

Agenda for the Ordinary General Assembly Meeting -
Naseej International Trading Company
14/11/1445 corresponding to 22/05/2024

1. Reviewing and discussing the Board of Directors' report for the fiscal year ending on 31/12/2023
2. Reviewing and discussing the financial statements for the fiscal year ending on 31/12/2023.
3. Voting on the auditor's report on the Company's accounts for the fiscal year ending on 31/12/2023.
4. Voting on appointing the auditor for the Company from among the candidates based on the Audit Committee's recommendation. The appointed auditor shall examine, review and audit the (second, third) quarter and annual financial statements, of the fiscal year 2024 G., and the first quarter of the fiscal year 2025 G., and the determination of the auditor's remuneration.
5. Voting on the business and contracts that will be concluded between the Company and Al Sorayai Group for Industrial Investment, in which the Board member Mr. Naser Saleh Nasser AL Sorayai (Non-Executive) has a direct interest in it (related party), These businesses and contracts are about purchasing and supplying raw materials to factories. Note that transactions for the last year 2023 amounted to (SAR 541,371) (There are no preferential terms in the contracts) (Attached).
6. Voting on the business and contracts that will be concluded between the Company and the Saudi Carpet Accessories Manufacturing Company Ltd. (Matex), in which the Board member Mr. Naser Saleh Nasser AL Sorayai (Non-Executive) has an indirect interest in it (related party), These businesses and contracts are about purchasing and supplying raw materials to factories. Note that transactions for the last year 2023 amounted to (SAR 18,237,848) (There are no preferential terms in the contracts) (Attached).
7. Voting on the business and contracts that will be concluded between the Company and Al-Hikma Real Estate Development Company, in which the Board member Mr. Naser Saleh Nasser AL Sorayai (Non-Executive) has an indirect interest in it (related party), These businesses and contracts are about lease contracts for showrooms, warehouses and offices owned by Al-Hikma Company. Note that transactions for the last year 2023 amounted to (SAR 460,000) There are no preferential terms in the contracts) (Attached).
8. Vote on Delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors, for one year from the General Assembly approval date, or until the end of the session of the delegated Board of Directors, whichever is earlier, in accordance with the conditions stipulated in the executive regulations of the Companies Law for listed joint stock companies.
9. Voting for election of the Board members from among the candidates for the next term, commencing from 16 July 2024 G. for a term of Four years, ending on 15 July 2028 G. (Candidates' CVs attached)

General Assembly meeting by means of modern technology "remotely"

2024-5-22 corresponding to 1445-11-14

[Annual Report 2023](#)

[Financial Statement 2023](#)

تقرير لجنة المراجعة السنوي
السنة المالية المنتهية في 31 ديسمبر 2023م

Annual Audit Committee Report
Fiscal Year ended December 31, 2023

شركة نسيج العالمية التجارية | Naseej International Trading Co.

رأس المال المدفوع: 108,973,010 | سجل تجاري رقم: 4030133919 | عضوية رقم: 79653 | جدة، المملكة العربية السعودية | صندوق بريد: 31279 | هاتف: +966 12 636 9900
Paid up Capital: 108,973,010 | CR.NO: 4030133919 | J.C.C 79653 | Jeddah, Saudi Arabia | Box, P.O: 31279 | Tel: +966 12 636 9900

المقدمة :

يسر لجنة المراجعة بشركة نسيج العالمية التجارية أن تقدم لمساهمي الشركة الكرام تقريرها السنوي عن السنة المالية المنتهية في 31 ديسمبر 2023م، والمتضمن رأيها في مدى كفاية نظام الرقابة الداخلية في الشركة، وما قامت به من أعمال أخرى تدخل في نطاق اختصاصها والمهام المسندة إليها تطبيقاً لما ورد في لائحة عملها المعتمدة من قبل الجمعية العامة خلال عام 2017م، والتعديلات المعتمدة من الجمعية العمومية بتاريخ 2023/05/03م وذلك بناء على المتطلبات النظامية ذات العلاقة.

- 1) تتكون لجنة المراجعة من (3) اعضاء مستقلين (احدهم مختص في الشؤون المالية والمحاسبية)، تم تعيينهم من قبل الجمعية العامة للشركة المنعقدة بتاريخ 2021/05/06م، والتي بدأت عملها بتاريخ 2021/07/16م بعد انتهاء مدة اللجنة السابقة بانتهاء دورة المجلس في 2021/07/15م.
- 2) كان تشكيل اللجنة علي النحو التالي : المهندس / منصور صالح الخربوش – رئيساً، الأستاذ / خالد عبدالعزيز الحوشان – عضواً، الأستاذ / عبدالله سالم الحريقي - عضواً وبتاريخ 2021/12/01م تم تعيين الأستاذ / رشيد سليمان الرشيد رئيساً للجنة المراجعة بديلاً لرئيس اللجنة المستقيل المهندس / منصور صالح الخربوش، ليصبح تشكيل اللجنة علي النحو التالي : الأستاذ / رشيد سليمان الرشيد – رئيساً، الأستاذ / خالد عبدالعزيز الحوشان – عضواً، الأستاذ / عبدالله سالم الحريقي - عضواً.
- 3) وبتاريخ 2023/06/18م تم تعيين الدكتور / احمد سراج خوقير عضواً بلجنة المراجعة بديلاً عن العضو المستقيل / عبدالله سالم الحريقي، ليصبح تشكيل اللجنة علي النحو التالي : الأستاذ / رشيد سليمان الرشيد – رئيساً، الدكتور / أحمد سراج خوقير – عضواً، الأستاذ / خالد عبدالعزيز الحوشان – عضواً.
- 4) عقدت اللجنة (5) اجتماعات خلال عام 2023م وكان الحضور حسب التالي :

م	الإسم	الاجتماع الاول 26 مارس	الاجتماع الثاني 6 ابريل	الاجتماع الثالث 18 مايو	الاجتماع الرابع 31 يوليو	الاجتماع الخامس 5 نوفمبر	اجمالي الحضور
1	رشيد سليمان الرشيد	حضر	حضر	حضر	حضر	حضر	5
2	خالد عبدالعزيز الحوشان	حضر	حضر	حضر	حضر	حضر	5
3	عبدالله سالم الحريقي	حضر	حضر	حضر	استقالة من اللجنة في 18-06-2023م		3
4	أحمد سراج خوقير	تعيين في لجنة المراجعة ابتداء من 18-06-2023م			حضر	حضر	2

5) قامت اللجنة بالمهام والمسئوليات المسندة لها حسب لائحة عمل لجنة المراجعة المشار إليها اعلاه، والتي تنطبق الى دورها في مراجعة والقيام بما يلي :

التقارير المالية	المراجعة الداخلية	ادارة مخاطر المنشأة	ضمان الالتزام	مراجع الحسابات الخارجي	ترتيب تقديم الملاحظات/ الإبلاغ عن المخالفات
<p>1- دراسة ومراجعة التقارير الربعية والسنوية.</p> <p>2- دراسة التقديرات المحاسبية المهمة.</p> <p>3- دراسة السياسات المحاسبية الموحدة التي وضعتها الشركة للتوافق مع المعايير الدولية للتقارير المالية والتوصية بها للاعتماد من مجلس الإدارة.</p>	<p>1- الاشراف علي اعداد خطة ادارة المراجعة الداخلية السنوية ومراقبة مدى الالتزام تنفيذها.</p> <p>2- الاشراف علي اداء ادارة المراجعة الداخلية بما يتماشى مع الانظمة والقوانين والأعراف المهنية.</p>	<p>1- مراقبة أداء الإدارة في الاستجابة علي المخاطر التي تواجه الشركة واتخاذها اجراءات مناسبة لتقليل اثرها علي نتائج الشركة.</p> <p>2- مراجعة سجل المخاطر المحدث.</p> <p>3- تقديم التوصيات للمجلس حول المسائل المتعلقة بادارة المخاطر.</p>	<p>1- التحقق من مدى التزام الشركة بالمتطلبات النظامية واللوائح والسياسات والتعليمات الصادرة من الجهات الرسمية ذات العلاقة والصلاحية.</p>	<p>1- التوصية لمجلس الادارة بعد دراسة العروض المقدمة من عدة شركات مختلفة دراسة فنية وتجارية.</p> <p>2- التأكد من استقلالية المراجع الخارجي ومراجعة نطاق عمله وشروط التعاقد معه.</p> <p>3- مراجعة خطة مراجع الحسابات الخارجي وأعماله.</p> <p>4- النظر في تقارير مراجع الحسابات الخارجي وملاحظاته علي القوائم المالية وابداء مرنيتها حيالها ومتابعة ما أخذ بشأنها والنظر في خطاب الإدارة المقدم من قبله بعد عملية المراجعة السنوية ومتابعة تنفيذ الاجراءات التصحيحية للملاحظات الواردة فيه من قبل الإدارة.</p>	<p>1- متابعة تطبيق السياسة التي من خلالها يتمكن العاملين في الشركة من تقديم ملاحظاتهم بشأن أي تجاوز للأنظمة الداخلية للشركة بما في ذلك الأنظمة ذات العلاقة بإعداد القوائم المالية للشركة ميثاق أخلاقيات العمل، على أن تضمن تلك السياسة ضمان عدم الاخلال بحقوق مقدم الملاحظة والتعامل معها بكل استقلالية.</p>

رأي اللجنة :

بعد تحقق لجنة المراجعة من قيامها بالمهام والمسئوليات المسندة لها كما هو مفصل أعلاه، لم يتبين للجنة وجود ما ينبغي الإشارة إليه او يعتقد معه وجود ضعف أو خلل جوهري في أنظمة الرقابة الداخلية المتبعة، علماً بأن أي نظام رقابة داخلية بغض النظر عن مدى سلامة تصميمه وفاعلية تطبيقه لا يمكن أن يقدم تأكيداً مطلقاً، مع تأكيدها على استمرار التوصية للإدارة التنفيذية بالمتابعة المستمرة لتطوير وتحسين كفاءة وفاعلية الضوابط الداخلية المعمول بها وتصحيح أي نقاط ضعف يمكن أن تنشأ من المخاطر الناشئة أو المتأصلة في بيئة الأعمال وضرورة التحديث المستمر لسياسات الشركة بما يتماشى مع إعادة هيكلتها وأنشطتها الاستراتيجية.

To : the Shareholders of Naseej International Trading Company

Greetings,

The Audit Committee of Naseej International Trading Company is pleased to present to the shareholders of the company its annual report for the fiscal year ended on December 31, 2023, which includes its opinion on the adequacy of the company's internal control system, and the other work that has been done within its jurisdiction and the tasks assigned to it according to what is stated in its Charter approved by the General Assembly during the year 2017, and amendments approved by the General Assembly on 03.05.2023 and that is based on the relevant regulatory requirements.

- 1- The Audit Committee consists of (3) independent members (one of them is a specialist in financial and accounting affairs), who were appointed by the General Assembly held on 05th June 2021, which began its work on 16th July 2021 after the end of the previous committee's term by the end of the Board Session, on 15th July 2021.
- 2- The Committee was formed as follows : Eng. Mansour Saleh Alkharboush (Chairman), Mr. Khalid Abdulaziz Alhoshan (Member), Mr. Abdullah Salim Alhaiqi (Member).
- 3- On 1.12.2021 Mr. Resheid Sulaiman Alresheid was appointed as the Chairman of the Committee replacing the resigned Chairman Eng. Mansour Alkharboush, the Committee was reformed as follows : Mr. Resheid Sulaiman Alresheid (Chairman), Mr. Khalid Abdulaziz Alhoshan (Member), Mr. Abdullah Salim Alhaiqi (Member).
- 4- On 18.06.2023, Dr. Ahmed Siraj Khogeer was appointed as a member of the Audit Committee, replacing the resigned member, Abdullah Salem Al-Haqi, the committee was reformed as follows : Mr. Resheid Sulaiman Alresheid (Chairman), Dr. Ahmed Siraj Khogeer (Member), Mr. Khalid Abdulaziz Alhoshan (Member).
- 5- The Committee held (5) meetings during the year 2023 as per below :

S	Name	1st meeting	2nd meeting	3rd meeting	4th meeting	5th meeting	Total
		26.3.2023	6.4.2023	18.5.2023	31.7.2023	5.11.2023	
1	Resheid Sulaiman Alresheid	Attended	Attended	Attended	Attended	Attended	5
2	Khalid Abdulaziz Alhoshan	Attended	Attended	Attended	Attended	Attended	5
3	Abdullah Salim Alhaiqi	Attended	Attended	Attended	Resigned on 18.6.2023		3
4	Ahmed Siraj Khogeer	Appointed on 18.6.2023			Attended	Attended	2

- 6- The Committee carried out the tasks and responsibilities assigned to it according to the Charter of the Audit Committee referred to above, which deals with its role in interviewing and performing the following :

Financial Reporting	Internal Audit	Enterprise Risk Management	Compliance Assurance	External Auditors	Arrangements for submitting observations / Whistleblowing
1. Study and review the quarterly and annual financial reports. 2. Study the significant accounting estimates.	1. Overseeing the preparation of the annual internal audit department's plan and monitoring the extent	1. Monitoring the performance of the management in responding to the risks facing the company's business and taking appropriate measures	1. Verify the extent of the company's compliance with the statutory	1. Recommending to the Board of Directors after studying the offers submitted by several firms with a technical and commercial study.	1. Follow up on the implementation of the policy through which employees of the company are able to submit their observations

Naseej International Trading Co. | شركة نسيج العالمية التجارية

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Financial Reporting	Internal Audit	Enterprise Risk Management	Compliance Assurance	External Auditors	Arrangements for submitting observations / Whistleblowing
3. Study the consolidated accounting policies set by the company's Management to comply with international financial reporting standards (IFRS) and endorse them for approval by the Board of Directors.	of compliance with its implementation. 2. Oversight of the performance of the internal audit department in line with regulations, laws and professional norms.	to mitigate their impact on the company's results. 2. Review the updated risk register. 3. Presenting recommendations to the Board on issues related to risk management.	requirements, regulations, policies, and instructions issued by the relevant official authorities and regulators.	2. Ensuring the independence of the external auditor and reviewing the scope of their work and the terms of contracting with them. 3. Reviewing the company's external auditor's plan and performance. 4. Looking into the reports of the external auditor and the relevant notes on the financial statements, expressing their views on them, following up on what was taken in their regard, considering the management letter submitted by them after the annual audit process, and following up on the implementation of corrective measures for the observations contained therein by the management.	regarding any violation of the company's financial statements and the code of conduct, provided that this policy guarantees ensuring that the rights of the whistleblowers are not violated and dealing with it independently.

The Committee Opinion :

After the Audit Committee verified that it had performed the tasks and responsibilities assigned to it as detailed above, the committee did not find out the existence of a material weakness needs to be referred to, or it is believed that there is a weakness or fundamental defect in the followed internal control systems, bearing in mind that any internal control system regardless of the extent of its sound design and the effectiveness of its application it cannot provide absolute assure, with its emphasis on the continuation of the recommendation to the Executive Management to continuously monitor the development and improvement of the efficiency and the effectiveness of the applicable internal controls and correct any weaknesses that may arise from the emerging or inherent risks in the business environment and the need for continuous updating of the company's policies in line with its restricting and strategic activities.



خالد عبدالعزيز الحوشان
عضو لجنة المراجعة
Khalid Abdulaziz Alhoshan
Audit Committee Member



أحمد سراج خوقير
عضو لجنة المراجعة
Ahmed Siraj Khogeer
Audit Committee Member



رشيد سليمان الرشيد
رئيس لجنة المراجعة
Resheid Sulaiman Alresheid
Audit Committee Chairman

توصية لجنة المراجعة لمجلس الادارة بخصوص تعيين المحاسب القانوني
لمراجعة القوائم المالية لشركة نسيج العالمية التجارية
عن السنة المالية المنتهية في 31 ديسمبر 2024م والربع الاول لعام 2025م

The Audit Committee's Recommendation to the Board of Directors
Regarding the appointment of the External Auditors to audit the Financial Statements of
Naseej International Trading Company
for the year ended 31 December 2024 and the first quarter of 2025

In reference to the Corporate Governance Regulations, and according to the terms of reference of the Audit Committee, its powers and responsibilities, the Committee reviewed and studied the offers submitted by three certified public accountants firms licensed by the Capital Market Authority with a technical and professional study, and accordingly the Audit Committee unanimously agreed on the recommendation to the Board of Directors to recommend to the Ordinary General Assembly of Naseej International Trading Company to select one of the candidates mentioned in the below list to assign them for auditing the financial statements of the company, starting from the second quarter of 2024 until the first quarter of 2025, including the annual financial statements, in order to suit their fees and also to meet the conditions of quality and independence for them at an acceptable level.

بالإشارة الى لائحة حوكمة الشركات، وحسب اختصاصات لجنة المراجعة وصلاحياتها ومسئولياتها، فقد قامت اللجنة بالاطلاع ودراسة العروض المقدمة من قبل ثلاث شركات محاسبة قانونية معتمدة ومرخصة من قبل هيئة السوق المالية مع دراسة فنية ومهنية، وبناءً عليه اجمعت لجنة المراجعة على التوصية لمجلس الادارة للتوصية للجمعية العامة العادية لشركة نسيج العالمية التجارية باختيار أحد المرشحين المذكورين في القائمة أدناه لتكليفهم بمراجعة القوائم المالية للمجموعة، بدءاً من الربع الثاني لعام 2024م وحتى الربع الاول لعام 2025م متضمناً القوائم المالية السنوية، لملائمة اتعابهما وأيضاً لمطابقتهما شروط الجودة والاستقلالية عليهما بمستوى مقبول.

قيمة العرض Quotation Value	الجهة Firm
325,000 ريال سعودي	شركة السيد العيوطي وشركاه محاسبون قانونيون El Sayed Al Ayouty & Co. Certified Public Accountants
550,000 ريال سعودي	شركة ابراهيم احمد البسام وشركاؤه محاسبون قانونيون (البسام وشركاؤه) Ibrahim Ahmed Abassam & Co. (Albassam & Co.)

أ/ خالد عبدالعزيز الحوشان
عضو اللجنة
Khalid Abdulaziz Alhoushan
AC Member

د. احمد سراج خوقير
عضو اللجنة
Ahmed Siraj Khogeer
AC Member

أ/ رشيد سليمان الرشيد
رئيس اللجنة
Resheid Sulaiman Alresheid
AC Chairman

INDEPENDENT AUDITOR'S REPORT**TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)****REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS****Opinion**

We have audited the consolidated financial statements of Naseej International Trading Company and, its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and, notes 1 to 29 to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
 NASEEJ INTERNATIONAL TRADING COMPANY
 (A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
Key audit matters (continued)

<i>Revenue recognition</i>	
Key audit matter	How the key audit matter was addressed in our audit
<p>The Group revenue primarily consists of sales of flooring and non-flooring items which includes carpets, yarn, blanket and fabric, rugs and important flooring. As at December 31, 2023, the Group recognized total revenue of SR. 260.5 million (2022: SR 280.2 million).</p> <p>Revenue recognition has been identified as a key audit matter due to the following:</p> <ul style="list-style-type: none"> • Significant volume of transactions: • The auditing professional standards presume that there is significant risk related to revenue recognition. 	<p>We perform the following procedure in relation to revenue recognition:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation, and testing the operating effectiveness of relevant system controls • Testing of IT general controls and major IT applications controls related to revenue recognition. • Inspected sales transactions taking place at either side of year-end to assess whether revenue was recognized in the correct period; and. • Performing substantive test of details and analytical procedures.
<p>The accounting policy for revenue is outlined in Note 3.8 and a breakdown of revenue is presented in Note 20.</p>	

INDEPENDENT AUDITOR'S REPORT

 TO THE SHAREHOLDERS
 NASEEJ INTERNATIONAL TRADING COMPANY
 (A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters (continued)	
<i>Trade receivables</i>	
<i>Key audit matter</i>	<i>How the key audit matter was addressed in our audit</i>
<p>As at December 31, 2023 the gross trade receivable amounts to SR 145.0 million (2022: SR 165.6 million) against which impairment for doubtful debts amounts to SR 41.8 million (2022: SR 66.5 million) was provided.</p> <p>We considered this as a key audit matter since it involve management's assumptions and estimates over recoverability of long outstanding balances, as well as the materiality of the amount involve.</p>	<p>We perform following procedures in relation to trade receivables</p> <ul style="list-style-type: none"> • Obtained list of debtors as at year end and distinguish balances with the related parties. • Checked additions of the list of trade receivable balances. • Grossed up trade receivable for material credit balances and obtained explanation for such credit balances. • Obtain and review an aged trade debtors listing and obtain explanations for substantial overdue balances. • Confirm that credit control policies specified by management are applied to the collection of all trade debtor balances. • Discuss recoverability of debtors with management and consider the need for a doubtful debt provision or bad debt write off. • Undertake confirmation of trade debtors, carry out necessary follow up procedures and alternative tests where there is no response. Assess implications of reconciling items. • Compare the aged listing of debtors with that of previous periods and note any significant changes in the ratio of overdue accounts • Check allocation of cash received after date to specific transactions within the period end balance or subsequent transactions where period end balance has been cleared.
<p>The accounting policy for trade receivables is outlined in Note 3.8 and a breakdown is presented in Note 10.</p>	

INDEPENDENT AUDITOR'S REPORT
**TO THE SHAREHOLDERS
 NASEEJ INTERNATIONAL TRADING COMPANY
 (A SAUDI JOINT STOCK COMPANY)**
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

<i>Key audit matter (continued)</i>	
Impairment of property, plant and equipment	
<i>Key audit matter</i>	<i>How the key audit matter was addressed in our audit</i>
<p>The management conducts impairment tests to assess the recoverability of the carrying value of the property, plant and equipment whenever impairment indicator exists.</p> <p>Management has reviewed the impairment of operating fixed assets as at the end of the year to assess whether there is any indication of any possible impairment in the value. This review did not result in an impairment of the Group's asset.</p> <p>At the end of the year, the management performed an internal review of an impairment based on the last available valuation report, key performance indicators (KPIs) and projected cash flows. These techniques includes various assumptions to determine the expected recoverability of the assets.</p> <p>We considered this as a key audit matter since it's involve management's assumptions and estimates as well as materiality of the amount involved. Moreover, the assessment of recoverable amount under the value in use basis is complex and require considerable judgment on part of the management.</p>	<p>Our audit procedures to address the risk for impairment of property, plant and equipment included.</p> <ul style="list-style-type: none"> • Assessment for the indications of impairment. • Evaluating the independence of the external evaluator and reading the terms of the contract to determine whether there are any matters that may affect the objectivity of the resident or may impose restrictions on the scope of his work. • Assessed the methodology used by the management to determine the recoverable value based on the value in use of the assets and compared it to that required by the IAS 36. • Obtained budgeted cash flows and forecast from the management for all line of the businesses. Moreover, management doesn't have any intention to close or discontinue any of his line of business.
<p>Refer to note 3.12 of the consolidated financial statements for the accounting policy and note 5 for related disclosures.</p>	

INDEPENDENT AUDITOR'S REPORT

 TO THE SHAREHOLDERS
 NASEEJ INTERNATIONAL TRADING COMPANY
 (A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

<i>Key audit matter (continued)</i>	
<i>Carrying value of inventory</i>	
<i>Key audit matter</i>	<i>How the key audit matter was addressed in our audit</i>
<p>As at December 31, 2023, the Group's gross inventory balance was SR. 140.8 million (2022: SR. 158.1 million), against which provision for slow-moving and obsolete inventory was provided SR 34.5 million (2022 SR. 49.7 million).</p> <p>We have identified inventory existence and costing as an area requiring particular audit attention due to the following:</p> <ul style="list-style-type: none"> The Group has significant levels of inventory at year end. Inventories are held at the lower of cost and net realizable value determined using the weighted average cost method. The determination of whether the inventory will be realized for a value less than cost requires management to exercise judgment and apply assumptions based on the most reliable evidence at the time the estimates are made. Management undertake the following procedures for determining the level of write down required. Use inventory aging reports together with historical trends to estimate the likely future salability of slow and older inventory For inventory aged, management write down inventory based on an applied percentage. The percentages are derived from historical levels of write down; Perform line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized if required. 	<p>Our audit procedures to address the risk of material misstatement relating to inventory existence included:</p> <ul style="list-style-type: none"> Attending the physical inventory count at the year end and assessing the adequacy of controls over the existence of inventory; and Reviewing the Group's process of reflecting the results of physical inventory taking into the accounting books of records. <p>With respect to determination of cost of inventory, our audit procedures included:</p> <ul style="list-style-type: none"> For purchased items of inventory including raw materials and spare parts, reviewing the Group's procurement process and testing supporting documentation on a sample basis; and For work in progress and finished goods, assessing the reasonableness of Group's costing methods and processes through a mix of control and substantive procedures. With respect to determination of NRV of inventory, our audit procedures included: Testing that ageing report prepared by management correctly aged inventory items by matching a sample of aged inventory items to the last recorded invoices; On a sample basis we tested the net realizable value of inventory item to recent selling prices Review the accounting policy applied by the Group and ensure that it conforms to the policy included in the financial statements We re-performed the calculation of the provision Provision for slow moving items.
<p>Refer to note 3 14 of the consolidated financial statements for the accounting policy and note 9 for related disclosures.</p>	

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**Other information**

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Those Charged With Governance ("TCWG") for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA and Regulations for Companies and the Company's Bylaws / Articles of Association and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Jeddah: March 21, 2024
Ramadan 11, 1445H.



FOR EL SAYED EL AYOUTY & CO.



Abdullah Ahmad Balamash
Certified Public Accountant
License No. (345)

**TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A Saudi Joint Stock Company)
Jeddah - Kingdom of Saudi Arabia**

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Paid Capital One Million Saudi Riyals
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58 Al Watan Al Arabi St. Al Hamra'a Dist.
P.O.Box 780, Jeddah 21421
Kingdom of Saudi Arabia
T: 012 669 3478 / 665 8711
F: 012 660 2432
Head Office
www.ela_cuty.com

Limited assurance report on declaration submitted by the Chairman of the Board of Directors to the shareholders of Naseej International Trading Company

As the auditors of Naseej International Trading Company "the Company" and its subsidiaries, we have performed a Limited Assurance engagement regarding the report attached with the related parties for the year ended December 31, 2023 pertaining to the Naseej International Trading Company (formerly known as al Sorayai Trading and Industrial Group Company) "the Company" prepared by the Chairman of the Board of Directors to the Ordinary General Assembly in respect of the transactions and contracts in which any member of the Board of Directors has a direct or indirect personal interest in accordance with the applicable standards mentioned below in order to comply with the requirements of Article No. (71) of the Companies' Law ("Declaration").

Subject

The subject matter of our Limited Assurance engagement is the declaration prepared by the Company's management approved by the Chairman of the Board of Directors as attached to this report and submitted to us.

Standards

The applied standards are in accordance with the requirements of Article (71) of the Companies Law issued by the Ministry of Commerce and Investment (1437H-2015), which stipulates that the Company should announce those interests for approval by the Ordinary General Assembly of the Company, and the member of the Board of Directors must inform the board of those interests and have no right to vote in the board to approve those transactions or contracts, and for the chairman of the Board of Directors to inform the Ordinary General Assembly of any transactions or contracts in which a member of the Board of Directors has a direct or indirect personal interest.

Management Responsibility

The management of the Company is responsible for preparing the declaration in line with the standards and ensuring its completeness. This responsibility also includes designing, implementing and maintaining the internal control system related to the preparation of the declaration in a manner that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence requirements of the Code of professional conduct and Ethics that are endorsed in the Kingdom of Saudi Arabia and the ethical requirements that relevant to our Limited Assurance engagement in the Kingdom of Saudi Arabia which includes independence and other requirements based on the basic principles of integrity, objectivity, professional qualification, due diligence, confidentiality and professional conduct.

Our firm applies the International Standard on Quality Control (1) that are endorsed in the Kingdom of Saudi Arabia, and accordingly maintains a comprehensive quality control system that includes professional conduct and ethics, including detailed independence that is established on the basic principles of integrity, objectivity, professionalism, due diligence, professional behavior, professional standards, and the applicable legal and regulatory requirements.

TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A Saudi Joint Stock Company)
Jeddah - Kingdom of Saudi Arabia

Limited assurance report on declaration submitted by the Chairman of the Board of Directors to the shareholders of Naseej International Trading Company...(continued)

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We have conducted our Limited Assurance Engagement in accordance with International Standards on Assurance Engagements 3000 (Amended), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information as endorsed in the Kingdom of Saudi Arabia. This standard requires us to plan and perform this engagement to obtain the Limited Assurance about whether anything has come to our attention that causes us believe that the Company has not comply with the applicable requirements of Article No. (71) of the Companies' Law when preparing this Declaration for the year ended December 31, 2023.

The procedures performed are subject to our judgment, which includes the assessment of risks such as failure of systems, controls and oversight, whether due to fraud or error. When performing this risk assessment, we take into consideration the internal control related to the Company's compliance of the requirements of Article No. (71) of the Companies' Law when preparing this Declaration. Our procedures included obtaining the evidence supporting the regulations and control related to the preparation of the Declaration in accordance with the requirements of Article No. (71) of the Companies' Law.

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

Summary of work performed

We have planned and performed the following procedures to obtain limited assurance of the Company's compliance with the requirements of Article No. (71) of the Companies' Law when preparing this Declaration:

- Discussing with the management the process of acquiring business and contracts with the Company by any member of the Board of Directors;
- Obtaining the attached Declaration that includes the list of transactions and contracts concluded with the company by a member of the Company's Board of Directors, directly or indirectly, for the year ended December 31, 2023;
- Examining the compliance of transactions and contracts for the current members of the company's board of directors included in the Declaration with disclosure in Note (9) of the audited financial statements for the year ended December 31, 2023.

Our procedures for the systems and control related to preparing the declaration in accordance with the requirements of Article No. (71) of the Companies Law are subject to binding restrictions, and accordingly, errors or irregularities may occur that are not discovered. Moreover, these procedures should not be relied upon as evidence of the effectiveness of regulations and oversight against fraudulent activities and collusion, especially by those working in positions of authority or trust.

The Limited Assurance Engagement is substantially less in scope than the reasonable assurance engagement under the International Standards on Assurance Engagements 3000 (Amended) as endorsed in the Kingdom of Saudi Arabia. As a result, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were considerably limited compared to those related to the reasonable assurance opinion, and thus lower level of assurance was obtained through the limited assurance Conclusion as compared to the reasonable assurance Opinion.

TO THE SHAREHOLDERS
NASEEJ INTERNATIONAL TRADING COMPANY
(A Saudi Joint Stock Company)
Jeddah - Kingdom of Saudi Arabia

Limited assurance report on declaration submitted by the Chairman of the Board of Directors to the shareholders of Naseej International Trading Company...(continued)

Summary of work performed...(continued)

Our procedures did not include audit or reviews carried out in accordance with International Standards on Auditing or International Standards on Review Engagements endorsed in the Kingdom of Saudi Arabia, and accordingly, we do not express an audit opinion or review conclusion regarding the adequacy of the systems and control.

This Conclusion relates only to the Declaration for the year ended December 31, 2023, and should not be seen as providing assurance as to any future dates or periods, as change systems or controls may alter the validity of our Conclusion.

Limited assurance conclusion

Based on the works performed in this report, nothing has come to our attention that causes us to believe that the company has not complied, in all material respects, with the requirements that relates to Article No. (71) of the Companies' Law when preparing the Declaration of related party transactions for the year ended December 31, 2023.

Restriction of use

This report, including our Conclusion, has been prepared solely upon the request of the Company's management to assist the Company and the chairman of the Company's board of directors to fulfilling their reporting obligations to the General Assembly in accordance with Article No. (71) of the Companies' Law. The report should not be used for any other purpose or distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce and Investment, the Capital Market Authority and the shareholders of the company.

Jeddah: March 21, 2024
Ramadan 11, 1445H



FOR EL SAYED EL AYOUTY & CO.

A. Balamash

Abdullah Ahmad Balamash
Certified Public Accountant
License No. (345)

To / the respected shareholders of Naseej International Trading Company
Greetings

A notification from the Board of Directors to the General Assembly about business and contracts with (related parties)

With reference to the requirements of Article (71) of the Companies Law, The Board of Directors would like to inform you of the business and contracts that were concluded with related parties during the year 2023 AD: - (Contracts do not have any preferential terms).

Value (riyals)	Its duration	Type of deal	The type of relationship to the company	Related party
18,237,848	Continuous supplies under approved purchase orders at the prevailing market price	Supply of raw materials (interior and exterior carpet lining) under approved purchase orders at the prevailing market price	Indirect interest Nasser saleh Al-Sorayai BOD's Member	Saudi Carpet Manufacturing Company Ltd. (Matex)
541,371	Continuous supplies under approved purchase orders at the prevailing market price	Supply of raw materials to factories: glue - paperboard - chemicals - and finished goods (furniture -, foam, felt) under approved purchase orders at the prevailing market price	direct interest Nasser saleh Al-Sorayai BOD's Member	Al Sorayai Group for Industrial Investment Ltd
460,000	Annual contracts that are automatically renewed	Lease contracts for showrooms, warehouses and offices at the prevailing market price	Indirect interest Nasser saleh Al-Sorayai BOD's Member	Al-Hikma International Real Estate Development Company

Please accept the assurances of the highest consideration and respect,

Chairman of Board of Directors

Dr. Wael Saad Abdulaziz Al Rashid



To / the respected shareholders of Naseej International Trading Company
Greetings

A notification from the Board of Directors to the General Assembly about business and contracts with (related parties)

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Please accept the assurances of the highest consideration and respect,

Chairman of Board of Directors

Dr. Waiel Saad Abdulaziz Al Rashid