

Agenda of the Fifteenth Ordinary General Assembly
Scheduled to be held on Wednesday 09/14/1444 AH corresponding
to 04/05/2023 AD

Item No.	Item text
1	Review and discuss the report of the Board of Directors for the fiscal year ending on 31/12/2022
2	To vote on and discuss the company's auditor's report for the fiscal year ending on 31/12/2022.
3	Reviewing and discussing the financial statements for the fiscal year ending on 31/12/2022.
4	To vote on the appointment of the company's auditor from among the candidates based on the recommendation of the Audit Committee, in order to examine, review and audit the financial statements for the second quarter, the third quarter, and the annual financial statements of the fiscal year 2023 AD, and the first quarter of the fiscal year 2024 AD and determine his fees.
5	To vote on the business and contracts concluded between the company and Ramoz Al Fakherah Trading Company, in which the two former members of the Board of Directors (from the session ending on 09/04/2022 AD) Mr. Muhammad Rashid Muhammad Al-Rasheed, and Mr. Saleh Rashid Muhammad Al-Rasheed (related parties) have an indirect interest in it for the year 2022 AD, noting that the transactions that took place during the year 2022 AD have a value of (13,350,330) Saudi riyals, which are sales that take place on commercial basis and without preferential conditions.
6	Vote to absolve the members of the Board of Directors from liability for the fiscal year ending on 31/12/2022.
7	To vote on authorizing the Board of Directors to distribute interim profits on a semi-annual or quarterly basis for the fiscal year 2023 AD.
8	To vote on disbursing an amount of (1,200,000) Saudi riyals as a reward for the members of the Board of Directors for the fiscal year ending on 31/12/2022
9	To vote on disbursing an amount of (175,000) Saudi riyals as a reward for members of the Audit Committee for the fiscal year ending on 31/12/2022.

Report of the Audit Committee for the fiscal year 2022 AD



United Wire Factories Company

The annual audit committee report

For the fiscal year ending December 31, 2022

The annual audit committee report of the United Wire Factories Company
For the fiscal year ending on December 31, 2022

To United Wires Factories Company share holders

Riyadh – KSA

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

The audit committee of the United Wire Factories Company is pleased to submit its annual report for the fiscal year ending 12/31/2022 AD

Introduction

The control procedures and their effectiveness are very important and play a pivotal role in achieving the company's objectives, and the company's management is responsible for preparing a comprehensive and effective system of internal control. The internal control system is based on the company's management's vision and discretion to establish a control system commensurate with the relative importance of financial and other risks inherent in the company's activities. And with a reasonable cost and benefit to activate limited controls. The internal control system is designed for the purpose of managing the risks of not achieving the goals and not to avoid them, and therefore the internal control system is designed to give reasonable assurances to avoid material errors and related losses. In addition, the Audit Committee periodically reviews the reports prepared by the internal and external auditors, and these reports include an assessment of the adequacy and effectiveness of internal control.

Formation of the Audit Committee:

the audit committee is an independent committee formed by a decision of the company's ordinary general assembly, with a mandate to monitor the company's business and verify the accuracy and integrity of the reports and financial statements, and accounting policies And supervise the work of the internal audit and the external auditors and then report on the adequacy and reliability of the internal control systems to achieve the company's goals.

The company's audit committee consists of 3 members, two independent member and one members from outside the board. The members of the committee were appointed in accordance with the decision of the general assembly of the company for a period of three years, starting from 4/10/2022 to 9/4/2025 AD, and the tasks of the committee, its work controls, and the remuneration of its members were determined by the general assembly of the company according to the requirements Related systemic.

Committee Meetings:

The committee held 5 (five) meetings during the fiscal year 2022 AD, with the attendance of all its members.

The most prominent work done during Year 2022 AD by the committee Within the scope of its competence

The Audit Committee carried out many activities and works during the fiscal year 2022 AD, during which the preliminary and annual financial reports and statements, internal, external auditors and compliance audits were discussed, in light of the financial statements and information provided from the executive committee and the external auditors. Accordingly, the audit committee carried out the following tasks:

Initial and annual financial reports and statements for the year 2022

- The preliminary (interim) financial statements of the company were studied before presenting them to the Board of Directors and expressing an opinion on them and making a recommendation on them.
- After the committee's review of the annual financial statements ending on December 31, 2022 AD, the committee found that the financial statements in all material respects comply with all relevant regulations and recommended to the Board of Directors for approval.
- The accounting policies used in preparing the financial statements and their compatibility with the accounting standards applied in the Kingdom of Saudi Arabia were studied.
- Accounting estimates have been studied in the material issues contained in the financial reports.
- A technical opinion has been expressed as to whether the report of the Board of Directors and the company's financial statements are fair, balanced and understandable, and include information that allows shareholders and investors to evaluate the company's financial position, performance, and business model.

The internal audit for the year 2022

- The performance and activities of the company's internal auditor were monitored and supervised to verify the availability of the necessary resources and their effectiveness in carrying out the work and tasks assigned to them.

- The relationship between management and the internal auditor was supervised, and ensure the independence of the internal auditor, and the effectiveness of audit work, in line with the relevant standards.
- The annual audit plan for the internal audit for the year 2022 was reviewed and approved according to the risk assessment study prepared by the internal auditor.
- The internal audit reports for the year 2022 have been studied and reviewed. And follow up the implementation of the corrective procedures for the observations contained therein, The Board of Directors has been notified of the contents.
- The requests to nominate the internal auditor, recommend his appointment and determine his fees for the year 2023 AD was studied.

External Audit for the year 2022

- Reviewed the company's auditors plan and the scope of the external audit work, and it was verified that he did not submit technical or administrative works outside the scope of the audit work.
- Supervised the relationship between the management and the auditor, Verified the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.
- The auditor's report and his notes on the financial statements for the year 2022 have been studied, and what has been taken regarding them has been followed up.
- Studied the management letter for the year 2022 issued by the auditor and the extent of the management's commitment to implementing the recommendations contained therein.
- Studied the auditor's nomination offers, and Recommendation to the Board of Directors to nominate the auditor for the year 2023 AD, after verifying their independence and reviewing the scope of their work and the terms of their contract were studied.

Compliance review for the year 2022

- Verified the company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewed the contracts and transactions that the company made with related parties for the year 2022, and the committee presented its views in this regard to the Board of Directors.

Results of assessing internal and financial control systems and risks

Based on what was provided by the company's internal auditor and the company's external auditor, the audit committee believes that the company has a reasonably adequate internal control system in terms of design and implementation with a chance to enhancements and development, and there is no doubt about the company's ability to continue its business, during the year 2022 there were no substantive observations regarding the effectiveness of The company's internal control system and procedures.

Audit Committee Head

Khaled Mohammed Al-Khwaiter

Fifth item

To vote on the business and contracts concluded between the company and Ramoz Al Fakherah Trading Company, in which the two former members of the Board of Directors (from the session ending on 09/04/2022 AD) Mr. Muhammad Rashid Muhammad Al-Rasheed, and Mr. Saleh Rashid Muhammad Al-Rasheed (related parties) have an indirect interest in it for the year 2022 AD, noting that the transactions that took place during the year 2022 AD have a value of (13,350,330) Saudi riyals, which are sales that take place on commercial basis and without preferential conditions.

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Limited Assurance Report on the Transactions and Balances with Related Parties**To the Shareholders****United Wire Factories Company**

Riyadh, Kingdom Saudi Arabia

We have conducted an independent limited assurance engagement to determine whether it has come to our attention a matter that makes us believe that what has been detailed in the subject paragraph below (the "Subject Matter") has not been reported and fairly presented, in all material respects, in accordance with the relevant criteria ("Applicable Criteria") referred to below.

Subject Matter:

The subject of the limited assurance engagement is about the disclosure statement of transactions and balances between United Wire Factories Company ("The Company") and the related party "Rumooz Al-Fakherah for Trading Company" during the year ended December 31, 2022, which is presented to the members of the Board of Directors and Shareholders of the Company.

The transactions between the Company and the related party during the year consist of sales to the related party, amounting to SR 13,350,330 which were made without any preferential or exceptional conditions, and the outstanding debit balance amounting to SR 12,938 as of December 31, 2022.

Applicable Criteria:

Article (71) of the Regulations for Companies relating to the disclosure of interest in business and contracts.

Management Responsibility:

The management of the Company is responsible for the preparation and fair presentation of the information mentioned in the above Subject Matter paragraph in accordance with the Applicable Criteria. In addition, the management is responsible for implementing internal control systems that are deemed necessary to prepare and present the information contained in the above Subject Matter paragraph free from any material misstatements, whether due to fraud or error, and to apply appropriate controls, maintain adequate records, and make reasonable estimates according to the relevant circumstances and events.

Our Responsibility:

Our responsibility is to express a limited assurance conclusion on the above Subject Matter based on the assurance engagement we performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000: "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" as endorsed in the Kingdom of Saudi Arabia, along with the terms and conditions related to this engagement which have been agreed with the Company's management.

Our procedures have been designed to obtain a limited level of assurance that is sufficient to provide a basis for expressing our conclusion. Accordingly, we have not obtained all of the evidence required to provide a reasonable level of assurance. The implemented procedures depend on our professional judgment, including the risk of material misstatements in the Subject Matter, whether due to fraud or error. We also took into consideration the effectiveness of internal control systems when determining the nature and extent of our procedures, and our engagement was not designed to provide assurance about the effectiveness of those systems.

Limited Assurance Report on the Transactions and Balances with Related Parties (Continued)

To the Shareholders

United Wire Factories Company

Independence and quality management:

We have complied with independence and other ethical conduct requirements in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and endorsed in the Kingdom of Saudi Arabia (“IESBA Code”).

In addition, we comply with the International Standard on Quality Management (1) as endorsed in the Kingdom of Saudi Arabia, and accordingly, maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable regulatory requirements.

Summary of the Performed Procedures:

The procedures performed in a limited assurance engagement differ in nature, timing, and are less in scope than those performed in a reasonable assurance engagement. As a result, the level of assurance that is obtained in the limited assurance engagement is significantly less than the assurance that would be obtained if a reasonable assurance engagement was performed.

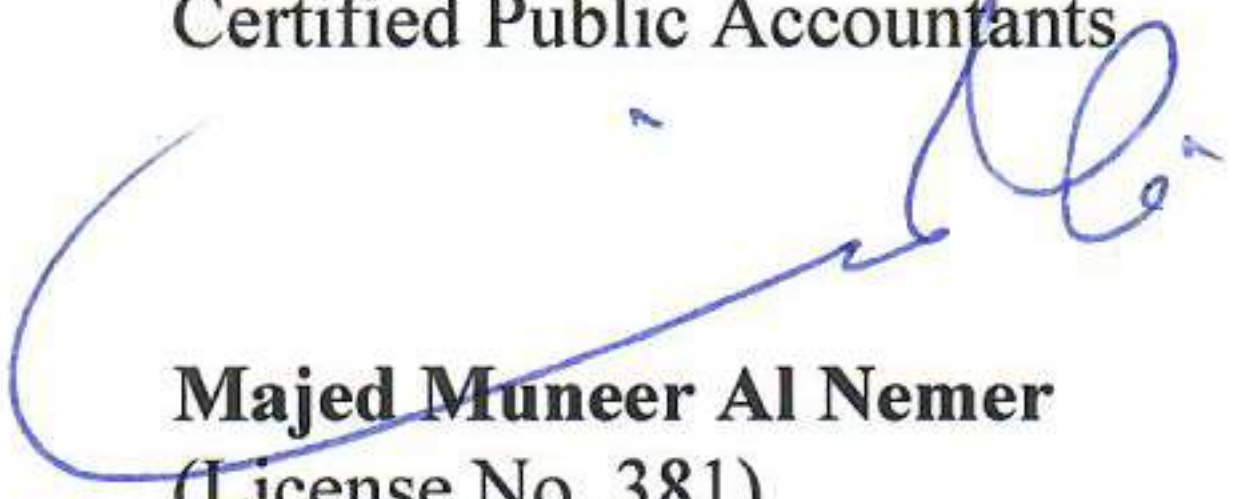
The performed procedures included -but were not limited to- the following:

- Obtained an understanding of the nature of the transactions that took place during the year ended December 31, 2022, between the Company and the related party.
- Obtained statement of account for the related party “Rumooz Al-Fakherah for Trading Company” and agreed the total transaction volume amounting to SR 13,350,330 to the statement submitted by the Company’s management to members of the Board of Directors and Shareholders.
- Reviewed a sample of transactions to the supporting documents for testing its accuracy.
- Obtained confirmation of the balance due from the related party amounting to SR 12,938 as of December 31, 2022.
- Reviewed the terms and prices of sales for a selected sample in comparison to Company’s approved price list and similar transactions with non-related parties.

Limited Assurance Conclusion:

Based on our limited assurance procedures performed, and the evidence obtained, nothing has come to our attention that caused us to believe that what was detailed in the above Subject Matter paragraph and reported in the attached letter, has not been properly reported and presented fairly, in all material respects, in accordance with the applicable criteria.

Baker Tilly MKM & Co.
Certified Public Accountants


Majed Muneer Al Nemer
(License No. 381)
Riyadh on Rajab 30, 1444H
Corresponding to February 21, 2023G

