

(Items of the Ordinary General Assembly Meeting) The first and second meetings will be held in an hour

- 1- Review and discuss the Board of Directors' report for the fiscal year ending December 31, 2024.
- 2- Vote on the company's auditors' report for the fiscal year ending December 31, 2024, after discussing it.
- 3- Review and discuss the financial statements for the fiscal year ending December 31, 2024.
- 4- Voting on the appointment of the company's auditor from among the candidates based on the recommendation of the Audit Committee; to examine, review and audit the financial statements for the second, third and fourth quarters and the audited annual financial statements for the fiscal year 2025 and the first quarter of the fiscal year 2026 and determine his fees.
- 5- Voting on the disbursement of SAR 1,552,000 as remuneration to the Board of Directors for the fiscal year ending December 31, 2024.
- 6- Voting on the business and contracts concluded between the Company and East Gas Company, in which Board Member Abdulaziz bin Raed Al-Mishaal has an indirect interest. This contract is a gas services contract in the amount of SAR 10,073,419 for the year 2024, on prevailing commercial terms and without any preferential conditions.
- 7- Voting on authorizing the Board of Directors to exercise the authority of the Ordinary General Assembly to authorize the Company under Paragraph (1) of Article (27) of the Companies Law for a period of one year from the date of approval by the General Assembly or until the end of the term of the authorized Board of Directors, whichever comes first, in accordance with the conditions stipulated in the Executive Regulations of the Companies Law for listed joint-stock companies.
- 8- Voting on authorizing the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year ending on: 12/31/2025 AD.



الشركة السعودية لصناعة الورق
SAUDI PAPER MANUFACTURING CO.

Audit Committee Annual Report for Fiscal Year 2024

Dear Shareholders of the Saudi Paper Manufacturing Company

Greetings,

This report covers the work carried out by the Audit Committee for the fiscal year 2024, in accordance with the tasks assigned to it and stipulated in the Audit Committee Regulations of the Saudi Paper Manufacturing Group. It was prepared in accordance with the requirements of the Companies Law issued by the Ministry of Commerce and the Corporate Governance Regulations issued by the Capital Market Authority.

First: The Audit Committee's responsibilities and meetings:

The Audit Committee is responsible for monitoring the company's operations and verifying the integrity and accuracy of its financial reports, statements, and internal control systems. The committee's duties include examining the preliminary and annual financial statements, reviewing important issues that may affect the preparation of financial reports, ensuring the implementation of approved accounting policies, examining those policies, and providing opinions and recommendations regarding them. Its duties also include studying and implementing internal control and risk management systems, supervising internal audit activities, studying its reports, following up on corrective actions for its observations, nominating auditors and verifying their independence, and reviewing the auditor's plan and work, the auditor's report and his observations on the financial statements and the necessary actions in this regard. Verifying the company's compliance with relevant rules and regulations and ensuring the importance of having procedures for submitting complaints related to internal control procedures and financial reporting.

The committee held (6) meetings during 2024.

Second: Audit Committee Conflicts:

We would like to note first that there were no conflicts between the Audit Committee's recommendations and the Board of Directors' decisions during the period.

Third: The work of the Audit Committee:

The Committee performs the tasks and responsibilities assigned to it to help obtain the necessary assurances regarding the integrity and efficiency of the company's internal control systems, taking into account the annual risk-based audit plan that aims to objectively evaluate the internal control system and internal controls .The Internal Audit Department shall submit periodic reports to the Committee on the operational, administrative and financial audits it carries out on an ongoing basis, which aim to ensure, to a reasonable degree, the achievement of the Company's objectives, which are represented in protecting its assets, the accuracy and completeness of accounting records, and adherence to the systems and policies adopted by management to achieve the Company's objectives, which are continuously monitored by the Committee. The committee also discussed and presented recommendations and decisions regarding the development and support of the Audit Committee's management and functions, in accordance with the best standards, principles, and practices for the work of the Audit Committee. The following are the most prominent actions and recommendations undertaken by the committee:

- Review the company's first, second, and third quarter financial statements to ensure they comply with and adhere to generally accepted accounting principles in the Kingdom, and recommend them to the Board of Directors for approval.
- Review the company's annual financial statements to ensure they comply with and adhere to generally accepted accounting principles in the Kingdom, and recommend them to the Board of Directors for approval
- Reviewing bids submitted by audit firms to audit and evaluate the company's financial statements and accounts, and recommending candidates to the general assembly after verifying the independence of the bids submitted and the scope of work.
- Approving the appointment of a specialized external consultant to empower and support the internal audit management team.

- Approving the internal audit plan for the next three years, its scope of work, and the independence of management in performing its work, monitoring the progress in implementing the approved plan, examining the most prominent observations, and providing the necessary guidance to address shortcomings.

• **The most important recommendations of the committee for the year 2024 are summarized as follows:**

- 1- A study of the economically valuable dead stock and how to maximize its use, either through the production process or by disposing of it.
- 2- Develop a policy for disposing of spare parts in stock.
- 3- Not renewing the contract with the external audit consultant and replacing it with another consultant to ensure improved quality of audit services.
- 4- Urge executive management to recruit the necessary personnel to carry out internal audit work.
- 5- Prepare a report on the plan to utilize unused assets and inform the Executive Committee of the follow-up on the issue of unused assets, in accordance with its mandate.

The committee also periodically reviews the reports prepared by the external auditor in accordance with the approved plan. These reports include an assessment of the adequacy and effectiveness of internal control. In fiscal year 2024, work was done to address the observations that emerged from the internal audit work with the aim of strengthening the internal system. All necessary observations and corrective plans were addressed, and controls were put in place to ensure they do not recur in the future.

Fourth: The results of the annual review of the effectiveness of internal control procedures and the Audit Committee's opinion on the adequacy of the internal control system:

Control procedures and their effectiveness are extremely important and play a pivotal role in achieving the company's objectives. The company's management is responsible for designing, preparing, and implementing a comprehensive and effective internal control system. The internal control system is based on the company's management's vision and assessment to establish a control system that is commensurate with the relative importance of financial, operational, and other risks inherent in the company's activities. The internal control

system is also prepared on sound foundations, ensuring continuous evaluation of the internal control system and its effectiveness.

Accordingly, and based on the executive management's statements and the external auditor's confirmations, the committee confirms that it has not found any fundamental shortcomings in the internal control systems in the company's operations. The committee also stresses the importance of continuing the management's efforts to develop and enhance the effectiveness and efficiency of the internal control systems, and to update policies and procedures .Considering that any internal control system may not provide absolute guarantees regarding the integrity, effectiveness and efficiency of the design and implementation of internal control systems.

Executive Management's declarations:

- a) That the accounting records were properly prepared.
- b) That the internal control system was established on sound foundations and implemented effectively.
- c) That there is no significant doubt about the company's ability to continue its operations.

Best Regards,

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF SAUDI PAPER MANUFACTURING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

(1 /5)

DAMMAM, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRSs") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

We have audited the consolidated financial statements of Saudi Paper Manufacturing Company (a Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise:

- The consolidated statement of financial position as at December 31, 2024;
- The consolidated statements of profit or loss and other comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements, comprising material accounting policies and other explanatory information

BASIS FOR OPINION

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

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Continued)

**TO THE SHAREHOLDERS OF SAUDI PAPER MANUFACTURING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

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DAMMAM, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

KEY AUDIT MATTER (Continued)

Key audit matter	How the matter was addressed in our audit
Impairment allowance for trade receivables as per requirements of IFRS 9	
<p>As at December 31, 2024, the gross carrying amount of trade receivables amounted to SR 255.12 million (2023: SR 210.35 million) against which the Group has recognized "Expected Credit Loss" ECL allowance amounting to SR 22.57 million (2023: SR 17.43 million) in accordance with the requirements of IFRS 9, "Financial Instruments".</p> <p>IFRS 9 requires ECL model for the calculations of allowance for impairment of financial instruments including trade receivables. Management has applied a simplified expected credit loss ("ECL") model to determine the allowance for impairment of trade receivables.</p> <p>We considered this to be a key audit matter due to the level of significant judgments, estimates and assumptions used by the management in calculations of allowance for impairment of trade receivables.</p> <p>Refer note 9 to the consolidated financial statements for the disclosure related to impairment allowance for trade receivables.</p>	<p>We have performed the following procedures for assessing the impact on the impairment allowance of financial assets as per requirements of IFRS 9:</p> <ul style="list-style-type: none"> ✓ Evaluated the appropriateness of the application of expected credit loss model prepared by the Management of the Group for trade receivables by understanding the nature of the financial assets and comparing the application to the requirements of the standard; ✓ Verified the data inputs in assessing the reasonableness of the probability of defaults (PDs) and Loss given defaults (LGDs) against source documents and information; ✓ Tested key assumptions by comparing to the historical data; ✓ Performed our independent assessment of impairment of trade receivables based on simplified approach and engaged our expert to provide further reliance on the assessment performed by us; and ✓ Reviewed the adequacy of the Group's disclosures as presented in the accompanying consolidated financial statements in accordance with the applicable accounting standard.

INDEPENDENT AUDITOR'S (Continued)**TO THE SHAREHOLDERS OF SAUDI PAPER MANUFACTURING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

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DAMMAM, KINGDOM OF SAUDI ARABIA**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Group's annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, and we conclude that there is 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 CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, applicable requirements of the Regulation for Companies, the Company's By-laws and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether 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 is not a guarantee that an audit conducted in accordance with ISAs as 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 on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (Continued)

**TO THE SHAREHOLDERS OF SAUDI PAPER MANUFACTURING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

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DAMMAM, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITOR'S REPORT (Continued)

**TO THE SHAREHOLDERS OF SAUDI PAPER MANUFACTURING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

(5 /5)

DAMMAM, KINGDOM OF SAUDI ARABIA

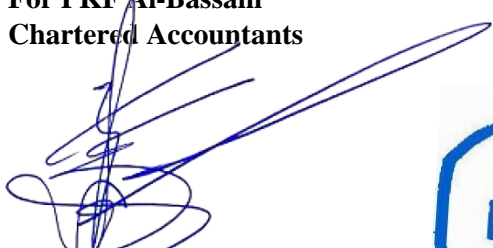
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are 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 PKF Al-Bassam
Chartered Accountants**


Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Khobar: 1 Shawwal 1446H
Corresponding to: March 30, 2025





تقرير تأكيد محدود مستقل

السادة مساهمي/ الشركة السعودية لصناعة الورق
(شركة مساهمة سعودية)

الدمام، المملكة العربية السعودية

(٢/١)

المقدمة

بناءً على طلب إدارة الشركة السعودية لصناعة الورق ("الشركة")، قمنا بتنفيذ ارتباط تأكيد محدود بهدف بيان فيما إذا كان هناك أي أمر قد لفت انتباهنا يجعلنا نعتقد بأن موضوع التأكيد المفصل أدناه ("الموضوع محل التأكيد") لم يتم إعداده، من جميع الجوانب الجوهرية وفقاً للضوابط المنطبقة المبينة أدناه "الضوابط المنطبقة"

موضوع التأكيد

يتعلق موضوع التأكيد لإرتباط التأكيد المحدود بالتبليغ المقدم من رئيس مجلس الإدارة المرفق في الملحق رقم (١) ("التبليغ") والمعد وفقاً لمتطلبات المادة (٧١) من نظام الشركات وتم عرضه من قبل رئيس مجلس إدارة الشركة والذي يتكون من المعاملات التي نفذت من قبل الشركة خلال السنة المنتهية في ٣١ ديسمبر ٢٠٢٤م والتي كان لأي من أعضاء مجلس إدارة الشركة مصلحة شخصية فيها سواء بشكل مباشر أو غير مباشر.

الضوابط المنطبقة

المادة (٧١) من نظام الشركات السعودي الصادر عن وزارة التجارة والاستثمار (١٤٤٣ هـ - ٢٠٢٢ م).

مسؤولية الإدارة

إن الإدارة ورئيس مجلس إدارة الشركة مسئولين عن إعداد الموضوع محل التأكيد وعرضه بالشكل المناسب وفقاً للمعايير المطبقة. كما أن إدارة الشركة مسئولة عن إنشاء والاحتفاظ بنظام رقابة داخلية ملائم لإعداد وعرض الموضوع محل التأكيد خالياً من التحريفات الجوهرية، سواء كانت ناشئة عن غش أو خطأ، واختيار وتطبيق الضوابط الملائمة والاحتفاظ بسجلات كافية، وإجراء التقديرات المعقولة وفقاً للظروف.

مسؤوليتنا

إن مسؤوليتنا هي إبداء استنتاج تأكيد محدود بشأن الموضوع محل التأكيد بناءً على ارتباط التأكيد المحدود الذي قمنا به وفقاً للمعيار الدولي لعمليات التأكيد ٣٠٠٠ (المحدث) "عمليات التأكيد بخلاف عمليات المراجعة أو فحص المعلومات المالية التاريخية" المعتمد في المملكة العربية السعودية وشروط وأحكام هذا الارتباط على النحو المتفق عليه مع إدارة الشركة.

تم تصميم إجراءاتنا للحصول على مستوى محدود من التأكيد الذي نبني عليه استنتاجنا، وعلى هذا النحو لا تقدم جميع الأدلة التي قد تتطلب تقديم تأكيد معقول. تعتمد الإجراءات التي يتم تنفيذها على حكمنا المهني، بما في ذلك مخاطر التحريف الجوهرية للموضوع، سواء كان ذلك بسبب الغش أو الخطأ. وفي حين أننا أخذنا في الاعتبار فعالية الرقابة الداخلية للإدارة عند تحديد طبيعة ومدى إجراءاتنا، لم يتم ارتباطنا لتقديم تأكيد بشأن فعالية نظام الرقابة الداخلية.

الاستقلالية ورقابة الجودة

لقد التزمنا بمتطلبات الاستقلالية وفقاً لقواعد سلوك وآداب المهنة الصادرة عن مجلس المعايير الدولية لسلوك وآداب المهنة للمحاسبين والتي تم اعتمادها في المملكة العربية السعودية من قبل الهيئة السعودية للمراجعين والمحاسبين.

يقوم مكتبنا بتطبيق المعيار الدولي لإدارة الجودة (١) "رقابة الجودة للمكاتب التي تنفذ ارتباطات مراجعة وفحص للقوائم المالية وارتباطات التأكيد الأخرى وارتباطات الخدمات ذات العلاقة"، المعتمد في المملكة العربية السعودية، وبناءً عليه، فإنه يحافظ على نظام شامل لرقابة الجودة يضمن سياسات وإجراءات موثقة بشأن الالتزام بالمتطلبات السلوكية والمعايير المهنية والمتطلبات النظامية والتنظيمية المنطبقة.

ملخص الإجراءات

إن إجراءاتنا المتعلقة بالأنظمة والرقابة الداخلية في إعداد الإخطار وفقاً لمتطلبات المادة ٧١ من نظام الشركات، تخضع لقيود جوهرية وبالتالي قد تحدث أخطاء أو مخالفات ولا يمكن اكتشافها. وعلاوة على ذلك، فإن هذه الإجراءات لا يمكن الاعتماد عليها كدليل على فعالية الأنظمة والرقابة الداخلية ضد التواطؤ والاحتيال، خاصة من جانب من يشغلون مناصب السلطة أو من هم محل الثقة.

إن الإجراءات المنفذة في ارتباط التأكيد المحدود تختلف في طبيعتها وتوقيتها وتعد أقل منها في المدى من ارتباط التأكيد المعقول. وبناءً عليه، فإن مستوى التأكيد الذي تم الحصول عليه في ارتباط التأكيد المحدود هو أقل بكثير من التأكيد الذي سيتم الحصول عليه فيما لو قمنا بتنفيذ ارتباط التأكيد المعقول. وكجزء من هذا الارتباط، لم نقوم بأي إجراءات تتمثل في مراجعة أو فحص أو التحقق من موضوع التأكيد، ولا للسجلات أو المصادر الأخرى التي تم استخراج الموضوع محل التأكيد منها. وعليه فإننا لن نبدي مثل هذا الرأي.



تقرير تأكيد محدود مستقل (تتمة)

السادة مساهمي/ الشركة السعودية لصناعة الورق
(شركة مساهمة سعودية)

الدمام، المملكة العربية السعودية

ملخص الإجراءات (تتمة)

تشتمل إجراءاتنا على:

- الحصول على بيان يتضمن تبليغ من رئيس مجلس الإدارة يحدد جميع الأعمال والعقود المنفذة خلال السنة المنتهية في ٣١ ديسمبر ٢٠٢٤م من قبل أي من أعضاء مجلس إدارة الشركة سواء بشكل مباشر أو غير مباشر لمصلحة الشركة خلال السنة؛
- الاطلاع على محضر مجلس الإدارة الذي يشير إلى قيام عضو مجلس الإدارة بإبلاغ مجلس الإدارة بالأعمال والعقود المنفذة من قبل عضو مجلس الإدارة، وبأن هذا العضو لم يقيم بالتصويت على القرار الصادر بهذا الخصوص بإجتماع المجلس؛
- الحصول على تأكيد من عضو مجلس الإدارة بالأعمال والعقود المنفذة من قبل العضو خلال السنة.
- التأكد من أن اجمالي المعاملات المنفذة خلال السنة المنتهية في ٣١ ديسمبر ٢٠٢٤م والمدرجة في البيان المعد من قبل رئيس مجلس الإدارة مطابقة لاجمالي المعاملات المدرجة في الإيضاح رقم (٢٩) من القوائم المالية المراجعة.

الاستنتاج

بناء على إجراءات التأكيد المحدود المنفذة والأدلة التي حصلنا عليها، لم يلفت انتباهنا أي أمور تجعلنا نعتقد أن إخطار رئيس مجلس الإدارة لم يتوافق من جميع الجوانب الجوهرية، مع متطلبات المادة (٧١) من نظام الشركات السعودي.

القيود على استخدام تقريرنا

تم اعداد تقريرنا بناء على طلب ادارة الشركة ليتم عرضه على المساهمين باجتماعهم في الجمعية العامة العادية وفقا لمتطلبات المادة (٧١) من نظام الشركات السعودي ولا يجوز استخدامه لأي غرض آخر.

عن بي كي إف البسام محاسبون ومراجعون قانونيون
الخبر، المملكة العربية السعودية



إبراهيم أحمد البسام
محاسب قانوني

ترخيص رقم: ٣٣٧
١ الدمام: ٢٤ شوال ١٤٤٦هـ
الموافق: ٢٢ أبريل ٢٠٢٥م

INDEPENDENT LIMITED ASSURANCE REPORT

TO THE SHAREHOLDERS OF SAUDI PAPER MANUFACTURING COMPANY
(A SAUDI JOINT STOCK COMPANY)
DAMMAM, KINGDOM OF SAUDI ARABIA

(1/3)

INTRODUCTION

According to the request of the management of Saudi Paper Manufacturing Company and its subsidiaries ("the Group"), we have been engaged to perform a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), has not been reported and presented fairly, in all material respects, in accordance with the applicable criteria mentioned below. "applicable criteria".

SUBJECT MATTER

The scope of the engagement relates to the limited assurance engagement for the information submitted by the Chairman of the Board of Directors attached in Appendix No. (1) ("The Notification") which is prepared by the Group management in accordance with the requirements of Article (71) of the Regulation of Companies and presented by the Chairman of the Board of Directors of the Company. It consists of the transactions that were carried out by the Group during the year ended 31 December 2024 in which any of the members of the Board of Directors had a personal interest in it, whether directly or indirectly.

APPLICABLE CRITERIA

Article (71) of the Regulation of Companies issued by the Ministry of Commerce and Investment (1443 H - 2022 G).

MANAGEMENT RESPONSIBILITY

The management and the chairman of the Company's board of directors are responsible for preparing the subject matter of assurance and presenting it as appropriate in accordance with applicable criteria. The Group's management is also responsible for establishing and maintaining an adequate internal control system for the preparation and presentation of the subject matter of assurance that are free of material misstatements, whether arising from fraud or error, choosing and applying appropriate controls, maintaining adequate records, and making reasonable estimates according to the circumstances.

OUR RESPONSIBILITY

It is our responsibility to express the conclusion of a limited assurance on the subject matter of assurance based on the limited assurance engagement that we have performed in accordance with the International Standard for Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" that is endorsed in the Kingdom of Saudi Arabia and the terms and conditions of this engagement as agreed with the Company's management.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and as such do not provide all of the evidence that would require to provide a reasonable assurance. The procedures performed depend on our professional judgment, including the risk of material misstatement of the subject matter, whether due to fraud or error. While, we considered the effectiveness of management's internal control when determining the nature and extent of our procedure, our engagement was not designed to provide assurance on the effectiveness of internal control system.

INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SAUDI PAPER MANUFACTURING COMPANY
A SAUDI JOINT STOCK COMPANY
DAMMAM, KINGDOM OF SAUDI ARABIA

(2/3)

INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence requirements in accordance with the Code of Professional Conduct and Ethics for Professional Accountants, issued by the International Ethics Standard Board for Accountants, that is endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Our firm applies International Standard on Quality Management (ISQM 1), "Quality Management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements, that is endorsed in the Kingdom of Saudi Arabia. Accordingly, ISQM 1 maintains a comprehensive system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

SUMMARY OF PROCEDURES PERFORMED

Our procedures regarding systems and controls relating to the preparation of the Notification in accordance with the requirements of Article 71 of the Regulation of 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.

The procedures performed in the limited assurance engagement differ in nature and timing and are less in scope than the reasonable assurance engagement. Consequently, the level of assurance obtained in the limited assurance engagement is much less than the assurance that would have been obtained had we performed the reasonable assurance engagement. As part of this engagement, we have not performed any procedures of reviewing, examining, or verifying the subject matter of assurance, nor of the records or other sources from which the subject in question was extracted. Accordingly, we will not express reasonable assurance opinion.

Our assurance procedure are as follows:

- Obtained a statement that includes a notification from the Chairman of the Board of Directors specifying all transactions and contracts executed during the year ended 31 December 2024 by any member of the company's Board of Directors, whether directly or indirectly, for the benefit of the company during the year, Appendix No. (1)
- Reviewed the minutes of the Board meetings that indicates that the concerned Board member notified the Board on the transactions and contracts entered into by that Board member and further that the concerned board member did not vote on the resolution issued in this regard at the meetings of the Board.

INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SAUDI PAPER MANUFACTURING COMPANY
A SAUDI JOINT STOCK COMPANY
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(3/3)

SUMMARY OF PROCEDURES PERFORMED (Continued)

- Obtained confirmation from a member of the Board of Directors of the transactions and contracts executed by the member during the year.
- Ensured that the transactions executed during the year ended 31 December 2024 are included in the statement prepared by the Chairman of the Board of Directors and are matching with the transactions included in Note No. (29) of the audited consolidated financial statements.

CONCLUSION

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Chairman's notification has not complied, in all material respects, with the Article (71) requirement of the Saudi Regulation of Companies.

RESTRICTIONS ON THE USE OF OUR REPORT

Our report has been solely prepared upon the request of the Company's management to be presented to the shareholders in their meeting in the Ordinary General Assembly in accordance with the requirements of Article (71) of the Saudi Regulation of Companies, and it should not be used for any other purpose.

For PKF Al Bassam Chartered Accountants
Khobar, Kingdom of Saudi Arabia

Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337

Khobar: Shawwal 24, 1446H

Corresponding to: April 22, 2025



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السادة/ مساهمي الشركة السعودية لصناعة الورق المحترمين
السلام عليكم ورحمة الله وبركاته،

الموضوع: تبليغ مجلس الإدارة عن الأعمال والعقود التي لأعضاء المجلس مصلحة مباشرة أو غير مباشرة فيها للسنة المالية المنتهية في 2024/12/31م

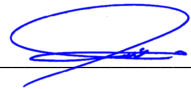
بالإشارة إلى متطلبات المادة (71) من نظام الشركات ولوائح التنفيذيّة والتي تنص على أن يبلغ مجلس الإدارة الجمعية العامة عند انعقادها عن الأعمال والعقود التي يكون لعضو مجلس الإدارة مصلحة مباشرة أو غير مباشرة فيها ويرفق بالإبلاغ تقرير خاص من مراجع حسابات الشركة.

وعليه يود مجلس إدارة الشركة السعودية لصناعة الورق إبلاغ الجمعية العامة الموقرة عن الأعمال والعقود التي لأعضاء مجلس إدارة الشركة مصلحة مباشرة أو غير مباشرة فيها، والتي تسعى الشركة للحصول على ترخيص من الجمعية العامة عليها، وهي موضحة في الجدول التالي:

اسم الطرف ذو العلاقة	عضو مجلس الإدارة	طبيعة التعاملات	مدة العقد	قيمة التعاملات بالريال السعودي
شركة غاز الشرق	عبد العزيز بن رائد المشعل	مشتريات	2024	10,073,419

إن التعاملات المبينة أعلاه تم الموافقة عليها بقرار الجمعية العامة في اجتماعها المنعقد بتاريخ: 2024/04/25م وذلك بتفويض مجلس الإدارة بصلاحيّة الجمعية العامة بالترخيص الوارد في الفقرة (1) من المادة (27) من نظام الشركات وذلك لمدة عام أو حتى نهاية دورة المجلس المفوض أيهما أسبق وفقاً للشروط والضوابط الواردة في اللائحة التنفيذية الخاصة بشركات المساهمة المدرجة، وسيتم عرضها على الجمعية العامة القادمة للموافقة عليها.

وتفضلوا بقبول فائق التحية والتقدير،



رئيس مجلس الإدارة

عبد الرحمن بن رائد المشعل

the Honorable Shareholders of the Saudi Paper Manufacturing Company,

Subject: Notification of the Board of Directors Regarding Transactions and Contracts in Which Board Members Have a Direct or Indirect Interest for the Financial Year Ending 31/12/2024

In reference to the requirements of Article (71) of the Companies Law and its executive regulations, which stipulate that the Board of Directors must inform the General Assembly at its meeting about the transactions and contracts in which a Board member has a direct or indirect interest and attach a special report from the company's auditor.

Accordingly, the Board of Directors of the Saudi Paper Manufacturing Company wishes to inform the esteemed General Assembly about the transactions and contracts in which the Board members have a direct or indirect interest, for which the company seeks authorization from the General Assembly. These are detailed in the following table:

Party Name	Member of the BOD	Nature of Transaction	Contract During	Value (SAR)
East Gas Company	Abdul Aziz bin Raed Al-Mishaal	Purchase	2024	10,073,419

The transactions mentioned above were approved by a decision of the General Assembly in its meeting held on 25/04/2024, empowering the Board of Directors with the authority granted to the General Assembly under paragraph (1) of Article (27) of the Companies Law, for a duration of one year or until the end of the authorized Board term, whichever comes first, in accordance with the terms and regulations stated in the executive regulations for listed joint-stock companies. These will be presented at the upcoming General Assembly for approval.

Thank you for your attention and appreciation.


Chairman of the Board

Abdul Rahman bin Raed Al-Mashal