

Report of the Audit Committee to the Shareholders of Red Sea International Company for the Financial Year 2023

First: Objective and Formation of the Audit Committee:

The main objective and responsibility of the Audit Committee is to ensure the integrity, transparency, and independence of all operations and activities of the company and its subsidiaries, in accordance with the requirements of relevant laws and regulations, as well as local and international professional standards. This objective enables the Board of Directors to fulfill its responsibilities in safeguarding the rights and interests of the shareholders.

Second: Duties of the Audit Committee:

The Audit Committee has performed its duties in accordance with its charter and regulatory requirements. The committee supervises the internal audit function within the company, reviews its reports, examines the internal control system, studies the company's preliminary financial reports, reviews the accounting policies followed, and makes necessary recommendations to the Board of Directors. Additionally, the committee provides the final recommendation to the General Assembly regarding the appointment of external auditors. The Audit Committee of Red Sea International Company also submits recommendations to the Board of Directors as needed, concerning the company's activities and related risks. The committee receives continuous support and empowerment from the Board to carry out its tasks and duties effectively. It periodically receives various reports and updates from the executive management, external auditors, and internal auditors, and conducts necessary reviews to provide an opinion on the adequacy and effectiveness of the internal control system.

Third: Key Findings:

The company's operations in 2023 underwent regular reviews by the internal audit management to assess the adequacy and effectiveness of internal control procedures in safeguarding the company's assets, evaluating operational risks, and measuring overall performance efficiency. The external auditors also evaluated the effectiveness of systems and procedures as part of their review of the consolidated financial statements. The Audit Committee regularly and continuously monitors and evaluates the performance of the internal audit management to ensure that audit operations are conducted efficiently and effectively.

Based on the above, and after reviewing the periodic reports of the executive management, internal audit reports, and external auditors' reports and findings for the company's financial year 2023, the Audit Committee concludes that the current internal control system implemented in the company is functioning effectively, with the need for improvement in certain areas of efficiency.



On behalf of the Audit Committee

Chairman of the Audit Committee,
Sami Ahmed bin Mahfouz.