

## **External Shariah Auditing Report for the year 2024**

All praise is due to Allah alone, prayers and peace be upon the last Prophet, his Relatives, Companions & whoever follows them righteously to the Day of Judgment. To proceed;

**To Shareholders  
The Securities House  
Kuwait City – Kuwait**

### **Purpose and scope of the audit**

We have audited the contracts and transactions executed by The Securities House Company (the Company) during the year ended December 31, 2024, to express an opinion on the extent of the Company's compliance with the provisions of Islamic Shariah as stipulated in the decisions of the Company's Shariah Supervisory Board, the Shariah standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and the relevant decisions of the Capital Markets Authority.

**Based on our review of the extent of compliance, it became evident that the Company is generally committed to conducting its business in accordance with the aforementioned Shariah standards and the relevant decisions of the Capital Markets Authority.**

### **Management's responsibility for Shariah compliance**

The compliance responsibility to implement the contracts and the transactions according to the provisions of Islamic Shariah accepted by us shall reside with the Company's management. The management is also responsible about the required Internal Shariah Control to assure the execution of the contracts and the transactions according to the provisions of Islamic Shariah.

The company's Bodies in charge of performing the examined transactions and stages of accomplishment is company's various departments.

### **Independence, other ethical requirements and quality control**

We have adhered to the independence and other ethical requirements as set out in the "Code of ethics for Islamic finance professionals" issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). We have adhered to the requirements of International Quality Management Standard No.1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements," and taking into account the regulations and laws of the Capital Markets Authority in the State of Kuwait.

### **Responsibility of the external Shariah auditor and description of the work performed**

Our responsibility is to express an opinion on the extent of the company's compliance with Shariah based on our audit. We were audited in accordance with the governance and auditing standards issued by the AAOIFI, in particular the Auditing Standard for Islamic Financial Institutions No. (6) regarding "External Shariah Audit (Independent Assurance Engagement on an Islamic Finance Institution's Compliance with Shariah Principles and Rules)" and in accordance with Assurance Standard No. (3000) regarding "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and the principle of materiality, which varies according to the size of the audit client, the nature of its operations, its risks, and based on the items of assets, liabilities, revenues, and expenses, and the resulting effects on the audit methodology and the presentation of observations - if Found in this report. These standards require that we comply with the ethical conduct requirements of the profession and that we plan and perform the audit to obtain reasonable assurance that the company is in compliance with the Islamic standards. Reasonable assurance is a high level of assurance, but it

does not guarantee that the Shariah audit process will always detect Shariah violations when they exist.

Our audit work includes performing procedures to obtain audit evidence about the extent of compliance with the Shariah standards. We conducted our audit based on a selected systematic sample, and we believe that the audit evidence we obtained is sufficient and appropriate as a basis for expressing our audit opinion. As part of the Shariah audit process, we exercise professional judgment and maintain professional skepticism throughout the audit period, so that we conduct our work as follows:

- Determining the Shariah reference.
- Identifying and assessing the risks of non-compliance with Shariah.
- Developing an understanding of the internal Shariah control system relevant to the audit in order to design appropriate audit procedures.
- Designing audit procedures that are consistent with the risks of non-compliance with Shariah.
- Performing the field Shariah audit process and obtaining supporting documents.
- Obtaining sufficient and appropriate audit evidence to provide a basis for our opinion. Communicating with management regarding the audit planning process and significant audit findings.
- Sending a copy of the Shariah audit findings report and recommendations and obtaining management's response to each observation - if any.
- Evaluating the observations noted in the Shariah audit findings report, recommendations, and the external Shariah audit annual report in light of the principle of materiality.

**In light of the above, we assess the efficiency and effectiveness of Shariah risk procedures as needing improvement.**

To achieve the objectives of the Shariah audit process, we have reviewed and examined the following data:

- The Company's internal Shariah control system.
- Reports of the Company's internal Shariah audit unit.
- The Company's financial statements and their attachments.
- A sample of contracts signed during the year.
- A sample of investment operations and the movement thereon during the year.

**Opinion,**

The contracts and transactions executed by The Securities House Company (The Company) during the year ended on 31/12/2024 were executed in general in compliance with the Shariah as specified in the company's Shariah reference.

***Allah's peace, mercy and blessings be upon you.***

**29/04/2025**



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**Dr. Mohamad  
AlShurafa**  
External Sharia'h  
Auditor