



**Audit Committee Report to the General Assembly  
for the fiscal year ending March 31, 2026**

**To The Shareholders of Abdullah Saad Mohammed Abumati Stationery Company**

May the peace, blessings, and mercy of God be upon you,

Greetings:

**Introduction:**

The Audit Committee of Abdullah Saad Mohammed Abumati for Libraries is pleased to present to its esteemed shareholders its report on its opinion regarding the adequacy of the company's internal and financial control systems and risk profile, as well as the work and tasks performed by the committee within the scope of its competence, in accordance with the provisions of the Companies Law and based on the relevant regulatory requirements.

**Powers of the Audit Committee:**

The Audit Committee shall be responsible for monitoring the company's activities and verifying the accuracy and integrity of its reports, financial statements, and internal control systems. To this end, it shall have the right to inspect the company's records and documents and to request any clarification or statement from the members of the Board of Directors or the executive management. It may request the Board of Directors to convene a general meeting of the company if the Board of Directors obstructs its work or the company suffers serious damage or losses.



### Audit Committee Members:

The Audit Committee was appointed on 13/07/1446 AH, corresponding to 13/01/2025 AD. The members of the Audit Committee for the new Board of Directors term, which begins on 01/01/2025 AD for a period of four years and ends on 31/12/2028 AD, were appointed based on the Board of Directors' resolution issued on 13/01/2025 AD, as follows:

| The name                               | Position                                                        |
|----------------------------------------|-----------------------------------------------------------------|
| Abdullah bin Saud Abdulaziz Al-Rashoud | Chairman of the Audit Committee (Non-Executive)                 |
| Sultan Ahmed Mohammed AlShubaily       | Member of the Audit Committee (Independent)                     |
| Abdullah bin Khalaf Al-Youssef         | Member of the Audit Committee (a member from outside the Board) |



### Committee meetings:

During the year 2025/2026 AD, the Committee held (four) meetings as follows:

| s | The name                                      | First<br>meeting<br>26/06/2025 | Second<br>meeting<br>4/8/2025 | Third<br>meeting<br>4/11/2025 | Fourth<br>meeting<br>08/02/2026 | Number<br>of<br>attendees |
|---|-----------------------------------------------|--------------------------------|-------------------------------|-------------------------------|---------------------------------|---------------------------|
| 1 | Abdullah bin Saud<br>Abdulaziz Al-<br>Rashoud | ✓                              | ✓                             | ✓                             | ✓                               | 4                         |
| 4 | Sultan Ahmed<br>Mohammed<br>AlShubaily        | ✓                              | ✓                             | ✓                             | ✓                               | 4                         |
| 5 | Abdullah bin<br>Khalaf Al-Youssef             | ✓                              | ✓                             | ✓                             | ✓                               | 4                         |

### Audit Committee Duties and Key Activities During 2025/2026

During the year 2025/2026, the Audit Committee carried out a number of activities.  
The following is a summary of the key activities performed:

### Financial Reports:

The Audit Committee reviewed the Company's annual and quarterly financial statements. Significant matters were discussed with the Finance Department and the External Auditor, including a review of comparative figures, verification of the reasons for material variances, assessment of the adequacy of disclosures, and the extent of compliance with applicable accounting policies and standards.



The Committee also considered all related matters and obtained confirmation from the External Auditor regarding the cooperation of the Company's management in providing all required documents and responding to their inquiries.

Following the discussions, and after the External Auditor confirmed that there were no material observations affecting the fair presentation of the financial statements, the Committee expressed its opinion and submitted its recommendation thereon to the Board of Directors.

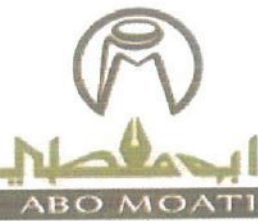
#### External Auditor:

The Audit Committee recommended to the Board of Directors and the General Assembly the nomination of the Company's external auditors after reviewing and evaluating the submitted proposals. The Company's General Assembly, held on **25/03/1447H corresponding to 17/09/2025**, approved the appointment of **RSM – United Accountants Office** as the Company's external auditor to examine, review, and audit the financial statements for the **second and third quarters of 2025, the fourth quarter of 2026, and the annual financial statements for the period from 01/04/2025 to 31/03/2026**, for a total fee of **SAR 397,000**.

The Audit Committee also approved the audit plan submitted by the External Auditor for reviewing the Company's activities. In addition, the Committee emphasized the importance of the External Auditor providing the Committee with a copy of the annual Management Letter, and directed the Executive Management to implement and follow up on the required corrective action plans.

The Committee evaluated the External Auditor's performance, objectivity, independence, and potential conflicts of interest, and confirmed that the auditor had not provided any consulting services to the Company.

Furthermore, the Audit Committee reviewed the work performed by the Company's External Auditor in accordance with the applicable procedures and responded to the auditor's inquiries. The Committee also reviewed the External Auditor's report and observations on the financial statements and followed up on the actions taken in response to those observations until their full and effective closure.



### Compliance Assurance:

The Audit Committee discussed with Executive Management the extent of the Company's compliance with the laws, regulations, and instructions issued by the regulatory authorities to which the Company is subject, and whether any instances of non-compliance occurred during the year 2025/2026.

Executive Management confirmed that **no cases of non-compliance were identified during the year 2025/2026.**

### Internal Audit:

During the financial year, the Audit Committee reviewed and evaluated the Company's internal control systems through the review of internal and external audit reports and discussions with Executive Management regarding the control procedures in place. The Committee also followed up on the implementation of corrective actions related to the observations raised. No material deficiencies were identified that would adversely affect the effectiveness of the Company's internal control system; however, certain observations were noted and the necessary corrective actions were taken to address them.

The Committee also assessed the adequacy and effectiveness of the internal control system, the reliability of financial reporting, and compliance with applicable regulations and approved policies.

In addition, the Committee approved the **Risk Register Report** prepared by **Othman Younes Al Diabeh, Internal Audit Manager of the Company**, as well as the **three-year audit plan** developed based on the risk assessment study.



The Audit Committee submitted recommendations to the Board of Directors regarding the improvement and enhancement of the adequacy and effectiveness of the Company's risk management systems. The Committee also made recommendations to the Board regarding the scope of work of the Internal Audit Department and the annual audit plan.

Furthermore, the Committee reviewed the audit reports covering the **Human Resources, Sales, Procurement, Finance, and Warehouses Departments.**

#### **Audit Committee's Opinion on the Adequacy of Internal Control Systems:**

The Audit Committee evaluates the Company's internal control procedures in terms of both design and implementation. During the year, a number of periodic and special audit engagements were carried out to ensure the accuracy, effectiveness, and quality of performance. The Committee also contributed to the review of the interim financial statements and recommended their approval to the Board of Directors, in addition to coordinating the activities of external regulatory and supervisory bodies. The Audit Committee reviewed the relevant reports and did not identify any material matters that would adversely affect the effectiveness of the internal control systems. However, the Committee believes that there remains room for further improvement and development.

In conclusion, maintaining effective internal control systems is one of the primary responsibilities entrusted to the Board of Directors. The Audit Committee's role is to assist the Board in fulfilling this responsibility. Its key objectives include ensuring the adequacy of the internal control system and its effective implementation, and



providing recommendations to the Board of Directors that enhance and further develop the system in a manner that supports the achievement of the Company's objectives and protects shareholders' interests efficiently and at a reasonable cost. Please accept the warmest regards from the Chairman and members of the Audit Committee.

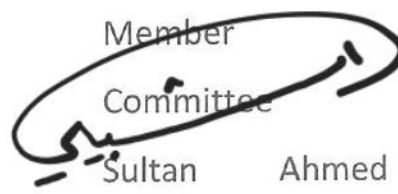
Chairman of  
Committee

  
Abdullah bin Saud  
Al-Rashoud

Member  
Committee

  
Abdullah bin Khalaf Al-  
Youssef

Member  
Committee

  
Sultan Ahmed  
Mohammed  
AlShubaily

Secretary of the Committee

Othman Al-diabeh

