

INDEPENDENT LIMITED ASSURANCE REPORT

**TO THE SHAREHOLDERS OF BAWAN COMPANY
A SAUDI JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA**

(1 /3)

INTRODUCTION

According to the request of the management of Bawan Company ("the Company"), 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 to the information submitted by the Chairman of the Board of Directors attached in Appendix No. (1) ("The Notification") prepared 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 Company during the year ended 31 December 2024 in which any of the members of the Company's Board of Directors had a personal interest in it, whether directly or indirectly.

APPLICABLE CRITERIA

Article (71) of the Saudi 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 Company'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.

INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

**TO THE SHAREHOLDERS OF BAWAN COMPANY
A SAUDI JOINT STOCK COMPANY
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OUR RESPONSIBILITY (Continued)

(2/3)

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.

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.

INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

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SUMMARY OF PROCEDURES PERFORMED (Continued)

(3/3)

Our assurance procedure are as follows:

- Obtaining 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.
- Ensure 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. (19) 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
Riyadh, Kingdom of Saudi Arabia



Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Riyadh: Shawwal 30, 1446H
Corresponding to: April 28, 2025



M/S. Honorable shareholders of Bawan Co.

Peace and God's mercy and blessings be upon you,

Proceeding from the principle of the company's commitment to the regulations and legislation issued by the relevant regulatory and supervisory authorities, and in order to achieve the principle of disclosure and transparency, and in implementation of the provisions of Article 71 of the Companies Law which states that "the Board of Directors should inform the Ordinary General Assembly when it is convened about the transactions and contracts in which one of the Board members has a direct or indirect interest". Therefore, the Board of Directors inform your esteemed assembly about the transactions and contracts in which a member of the Board of Directors has a direct or indirect interest and that took place during the year ending on December 31, 2024 G.

#	Parties to the Transaction	Nature of Transaction	Transaction amount during the year 2024	Contract Duration	Terms of Contract/Dealing	Related Party
1	Masdar Building Materials Company	Selling and providing commercial services	154,974,363	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem
		Purchase of materials and commercial services	10,244,520			
	Madar Building Materials Company	Purchase of materials and commercial services	690,000	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		Selling and providing commercial services	79,621,774			
	Madar Company for hardware and tools	Selling and providing commercial services	462,501	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
	Building & Construction Company Ltd.	Selling and providing commercial services	6,362,927	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
	Madar Building Materials Company - Bahrain	Selling and providing commercial services	3,306,569	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
2	Madar Building Materials Company	Selling and providing commercial services	2,005,850	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		Purchase of materials and commercial services	20,400			
	Masdar Building Materials Company	Selling and providing commercial services	1,623,195	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem
		Purchase of materials and commercial services	2,866,888			
	Madar Company for hardware and tools	Selling and providing commercial services	7,560	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
	BLOOM Investment Saudi Arabia	Investment Portfolio Management	143,027	Year and automatically renewed	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
	Madar Building Materials Company - Bahrain	Selling and providing commercial services	3,069,805	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan

#	Parties to the Transaction		Nature of Transaction	Transaction amount during the year 2024	Contract Duration	Terms of Contract/Dealing	Related Party
3	United Company for Wood and Metal Products Ltd.	Madar Building Materials Company	Selling and providing commercial services	301,687	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
			Purchase of materials and commercial services	359,286			
		Masdar Building Materials Company	Purchase of materials and commercial services	1,419,489	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem
4	Armon Plastic Industries Company	Masdar Building Materials Company	Selling and providing commercial services	1,282,470	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem
			Purchase of materials and commercial services	144,516			
		Madar Building Materials Company	Selling and providing commercial services	1,540,368	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		Madar Building Materials Company - Bahrain	Selling and providing commercial services	50,220	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		AL-Romansiah Company Ltd.	Selling and providing commercial services	234,570	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib
		Riyadah Alkhaleej Company	Purchase of materials and commercial services	1,100	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan
		BLOOM Investment Company Saudi Arabia	Investment Portfolio Management	125,144	Year and automatically renewed	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
5	United Electrical Transformers Company	Adwan Company for Chemical Industries	Selling commercial products	13,631	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Raed Al Mazrou
		Madar Building Materials Company	Purchase of materials and commercial services	994,866	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		Masdar Building Materials Company	Purchase of materials and commercial services	2,088,701	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem
		Madar Company for hardware and tools	Purchase of materials and commercial services	59,940	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		Riyadh Cables Group Company	Selling and providing commercial services	28,400	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Raed Al-Mudaiheem Mr. Khalid Al-Gwaiz
		United Electronics Company (Extra)	Purchase of materials and commercial services	14,031	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		Abdul Latif & Mohammed Al Fozan Holding Co.	Selling electrical products	39,640	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan




#	Parties to the Transaction	Nature of Transaction	Transaction amount during the year 2024	Contract Duration	Terms of Contract/Dealing	Related Party
	United Mining Industries Company	Selling electrical products	145,000	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Raed Al-Mudaiheem
	Masdar Technical Services Industry Company Ltd	Purchase of materials and commercial services	97,680	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Faisal Al Muhaidib Mr. Raed Al-Mudaiheem
	Abdullah Abdul Latif Ahmed Al Fozan	Selling electrical products	21,292	Not applicable Dealing under purchase orders	No special or preferential conditions	Mr. Abdullah Al Fozan
6	United Technology of Electric Substations & Switchgears Company	Madar Building Materials Company	Purchase of materials and commercial services	836,824	Not applicable Dealing under purchase orders	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		Riyadh Cables Group Company	Purchase of materials and commercial services	143,380	Not applicable Dealing under purchase orders	Mr. Raed Al-Mudaiheem Mr. Khalid Al-Gwaiz
		Abdullah Abdul Latif Ahmed Al Fozan	Selling electrical products	22,900	Not applicable Dealing under purchase orders	Mr. Abdullah Al Fozan
		United Electronics Company (Extra)	Purchase of materials and commercial services	20,128	Not applicable Dealing under purchase orders	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		Building & Construction Company Ltd	Selling electrical products	451,400	Not applicable Dealing under purchase orders	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
7	Bawan Engineering Industries Company	BLOOM Investment Company Saudi Arabia	Investment Portfolio Management	125,338	year and automatically renewed	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
8	Bawan Company	BLOOM Investment Company Saudi Arabia	Investment Portfolio Management	99,730	year and automatically renewed	Mr. Abdullah Al Fozan Mr. Fozan Al Fozan
		Saudi National Bank	Banking Facilities	774,346,802	One year renewable with the consent of the parties	Mr. Abdullah Al-Ruwais

(*) We confirm to the respected shareholders that the transactions described in this statement have been reviewed and approved by the Chief Executive Officer, the Managing Director of the company, and the company's Board of Directors.

On behalf of the Board
Mr. Abdullah Abdulatif Al Fozan
 Chairman of the Board of Directors

