

**Item Attachment**

**5**



## KPMG Professional Services

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
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

# Agreed- Upon Procedures on Statement of compliance with Article 17, Part 6 Chapter 1 of the Regulatory Rules and Procedures relating to Listed Joint Stock Companies

To the Shareholders of Saudi Industrial Services Company (the "Company")

## Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

In accordance with our KPMG Engagement Letter dated 15 October 2023, we have performed an agreed upon procedures report (the "Report"), solely for the purpose of the Company's compliance with the solvency requirements (the "Schedule"), in connection with Article 17 from Part 6 Chapter 1 of the 'Regulatory Rules and Procedures', issued pursuant to the Companies Law relating to Listed Joint Stock Companies' to the shareholders of the Company, as part of the annual general assembly package along with other information contained therein, for a share buy-back transaction which the Company intends to execute during the fiscal year 2023 and may not be suitable for another purpose. This report is intended solely for the management and should not be used by, or distributed to, any other parties.

## Responsibilities of the Engaging Party

The management ("Engaging Party" and "Responsible Party") has acknowledged that the agreed-upon procedures in this report are appropriate for the purpose of the engagement.

Engaging Party is responsible for the subject matter and the Schedule on which the agreed-upon procedures are performed.

## Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements as endorsed in the Kingdom of Saudi Arabia. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with Engaging Party, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) 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.

Commercial Registration of the headquarters in Riyadh is 1010425494.



## Professional Ethics and Quality Control

We have complied with the ethical requirements of International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, 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.

## Procedures and Findings

We have performed the procedures described below, on the Schedule prepared by the management of the Company, as attached in Appendix A, in connection with Article 17 from Part 6 Chapter 1 of the 'Regulatory Rules and Procedures (the "Schedule") issued pursuant to the Companies Law relating to Listed Joint Stock Companies'.

	Procedures	Findings
1	Obtained from the management the Schedule of financial information pertaining to the Company's compliance with the solvency requirements as attached in appendix A, comprising of the following:	
	a) Statement comprising of the forecasted working capital of the Company for the 12 months immediately following the proposed date of share buyback i.e., 31 October 2023.	We have obtained the statement comprising of the forecasted working capital of the Company post 12 months immediately following the proposed date of share buy-back i.e., 31 October 2023, attached as Appendix (A) to this report and no exceptions were noted.
	b) Statement comprising assets, liabilities, contingent liabilities and net assets of the Company outstanding as at 31 December 2022.	We have obtained the statement comprising of the balances of assets, liabilities, contingent liabilities and net assets of the Company outstanding as at 31 December 2022, attached as Appendix (A) to this report and no exceptions were noted.
	c) Balance of retained profits of the Company, balance of treasury shares after the proposed buy-back and excess of the balance of retained earnings over balance of treasury shares.	We have obtained the balance of retained profits of the Company, balance of treasury shares after the purchase and excess of the balance of retained earnings over balance of treasury shares, attached as Appendix (A) to this report and no exceptions were noted.
2	With respect (a):	
	i. Checked the arithmetical accuracy of the calculation of the forecasted working capital for the 12 months immediately following the proposed date of share buyback, by agreeing the amounts of the working capital to the approved working capital budget by Management.	The working capital forecast was arithmetically accurate, and the amount of the working capital was agreed to the approved working capital forecast and no exceptions were noted.

## Procedures and Findings (continued)

	Procedures	Findings
3	With respect to (b):	
	i. Obtained the market price per share of the Company prevailing on date of the AUP report from Tadawul to estimate the purchase cost of the share buy-back.	The market price per share of the Company prevailing on the date of the AUP Report were agreed to market price per share to the Tadawul and no exceptions were noted.
	ii. Compare the balances of total assets, total liabilities and total contingent liabilities with the audited financial statements of the Company for the year ended 31 December 2022.	The balances of total assets, total liabilities and total contingent liabilities were matched to the audited financial statements of the Company for the year ended 31 December 2022 and no exceptions were noted.
	iii. Checked the arithmetical accuracy of the computation of the surplus assets as reported in the sub-appendix therein (being the amount of assets remaining after deduction of liabilities, contingent liabilities and estimated cost of proposed share buy-back)	The computation of the surplus net asset remaining after deduction of liabilities, contingent liabilities and estimated cost of proposed share buy-back were arithmetically accurate and no exceptions were noted.
4	With respect to (c):	
	i. Compare the balance of the retained profits (comprising balance of retained earnings and other reserves – gain on sale of equity interest in subsidiary) of the Company with the respective balance in the financial statements of the Company for the year ended 31 December 2022.	The balance of the retained profits (comprising balance of retained earnings and other reserves – gain on sale of equity interest in subsidiary) of the Company were agreed with the respective balance in the financial statements of the Company for the year ended 31 December 2022 and no exceptions were noted.
	ii. Checked the arithmetical accuracy of the calculation of the balance of the retained profits of the Company, net of treasury shares balance after the buy-back of such treasury shares.	The calculation of the balance of the retained profits of the Company, net of treasury shares balance after the buy-back of such treasury shares were arithmetically accurate and no exceptions were noted.

### For KPMG Professional Services



Ebrahim Oboud Baeshen  
License No. 382

Jeddah, 17 October 2023  
Corresponding to 2 Rabi Al Thani 1445H





Appendix A – Schedule of financial information

SAUDI INDUSTRIAL SERVICES COMPANY

Schedule of financial information prepared by the Company, pertaining to the Company's solvency requirements in connection with Article 17 from Part 6 of Chapter 1 of the 'Regulatory Rules and Procedures', issued pursuant to the Companies Law relating to Listed Joint Stock Companies.

a. Adequacy of the working capital

The proposed date for the share buy-back is 31 October 2023.

The forecasted working capital as at 31 October 2024 (i.e. post 12 months following the proposed date of the share buy-back transaction):

	Amount in SR
Working capital as at 31 October 2023 (forecasted)	156,170,342

b. Summary of the assets and liabilities as at 31 December 2022

	As at 31 December 2022 Amount in SR
Total Assets	1,536,280,260
Total Liabilities	(15,338,787)
Total contingent liabilities	--
Net Asset	<u>1,520,941,473</u>
Estimated Cost of the treasury shares to be purchased (8,160,000 * 26) [Maximum shares to be purchased (8,160,000 shares) * Estimated purchase price per share (SR 26)]	<u>(212,160,000)</u>
Net Assets after share buy-back	<u>1,308,781,473</u>

c. Retained Profits after share buy-back

	As at 31 December 2022 Amount in SR
Retained profits *	514,327,093
Estimated Cost of the treasury shares to be purchased	(212,160,000)
Retained Profits after the share buy back	<u>302,167,093</u>

\*Retained profits as at 31 December 2022 includes the amount of the retained earnings and the other reserves - gain on the sale of the equity interest in the subsidiary of SR 171,776,815 and SR 342,550,278.

This appendix should be read in conjunction with our factual finding report, dated 17 October 2023 issued vide an engagement letter between KPMG and Saudi industrial Services Company, dated 15 October 2023.

  
Chief Executive Officer

  
Chief Financial Officer