



The agenda of the Extraordinary General Assembly (the first meeting) of Saudi Marketing Company (Farm Superstores), which is scheduled to be held at 6.30pm on Monday 07/11/1443 AH corresponding to 06/06/2022 through the means of modern technology using the Tadawulaty.

1. Voting on the Company's auditor's report for the fiscal year ending on 31/12/2021.
2. Voting on the financial statements for the fiscal year ending on 31/12/2021.
3. Voting on the Board of Directors' report for the fiscal year ending on 31/12/2021.
4. Voting on appointment of the Company's external auditor from among the nominees recommended by the Audit Committee, to review and audit the financial statements for the Q2, Q3 and the annual financial statements for the fiscal year 2022 and Q1 of the fiscal year 2023 along with determining their fees.
5. Voting on the Board of Directors' recommendation not to distribute dividends to the company's shareholders for the fiscal year ending 31/12/2021.
6. Voting on discharging the members of the Board of Directors for the fiscal year ending 31/12/2021.
7. Voting on disbursement of an amount of SR (1,050,000) as a remuneration to the Board Members @ SR (150,000) each member for the fiscal year ending on 31/12/2021.
8. Voting on the business and contracts that were made between the company and Dar Al Karam restaurants, which are owned by engineer / Hazem Fayez Al-Aswad and engineer / Maher Hazem Al-Aswad and Mr. Tariq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad have direct interest in it, noting that the amount of the transaction for the year 2021 AD amounted to 409,291 riyals, which is food sales from the company in favor of Dar Al Karam restaurants, according to the prevailing commercial conditions (attached).
9. Voting on the business and contracts concluded between the company and Al-Aswad Trading and Contracting Company which are owned by engineer / Hazem Fayez Al-Aswad and engineer / Maher Hazem Al-Aswad and Mr. Tariq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad have a direct interest, noting that the amount of the transaction for the year 2021 amounted to SR 1,242,000 which is a contract to provide consulting, maintenance and technical support services for the company to a number of sites affiliated with the Al-Aswad Trading and Contracting Company, according to the prevailing commercial conditions (attached).
10. Voting on the business and contracts concluded between the company and Al-Aswad Trading and Contracting Company which are owned by engineer / Hazem Fayez Al-Aswad and engineer / Maher Hazem Al-Aswad and Mr. Tariq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad have a direct interest, noting that the amount of the transaction for the year 2021 amounted to SR 3,536,127 in favor of the company It is a contract in which the company secures workers to work in Al-Aswad Trading and



Contracting Company as needed, according to the prevailing commercial conditions (attached).

11. Voting on the business and contracts concluded between the company and Al-Aswad Trading and Contracting Company, in which are owned by engineer / Hazem Fayez Al-Aswad and engineer / Maher Hazem Al-Aswad and Mr. Tariq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad have a direct interest, noting that the amount of the transaction for the year 2021 amounted to SR 4,007,598 which is a branch lease expense on the company for the benefit of Al-Aswad Trading and Contracting Company, according to the prevailing commercial conditions (attached).
12. Voting on the business and contracts concluded between the company and Space Travel and Tourism Agency in which are owned by engineer / Hazem Fayez Al-Aswad and engineer / Maher Hazem Al-Aswad and Mr. Tariq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad have a direct interest in it, noting that the amount of the transaction for the year 2021 amounted to SR 859,182 which is the purchase of tickets for the employees of the company from Space Travel and Tourism Agency, according to the prevailing commercial conditions (attached).
13. Voting on the business and contracts concluded between the company and Al-Aswad Trading Company, in which are owned by engineer / Hazem Fayez Al-Aswad and engineer / Maher Hazem Al-Aswad and Mr. Tariq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad have a direct interest, noting that the amount of the transaction for the year 2021 amounted to SR 1,874,155 which is the purchase of foodstuffs for the company from Al-Aswad Trading Company, according to the prevailing commercial conditions (attached).
14. Voting on the business and contracts concluded between the company and Al-Aswad Trading and Contracting Company, in which are owned by engineer / Hazem Fayez Al-Aswad and engineer / Maher Hazem Al-Aswad and Mr. Tariq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad have a direct interest, noting that the amount of the transaction for the year 2021 amounted to SR 736,230 which is the supply and installation of solar energy cells for some of the company's branches through Al Aswad Trading and Contracting Company, and that is according to the prevailing commercial conditions (attached).
15. Voting on the business and contracts concluded between the company and Al-Aswad Trading and Contracting Company, in which are owned by engineer / Hazem Fayez Al-Aswad and engineer / Maher Hazem Al-Aswad and Mr. Tariq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad have a direct interest, noting that the amount of the transaction for the year 2021 amounted to SR 2,030,325 which is rental income for rental spaces for the company from Al-Aswad Trading and Contracting Company, according to the prevailing commercial conditions (attached).
16. Voting on the business and contracts concluded between the company and Al-Aswad Trading Company, in which are owned by engineer / Hazem Fayez Al-Aswad and engineer / Maher Hazem Al-Aswad and Mr. Tariq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad have a direct interest, noting that the amount of the



transaction for the year 2021 amounted to SR 143,584 which is rental income for the company for spaces and gondolas for displaying the goods of Al-Aswad Trading Company, on commercial conditions Prevailing (attached).

17. Voting on the business and contracts concluded between the company and Pure Springs Agencies and Trading Co. Ltd. (Subsidiary Company) in which the Chairman of the Board of Directors Hazem Fayez Al-Aswad has a direct interest, noting that the amount of the transaction for the year 2021 amounted to SR 591,185 which is rental income in favor of the company for areas of its exhibitions with the Pure Springs Agencies and Trading Co. Ltd., under the prevailing commercial conditions (attached).
18. Voting on the business and contracts concluded between the company and Pure Springs Agencies and Trading Co. Ltd. (Subsidiary Company) in which the Chairman of the Board of Directors engineer / Hazem Fayez Al-Aswad has a direct interest, noting that the amount of the transaction for the year 2021 amounted to SR 169,732 which is sales of foodstuffs from the company for the benefit of Pure Springs Agencies and Trading Co. Ltd. (Subsidiary Company) with the prevailing commercial conditions (attached).
19. Voting on the business and contracts concluded between the company and Pure Springs Agencies and Trading Co. Ltd. (a subsidiary company) in which the Chairman of the Board of Directors engineer / Hazem Fayez Al-Aswad has a direct interest, noting that the amount of the transaction for the year 2021 amounted to SR 647,771 which is the purchase of foodstuffs for the company from Pure Springs Agencies and Trading Co. Ltd. (Subsidiary Company) with the prevailing commercial conditions (attached).
20. Voting on the amendment of article (3) of the Company's Bylaws that relate to the objectives of the company (attached).
21. Voting on the amendment of article (22) of the Company's Bylaws that relate to Powers of the Chairman, Vice-Chairman, Managing Director and Secretary (attached).
22. Voting on the amendment of article (32) of the Company's Bylaws that relate to Invitation to Associations (attached).
23. Voting on the amendment of article (43) of the Company's Bylaws that relate to Committee Reports (attached).
24. Voting on the amendment of article (47) of the Company's Bylaws that relate to Financial Documents (attached).

## Saudi Marketing Company (Farm Superstores)

### Audit Committee Report for the fiscal year ended 31 December, 2021

#### Respected Shareholders

The Audit Committee is responsible for monitoring the company's business and verifying the integrity of the reports, financial statements and internal control systems therein, and the committee's tasks in particular include the following: Reviewing the initial annual financial statements of the company before submitting it to the Board of Directors and expressing its opinion and recommendations regarding it to ensure its integrity and fairness, and verifying the internal control systems for the company, evaluating the internal control system and its effectiveness, and verifying the extent of the company's compliance with the applicable laws, regulations and instructions, and all its members with experience and competence in financial and administrative affairs, namely:

Abdul Qadir Khalil Abdul Qadir Al-Nimri	Chairman of the Committee
Abdullah Khalaf Al-Binali	Committee member
Luay Khalil Abu Al-Shammat	Committee member

During the year ended 2021, the committee attended four meetings, and a summary of its work carried out by the committee during the year ended 2021, where it studied the initial annual financial statements of the company before submitting it to the Board of Directors and expressing its opinion and recommendation regarding it to ensure its integrity, fairness and transparency.

#### First: External audit and financial reporting.

- The committee reviewed the results of the company's operations and its financial position as it appeared in the initial annual financial statements and reports and took into account the observations and inquiries of the auditor and what was done in accordance with the International Financial Reporting Standards (IFRS). The committee approved the data and reports and raised its recommendations to the Board of Directors.
- The committee studied the accounting policies and submitted its recommendations to the board of directors.
- The committee verified the accounting estimates in the material issues mentioned in the financial reports.

## Second: Internal audit:

- The committee verified that the internal control system is in line with the company's corporate governance regulation and control systems to protect the company's assets and property, as well as ensuring the independence of the internal auditor and the availability and adequacy of the resources and capabilities necessary to fully carry out his duties.
- The committee provided a technical opinion on the board of directors' report and found that the annual board report and the company's financial statements for the fiscal year ended 31 December, 2021 are fair and balanced and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.
- The committee studied the internal audit reports and made proposals regarding developing the internal control system and raising awareness of the importance of the role of internal control and improving it.
- The committee studied the accounting policies used in the company and gave an opinion on them.

## Third: The committee's opinion on the adequacy of the internal control systems

The committee expressed its opinion on the adequacy of the internal control system in Saudi Marketing Company (Farm Superstores) through its supervisory role on the company's internal audit department by verifying that the internal control systems are applied effectively based on an evaluation of workflow procedures and an informed assessment of the risks facing the company as well as verifying the independence and the objectivity of the external auditors during review of the company's accounts, and where the audit committee did not show any matters of material impact during the year ended 2021 in the internal control system of the Saudi Marketing Company (Farm Superstores), it is necessary to disclose it with regard to the company's application of financial systems and the extent of compliance with the rules of corporate governance.

On behalf of the Audit Committee

Abdul Qadir Khalil Abdul Qadir Al-Nimri

Chairman of the Committee



## Report by the Chairman of the Board of Directors of the Saudi Marketing Company (Farm Superstores)

Dated: 12/04/2022

To the General Assembly

Saudi Marketing Company (Farm Superstores)

Dammam, Saudi Arabia

A statement of the business and contracts of the members of the board of directors having direct or indirect personal interest in it, including the transactions that took place with the shareholders of the company represented by the member of the board of directors in the board or with the companies owned by the members of the board of directors during the year ending on December 31, 2021 and their reviewal for the next year. This statement is prepared to comply with the provisions of Article No. (71) of the Companies Law in the Kingdom of Saudi Arabia and Article No. (27) of the Corporate Governance Regulations issued by the Capital Market Authority.

1. Below is a list of the transactions with Board of Directors related to sales, purchases, leasing agreements and other transactions that the company undertook during the year ending December 31, 2021:

A) Sales made by the company to the following related companies:

The Company's Name	Relationship	The Amount (In Saudi Riyals)
Dar Al Karam Restaurants	Affiliated to the Chairman of the Board of Directors and Executive Members	409,291
Pure Springs Agencies and Trade Co. Ltd.	The Chairman of the Board of Directors owns 10%	169,732

B) Revenues from maintenance and technical support contract for a number of Al-Aswad Trading and Contracting Company:

The Lessor's Name	Relationship	The Amount (In Saudi Riyals)	The contract period
Al-Aswad Trading and Contracting Company	Affiliated to the Chairman of the Board of Directors and Executive Members	1,242,000	One year for maintenance
Al-Aswad Trading and Contracting Company	Affiliated to the Chairman of the Board of Directors and Executive Members	3,536,129	One year for technical support

C) The rental expense incurred by the company which was charged by the following companies:

The Lessor's Name	Relationship	The Amount (In Saudi Riyals)	The contract period
Al-Aswad Trading and Contracting Company	Affiliated to the Chairman of the Board of Directors and Executive Members	4,007,598	One year

D) The company purchased from the following companies:

The Company's Name	Relationship	The Amount (In Saudi Riyals)
Space Travel and Tourism Agency	Affiliated to the Chairman of the Board of Directors and Executive Members	859,182
Al-Aswad Trading Company	Affiliated to the Chairman of the Board of Directors and Executive Members	1,874,155
Pure Springs Agencies and Trade Co. Ltd.	The Chairman of the Board of Directors owns 10%	647,771
Al-Aswad Trading and Contracting Company	Affiliated to the Chairman of the Board of Directors and Executive Members	736,230

E) The revenues of gondolas and rent the company acquired from renting spaces from its exhibitions to the following companies:

The Lessor's Name	Relationship	The Amount (In Saudi Riyals)	Date of Contract	The contract period
Al-Aswad Trading and Contracting Company	Affiliated to the Chairman of the Board of Directors and Executive Members	2,030,325	1/3/2015	12 months
Al-Aswad Trading Company.	Affiliated to the Chairman of the Board of Directors and Executive Members	143,584	1/1/2015	12 months
Pure Springs Agencies and Trade Co. Ltd.	The Chairman of the Board of Directors owns 10%	591,185	1/1/2011	12 months

F) Remuneration and Payments to Senior Executives:

The company also had the following transactions related to the total amounts paid to four senior executives, including the CEO and the Chief Financial Officer, during the year ending 12/31/2021, in addition to the remuneration of the members of the Board of Directors:

Type of transaction	The Amount (In Saudi Riyals)
Salaries and other benefits for four senior executives	3,844,272
Remuneration for executive board members	600,000

2. We assure to the respected shareholders that all the transactions described in this notification were recorded in the consolidated financial statements of the company for the year ended December 31, 2021, and only material information was disclosed in those consolidated financial statements for the year ended December 31, 2021, in accordance with the requirements of International Financial Reporting Standards applicable in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Chartered and Professional Accountants.

3. We assure the respected shareholders of the correctness of the transactions described in this report.

Note:

The executive members of the company whom transactions were made are: Mr. Maher Hazem Al-Aswad, Mr. Tareq Hazem Al-Aswad and Mr. Mohammed Hazem Al-Aswad.

Hazem Fayeze Al Aswad

Chairman of Board of Directors



## LIMITED ASSURANCE REPORT

To the shareholders of,  
Saudi Marketing Company (Farm Superstores)  
Dammam, Kingdom of Saudi Arabia

### Introduction

We have been engaged with Saudi Marketing Company (Farm Superstores) (“the Company”) to carry out limited assurance procedures on the report submitted by the Chairman of the Board of Directors of the Company regarding the personal interest of the Board members in the business and contracts that are made for the Company.

### Scope

Carrying out limited assurance procedures on the report submitted by the Chairman of the Board of Directors on 10 April 2022 (“the Report”) that will be presented to the shareholders of the Company in the upcoming Ordinary General Assembly meeting in which the direct and indirect personal interest of the members of the Board of Directors and contracts that are made for the Company will be reported.

### Responsibility of the Company’s management

The management of the Company is responsible for preparing the Report in accordance with the provisions of Article No. (71) of the Companies Law in the Kingdom of Saudi Arabia and Article (27) of the Corporate Governance Regulations issued by the Capital Market Authority and submitting it to us with all the information and clarifications we have requested.

### Quality control, commitment to independence and other ethical requirements

We implement Quality Control Standard (1) “Quality Control for Firms that Perform Audits and Examination of Financial Statements, Assurance Engagements and Other Related Services,” and thus maintain a comprehensive quality control system including documented policies and procedures regarding compliance with ethical requirements, professional standards and regulatory requirements as applicable in the Kingdom of Saudi Arabia.

We have adhered to the independence and other ethical requirements of the Code of Conduct and Ethics for Professional Accountants issued by the Saudi Organization for Chartered and Professional Accountants, which is based on the basic principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional behaviour.

## Our responsibility

Our responsibility is to provide limited assurance on the Report to form an independent conclusion based on our limited assurance procedures performed.

We conducted our engagement in accordance with the International Standard on Audit Engagements 3000 ("Assurance engagements other than audits or reviews of historical financial information") as endorsed in the Kingdom of Saudi Arabia.

Our procedures were designed to obtain a limited level of assurance to form a conclusion and as such does not provide all the evidence that would be required to give a reasonable level of assurance.

Our report is only for the purpose stated above and for your information, and is not for use for any other purpose or for distribution to any other parties. This report relates only to the items specified above, and does not extend to the financial statements of the Company in its entirety.

## Summary of the procedures performed

Our procedures performed are summarized as follows:

- 1) Obtained the Chairman's statement of the transactions with the related parties dated 10 April 2022 from the management (attached).
- 2) Compared the transactions with related parties shown in the attached Report with the general ledger of the Company for the year ended 31 December 2021.
- 3) On sample basis, checked the transactions with the related parties with the supporting documents.
- 4) Obtained confirmations of related party balances as of 31 December 2021.
- 5) Assessed whether the transactions with related parties are adequately disclosed in the financial statements of the Company for the year ended 31 December 2021.

## Conclusion

Based on the limited assurance procedures performed and evidence obtained, nothing material has come to our attention that causes us to believe that the information contained in the attached report is incorrect.

For Dr. Mohamed Al-Amri & Co.



Gihad M. Al-Amri  
Certified Public Accountant  
Registration No. 362



14 April 2022 (G)  
13 Ramadhan 1443 (H)

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Saudi Marketing Company (Farm Superstores)  
(A Saudi Joint Stock Company)  
Dammam, Kingdom of Saudi Arabia

### **Opinion**

We have audited the consolidated financial statements of Saudi Marketing Company (Farm Superstores) (the "Company") and its subsidiary (collectively referred to as "the Group") which comprise the consolidated statement of financial position as at December 31, 2021 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 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 December 31, 2021, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with its 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 year ended December 31, 2021. 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.

<b>Valuation of inventories</b>	
Refer to note 4 for the accounting policy and note 11 for related disclosures	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>Inventories as at December 31, 2021 amounted to SR 850.3 million (December 31, 2020: SR 824.2 million) constitute around 38% (December 31, 2020: 36%) of the total assets of the Group.</p> <p>Inventories are stated at lower of cost or net realisable value. At each reporting date, management reviews the valuation of inventories and writes down the cost of inventories that are forecasted to be sold below cost.</p> <p>We considered this as a key audit matter due to the significant judgments and key assumptions applied by the management in determining the allowance for slow moving inventories and the level of inventories write down required based on the net realizable value assessment.</p>	<p>Our audit procedures on valuation of inventories included the following:</p> <ul style="list-style-type: none"> <li>- Assessed the appropriateness of the Group's accounting policies for recognition and measurement of inventories in line with the requirements of relevant accounting standard;</li> <li>- Assessed the design and implementation and operating effectiveness of the Group's relevant controls including automated controls around recognition and measurement of inventories;</li> <li>- Observed periodical physical count of inventories on selected locations to identify expired, lost or slow moving items;</li> <li>- Tested the net realisable value of finished goods inventories on sample basis by comparing their costs to their net realizable value;</li> <li>- Assessed the accuracy and completeness of the inventory aging provided by the management and evaluated the adequacy of allowance for obsolete / slow-moving inventories;</li> <li>- Assessed the adequacy of the disclosures in the Group's consolidated financial statements as per the applicable accounting standard.</li> </ul>

<b>Revenue recognition</b>	
Refer to note 4 for the accounting policy and note 23 for related disclosures.	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>During the year ended December 31, 2021, the Group has recognized total revenue amounted to SR 1,651.4 million (2020: SR 1,863.3 million).</p> <p>The Group's sales are recognized on a point-in-time in accordance with the requirements of IFRS 15 "revenue from contracts with customers" with no major judgements or estimates involved.</p> <p>We considered this as a key audit matter as the Group focused on revenue as a key performance measure and the existence of inherent risk associated with possible overstatement of revenue to achieve better results.</p>	<p>Our audit procedures on revenue recognition of the Group included the following:</p> <ul style="list-style-type: none"> <li>- Assessed the appropriateness of Group's revenue recognition policy and its compliance in terms of relevant accounting standards;</li> <li>- Involved our IT specialists in testing the design, implementation and operating effectiveness of the Group's relevant controls including automated controls around recognition of revenue;</li> <li>- On sample basis, performed tests on daily sales reconciliations prepared by the management at branch level and agreed with the sales records;</li> <li>- Assessed a sample of sales transactions pre- and post-year end and evaluated whether revenue has been recognized in the correct accounting period;</li> <li>- Assessed the adequacy of the disclosure made in the consolidated financial statements as per the applicable accounting standard.</li> </ul>

### Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Group (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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.

When we read the Annual Report of the Group, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### 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 IFRS endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and the applicable requirements of the Regulations for Companies and the Company's By-laws, 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 have no realistic alternative but to do so.

Those Charged with Governance, in particular the Board of Directors, are responsible for overseeing the Group's financial reporting process.

### 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 the 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 the 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

- 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 Group's 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.
- 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's 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.

For Dr. Mohamed Al-Amri & Co.



Gihad M. Al-Amri  
Certified Public Accountant  
Registration No. 362



4 April, 2022 (G)  
3 Ramadhan, 1443 (H)

**Recommendation of the Audit Committee to the General Assembly regarding the appointment of the external auditor for the for the year 2022 AD**

That on Thursday 20/9/1443 AH corresponding to 21/4/2022 AD, the audit committee of the Saudi Marketing Company (Farm Markets) recommended to the General Assembly, and after it reviewed the offers submitted by the offices of the following external auditors, their names:

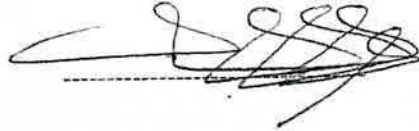
- Dr. Abdul Qadir Banqa & Partners Company (United Accountants), with fees of 575,000 riyals.
- Dr. Muhammad Al-Omari and Partners Company - Certified Public Accountants with fees of 515,000 riyals.
- Ibrahim Ahmed Al-Bassam and his partners, chartered accountants (Al-Bassam and his partners), with fees of 490,000 riyals.

After reviewing the above offers, the audit committee recommended to the General Assembly and the Board of Directors to vote on the nomination of any of the above companies among the candidates as they are from the audit firms and have the necessary experience and professionalism. Their financial reports and advice are respected in the local and international market, and the requirements of the application of standards have been taken into consideration by the committee. International accounting in order to examine, review and audit the financial statements for the second, third and annual quarters of the fiscal year 2022 AD and the first quarter of the year 2023 AD

Committee members

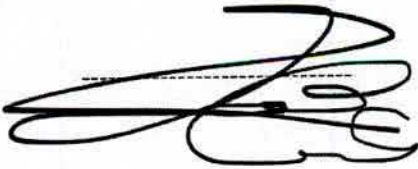
Abdul Qadir Khalil Abdul Qadir Al-Nimri

Committee Chairman



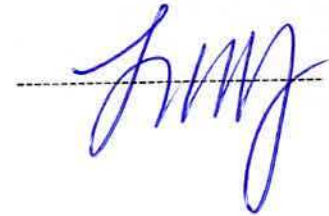
Abdullah Khalaf Al-Binali,

Committee member



Luay Khalil Abu Al-Shammat

Committee member





## Tracks amended bylaws – Saudi Marketing Company (Farm Superstores)

Article text before track	Article text after track
<p><b>Article (3): The objectives of the company:</b> The objectives of the company are defined as follows:</p> <ol style="list-style-type: none"> <li>1. Wholesale and retail trade in foodstuffs, household utensils, luxuries, toiletry tools, toys, clothes, fabrics, furnishings, home furniture, electrical equipment, commercial agencies, import and trade in office tools, stationery, electrical and mechanical tools, their spare parts and equipment, all kinds of detergents, fertilizers, ornamental plants, flowers and their accessories, building and decoration materials and their accessories.</li> <li>2. General contracting for buildings (repair - construction - demolition - restoration).</li> <li>3. Electrical and mechanical works contracting</li> <li>4. Water and sewage work contracting and maintenance.</li> <li>5. Management, operation and ownership of bakeries.</li> <li>6. Management and operation of restaurants.</li> <li>7. Management, operation and ownership of rest houses.</li> <li>8. Providing cooked and uncooked catering services.</li> <li>9. Contracting for maintenance work and operation of wired, electronic, electrical and telephone networks.</li> <li>10. Wholesale and retail trade in food crops (vegetables - fruits - legumes).</li> <li>11. Commercial agencies.</li> <li>12. Establishing, operating and managing commercial and residential complexes.</li> <li>13. Leisure and entertainment services (establishment, maintenance and operation of cities and recreational centers).</li> <li>14. Providing marketing services for third parties.</li> <li>15. Selling, buying and exploiting land and real estate for the benefit of the company.</li> </ol> <p>The company shall not conduct its activities except after obtaining the necessary licenses from the competent authorities.</p>	<p><b>Article (3): The objectives of the company:</b> The objectives of the company are defined as follows:</p> <ol style="list-style-type: none"> <li>1. Wholesale and retail trade in foodstuffs, household utensils, luxuries, toiletry tools, toys, clothes, fabrics, furnishings, home furniture, electrical equipment, commercial agencies, import and trade in office tools, stationery, electrical and mechanical tools, their spare parts and equipment, all kinds of detergents, fertilizers, ornamental plants, flowers and their accessories, building and decoration materials and their accessories.</li> <li>2. General contracting for buildings (repair - construction - demolition - restoration).</li> <li>3. Electrical and mechanical works contracting</li> <li>4. Water and sewage work contracting and maintenance.</li> <li>5. Management, operation and ownership of bakeries.</li> <li>6. Management and operation of restaurants.</li> <li>7. Management, operation and ownership of rest houses.</li> <li>8. Providing cooked and uncooked catering services.</li> <li>9. Contracting for maintenance work and operation of wired, electronic, electrical and telephone networks.</li> <li>10. Wholesale and retail trade in food crops (vegetables - fruits - legumes).</li> <li>11. Commercial agencies.</li> <li>12. Establishing, operating and managing commercial and residential complexes.</li> <li>13. Leisure and entertainment services (establishment, maintenance and operation of cities and recreational centers).</li> <li>14. Providing marketing services for third parties.</li> <li>15. Selling, buying and exploiting land and real estate for the benefit of the company.</li> <li>16. Agriculture and fishing.</li> <li>17. Mines and petroleum and its branches.</li> <li>18. Manufacturing industries and their branches according to industrial licenses.</li> <li>19. Electricity, gas, water and its branches.</li> <li>20. Construction and building.</li> <li>21. Transportation, storage and refrigeration.</li> <li>22. Financial, business and other services.</li> </ol>

	<p>23. Social, group and personal services.  24. Trade.  25. Information technology.  26. Security and safety.  27. Animal food and feed stores.  28. Agents selling cosmetics.  29. Wholesale and retail trade and repair of motor vehicles and motorcycles.</p> <p>The company shall not conduct its activities except after obtaining the necessary licenses from the competent authorities.</p>
<p>Article (22) Powers of the Chairman, Vice-Chairman, Managing Director and Secretary:  The board of directors appoints from its members a chairman and a vice-chairman, and he may appoint a managing member. It is not permissible to combine the position of the chairman of the board of directors with any other executive position in the company, and the vice-chairman of the board of directors replaces the chairman of the board of directors in his absence.  The Chairman shall have the power to invite the Board of Directors to meet and chair the Board's meetings. The Chairman of the Board of Directors shall represent the company before the courts, arbitration bodies, others, notaries, dispute settlement committees of all kinds, arbitration bodies, civil rights, and police departments. Accepting and objecting to the provisions on behalf of the company, signing on behalf of the company, signing all types of contracts, documents and documents, including the articles of incorporation of the companies in which the company participates with all their amendments, appendices, decisions to amend and emptying and accepting the sale and purchase of shares, and signing decisions Partners and amendment appendices to buy, sell, empty and waive stakes in other companies, represent the company in attendance, sign, vote, accept positions and tasks in ordinary and extraordinary general assemblies of public or closed shareholding companies in which the company contributes, have the right to buy, sell, empty and waive shares in them, and sign contracts for real estate sales or Purchase and loan agreements with government financing funds and institutions, banks, banks, financial houses, guarantees, guarantees and mortgages, redeeming them, collecting the company's rights and paying its obligations, Selling, buying, emptying and accepting, guarantees, guarantees, mortgages, dissolving them, collecting the company's rights and paying its obligations, selling, buying, emptying and accepting it, receiving, delivering, renting, leasing, receiving and paying, entering into tenders, opening</p>	<p><b>Article (22) Powers of the Chairman, Vice-Chairman, Managing Director and Secretary:</b>  The board of directors appoints from its members a chairman and a vice-chairman, and he may appoint a managing member. It is not permissible to combine the position of the chairman of the board of directors with any other executive position in the company, and the vice-chairman of the board of directors replaces the chairman of the board of directors in his absence.  The Chairman shall have the power to invite the Board of Directors to meet and chair the Board's meetings. The Chairman of the Board of Directors shall represent the company before the courts, arbitration bodies, others, notaries, dispute settlement committees of all kinds, arbitration bodies, civil rights, and police departments. Accepting and objecting to the provisions on behalf of the company, signing on behalf of the company, signing all types of contracts, documents and documents, including the articles of incorporation of the companies in which the company participates with all their amendments, appendices, decisions to amend and emptying and accepting the sale and purchase of shares, and signing decisions Partners and amendment appendices to buy, sell, empty and waive stakes in other companies, represent the company in attendance, sign, vote, accept positions and tasks in ordinary and extraordinary general assemblies of public or closed shareholding companies in which the company contributes, have the right to buy, sell, empty and waive shares in them, and sign contracts for real estate sales or Purchase and loan agreements with government financing funds and institutions, banks, banks, financial houses, guarantees, guarantees and mortgages, redeeming them, collecting the company's rights and paying its obligations, Selling, buying, emptying and accepting, guarantees, guarantees, mortgages, dissolving them, collecting the company's rights and paying its obligations, selling, buying, emptying and accepting it, receiving, delivering, renting, leasing, receiving and paying, entering into tenders, opening</p>

accounts, credits, withdrawals, depositing with banks, issuing bonds, checks, all commercial papers, requesting visas, and recruiting employees and workers from abroad. Residence permits, work permits, transfer and waiver of guarantees, and the Chairman of the Board of Directors may delegate and delegate to others, within the limits of his competence, the powers or to take a specific action or behavior, or to perform specific work or actions. And he has the right to revoke the authorization or power of attorney partially or completely, **sign with the Companies Department at the Ministry of Commerce and Investment and the notary, make amendments, changes, additions, deletions, extracting and renewing commercial records, receiving and writing them off, and changing the names of companies.**

With the exception of the power to call for meetings of the Board of Directors and to represent before banks and financial institutions, the Vice Chairman of the Board of Directors and the Managing Director (if appointed) enjoy the same powers granted to the Chairman of the Board of Directors, including the right to delegate the powers granted to them in addition to other powers determined by the Board of Directors.

The board of directors appoints a secretary to be chosen by it from its members or from others and who determines his remuneration. He is responsible for recording the minutes of the board of directors' meetings, recording and keeping the decisions issued by these meetings, in addition to exercising other powers assigned to him by the board of directors. The membership of each of them in the Council, and they may be re-elected, and the Council at any time may dismiss them or any of them without prejudice to the right of the dismissed person to be compensated if the dismissal occurred for an unlawful reason or at an inappropriate time.

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**Article (32): Invitation to Associations:**

General or special assemblies of shareholders are convened at the invitation of the board of directors, and the board of directors must invite the ordinary general assembly if requested by the auditor or the audit committee or a number of shareholders representing (5%) of the capital at least. The Board shall invite the General Assembly within 30 days from the date of the auditor's request, and the invitation to convene the General Assembly shall be published in a daily newspaper distributed in the company's head office at least **twenty-one** days prior to the date specified for the meeting. A copy of the invitation and the agenda to the Ministry and the Capital Market Authority, within the period specified for publication.

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**Article (43): Committee Reports:**

The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has undertaken that fall within its jurisdiction. The Board of Directors shall to deposit sufficient copies of this report at the company's head office at least **twenty-one** days prior to the date of the general assembly meeting, to provide each of the shareholders who wish with a copy of it. The report shall be read during the assembly's meeting.

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**Article (47): Financial Documents:**

- At the end of each company's financial year, the board of directors must prepare the company's financial statements and a report on its activities and financial position for the past fiscal year. This report guarantees the proposed method for distributing profits, and the Board puts these documents at the disposal of the auditor at least forty-five days before the date set for convening the General Assembly.
- The company's board of directors, chief executive officer and chief financial officer must sign the above-mentioned documents and copies of them are deposited at the company's head office at the shareholders' disposal at least **twenty-one** days daily before the scheduled date of the general assembly.
- The Chairman of the Board of Directors shall provide the shareholders with the company's financial statements, the Board's report and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office. He must also send a copy of these documents to the Ministry and the Capital Market Authority at least **twenty-one** days before the General Assembly is convened.

**Article (47): Financial Documents:**

- At the end of each company's financial year, the board of directors must prepare the company's financial statements and a report on its activities and financial position for the past fiscal year. This report guarantees the proposed method for distributing profits, and the Board puts these documents at the disposal of the auditor at least forty-five days before the date set for convening the General Assembly.
- The company's board of directors, chief executive officer and chief financial officer must sign the above-mentioned documents and copies of them are deposited at the company's head office at the shareholders' disposal at least **ten** days daily before the scheduled date of the general assembly.
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