



KPMG Professional Services

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P.O. Box 4803
Al Khobar, 34412 - 3146
Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

الطابق ١٦، برج البرغش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبير ٣١٤٦ - ٣٤٤١٢
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

Independent Limited Assurance Report to Electrical Industries Company on the Chairman's Declaration on the Requirements of Article 71 of the Companies Law

To the Shareholders of Electrical Industries Company (A Saudi Joint Stock Company)

We were engaged by the management of **Electrical Industries Company (the "Company")** to report on the Chairman's declaration prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, which comprises the transactions carried out by the Company during the year ended 31 December 2023 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 Companies Law, presented by the Chairman of **Electrical Industries Company (the "Company")**, which comprises the transactions carried out by the Company during the year ended 31 December 2023 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 Companies Law issued by Ministry of Commerce ("MOC").

Electrical Industries Company'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 of 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 Companies Law; 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 مغفلة، مسجلة في المملكة العربية السعودية، رأس مالياً (١٠٠٠٠٠٠٠٠) ريال سعودي، متفرع بالكتل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاء محاسبين ومراجعين قانونيين"، وهي عضو
جزء شريك في الشبكة العالمية للشركات كي بي إم جي المستقلة والشعبة لـ كي بي إم جي العالمية المحدودة، شركة إقليمية محدودة بمسجل. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494



Electrical Industries Company'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 Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

Our procedures performed are as follows:

- Obtained the declaration that includes the transactions and contracts performed in which any of the BOD members of the Company has either direct or indirect interest during the year ended 31 December 2023;
- Reviewed the minutes of meetings of the BoD that indicate notifications to the BoD by certain directors of actual or potential conflicts of direct or indirect interest in relation to transactions and contracts involving the BoD member;
- Checked that the minutes of meetings of the BOD that the relevant directors who notified the BoD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transactions and contracts;
- On a sample basis, obtained the required approvals along with supporting documents in respect of the transactions and contracts included in the declaration; and
- Checked the transaction amounts included in the Declaration agree, where applicable, to the transaction amounts disclosed in note 34 to the audited consolidated financial statements of the Company for the year ended 31 December 2023.

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

Dr Abdullah Hamad Al Fozan
License No: 348

Al Khobar, 15 Ramadan 1445H
Corresponding to: 25 March 2024G





شركة الصناعات الكهربائية
ELECTRICAL INDUSTRIES CO.

Saudi Joint Stock Co.
س ت: ٥٦٣٥٩ - رأس المال المدفوع ٥٦٢,٥٠٠,٠٠٠ ريال سعودي
C.R. 2050056359 - Paid UP Capital 562,500,000 SR

18/3/2024

Dear Shareholders of Electrical Industries Co,

Notification of the businesses and contracts in which the members of the board have a direct or in direct interest for the year ending on 31 Dec 2023.

With reference to the requirements of Article (71) of the Companies Law, which states the board of directors shall inform the General Assembly upon its convenance of the businesses in which there is direct or indirect interest for any members of the board and the notification shall be enclosed with a special report from the External Auditor.

Therefore, we would like to inform you of the businesses and contracts in which EIC board members have direct or indirect interest, and the company is seeking to obtain General Assembly authorization for such businesses and contracts which are as follow:

Name of the related party	Member who has interest.	Nature of the business	Duration of Contract	Terms	Amount (SR)
Evolving Constellation Co. for Energy (Formerly ALQuraishi Co. for Electrical Services).	Mr. Yousef A. ALQuraishi Mr. Faisal S. ALQuraishi	Sale of products	One year	Without Preferential terms	1,908,922
Evolving Constellation Co. for Energy (Formerly ALQuraishi Co. for Electrical Services).	Mr. Yousef A. ALQuraishi Mr. Faisal S. ALQuraishi	Purchase of products	One year	Without preferential terms	172,665
ALToukhi Co. for Industry, Trading & Contracting.	Eng. Mahmoud M. ALToukhi	Sale of Products	One Year	Without preferential terms	275,000

Mr. Yousef A. ALQuraishi
Chairman of the Board

Mr. Faisal S. ALQuraishi
Board Member

Mr. Bader I. ALSwailem
Board Member

Mr. Sattam A. ALZamil
Board Member

Mr. Mahmoud M. ALToukhi
Vice Chairman

Mr. Fahad S. ALTuwaijri
Board Member

Mr. Jameel A. ALMulhim
Board Member

Mr. Tariq M. ALTahini
Managing Director



SPTC



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شركة الصناعات الكهربائية
ELECTRICAL INDUSTRIES CO.

**A Statement and description of the company in which the Board Member
is conducting a competing business.**

Board Member Name	Company Name	Main Activities	Nature of relation with the Competing Co.	Legal Form
Mr. Yousef Ali ALQuraishi	Evolving Constellation Co. for Energy, formerly Known (ALQuraishi Co. for Electrical Services).	Trading in Switchgears and Transformers.	Board Member at the Holding Co. – Ali Zaid ALQuraishi & Brothers Co. (AZAQ).	Limited Liability



شركة الصناعات الكهربائية
ELECTRICAL INDUSTRIES CO.

**A Statement and description of the company in which the Board Member
is conducting a competing business.**

Board Member Name	Company Name	Main Activities	Nature of relation with the Competing Co.	Legal Form
Mr. Faisal Saleh ALQuraishi	Evolving Constellation Co. for Energy, formerly Known (ALQuraishi Co. for Electrical Services).	Trading in Switchgears and Transformers.	Board Member at the Holding Co. – Ali Zaid ALQuraishi & Brothers Co. (AZAQ).	Limited Liability