



KPMG Professional Services

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Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص.ب 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792
المركز الرئيسي في الرياض

Independent Limited Assurance Report to Saudi Industrial Services Company on the Chairman's Declaration on the Requirements of Article 71 To the Shareholders of Saudi Industrial Services Company

We were engaged by the management of Saudi Industrial Services Company (the "Company") to report on the Chairman's declaration prepared by the Management in accordance with the requirements of Article 71 of the Regulations for Companies, which comprises the transactions carried out by the Company during the year ended 31 December 2021 in which any of the members of Board of Directors of the Company had direct or indirect personal interest as detailed below ("Subject Matter") and the accompanying management's statement thereon as set out in Appendix 1, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not properly prepared, in all material respects, based on the applicable criteria ("Applicable Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement is related to the Chairman's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Regulations for Companies and presented by the Chairman of Saudi Industrial Services Company Limited (the "Company"), which comprises the transactions carried out by the Company during the year ended 31 December 2021 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

Applicable Criteria

We have used the following as the Applicable Criteria:

- Article 71 of the Saudi Arabian Regulations for Companies issued by MOC (1437H -2015).

Management's Responsibility

The management of the Company is responsible for preparing the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein. The management the Company is also responsible for preparing the Subject Matter information (i.e. Appendix 1).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter that information is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria and ensuring that the Company complies with the Saudi Arabian Regulations for Companies issued by Ministry of Commerce ("MOC") issued on 22 Safar 1437H (corresponding to 4 December 2015); designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Subject Matter information.

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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس ماله (25,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة

Management's Responsibility (continued)

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibility

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Subject Matter information is properly prepared, in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Company in accordance with professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our assurance engagement and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.

Procedures Performed

- Obtaining the BOD chairman's list that includes all kind of business and contracts performed by any of the BOD members of the Company either directly or indirectly in the favor of the Company during the year; (Appendix 1);
- Reviewing of the BOD's minutes of meetings that indicate member notification to the BOD on the business and contracts performed by the BOD member; and further that the concerned Board Member did not vote on the resolution issued in this regard at the meetings of the BOD and shareholders assembly;

Procedures Performed (continued)

- Obtaining the required approvals on the transactions included in the Chairman's declaration (Appendix 1); and
- Ensuring the total transactions amounts included in the list prepared by the BOD chairman agrees to the total transactions amounts included in the note 31 to the audited consolidated financial statements for the year ended 31 December 2021

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction of Use of Our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company and MOC for any purpose or in any context. Any party other than the Company and MOC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company and MOC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company and MOC on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

KPMG Professional Services

Ebrahim Oboud Baeshen
License No: 382



Jeddah, 24 March 2022
Corresponding to 21 Shaban 1443H

Chairman's Declaration of transactions and contracts in which directors of Saudi Industrial Services Company (SISCO) have direct and indirect interest for the year ended 31 December 2021.

Date: **21 March 2022**

(A) Transaction between SISCO subsidiary Saudi Trade and Export Development Company (LogiPoint) with Xenel Industries Limited, which owns 14.69% shares in SISCO (note that Mr. Aamer Alireza is member of the Board of Directors of Xenel industries limited, Chairman of the Board of Directors of SISCO and Chairman of Board of Directors of LogiPoint). The value of transaction was SR 0.38 million and it mainly pertained to cross charge of actual expenses which are shared by the Group companies.

(B) Transaction between SISCO subsidiary Red Sea Gateway Terminal Co. (RSGT) and Karam Al Arabi Catering, an affiliate of Xenel Industries Limited, which owns 14.69 % shares in SISCO (note that Mr. Aamer Alireza is member of the Board of Directors of Xenel industries, Chairman of Board of Directors of RSGT and current Chairman of the Board of Directors of SISCO). The value of transaction was SR 19.30 million and it mainly pertained to provision of meals and management of employees' housing camps for RSGT.

(C) Transaction between SISCO subsidiary Saudi Trade and Export Development Company (LogiPoint) and Arabian Bulk Trade limited, a subsidiary of Xenel Industries Limited, which owns 14.69 % shares in SISCO (note that Mr. Aamer Alireza is member of the Board of Directors of Xenel industries limited, current Chairman of the Board of Directors of SISCO and Chairman of Board of Directors of LogiPoint). The value of transaction was SR 0.35 million and it mainly pertained to lease of land and warehouses by LogiPoint.

On behalf of Saudi Industrial Services Company ("the Group")

Signature 

Name **AAMER ABDULLAH ALIREZA**



Chairman's Declaration of transactions and contracts in which directors of Saudi Industrial Services Company have direct and indirect interest for the year ended 31 December 2021.