) each	The capital of the issuing company is fixed at an amount of (200,000,000) SR divided into (200,000,000) shares of equal value with a face value of (1) SR (One SR) each