

Arabian Contracting Services Co. Ordinary General Assembly Meeting (First Meeting)

Location: Riyadh – Via Modern Technology Means (Remotely)
Date: 30 June 2024 Corresponding 24 Dhu al-Hijja 1445
Time: 7:10 PM (KSA Time)

Ordinary General Assembly Meeting Agenda Held on Sunday 30 June 2024

- 1- Review and discuss the Board of Directors' report for the fiscal year ending on 31-12-2023. [\(Attached\)](#)
- 2- Voting on the external auditor report for the fiscal year ending on 31-12-2023 after discussing it. [\(Attached\)](#)
- 3- Review and discuss the financial statements for the fiscal year ending on 31-12-2023. [\(Attached\)](#)
- 4- Voting to authorize the Board of Directors to distribute cash dividends, semi-annually or quarterly, for the fiscal year 2024.
- 5- Voting on disbursement of SAR 650,000 as remuneration to the Board of Directors for the fiscal year ending on 31-12-2023.
- 6- Voting on appointing the external auditor of the company from among the candidates based on the Audit Committee's recommendation. The appointed auditor shall examine, review, and audit the second, third quarter, and annual financial statements of the fiscal year 2024, and the first quarter of the fiscal year 2025. The auditor's remuneration shall also be determined [\(Attached\)](#).
- 7- Voting on Delegating the Board of Directors by Ordinary General Assembly of its authorization power referred to in Paragraph (1) of Article (27) of the Companies Law, for a year from the date of Ordinary General Assembly's approval of the delegation or until the end of the current term of the Board of Directors, whichever is earlier. Such delegation or until the end of the requirements stipulated in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.
- 8- Voting on the transactions and contracts in 2023 between the company and Saudi Media Company (a subsidiary of Engineer Holding Group Company) according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji who have an indirect interest, represented in sales amounting to SAR 190,163,069. These transactions are on prevailing commercial terms without any preferential dealings. [\(Attached\)](#)
- 9- Voting on the transactions and contracts in 2023 between the company and Saudi Media Company (a subsidiary of Engineer Holding Group Company) according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji who have an indirect interest, represented in collections amounting to SAR 76,713,264. These transactions are on prevailing commercial terms without any preferential dealings. [\(Attached\)](#)

- 10- Voting on the transactions and contracts in 2023 between the company and National Signage Industrial Company (a subsidiary of Engineer Holding Group Company) according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji who have an indirect interest, represented in bills payment amounting to SAR 23,339,865. These transactions are on prevailing commercial terms without any preferential dealings. (Attached)
- 11- Voting on the transactions and contracts in 2023 between the company and National Signage Industrial Company (a subsidiary of Engineer Holding Group Company) according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji who have an indirect interest, represented in advertising billboards cost amounting to SAR 45,858,467. These transactions are on prevailing commercial terms without any preferential dealings. (Attached)
- 12- Voting on the transactions and contracts in 2023 between the company and Engineer Holding Group Company, according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji who have an indirect interest, represented in dividends paid amounting to SAR 35,500,000. These transactions are on prevailing commercial terms without any preferential dealings. (Attached)
- 13- Voting on the transactions and contracts in 2023 between the company and Engineer Holding Group Company, according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji who have an indirect interest, represented in dividends amounting to SAR 10,000,000. These transactions are on prevailing commercial terms without any preferential dealings. (Attached)
- 14- Voting on the transactions and contracts in 2023 between the company and MBC Media Solutions Limited Company, according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji, and the board member Mr. Samuel Barnett who have an indirect interest, represented in sales amounting to SAR 22,433,661. These transactions are on prevailing commercial terms without any preferential dealings. (Attached)

- 15-** Voting on the transactions and contracts in 2023 between the company and MBC Media Solutions Limited Company, according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji, and the board member Mr. Samuel Barnett who have an indirect interest, represented in collections amounting to SAR 21,000,000. These transactions are on prevailing commercial terms without any preferential dealings. [\(Attached\)](#)
- 16-** Voting on the transactions and contracts in 2023 between the company and MBC Company – FZ LLC, according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji, and the board member Mr. Samuel Barnett who have an indirect interest, represented in collections amounting to SAR 13,200,842. These transactions are on prevailing commercial terms without any preferential dealings. [\(Attached\)](#)
- 17-** Voting on the transactions and contracts in 2023 between the company and MBC Company – FZ LLC, according to the agreed terms of contract, in which the Chairman of the Board of Directors, Eng. Abdelelah Alkhereiji, and the CEO Mr. Mohamed Alkhereiji, and the board member Mr. Samuel Barnett who have an indirect interest, represented in sales amounting to SAR 17,364,147. These transactions are on prevailing commercial terms without any preferential dealings. [\(Attached\)](#)

Item #1:

**The Board of Director's Report for the
Fiscal Year Ending on 31 December 2023**

The Board of Director's Report for the Fiscal Year Ending on 31 December 2023

To review and read the Board of Director's report for the fiscal year ending on 31 December 2023, please follow the below link:

The Board of Director's report for the fiscal year ending on 31 December 2023



Item #2:
**The External Auditors Report for the
Fiscal Year Ending on 31 December 2023**



RSM

شركة آر إس إم المحاسبون المتحدون للإستشارات المهنية

الرياض - حي العليا - طريق العروبة
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INDEPENDENT AUDITOR'S REPORT

**To the shareholders of
Arabian Contracting Services Company
(A Saudi Joint Stock Company)**

Opinion:

We have audited the consolidated financial statements of Arabian Contracting Services Company (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

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, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are 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 the International Code of Ethics for Professional Accountants (*including International Independence Standards*), that are 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 this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, 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
Arabian Contracting Services Company
(A Saudi Joint Stock Company)

Key Audit Matters (continued)

Key audit matter	How the matter was addressed in our audit
<p>Acquisition of a subsidiary</p> <p>During the financial year ended December 31, 2023, the Group completed the acquisition of Faden Agency Media and Advertising Company with an amount of SR 1,050 million which resulted in goodwill with an amount of SR 528.9 million and intangible assets with an amount of SR 228.4 million.</p> <p>This matter has been considered as a key audit matter due to the significant impact on consolidated financial position of the Group and its results which is subject to management judgments and estimates in relation to the purchase price allocation of the assets and liabilities. This exercise also require management to determine the fair value of the assets and liabilities acquired and to identify intangible assets and goodwill resulting from the acquisition. The management used an external valuator to determine the fair value of this acquisition.</p>	<p>We have performed the following procedures in this area among other matters:</p> <ul style="list-style-type: none"> Inspected the sales and purchase agreements and the circulars issued to the shareholders in relation to the acquisitions to obtain an understating of the transactions and the key terms. Assessed whether the appropriate accounting treatments have been applied to these transactions and arrangement therein. Obtained a copy of the external valuator's report relating to the acquisition. Assessed the competence and experience of the valuator. Engaged our internal specialists to assess the valuation methodologies used by management and the external valuator in fairly valuing the assets and liabilities acquired. Assessed the adequacy of the relevant disclosures in the consolidated financial statements.
Refer to Note (2) of the consolidated financial statements for the accounting policy related to acquisition and business combination, Note (3) for the disclosure of significant accounting judgements, estimates and assumptions, and Notes (1) and (9) for the related disclosures.	
Key audit matter	How the matter was addressed in our audit
<p>Revenue recognition</p> <p>As disclosed in the consolidated financial statements, the Group reported revenues for the year ended December 31, 2023 with an amount of SR 1,279 million (December 31, 2022: SR 1,126 million).</p> <p>Revenue recognition has been considered a key audit matter due to the inherent risks of the occurrence of revenue recognition at its actual value or not properly recognizing it before the Group satisfies a performance obligation.</p>	<p>We have performed the following procedures in this area among other matters:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the accounting policies relating to the revenue recognition of the Group by taking into consideration the requirements of IFRS 15 "Revenue from Contracts with Customers" and examined the supporting documents for a sample of revenue transactions. Assessed the design and implementation and tested the operational effectiveness of the Group's control procedures over revenue recognition in accordance with Group's policy. Examined on a sample basis revenue transactions made at the beginning or end of the year to assess whether revenues have been recognized in the correct period. Tested on a sample basis the revenue transactions and verified the supporting documents, which included agreements and receipt notes from customers, to ensure the accuracy and validity of revenue recognition.
Refer to Note (4) of the consolidated financial statements for the accounting policy related to revenue recognition and Notes (6) and (21) for the related disclosures.	

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**To the shareholders of
Arabian Contracting Services Company
(A Saudi Joint Stock Company)**

Other Information Included in the Group's 2023 Annual Report:

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and auditor's report. Management is responsible for the other information in its annual report. The Group's 2023 annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, we 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 Group's 2023 annual report when, it is available, if we conclude that there is 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 Consolidated Financial Statements:

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA and the provisions of the Companies' Law and the Company's Bylaws, and for such internal control as management determines is 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 has no realistic alternative but to do so.

Those charged with governance, i.e. the Group's Board of Directors, 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 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.

As part of an audit in accordance with the ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism 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, misrepresentation, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**To the shareholders of
Arabian Contracting Services Company**
(A Saudi Joint Stock Company)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued):

- 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 Group'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 the 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.

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 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.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

20 Ramadan 1445 H (corresponding to March 30, 2024)



Item #3:

**The Financial Statements for the Fiscal
Year Ending on 31 December 2023**

The Financial Statements for the Fiscal Year Ending on 31 December 2023

To review and read the Financial Statements for the fiscal year ending on 31 December 2023, please follow the below link:

Financial statements for the fiscal year ending on 31 December 2023



The Audit Committee Report for the Fiscal Year 2023

The Annual Report of the Audit Committee on the Control System
In the Arabian Contracting Service Company for the year ended December 31, 2023

The Audit Committee of the Arabian Contracting Services Company is pleased to submit to the company's shareholders its annual report for the year ended December 31, 2023, including the Audit Committee's opinion on the adequacy of the company's internal control system, as well as what the Committee has done within the scope of its tasks, based on the related regulatory requirements.

Formation of the Audit Committee:

The Audit Committee was formed by the Ordinary General Assembly, which was held on 28/7/1444 H corresponding to 19/2/2023. The term of membership is three years.

Name	Position
Mashor Mohammad Al-Obikan	Committee Chairman and Member of the Board of Director "Independent"
Muhammed Abdullah Al-Nimr	Committee Member and Member of the Board of Director "Independent"
Waleed Mohammed Al-Bassam	Committee Member "External Member"

The committee met during 2023 six times to take on their assigned duties, and the following is a summary of the achieved works by the committee in 2023.

First: External Auditing and Financial Reports:

- Reviewing accounting matters, important reports, financial statements, and all the account activities, statutory items to verify their compliance with accounting standards and legal disclosure rules. In addition to reviewing the basic accounting policies and procedures, and any amendments on it.
- Studying accounting policies and practices and effectiveness, application, and availability. Assessing the adequacy of accounting records and governance reports.
- Reviewing the company's policy that related to dealings with related parties. Reviewing contracts and dealings conducted by the company with related parties. Obtaining a statement of all these transactions to review the approval processes and verify their disclosure in the financial statements.
- Studying the effectiveness and efficiency of the system of internal controls that have been established by the executive management, including the internal controls related to financial reports to prevent fraud or errors, as well as monitoring information security and risk management in the company.

- Submitting a recommendation to the Board of Directors. Monitoring the appointment of external auditors and reappointment and terminating their services. Determining the cost of the external auditor's fees and the terms of contracting with them. Obtaining approval of the shareholders in the general assembly meeting.
- Reviewing and verifying the independence and objectivity of the external auditors and the effectiveness of the auditing, at least once a year, taking into account the professional and regulatory requirements.
- Review the auditors' annual plan and approval.
- Studying the management letter "issued by the external auditors" and coordinating the implementation of approved recommendations with the executive management.

Second: Internal Auditing, Risk Management, and the Compliance Assurance Process:

- Control and oversight over the performance of the internal auditors, according to the approved annual performance standards. Monitoring performance and activities and internal auditing process in the company, to ensure the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to it.
- Reviewing what the head of internal audit presents about the adequacy of the company's internal control systems and the level of commitment in this regard.
- Following up on the corrective actions carried out by the executive management about their notes on the reports of the internal audit department.
- Reviewing the internal auditor's independence from the executive management, as well as verifying that there are no unjustified obstacles to the work of the head of the internal audit.
- Conducting an annual evaluation form about the effectiveness and efficiency of the company's internal controls system.
- Ensuring the effectiveness of the compliance control system for the company.
- Ensuring the company's compliance with relevant laws, regulations, policies, and instructions.
- Studying the extent of the company's ability to manage risks, as well as reviewing any issues raised by the internal audit department in this regard.
- Reviewing important legal issues.

Third: The audit committee's opinion about the control system for the year ended December 31, 2023:

The committee presented its opinion on the company's internal control, according to the periodic reports submitted by the company, as well as through its supervisory role related to following up on the work and reports of the internal audit department.

Which verifies the effectiveness of the company's internal control system, and the external auditor performs an evaluation of the control system through its periodic review.

Accordingly, it was not clear to the committee that there are fundamental deficiencies in the company's internal control system, which requires drawing the attention of the general assembly in this regard.

Mr. Mashor Mohammad Al-Obikan
Chairman of the Audit Committee



Item #6:
**Chairman of the Audit Committee Letter
Regarding External Auditor Offers**

Messrs. Chairman and Members of Al-Arabia Board of Directors**Greetings,**

Pursuant to the powers vested in the Audit Committee to recommend the Board of Directors to nominate, dismiss, fix the remuneration, and evaluate the performance of auditors after evaluating their independency, reviewing their scope of work, and contracting conditions pursuant to the committee regulations.

Several audit firms were invited to furnish their proposal to examine, review and audit the financial statements for the year ending on 31 December 2024, examining, reviewing, and auditing the financial statements for the interim periods ending on 30 June 2024, 30 September 2024, and 31 March 2025. The firms who responded and the specifics of their proposal are tabulated as follows:

Sr	Service Provider	Interim Financial Statements	Annual Financial Statements	Total Fees (SAR)
1	RSM Allied Accountants Professional Services Co. (RSM)	150,000	750,000	900,000
2	Al Kharashi & Co. Certified Accountants and Auditors (MAZARS)	600,000	600,000	1,200,000
3	Ibrahim Ahmed Al-Bassam & Co. Certified Public Accountants (PKF)	414,000	484,000	898,000

* All the above amounts exclude VAT.

Therefore, the Audit Committee recommends the Board of Directors to nominate one of the above audit offices to the General Assembly of the company, the reasons for the selection of the offices above were the experts and expertise of the audit staff, as well as their experience in international financial reporting standards. Accordingly, we submit to you our recommendation to the General Assembly for selecting an external auditor by the shareholders.

Mr. Mashor Mohammad Al-Obikan
Chairman of the Audit Committee



**The limited Assurance Report and the
Notification of the Chairman of the Board
to the shareholders About Business and
Contracts That the Members of the Board
Have Any Direct or Indirect Interest In**



RSM

RSM Allied Accountants Professional Services Co.

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Limited Assurance Report on Transactions and Balances between the Group and Related Parties

To the shareholders of
Arabian Contracting Services Company
(A Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Scope:

We have been appointed by Arabian Contracting Services Company (a Saudi Joint Stock Company) (the “Company”) and referred to as the “Group” to perform a “Limited Assurance Engagement” as set out in the International Standards for Assurance Engagements that are endorsed in the Kingdom of Saudi Arabia, hereinafter referred to as “Engagement” to the report on report in attached (Appendix 1) submitted by the Chairman of the Board of Directors of the Group to the Ordinary General Assembly meeting, on the business and contracts in which any of the members of the Board of Directors of the Group has a direct or indirect personal interest, which occurred during the year from January 1, 2023 until December 31, 2023 (the “Subject”), in order to comply with the requirements of relevant Article of the Companies Law issued by the Ministry of Commerce (“The Ministry”).

Controls applied by the group:

When preparing the subject, the group applied the following controls "controls". These controls have been specifically designed to comply with the requirements of relevant Article of the Companies law, therefore, subject matter information may not be appropriate for any other purpose.

1. Relevant Article of the Companies Law issued by the Ministry of Commerce (the “Ministry”).
2. The report submitted by the Chairman of the Group's Board of Directors at the Ordinary General Assembly meeting.
3. Declarations submitted by members of the Group's Board of Directors regarding businesses and contracts in which a member of the Group's Board of Directors has a direct or indirect personal interest (Appendix 1).
4. The accounting records of the Group for the year ended December 31, 2023.

Management responsibilities:

The group's management is responsible for selecting the controls and presenting the subject in accordance with the controls in all material respects. This responsibility includes Establish and maintain internal control systems, maintain appropriate records and make estimates related to subject matter preparation that are free from material misstatement, whether due to fraud or error.

Our responsibilities:

It is our responsibility to draw a conclusion about the presentation of the above subject matter based on the evidence we have obtained.

Limited Assurance Report on Transactions and Balances between the Group and Related Parties (continued)

Our responsibilities (continued):

We performed the engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000 revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” that are endorsed in the Kingdom of Saudi Arabia, and the terms and conditions relating to this engagement agreed with the Group on February 18, 2024. These standards Require us that to plan and implement our engagement to express a conclusion if there is a need to make material modifications to the best of our knowledge on the subject in order to be in compliance with the controls, and to issue the report. The nature, timing and extent of the procedures selected depend on our judgment, including the assessment of the risks of material misstatement, whether due to fraud or error.

We believe that the assurance evidence, we have obtained is sufficient and appropriate to provide a basis for expressing a limited assurance conclusion.

Independence and quality control:

We have committed ourselves to our independence and confirm that we have met the requirements of the professional code of conduct and ethics adopted in the Kingdom of Saudi Arabia, and we have the necessary competence and experience to carry out the assurance engagement.

We have also applied the International Standard on Quality Control (1) “(ISQC) Quality Control for Firms that Perform Audits and Reviews Engagements of Historical Financial Information and Other Assurance and Related Services Engagements” and accordingly we maintain a comprehensive system of quality control including documented policies and procedures on compliance with ethical requirements, professional standards and requirements prevailing systemic and regulatory.

Summary of procedures performed:

The procedures applied in a limited assurance engagement are different in nature and timing and less in extent than those applied in a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is much lower than the assurance that would be obtained if we had performed a reasonable assurance engagement. Our procedures are designed to obtain a limited level of assurance to provide a basis for our conclusion, and accordingly, we have not provided all of the evidence that would have been required to provide a reasonable level of assurance.

And although we considered the effectiveness of the internal control systems followed by the management when determining the nature and extent of our procedures, our engagement was not designed to provide assurance about the effectiveness of internal control systems. Our procedures did not include testing for control systems or implementing procedures related to verifying the total or calculation of data in information technology systems.

A limited assurance engagement involves directing inquiries primarily of persons responsible for the preparation of the subject matter and related information and applying analytical and other appropriate procedures.

Limited Assurance Report On Transactions And Balances Between The Group And Related Parties (continued)

Summary of procedures performed (continued):

Our procedures were as follows:

- Obtaining the report submitted by the members of the Board of Directors, which includes the business and contracts in which a member of the Group's Board of Directors has a direct or indirect personal interest that occurred during the year, in accordance with the requirements of relevant Article of the Companies Law.
- Obtaining the resolution of the Chairman of the Board of Directors, which refers to notifying the members of the Board of Directors of the work and contracts that they carry out for the year ended December 31, 2023.
- Obtaining the declarations submitted by the group's board of directors regarding the businesses and contracts in which any member of the group's board of directors has a direct or indirect personal interest in them.
- Compare the financial information contained in (Appendix 1) with the accounting records of the group for the fiscal year ended December 31, 2023.

We also implemented other measures that we deemed necessary in the circumstances.

Limited report conclusion:

Based on our limited assurance procedures and the evidence obtained, nothing has come to our attention that we believe that what has been detailed in the above subject paragraph and set out in the attached report has not been reported and presented fairly, in all material respects, in accordance with the relevant controls.

Restriction of use:

This report has been prepared, at the request of the Group's management only, in order to assist the Group in fulfilling its obligations to report to the General Assembly under relevant Article of the Companies Law. The report may not be used for any other purpose or distributed to any parties other than the Ministry of Commerce, the Capital Market Authority and the shareholders of the group, or to quote from it or refer to it without obtaining our prior approval.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader
License No. 435

Riyadh, Kingdom of Saudi Arabia
20 Ramadan 1445 H (Corresponding to March 30, 2024)



(Appendix 1)

The following are the significant transactions made with the related parties and stated in the consolidated financial statements during the year:

Related party name	Nature of transaction	(Saudi Riyal)	
		2023	2022
Saudi Media Company for Advertising and Publicity	Sales	190,163,069	63,438,194
	Collections	(76,713,264)	(26,281,635)
National Signage Industrial Company	Bills payment	23,339,865	26,600,479
	Advertising billboards cost	(45,858,467)	(32,508,638)
	Advance payments	-	10,023,701
Engineer Holding Group Company	Dividends paid	35,500,000	31,750,000
	Dividends	(10,000,000)	(61,750,000)
MBC Media Solutions Limited Company	Sales	22,433,661	28,070,434
	Collections	(21,000,000)	-
MBC Company – FZ LLC	Collections	(13,200,842)	(8,445,508)
	Sales	17,364,147	8,749,789

To Shareholders,

Arabian Contracting Services Company,

(A Saudi Joint Stock Company)

Riyadh, Kingdom of Saudi Arabia.

Subject: Compliance with Article 71 of the Companies Bylaw in Saudi Arabian

Dear Sirs,

I confirm that there are no transactions where Directors had any interest, which need approval from the General Assembly, except for those mentioned below. These transactions form part of the agenda and will be approved by the shareholders at the annual general meeting.

Member	Nature of Transaction	(Saudi Riyal)
		2023
Eng. Abdelalah Abdulrahman Alkhereiji (Chairman) and Mohamed Abdelalah Alkhereiji (CEO)		
Saudi Media Company	Sales	190,163,069
Saudi Media Company	Collections	(76,713,264)
Eng. Abdelalah Abdulrahman Alkhereiji (Chairman) and Mohamed Abdelalah Alkhereiji (CEO)		
National Signage Industrial Company	Bills payment	23,339,865
National Signage Industrial Company	Advertising billboards cost	(45,858,467)
Eng. Abdelalah Abdulrahman Alkhereiji (Chairman) and Mohamed Abdelalah Alkhereiji (CEO)		
Engineer Holding Group Company	Dividends paid	35,500,000
Engineer Holding Group Company	Dividends	(10,000,000)
Eng. Abdelalah Abdulrahman Alkhereiji (Chairman), Mohamed Abdelalah Alkhereiji (CEO), and Board Member Samuel James Kilion Barnett		
MBC Media Solutions Limited Company	Sales	22,433,661
MBC Media Solutions Limited Company	Collections	(21,000,000)
Eng. Abdelalah Abdulrahman Alkhereiji (Chairman), Mohamed Abdelalah Alkhereiji (CEO), and Board Member Samuel James Kilion Barnett		
MBC Company – FZ LLC	Collections	(13,200,842)
MBC Company – FZ LLC	Sales	17,364,147

*It is pertinent to note that these transactions were made based on the competition and contracting conditions applicable.

Board Members	Signature
Abdelrahman Alkhereiji	
Mohamed Abdelrahman Alkhereiji	
Samuel James Killion Barnett	
Munaji Fouad Zamakhshari	
Muhammad Abdullah Al-Nimr	
Mashor Mohammad Al-Obikan	