



**Saudia Dairy & FoodStuff Company**

P.O. Box 5043  
Jeddah 21422  
Saudi Arabia

Attention: Mr. Waltherus Cornelis Petrus Matthijs  
Chief Executive Officer

Dear Sir,

**Report of factual findings in connection with the agreed-upon procedures in respect of the extension of time for buy-back of ordinary shares for the purpose of retention as treasury shares.**

This report is produced in accordance with the terms of our agreement dated October 30, 2019.

The management of Saudia Dairy & Foodstuff Company (the "Company" or "SADAFCO" and its subsidiaries, collectively referred to as the "Group") have prepared a Statement for buy-back of ordinary shares (the "Statement") for the purpose of extension of time for buy-back of ordinary shares for retention as treasury shares which was approved in the Extraordinary General Assembly Meeting, held on December 18, 2018. The Group's management remain solely responsible for it and for the creation and maintenance of all accounting and other records of the Group supporting its contents. The Group's management is also responsible for identifying and ensuring that the Company complies with the terms of the Capital Market Authority ("CMA") pronouncements and regulations.

We have performed the procedures agreed with you and listed below relating to the Statement. Our work was performed in accordance with the International Standard on Related Services (ISRS) 4400 'Engagements to perform agreed-upon procedures regarding financial information' that are endorsed in Kingdom of Saudi Arabia. These procedures were performed solely to assist the Group's management in fulfilling its reporting obligations to report as per the CMA's Regulations (Article 12, Section 3) in respect of extension of time for buy-back of ordinary shares for the purpose of retention as treasury shares. We performed the following procedures:

- Obtained the Statement which included financial information of the Group as of September 30, 2019 and budget information prepared by Group's management for the period from January 31, 2020 to January 31, 2021 (the "consolidated budget").
- Agreed the Group's financial information reported in the Statement with condensed consolidated interim financial information for the three-month and six-month periods ended September 30, 2019 (the "interim financial information"). We have also agreed the consolidated budget information presented in the Statement with detailed consolidated budget prepared by the Group's management.
- Recalculated the amount of proposed treasury shares and checked that the amount of treasury shares do not exceed the amount of retained earnings as reported in the interim financial information.

Based on the above procedures we did not find any exception.

Our procedures, as stated in our agreement, did not constitute either an audit or review made in accordance with International Standards on Auditing, as endorsed in Saudi Arabia or International Standards on Review Engagements, as endorsed in Saudi Arabia, the objective of which would be the expression of assurance on the contents of the Statement. We do not express such assurance. Had we performed additional procedures or had we performed an audit or review of the Statement, in accordance with International Standards on Auditing, as endorsed in Saudi Arabia, or International Standards on Review Engagements, as endorsed in Saudi Arabia, other matters might have come to our attention that we would have reported to you. This report relates only to the procedures performed listed above and does not extend to any financial statements of the Group taken as a whole.

This report is solely for your use in connection with the purpose specified above and as set out in our agreement. No part of this report is to be copied or distributed to any other party except as permitted under the terms of our agreement. We do not accept any liability or responsibility to any third party.

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Group or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company

**PricewaterhouseCoopers**

Yours faithfully,



Mufaddal A. Ali  
License Number 447

November 3, 2019

**SAUDIA DAIRY & FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)  
**STATEMENT OF SOLVENCY**

As at September 30, 2019  
(Expressed in Saudi Riyal thousands unless otherwise stated)

**Annexure A**

**Capital Market Authority of kingdom of Saudi Arabia**  
**Regulatory Rules and Procedures**  
**Part Four 'Buy-back, Sale, Pledge of Shares', Chapter One 'Share Buy-back Rules', Article twelve, Section (3)**

(i) *Prior to buying its shares, the Company must have, on its own or with its subsidiaries, sufficient working capital for the twelve (12) months immediately following the date of completion of the share buy-back transaction.*

As per Management Forecast	December 31, 2019	January 31, 2020	February 29, 2020	March 31, 2020	April 30, 2020	May 31, 2020	June 30, 2020	July 31, 2020	August 31, 2020	September 30, 2020	October 31, 2020	November 30, 2020	December 31, 2020	January 31, 2021
Excess of current assets over current liabilities - After buy back transactions	676,292	651,966	641,825	627,289	596,025	581,147	557,546	473,335	460,315	456,125	440,088	432,970	336,866	360,057

(ii) *the value of the Company's assets must not be less than the value of its liabilities (including contingent liabilities), prior to and immediately upon payment of the purchase price, according to the latest reviewed interim financial statements or audited annual financial statements, whichever is later.*

**Amounts as per the condense consolidated interim financial information**

**September 30, 2019**

Excess of total assets over total liabilities and contingent liabilities after buy back of shares

1,071,971

(iii) *The amount of Treasury Shares held must not exceed the amount of the retained profits of the Group.*

**September 30, 2019**

Excess of retained earnings over the value of treasury shares

325,087