

# Transparency Report

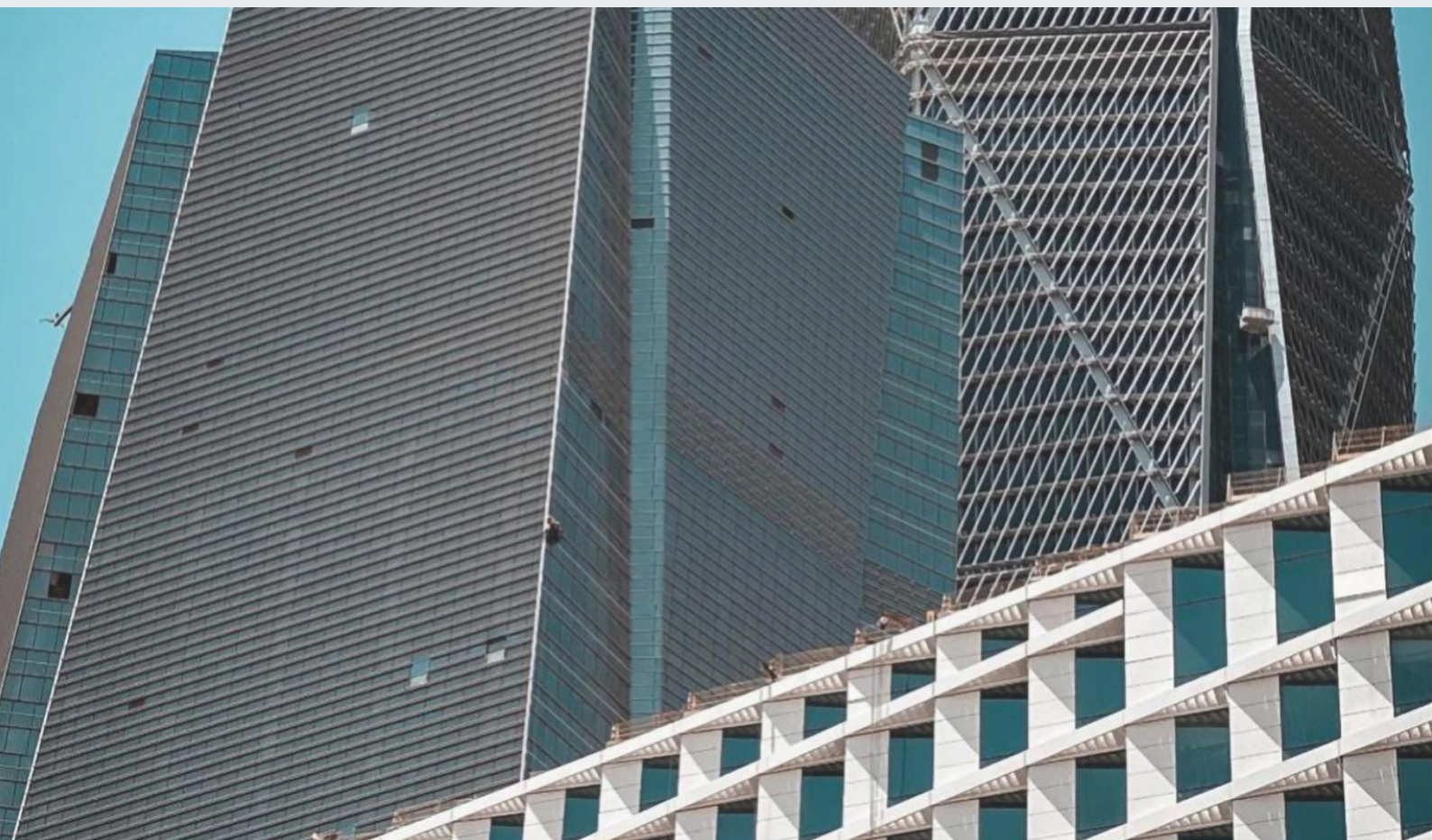
Dr. Mohamed Al-Amri & Co.

31 August 2025

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# Message from the Firm Leadership

We are happy to share with you our most recent transparency report. The evolution of the regulatory landscape presents us with a unique opportunity to cement our role in serving the public interest. This, coupled with the ever-changing business and technological environment, has been driving our best possible effort to enhance the quality of our services.

Provision of quality services has been our forever motto, and we continue to build on the solid foundation that is built on principles like integrity and ethical values. With growth and rise in sight, we fully commit ourselves to upholding an internal culture of trust, mutual co-operation and excellence. To all the external stakeholders and communities around us, we are more responsive than ever to their needs while continuing to preserve our independence.

We acknowledge the role of the regulatory oversight authorities in the Kingdom of Saudi Arabia in protecting the public interest and for their continued guidance and supervision.

We also recognize the role of our global network, which has immensely supported us achieve quality, growth and transformation.

**At Dr. Mohamed Al-Amri & Co., we believe that quality is the essential ingredient of the services that we render, and it indicates the following commitments on the part of our Firm:**

- ▶ Setting the right tone from the top.
- ▶ Having and accepting relationships that promote honesty, truthfulness and quality.
- ▶ Investing in excellent people, technical and technological resources.
- ▶ Work environment that promotes integrity and ethical values.
- ▶ Readiness to embrace supervision and review from internal and external sources.
- ▶ Iterative processes for constant quality improvements to ensure sustainable audit quality.
- ▶ Honesty and integrity.
- ▶ Mutual support and respect.
- ▶ Empowerment and personal responsibility.

**As we move into the new year 2026, we renew our pledge of doing the right thing and raising the bar even higher.**

**Hope you will find our transparency report informative.**



**Dr. Mohamed  
Al-Amri**  
Chairman of the Board



**Gihad Al-Amri**  
Managing Partner

# Our Firm

Dr. Mohamed Al-Amri & Co. is the Member Firm of BDO International in the Kingdom of Saudi Arabia (referred to in this report as “BDO Al-Amri” or “the Firm”). It is a professional Closed Joint Stock Company registered under the number 66/11/323.

The Firm is led by the Chairman of the Board of Directors, Dr. Mohamed Al-Amri, who sets the Firm’s strategy and ensures its implementation. The Managing Partner, Gihad Al-Amri, is also a Member of the Board of Directors and, along with the other partners, assists the Chairman in implementing the strategy and running the day-to-day operations.

## The Firm leadership team and partners consist of:

- Dr. Mohamed Al-Amri** — The Chairman of the Board of Directors, along with the Board, is responsible for setting up the Firm’s strategy and ensuring its implementation.
- Gihad Al-Amri** — The Managing Partner and Member of the Board of Directors assisting the Board of Directors in implementing the strategy and running the day-to-day operations and is the person with ultimate responsibility for the system of quality management.
- Jamal Al-Amri** — An equity partner.
- Maher Al-Khatieb** — The Office Managing Partner of Jeddah office working with the Firm Managing Partner in running the day-to-day operations and achieving the overall objectives set by the Board of Directors.
- Ahmad Al-Jumah** — The Chief Operating Officer, Office Managing Partner of Dammam Office and Member of the Board of Directors, working with the Managing Partner in running the day-to-day operations and achieving the overall objectives set by the Board of Directors.

## The Firm has the following committees and groups:

**Audit and Assurance Steering Committee** with the responsibilities as envisaged in their terms of reference.

The committee meets frequently to ensure alignment of the practice with the strategy and quality requirements.

**National Technical Accounting Consultation Committee**, led by a Senior Director responsible for technical matters, is supported by two Senior Managers and is responsible for consultations on accounting technical matters that arise within the Firm.

The consultations related to audit-related matters are made with Head of Audit, Head of Audit and Assurance Quality Management, and Head of Monitoring and Remediation.

**None of Dr. Mohamed Al-Amri & Co. partners hold any director positions in committees or an employee position with an ability significantly affect the operations of the companies under the CMA supervision.**

Please refer to Appendix I for The Firm’s organizational structure

# Our Firm

## Basis for partners' remuneration

Partner's compensation consists of monthly salaries decided by the Board of Directors and based on the following:



Consideration of the partner's role in the Firm and tasks managed



The quality of work, such as the results of internal and external inspections



Seniority within the Firm

## The BDO Network

BDO is an international network of public accounting firms, the BDO member firms, which perform professional services under the name and style of BDO. BDO is the brand name for the BDO network and all BDO member firms. 'BDO' and 'BDO International' are trademarks of Stichting BDO.

## Legal and Structural Arrangements in the Network

Each BDO member firm is a member of BDO International Limited, a UK company limited by guarantee, either as a voting member (one per country) or a non-voting member. The network is governed by the Council, the Policy Board and the Executive (or Global Leadership Team) of BDO International Limited.

The Council comprises one representative from each voting member and comprises the members of BDO International Limited. The Council approves budgets, appoints the Global Board and approves any changes in the Articles and Regulations of BDO International Limited. The Regulations of BDO International Limited, as adopted by the Council, are binding on all member firms (voting and non-voting).

The Global Board, which is the Board of Directors of BDO International Limited. Each Global Board Member is appointed for a three-year term with appointments approved by the Council. The Policy Board sets policies and priorities for the network and oversees the work of the Global Leadership Team. The Policy Board meets at least four times a year and more if required.

Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a Belgian limited liability company with its seat in Brussels. BDO International Limited and Brussels Worldwide Services BVBA do not provide any professional services to clients. This is the sole preserve of the BDO member firms.

Each of BDO International Limited, Brussels Worldwide Services BVBA and the BDO member firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of BDO shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide services BVBA and/or the BDO member firms.

# Quality Management

## International Standards of Quality Management

The Firm has implemented International Standards on Quality Management “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” ISQM 1 and “Engagement Quality Reviews” ISQM 2.

ISQM 1 requires that a compliant system of quality management be designed and implemented with evaluations to be conducted each year.

The Firm has developed and effectively implemented the system of quality management under ISQM 1 and is continuously evaluating its compliance as per the requirements of ISQM 1.

The BDO Global has provided many resources to help in efficient implementation of the Standards. The Firm has been able to perform the risk assessment process, including setting up of a BDO ISQM Manual. A web-based platform is also used, which is known as the “BDO System of Quality Management Platform”, and helps in the documentation of:

- ▶ Components.
- ▶ Objectives.
- ▶ Risk assessment which can also be tailored to the Firm’s needs.
- ▶ Responses to the risks through documenting controls and policies and procedures.
- ▶ Monitoring actions.
- ▶ Remediation actions including assigning the responsibility for remediation.

The evaluation and final sign-offs are also documented in the platform in the “Annual Module”, which documents the phases of Planning, Evaluating and Executing.

In ISQM 2, the performance of an EQ review is undertaken at the engagement level by the EQ reviewer on behalf of the Firm. Accordingly, ISQM 2 addresses:

- ▶ The appointment and eligibility of the EQ reviewer; and
- ▶ The EQ reviewer’s responsibilities relating to the performance and documentation of an EQ review.



## There are many drivers to achieving audit quality.

These are often categorized in terms of those that are directly relevant to auditor performance (i.e., the performance of the engagement partner and team) and those that are external to the team and outside of our control.

In addition, the Firm has also implemented an Engagement Inspection Program (EIP) as approved by BDO Global. EIP is a part of the monitoring and remediation component that is very critical to the implementation of ISQM.

The sample of engagements covers different types of engagements, including audits and reviews of listed engagements, and audits of unlisted engagements.



## Objective of the System of Quality Management

The Firm’s system of quality management is designed to provide reasonable assurance that:

- ▶ The Firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements and conduct engagements in accordance with such standards and requirements.
- ▶ Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

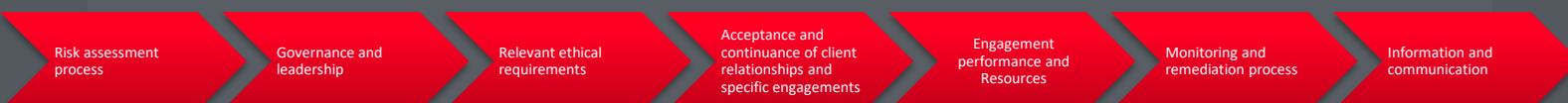


## Annual Assessment of the System of Quality Management

The Firm has completed its assessment of the SoQM for the year ended 31 August 2025 and concluded that its SoQM provides reasonable assurance that quality objectives are met, and the system is designed and maintained effectively.

# Quality Management

The Firm's system of quality management consists of the following elements:



Reasonable assurance is obtained when the SoQM reduces to an acceptably low level the risk that the objectives of the SoQM are not achieved. Reasonable assurance is not an absolute level of assurance because there are inherent limitations of a SoQM.

There are no severe deficiencies in the Firm's system of quality management that prevent the Firm from reducing to an acceptably low level the risk that the objectives of the SoQM are not achieved as of August 31, 2025.

These components operate in the firms' SoQMs in an iterative and integrated manner. Robust monitoring and remediation are an important component of the firms' SoQMs to ensure that the firms continuously seek to improve their quality processes.

## Risk assessment process

The Firm has designed and implemented a risk assessment process to establish quality objectives, identify and assess quality risks and design and implement responses to address the quality risks. Such risk assessment process enables the identification and assessment of risks at both the gross and net levels.

The Firm has established quality objectives identified from time to time as a basis for its quality risk assessment, which are no less than the objectives set out in ISQM 1. This has been done by considering the nature and circumstances of the Firm and engagements performed by the Firm.

## Governance and leadership

The Firm has established the following quality objectives that address the Firm's governance and leadership, and which also establish the environment that supports the system of quality management:

- a** **The Firm demonstrates a commitment to quality through a culture that exists throughout the Firm, which recognizes and reinforces:**
  - ▶ The Firm's role in serving the public interest by consistently performing quality engagements;
  - ▶ The importance of professional ethics, values and attitudes;
  - ▶ The responsibility of all personnel for quality relating to the performance of engagements or activities within the system of quality management, and their expected behavior; and
  - ▶ The importance of quality in the Firm's strategic decisions and actions, including the Firm's financial and operational priorities.
- b** **Leadership is responsible and accountable for quality.**
- c** **Leadership demonstrates a commitment to quality through its actions and behaviors.**
- d** **The organizational structure and assignment of roles, responsibilities and authority are appropriate to enable the design, implementation and operation of the Firm's system of quality management.**



# Quality Management

- e** Resource needs, including financial resources, are planned for, and resources are obtained, allocated or assigned in a manner that is consistent with the Firm's commitment to quality.
- f** The Firm receives, investigates and resolves complaints and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements, or non-compliance with the Firm's policies or procedures. Such complaints and allegations are identified and resolved through the Firm's or BDO Global policies or procedures.

Quality control is dependent upon an organizational structure which is inherently sound and which clearly defines the responsibilities of the various levels of management.

The Firm has clearly established responsibilities for the Managing Partner, the Chairman and other senior personnel.

Clear and consistent tone at the top has been set with no compromise on quality, which also includes zero tolerance for non-compliance with the laws and regulations.

## Relevant ethical requirements

Ethics and independence are of fundamental importance to our culture and success. To fulfil our responsibility to act in the public interest, BDO is dedicated to fostering an 'ethics & independence first' culture.

The Firm's Ethics and Independence Manual contains the principles and rules relating to ethical conduct, which is available to all staff. This is supplemented by forms and complemented by a training program designed to ensure compliance with the Code of Ethics as endorsed by SOCPA.

## Independence policies

The Ethics & Independence policies and procedures form the basis of the relevant ethical requirements, supported by technology where possible, to ensure that the Firm continues to adhere to the Relevant Ethical Requirements (RERs) (including independence, both in fact and appearance). All policies are published in the Ethics and Independence Manual, which outlines the minimum requirements and describes the ethics & independence principles that BDO applies when providing professional services.

## Independence of the Firm, Partners and Staff

Independence of the Firm, partners and staff is governed by the Firm's policies. Robust systems and respective procedures are applied to ensure compliance with laws, professional standards and regulations, including the principles and requirements of the Saudi Organization for Chartered and Professional Accountants and the IESBA Code of Ethics for Professional Accountants as endorsed in the Kingdom of Saudi Arabia. The Firm's policies consider independence from various perspectives. This includes, but is not limited to, our relationships with audit clients, the approval of non-assurance services to audit clients, long association of personnel with assurance clients and fee arrangements.

Clear job descriptions and terms of reference are set at all levels, including those leading specific areas such as:

Managing Partner

Chief Operating Officer

Head of Audit

Head of Human Resources

Head of Information Technology

Head of Learning

Head of Technical

Head of Risk, Ethics and Independence

Head of Audit and Assurance Quality Management

Head of Monitoring and Remediation

# Quality Management

## Services Provided to Audit Clients

We have policies and procedures in place to identify and resolve any threat to integrity, objectivity and independence and other fundamental ethical principles if they do arise, so that the professional conduct of the Firm is not compromised. This includes consideration of instances where fees from non-audit services may potentially impact assurance work, whether in reality or in perception. We ensure that we remain independent both in terms of mind and appearance. The Firm continually reviews the effectiveness of such policies and procedures, and as changes to laws and regulations arise, these are revised accordingly. Before providing any service, the audit engagement partner considers any potential conflict of interest or threat to independence that may arise before approving such service.

## Independence Declarations

On commencing employment with BDO, and annually thereafter, partners and staff are required to complete the independence declaration process. Confirmations are obtained from partners and staff that our policies around financial, business, employment and personal relationships have been complied with and require all such relationships to be declared. Further, all audit engagement team members, including internal or external experts, are required to confirm and declare their independence prior to commencing the audit. This declaration is documented and maintained in the audit engagement file.

## Conflict of Interest and Independence Checks

Our independence management system assists the Firm in demonstrating compliance with professional, regulatory and legal requirements by maintaining documented evidence of conflicts and appropriate resolutions.

A conflict and independence check (CIC) is sent locally and internationally, where appropriate, to all partners and staff prior to a new engagement being accepted.

When a conflict is identified, Firm Risk Administrators and Firm Risk Managers in each location assist with resolving any issues identified. Where required, this is resolved with direct assistance from the Firm Risk Leader or the Managing Partner. When the Firm is unable to reach an appropriate resolution to a threat to independence or conflict through appropriate safeguards, then the engagement may need to be declined after proper documentation of the facts and circumstances.

## Global Independence

In order to perform effective enquiries to ensure that our independence on a global basis is not compromised, all partners and staff have access to a worldwide register of BDO's clients that are restricted entities. Such entities comprise those (mainly) assurance clients of which all BDO firms must be independent and include all financial statement audit clients relating to public interest entities as determined by the relevant jurisdiction.

When a proposed engagement involves a client, which has operations outside the Kingdom of Saudi Arabia, a conflict check is sent using our international conflict checking tool. This tool allows for checks to be targeted to specific countries or regions and for checks to be circulated globally.

## Management confirmation on the effectiveness of independence policies

Management confirms that independence policies have been prepared according to ethical requirements and have been complied with.

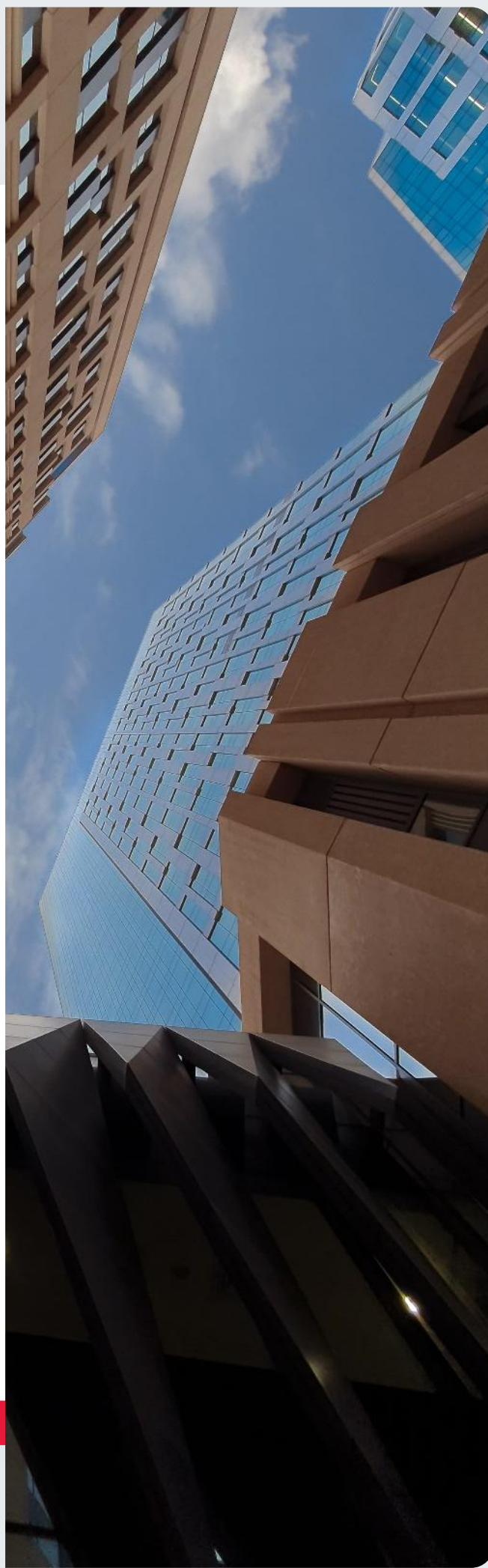
# Quality Management

## Acceptance and continuance of client relationships and specific engagements

Robust client and engagement acceptance procedures play a pivotal role in the Firm's ability to deliver a professional and quality service.

The Firm has a policy for acceptance and continuance of engagements, which requires completion of an acceptance checklist in which various information is mentioned, and on the basis of which, a risk assessment is made, and the approvals are obtained accordingly, as per the approval matrix. These include:

- ▶ Eligibility of the Firm to perform the engagement;
- ▶ Consideration of local requirements whether the Firm can accept the engagement;
- ▶ Independence requirements such as fee incomes, close relationships and financial interest;
- ▶ Consideration of the client's business including its geographical spread and the industry it operates in;
- ▶ Evaluation of information concerning the client, its management and its owners including Know Your Client procedures;
- ▶ Considering information regarding the character and reputation of the prospective client and key personnel;
- ▶ Assessment of potential independence risks and potential conflicts of interest;
- ▶ Inquiry of the previous auditor regarding the reasons for the change in auditor and if there is any reason why we should not accept the appointment;
- ▶ Specific factors affecting the risk to the Firm;
- ▶ Relevant ethical requirements;
- ▶ Appointment of EQR and mandatory consultations if any; and
- ▶ Reviewing filings of the company, including prior year financial statements and nature of the audit report.



# Quality Management

## Human Resources

Human resources is a critical factor in our ability to provide professional services. In order to ensure that the Firm has sufficient personnel with the capabilities, competence, and ethical standards necessary to provide quality audits in accordance with professional and legal requirements, we have established clear policies and procedures addressing the following areas:

recruitment

performance evaluation

capabilities and competence

career development, promotion and compensation

forecasting of personnel requirements

## Recruitment

Policies and procedures for recruitment are designed to ensure that those employed are professionally competent and possess the appropriate characteristics to enable them to deliver a high-quality service.

We work actively to ensure that diversity is embedded within the Firm's culture, not just in principle but in practice. Inclusivity within the organization, whether it is based on age, gender, ethnicity or physical capabilities, strengthens the Firm's values, makes the Firm more representative and more capable of providing a quality professional service.

We seek people with high levels of intelligence, stability, maturity, integrity, motivation, aptitude and leadership qualities appropriate to the role for which they are being hired.

## Performance evaluation

All staff members are subject to formal performance appraisal, review and counselling on a regular basis, in order to evaluate the level of competence, monitor training and help them reach their full potential. Performance appraisal includes a review of each individual's contribution to the quality of service(s) provided by the Firm.

Evaluations are completed on an annual basis. The factors evaluated (which may vary by level) include professional and technical competence, management skills and analytical and judgement skills. Quality matters are also part of the evaluation system.

## Capabilities and competence

Policies and procedures for assigning personnel to engagements are designed to ensure that only those persons having adequate technical training, proficiency and competence will perform the work.

A current profile of staff's technical proficiency is obtained by personal knowledge and experience. This profile is used to assess the suitability of the staff member for specific subsequent assignments. In addition, consideration is given to ensure that staff have the necessary technical knowledge and other skills appropriate to the size, complexity and nature of the planned work.

# Quality Management

## Career development, promotion and compensation

Staff career development is a key motive for staff. Generally, there is staff progression from an introductory staff level to supervisor, to manager and then to senior manager. Staff are promoted to the next level only when they are prepared for the increased responsibilities that promotion entails.

Non-compliance with the Firm's policies and professional standards is also considered as areas of growth. Lack of compliance is reflected through additional training, delays in promotion or dismissal for serious instances of non-compliance.

In order to be considered for admission to partnership, a candidate's integrity, honesty and moral character must be above reproach. While attributes of individual applicants may differ because of technical specialization and years of experience, there are three basic attributes that all candidates must possess:

Technical competence in a chosen field of expertise;

Pride in self, the Firm and the profession; and

Professional attitude in work habits.



Partner compensation is reviewed regularly which includes consideration of the partner's role in the Firm, and the quality of work, but is not directly related to the individual's financial performance.

## Forecasting of personnel requirements

We recognize that ultimately it is the quality and commitment of the partners and staff that really make a difference and enable us to deliver a quality audit. Given this, our ability to attract the right number of high-quality people is of utmost importance. We predict personnel requirements so as to continue to service the Firm's clients and provide sufficient capacity to enable its partners and staff to develop the business.

# Quality Management

## Technological resources

The Firm realizes that appropriate technological resources are required to be obtained or developed, implemented, maintained, and used, to enable the operation of the Firm's system of quality management and the performance of engagements.

**Our Firm is supported by BDO Global regarding implementing various audit and other technologies the most important of these which are of most relevance are:**

- ▶ APT Next Gen
- ▶ System of Quality Management Platform and related resources
- ▶ Worldcheck
- ▶ Conflict of Interest System
- ▶ BI in a Box tool
- ▶ Caseware IDEA
- ▶ Pentana
- ▶ Knowbe4

## Intellectual resources

BDO Global also supports in the provision and update of intellectual resources that are required to be obtained or developed, implemented, maintained, and used, to enable the operation of the Firm's system of quality management and the consistent performance of quality engagements, and such intellectual resources are consistent with professional standards and applicable legal and regulatory requirements, where applicable.

**Following are some intellectual resources used by the Firm:**

- ▶ BDO Audit Manual
- ▶ Tools and Guidance templates
- ▶ Training materials
- ▶ BDO Independence Manual
- ▶ BDO Risk Manual

## Engagement performance in the Audit Stream

### Common methodology

Our policies and procedures are designed to ensure that the audits performed by the Firm meet all applicable professional standards, regulatory requirements and that the Firm issues reports that are appropriate in the circumstances. To achieve this and to ensure consistency in the approach to auditing, BDO International has developed the BDO Audit Methodology (as compiled in the form of a BDO Audit Manual, as updated from time to time to cover the requirements of the ISAs), related software tools and other standard forms of documentation. This methodology is fully compliant with International Standards on Auditing as endorsed by SOCPA and where appropriate, these common processes are used by BDO International member firms.

### Software and "How to" guides

BDO Global has an Audit Processing Tool Next Generation (APT NG) through which all team members have easy access to all files and can document standard work papers from anywhere in the world. The software also has a monitoring function through BI in a Box tool, which helps the Head of Audit and Assurance Quality Management to monitor various dates and the files that are approaching deadlines for archival.

**BDO also provides other support and guidance material in the form of:**

- ▶ How-to guides
- ▶ Technical bulletins
- ▶ Assurance alerts, etc.

# Quality Management

## Direction, supervision and review

We require all professional work to be supervised by staff members who have appropriate knowledge and experience. It is the responsibility of the relevant partner or director to ensure that related risks are identified and that decisions are taken by those with an appropriate level of authority. The relevant partner or director must also ensure that professional work is carried out efficiently and that it meets the Firm's standards in all respects.

**Our review procedures are designed to ensure effective control of the audit as it progresses. At a general level these policies are designed to ensure that:**

- ▶ the work is performed in accordance with applicable standards and regulations;
- ▶ significant matters have been raised for further consideration and appropriately addressed;
- ▶ appropriate consultations have taken place;
- ▶ the planned work has, where necessary, been reviewed, and the objective of all planned work has been achieved;
- ▶ the work performed and evidence obtained support the conclusions reached; and
- ▶ the documentation present on the audit file enables an experienced auditor to understand the significant matters arising on the audit as well as the nature, timing and extent of the procedures undertaken, the results of those procedures and the evidence obtained.

## Engagement Quality Reviews under ISQM 2

An Engagement Quality Review policy is applicable on the Firm, whereby EQR is performed for audits of public interest entities and other high-risk engagements. The EQR reviewer will be familiar with the auditing and reporting practices used during the engagement and be knowledgeable and familiar with the client's industry but will be independent of the audit team.

## As per the policy, the person appointed for EQR:

- ▶ Has the competence and capabilities, including sufficient time, and the appropriate authority to perform the engagement quality review;
- ▶ Complies with relevant ethical requirements, including in relation to threats to objectivity and independence of the engagement quality reviewer.

EQR reviewers are appointed by the Head of Audit, the Managing Partner, or an independent person where the Managing Partner or Head of Audit is also the Engagement Partner.

## Consultation

The Firm has policies for mandatory and non-mandatory consultations. The Technical Leader should be consulted on difficult and contentious matters as and when required, who also leads a National Technical Accounting Consultation Committee as per the Firm policy. Other consultative forums operate in line with the Firm's policy for Consultations.

Our culture encourages consultation with experienced partners/directors and other specialists where appropriate.

The Firm also has a difference of opinion policy to address matters of difference in opinion. If the partners and directors cannot reach to a conclusion, the issue should be raised to BDO International and/or SOCPA for consultation.

## Professional judgement and skepticism

Professional judgment is at the core of what we do at BDO and is key to continuously providing value to our clients and exceeding the expectations of our stakeholders. To assist our firms and engagement teams in exercising high-quality professional judgment, BDO has developed the Framework and an accompanying how-to guide that explore professional judgment, common biases and traps that inhibit sound judgment, along with practical application in decision making.

# Quality Management

## Information and communication

The Firm has established the following quality objectives that address obtaining, generating or using information regarding the system of quality management, and communicating information within the Firm and to external parties on a timely basis to enable the design, implementation and operation of the system of quality management:

- ▶ The information system identifies, captures, processes and maintains relevant and reliable information that supports the system of quality management, whether from internal or external sources.
- ▶ The culture of the Firm recognizes and reinforces the responsibility of personnel to exchange information with the Firm and with one another.
- ▶ Relevant and reliable information is exchanged throughout the Firm and with engagement teams, including:
  - Information is communicated to personnel and engagement teams, and the nature, timing and extent of the information is sufficient to enable them to understand and carry out their responsibilities relating to performing activities within the system of quality management or engagements; and
  - Personnel and engagement teams communicate information to the Firm when performing activities within the system of quality management or engagements.
- ▶ Relevant and reliable information is communicated to external parties, including:
  - Information is communicated by the Firm to or within the Firm's network or to service providers, if any, enabling the network or service providers to fulfill their responsibilities relating to the network requirements or network services or resources provided by them; and
  - Information is communicated externally when required by law, regulation or professional standards, or to support external parties' understanding of the system of quality management.

# Quality Management

## Monitoring and remediation process

The Firm has established a monitoring and remediation process to:

- ▶ Provide relevant, reliable and timely information about the design, implementation and operation of the system of quality management.
- ▶ Take appropriate actions to respond to identified deficiencies such that deficiencies are remediated on a timely basis.

A fundamental part of an effective monitoring and remediation process is to perform root cause analysis ('RCA') on the identified deficiencies to understand why deficiencies arose and to be able to design an effective remediation plan to prevent deficiencies from occurring again in the future.

## Designing and Performing Monitoring Activities

The Firm has designed and performed monitoring activities to provide a basis for the identification of deficiencies.

In determining the nature, timing and extent of the monitoring activities, the Firm shall take into account:

- ▶ The reasons for the assessments given to the quality risks;
- ▶ The design of the responses;
- ▶ The design of the Firm's risk assessment process and monitoring and remediation process;
- ▶ Changes in the system of quality management;
- ▶ The results of previous monitoring activities, whether previous monitoring activities continue to be relevant in evaluating the Firm's system of quality management and whether remedial actions to address previously identified deficiencies were effective; and
- ▶ Other relevant information, including complaints and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements or non-compliance with the Firm's policies or procedures established in accordance with this ISQM, information from external inspections and information from service providers.

The Firm has established policies or procedures that:

- ▶ Require the individuals performing the monitoring activities to have the competence and capabilities, including sufficient time, to perform the monitoring activities effectively; and
- ▶ Address the objectivity of the individuals performing the monitoring activities. Such policies or procedures shall prohibit the engagement team members or the engagement quality reviewer of an engagement from performing any inspection of that engagement.

The Firm has a dedicated quality assurance department in this regard, which performs the monitoring activities. This is led by a Senior Director having experience of the quality reviews and monitoring activities.

## Evaluating Findings and Identifying Deficiencies

The Firm evaluates findings to determine whether deficiencies exist, including in the monitoring and remediation process.

## Evaluating Identified Deficiencies

The Firm evaluates the severity and pervasiveness of identified deficiencies by:

- ▶ Investigating the root cause(s) of the identified deficiencies. In determining the nature, timing and extent of the procedures to investigate the root cause(s), the Firm shall take into account the nature of the identified deficiencies and their possible severity.
- ▶ Evaluating the effect of the identified deficiencies, individually and in aggregate, on the system of quality management.

# Quality Management

## Responding to Identified Deficiencies

The Firm has designed and implemented remedial actions to address identified deficiencies that are responsive to the results of the root cause analysis.

**The individual(s) assigned operational responsibility for the monitoring and remediation process evaluate whether the remedial actions:**

- ▶ Are appropriately designed to address the identified deficiencies and their related root cause(s) and determine that they have been implemented; and
- ▶ Implemented to address previously identified deficiencies are effective.

## Ongoing Communication Related to Monitoring and Remediation

**The individual(s) assigned operational responsibility for the monitoring and remediation process communicate on a timely basis to the individual(s) assigned ultimate responsibility and accountability for the system of quality management and the individual(s) assigned operational responsibility for the system of quality management:**

- ▶ A description of the monitoring activities performed;
- ▶ The identified deficiencies, including the severity and pervasiveness of such deficiencies; and
- ▶ The remedial actions to address the identified deficiencies.

The Firm communicates the matters described in the preceding paragraph to engagement teams and other individuals assigned activities within the system of quality management to enable them to take prompt and appropriate action in accordance with their responsibilities.

In addition, our monitoring also includes a periodic Engagement Inspection Program (EIP) to assess the quality of audits performed on various assignments.

The Program includes guidance from BDO International on selection, performance and grading of engagements.

The sample selected is weighted to include an appropriate number of Public Interest Entities (PIE), including listed clients, as well as non-PIEs clients.

Independence of the reviewers is ensured through having each partner reviewed by a team independent from the engagement. Instructions are issued to the reviewers in advance of the review setting out the objectives of the process, a checklist, appropriate guidance and reporting templates.

Each review considers all matters from client take on, through planning and executing the assignment, to reporting and the role of the EQR.

The review report details the results of the review and includes the grading for the engagement reviewed. The report highlights common findings noted for improvement. A root cause analysis is carried out, combining all findings from all reviews and action plans are prepared and implemented for root causes identified.

Results from the process form part of senior staff appraisals.

### Result of last EIP

The most recent completed EIP in November 2024 included the review of six audit engagements, four of which were audit engagements of ESAS.

Five of those engagements were rated as “acceptable with some areas to improve,” and one engagement was rated as “major areas to improve”.

The review was conducted by the Quality Assurance team. This process has been carried out under the surveillance of the Head of Audit and Assurance Quality Management.

# Quality Management

## BDO Global quality review

In the same manner, the Firm is reviewed by BDO Global in the form of QAR inspections. Inspections are usually carried out on a 3-year cycle. The QAR inspections adopt a similar format to the EIP but with enhanced independence as experienced overseas reviewers, taken from an international pool, are used.

The most recent completed review was carried out by BDO International in September 2025 and concluded by December 2025. The following ratings were used as per BDO International's rating criteria:

- ▶ satisfactory
- ▶ acceptable with some areas to improve
- ▶ major areas to improve
- ▶ Unsatisfactory

The Global Quality Review selected seven engagements, out of which 3 were ESAS. Three engagements were rated as Acceptable with Some Areas to Improve, and four engagements were rated as Major Areas to Improve.

## External review

The Firm is registered with the CMA to carry out the audit of Entities Subject to the Authority's Supervision "ESASs". Registered Firms are inspected to ensure compliance with the Rules for Registering Auditors of Entities Subject to the Authority's Supervision.

The first inspection conducted by CMA was in January 2021. CMA has carried out its latest inspection in the year ended August 31, 2025. Necessary remedial action plans have been prepared to address the findings from CMA

The Firm is also under the supervision of the Saudi Organization for Chartered and Professional Accountants "SOCPA". The last inspection conducted by SOCPA was in November 2021. The inspection covered a sample of three audit engagements. The review identified some comments in the performance of the audit in which the Firm has identified the root causes and worked on a remediation plan.



# Quality Management

## The Firm's response to the latest EIP and Network reviews

In response to the results of the latest EIP and BDO Quality Review, the Firm has designed and implemented a remedial action plan.

*The plan involves:*

- ▶ Assessing and evaluating identified deficiencies.
- ▶ Communicating those deficiencies with relevant engagement team members.
- ▶ Performing root cause analysis to identify the root cause of identified deficiencies.
- ▶ Determining the corrective actions to resolve the root causes.
- ▶ Communicating the corrective actions with relevant engagement team members.
- ▶ Following up on those actions in the next review cycle.
- ▶ Identifying common findings and communicating corrective action plans with employees through periodic communication from the Managing Partner, Head of Audit, and HAAQM, in addition to including those topics in the annual training programme.

# Quality Management

## Management Executive statement on effectiveness of functioning

These policies, procedures and monitoring activities have provided the Firm's Management Executive with reasonable assurance that the Firm, its partners and staff have materially complied with applicable professional, regulatory and legal requirements, that work has been performed to a consistently high standard and that appropriate reports have been issued.

# Sanctions and Litigations

## Sanctions and Violations



The Firm received a warning letter from CMA for the violation of the requirements of Article 13 of the Rules for Registering Auditors of Entities Subject to the Authority's Supervision and the information required in the appendix 1 related to the transparency report.

The Firm received a warning letter from CMA for the violation of Article 135 of the Companies Law related to the audit of the going concern of one of the ESAS.

## Litigation and Claims



There has been no litigation, claims, or ongoing investigation against our Firm that might have a material impact on our business in the last fiscal year.

# Saudization

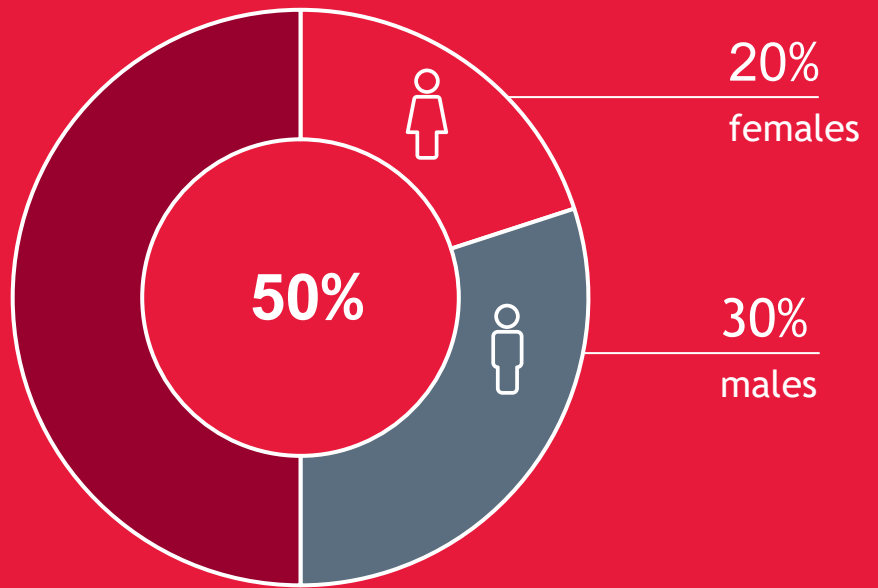
Enabling and empowering Saudi nationals is a top priority for our Firm. We work with youngsters from their later years in university, where we participate in co-op programs. Students are allocated to the different service lines based on their interests and a designated senior is held responsible for his/her training. Some of the co-op students continue with the Firm after graduation in addition to other university graduates.

Fresh graduates are provided with practical training as soon as they join. This enables them to be in the field right after joining and apply what they have learned in real life. They are provided with full

support and guidance to allow them to understand what they are practicing.

In addition, we have a mentoring-coach program to guide and assess staff towards meeting their career goals and aspirations. The program is a powerful force for developing employees and the organization, from helping new hires feel welcomed to building staff loyalty and retention. Under this program, BDO Al-Amri helps establish a career plan, offers insight and advice about potential challenges, and serves as a sounding board for ideas and career-related decisions.

**We are proud that our Saudization rate has reached 50%, out of which 20% females and 30% are males.**



# Professional Education and Training

The Firm has a policy of facilitating and encouraging continuing education as an important means of developing knowledge and maintaining and improving the quality of its services and of motivating and retaining its personnel.

The continuing education program is comprised of training sessions organised by the Firm specifically designed to meet its needs, by the BDO International network, as well as external training by relevant professional bodies. Certain courses are mandatory, and others are optional. The CPE requirements for professional auditors in Saudi Arabia are also factored into the program.

Continuing professional education is also a factor considered for the yearly evaluation of audit staff and the assessment of their career potential within the Firm. We are committed to developing and maintaining the highest possible standards of technical competence through our own development programs.

We have developed a curriculum providing technical training for our professionals throughout their careers. For all new assurance professionals, there is an orientation program covering the Firm’s audit approach and procedures and its organisational structure.

All qualified audit staff, including managers and partners, attend regular technical update courses. These courses are complemented by on-the-job coaching, which provides a significant aspect of their professional development.

As part of an individual’s performance appraisal, professional development needs are assessed, and courses or other training opportunities are identified.

## Our Professional Education and Training program for the year ended 31 August 2025 covered the following topics:

- ▶ Update on inspection findings
- ▶ Updates to BDO Audit manual methodology and International Standards on Auditing.
- ▶ Updates to International Financial Reporting Standards
- ▶ Cybersecurity awareness
- ▶ Independence and Ethical requirements
- ▶ Training on tax concepts
- ▶ Training on specific auditing aspects, such as professional skepticism, going concern, and IT audits, to name a few.

### The training was facilitated through the following channels:

- ▶ BDO Global training portal
- ▶ BDO Global virtual training sessions run through the Firm’s LMS
- ▶ BDO Al-Amri & Co. in-house training sessions

Below is the average hours of training taken by our professionals participating in the audit of ESASs for the year ended 31 August 2025:

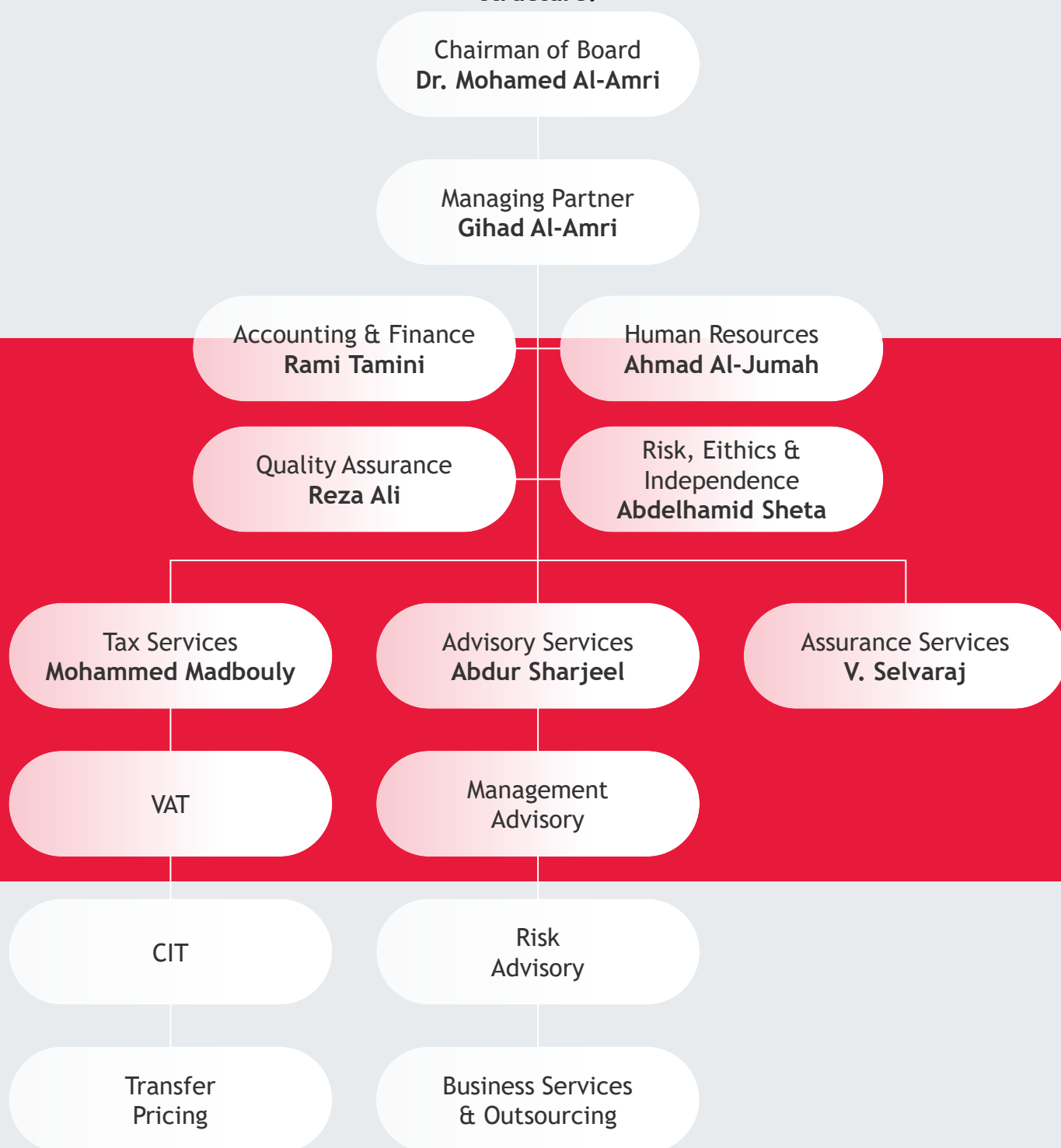
Position	Average Hours
Partner	86
Director	78
Manager	70
<b>Technical; Staff</b>	<b>85</b>

# Financial Information

	SAR (million)
Total Revenue	193.93
Total revenues from audit engagements for ESAS	18.89
<b>Total revenue from non-audit services for ESAS:</b>	
ESAS audit clients	1.57
ESAS none audit clients	10.34

# Appendix I

Below is the Firm's organizational structure:



## Appendix II

ESAS Audit clients during the reporting period are listed below. The total hours spent auditing those clients are 74,013 hours, of which the partners spent 1,527 (representing approximately 2% of total hours spent on ESAS audit engagements)

Company Name	Legal Form	Partner Name
Al Rajhi Company for Cooperative Insurance	Listed Company	Gihad Al-Amri
Al Hammadi Holding Company	Listed Company	Ahmad Al-Jumah
Baan Holding Group Company	Listed Company	Maher Al-Khatieb
Najran Cement Company	Listed Company	Maher Al-Khatieb
Saudi Lime Industries Company	Listed Company	Gihad Al-amri
Yanbu Cement Company	Listed Company	Maher Al-Khatieb
Saudi Reinsurance Company	Listed Company	Gihad Al-Amri
Al Moammar Information Systems Company	Listed Company	Ahmad Al-Jumah
Saudi Steel Pipe Company	Listed Company	Ahmad Al-Jumah
Academy of Learning Company	Listed Company	Ahmad Al-Jumah
Eastern Province Cement Company	Listed Company	Ahmad Al-Jumah
Canadian General Medical Center Complex Company	Listed Company	Ahmad Al-Jumah
Qassim Cement Company	Listed Company	Ahmad Al-Jumah
Gas Arabian Services Company	Listed Company	Ahmad Al-Jumah



## Appendix II

Company Name	Legal Form	Partner Name
Riyal for Investment and Development Company	Listed Company	Maher Al-Khatieb
Saudi Cement Company	Listed Company	Maher Al-Khatieb
Saudi Marketing Company (Farm Superstores)	Listed Company	Ahmad Al-Jumah
Fawaz Abdulaziz Al Hokair Company (Cenomi Retail)	Listed Company	Gihad Al-Amri
Al Mawarid Manpower Company	Listed Company	Maher Al-Khatieb
City Cement Co.	Listed Company	Gihad Al-Amri
Umm Al-Qura Cement Co.	Listed Company	Ahmad Al-Jumah
Elm Company	Listed Company	Gihad Al-Amri
Sinad Holding Company	Listed Company	Gihad Al-Amri
United International Transportation Company	Listed Company	Maher Al-Khatieb
National Company for Learning and Education	Listed Company	Gihad Al-Amri
Al Majed for Oud Company	Listed Company	Gihad Al-Amri
Saudi Top for Trading Company	Listed Company	Ahmad Al-Jumah
Al-Babtain Power And Telecommunication Company	Listed Company	Gihad Al-Amri
Sport Clubs Company	Listed Company	Gihad Al-Amri
Halwani Bros. Co	Listed Company	Maher Al-Khatieb



## Appendix II

Company Name	Legal Form	Partner Name
Arabian Shield Cooperative Insurance Company	Listed Company	Maher Al-Khatieb
Al-Jouf Agricultural Development Co	Listed Company	Maher Al-Khatieb
Arabian Plastic Industrial Co	Listed Company	Maher Al-Khatieb
Ghida Alsultan for Fast Food Company	Listed Company	Maher Al-Khatieb
Fitaihi Holding Group	Listed Company	Maher Al-Khatieb
Southern Province Cement Co	Listed Company	Maher Al-Khatieb
United Mining Industries Company	Listed Company	Maher Al-Khatieb
Bait Alshateera Fast Food Restaurants	Listed Company	Ahmad Al-Jumah
Alamar Foods Company	Listed Company	Ahmad Al-Jumah
Al Sagr Co-Operative Insurance Company	Listed Company	Ahmad Al-Jumah
Tharawat Tuwaiq Financial Company	Capital Market Institute	Gihad Al-Amri

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