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LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF MIDDLE EAST COMPANY FOR MANUFACTURING AND PRODUCING PAPER (A SAUDI JOINT STOCK COMPANY)

Scope

We have been engaged by Middle East Company for Manufacturing and Producing Paper (the “Company”) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements endorsed in the Kingdom of Saudi Arabia, here after referred to as the engagement, on the Company’s compliance with the requirements of Article (71) of the Companies’ Law (the “Subject Matter”) contained in the Company’s attached notification (Appendix A) which is presented by the Company’s Board of Directors to the Ordinary General Assembly on the transactions and contracts in which some members of the Company’s Board of Directors have a direct or indirect personal interest in them dated 22 May 2023.

Criteria Applied by the Company

In preparing the Subject Matter the Company applied the below criteria (the “Criteria”). Such Criteria were specifically designed for the notification presented by the Company’s Board of Directors to the Ordinary General Assembly (Appendix A). As a result, the subject matter information may not be suitable for another purpose.

- Article (71) of the Companies’ Law issued by the Ministry of Commerce.
- Notification presented by the Company’s Board of Directors to the Ordinary General Assembly (Appendix A) dated 22 May 2023.
- Declarations submitted by some of the Company’s Board of Directors’ members regarding the transactions and contracts in which some members of the Company’s Board of Directors have a direct or indirect personal interest in them during the year ended 31 December 2022.

Management Responsibilities

The Company’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

**LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF
MIDDLE EAST COMPANY FOR MANUFACTURING AND PRODUCING PAPER
(A SAUDI JOINT STOCK COMPANY) (continued)**

Our Responsibilities (continued)

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (“ISAE 3000”) endorsed in the Kingdom of Saudi Arabia, and the terms of reference for this engagement as agreed with the Company on 21 May 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, and have the required competencies and experience to conduct this assurance engagement.

Our firm also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject matter and related information and applying analytical and other appropriate procedures.

**LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF
MIDDLE EAST COMPANY FOR MANUFACTURING AND PRODUCING PAPER
(A SAUDI JOINT STOCK COMPANY) (continued)**

Description of Procedures Performed (continued)

Our procedures included:

- Obtained the notification presented by the Company's Board of Directors to the Ordinary General Assembly (Appendix A), regarding the transactions and contracts entered into by the Company in which some of the Board of Directors' members directly or indirectly with the Company dated 22 May 2023.
- Obtained the declarations from some of the Company's Board of Directors' members for the transactions and contracts done with the Company's in which some members of the Company's Board of Directors have a direct personal interest in them during the year ended 31 December 2022.

We also performed other procedures as we considered necessary in the circumstances.

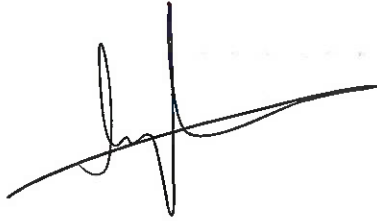
Other Matter

The attached notification (Appendix A) is stamped by us for identification purposes only.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Subject Matter, in order for it to be in accordance with the Criteria applied by the Company referred to above.

for Ernst & Young Professional Services



Abdullah Ali AlMakrami
Certified Public Accountant
License No. (476)

Jeddah: 04 Duh Al-Qi'dah 1444H
24 May 2023G



22/05/2022

**To: The shareholders of Middle East Paper Company
Greetings,**

With reference to Article (71) of the company's law issued by the Ministry of Commerce in 1434 H/ 2015 AD, we would like to inform you about the new transaction that some Board members have an interest in, which has been made without preferential terms. The company seeks to obtain an authorization from the General Assembly of shareholder, which is as follow:

No.	Name of the party	Directors name	Nature of contract	2022 Value SR
1	Arabian Maize Company for Industry (formerly "Al-Masirah International Industrial Investments Company")	Eng. Abdullah Abdul Rahman Almoammar Mr. Emad Abdulkadir Al Muhaidib	Supply the corn material necessary for paper rolls manufacturing.	35,716,109
2	United Mining Company	Mr. Emad Abdulkadir Al Muhaidib	Purchase the company's products from gypsum board rolls.	26,514,609

* These are continuous transactions that are done in the context of the normal company business according to the prevalent commercial conditions and without any preferential conditions.

Board Of Director Chairman

Musaab Suliman Al Muhaidib