

HERFY FOOD SERVICE CO.



**Ordinary General Assembly
Meeting Agenda**

Date: 22 April 2025

The agenda of the Ordinary General Assembly
Herfy Food Services Company (first meeting) 22/4/2025

1. Voting on the company's auditor's report for the fiscal year ending on 31st December 2024 after discussion.
2. Viewing and discussing the financial statements for the fiscal year ending on 31st December 2024.
3. Viewing and discussing the report of the Board of Directors for the fiscal year ending on 31st December 2024. (attached).
4. Voting on the appointment of the external auditor for the Company from among the candidates, based on the Audit Committee's recommendation to review and audit the Company's financial statements for the second, third, fourth quarter, and annual financial statements of the fiscal year 2025G and the first quarter of the fiscal year 2026, and determine his fees.
5. Voting on discharging the Board of Directors members from liability for the fiscal year ending on 31st December 2024.
6. Voting on delegating to the Board of Directors the authorization powers of the Ordinary General Assembly stipulated in paragraph (1) of Article (27) of the Companies Law, for a period of one year starting from the date of the approval by the Ordinary General Assembly or until the end of the delegated Board of Directors' term, whichever is earlier, in accordance with the conditions contained in the executive regulations of the Law Private companies of listed joint stock companies.
7. Voting on paying an amount of (2,375,000) SR as remuneration to members of the Board of Directors for the Fiscal year ended on 31st December 2024.
8. Voting on the business and contracts that concluded between the company and Panda Retail Company, in which the members of the Board of Directors - Eng. Isam Majed Al-Muhaidib, Mr. Waleed Khaled Fatani - have an indirect interest in it as members of the board of directors in Panda Retail Company, represented by the sales of food products, noting that the total value of transactions that took place in 2024 amounted to 18.033 million riyals, it was agreed according to the prevailing commercial terms. (attached).

9. Voting on the business and contracts that concluded between the company and Panda Retail Company, in which the members of the Board of Directors - Eng. Isam Majed Al-Muhaidib, Mr. Waleed Khaled Fatani - have an indirect interest in it as members of the board of directors in Panda Retail Company, represented in the rental of commercial stores, noting that the total value of transactions that took place in 2024 amounted to 2.124 million riyals and it was agreed according to the prevailing commercial terms. (attached).
10. Voting on the business and contracts that concluded between the company and Afia International Company, in which the members of the Board of Directors - Eng. Mutaz Kusai Alazzawi, Mr. Waleed Khaled Fatani - have an indirect interest in it as members of the board of directors of Afia International Company, represented in the purchases contracts of food products, noting that the total value of transactions that took place in 2024 amounted to 18.792 million riyals and it was agreed according to the prevailing commercial terms. (attached).
11. Voting on the business and contracts that concluded between the company and United Sugar Company, in which the members of the Board of Directors - Eng. Mutaz Kusai Alazzawi, Mr. Waleed Khaled Fatani - have an indirect interest in it as members of the board of directors of United Sugar Company, represented in the purchases contracts of food products, noting that the total value of transactions that took place in 2024 amounted to 3.771 million riyals and it was agreed according to the prevailing commercial terms. (attached).
12. Voting on the business and contracts that concluded between the company and Savola Foods company through its subsidiary International Foods Industry Company, in which the member of the Board of Directors - Eng. Mutaz Kusai Alazzawi, Mr. Waleed Khaled Fatani - has an indirect interest in it as a member of the board of directors in Savola foods company, which owns 100% of International Foods Industry Company, represented in the purchases of food products, noting that the total value of transactions that took place in 2024 amounted to 5.802 million riyals, it was agreed according to the prevailing commercial terms. (attached).
13. Voting on the business and contracts that concluded between the company and Kinan Real Estate Development Company, in which the member of the Board of Directors Mr. Waleed Khaled Fatani has an indirect interest in it as a member of the board of directors of Kinan Real Estate Development Company, represented in the rental contracts for shops, noting that the value of the transactions that took place in 2024 amounted to 91,309 riyals, and it was agreed according to the prevailing commercial terms. (attached).

14. Voting on the business and contracts that concluded between the company and Almarai Company, in which the member of the Board of Directors Mr. Waleed Khaled Fatani has an indirect interest in it as a member of the Board of Directors of Almarai Company, which is represented in contracts for the purchase of food products, noting that the value of the transactions that took place in 2024 amounted to 3.328 million riyals, and it was agreed according to the prevailing commercial terms. (attached).
15. Voting on the participation of board member Mr. Waleed Khaled Fatani in a subsidiary business competing with Herfy company as he is a board member of Almarai Company which engages in a similar business to Herfy Company. (attached).
16. Voting on the participation of board member Mr. Waleed Khaled Fatani in a subsidiary business competing with Herfy Company as he is a board member of Al Kabeer Group which engages in a similar business to Herfy Company. (attached).

Dated: 23 /1 /2025

Audit Committee Report for The year 2024

Dear Sirs :

Shareholders of Herfy Food Services Company

Members of the Board of Directors of Herfy Food Services Company

Greeting .,,

The tasks and terms of reference of the executive management include the implementation of the internal control systems and regulations, general supervision, and ensuring existence of appropriate and effective internal control system including policies, procedures and operations set up to achieve the company objectives. An internal control system is commonly developed to adhere with the company governance and conform with the laws and regulations which set up the roles and responsibilities entrusted to the board of directors and its committees, in addition to the other administrative committees. Further, the company management commit to comply with internal control procedures and remediation of any internal control observations. In addition, the Audit Committee highlighted to the Board of Directors and the executive management the importance of remediating recurrent internal control observations included in the reports of the internal audit, and the external audit and the obligation to finalize preparation and update of the company's internal policies project to cope with the current changes and the volume of the company expansion. Regarding the finalization of the preparation and update of the policies, and currently an update and ratification of human resources policies is ongoing, in addition, to the implementation of the company's internal procedures project.

Internal audit is an assurance function independent from the executive management, its scope of work includes analysis and review of the effectiveness of the internal control system adequacy and ensuring compliance with applicable policies and procedures. The audit reports including the internal control system observations and recommendations are submitted to the executive management and the Audit Committee. The Audit Committee relies on these reports to evaluate the analysis and review of the internal and financial control systems, as well as to continue the improvement and development activities, the evaluation of the company's internal control system was also delegated to a third-party specialist outside the company. Furthermore, the Committee was unable to evaluate the assessment and review of risk management activities because the company had recently formed a risk department the Audit Committee submits its recommendation and report to the Board of Directors and the General Assembly of shareholders.

Based on the work carried out by the Committee during the year and after reviewing the reports of the Internal Audit Department and the Company's auditors .The Committee has found that there is no material deficiency according to the materiality of importance required to disclose it, which may affect the integrity and effectiveness of the financial and operational internal control systems. The Executive Management was also directed to take corrective measures to improve and support the effectiveness of the internal control system and remediating recurrent control observations included in the reports of the internal audit department , and the external audit , also finalizing the implementation of the policies and procedures project due to its direct impact on the company's internal control system effectiveness.



Mr.: Ghasn Yasser Shalbi
Chairman of Audit Committee,
Herfy Food Services Co. (C.J.S.)



Dated: 23 / 01 / 2025

M/S: The shareholders general assembly of Herfy Food Services

Subject: Recommendation of Audit Committee of Herfy Food Services Co. to the shareholders general assembly on appointing external auditor for the Company for the financial year ending on 31/12/2025

Dear Sirs,

In reference to the above-mentioned subject, please be informed that upon the recommendation of the Audit Committee of Herfy Food Services. we would like to inform the shareholders of Herfy Food Services Co. that the Committee reviewed and studied the offers received from the external auditors offices on examining the initial financial statements of the Company (the second and the third, fourth) for the year 2025, auditing the annual financial statements 2025, examining the initial financial statements for the first quarter of 2026, the Committee made comparison between nominated audit offices on the basis of the scope of work and costs and the existence of complete independence for them to perform their work in addition to their previous experiences in auditing joint-stock companies. After study and making financial, technical and professional evaluation for the audit offices which submitted their offers, the Audit Committee of Herfy Food Services Co.

Recommends to the general assembly to select one of the nominees mentioned in the list below to perform external audit works, to examine the company initial financial statements (the 2nd and 3rd quarters and 4th) for the year 2025, auditing the annual financial statements for the year 2025 and examining the initial financial statements for the 1st quarter of the year 2026.

No	External audit office
1	Office Price water house Coopers (cost: SAR 1,275,000)
2	Office Ernest & Young (cost: SAR 1,315,000)

MR. Ghassan Yasser Shalabi
Chairman of Audit Committee
Herfy Food Services Co



To the shareholders
Herfy Food Services Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Independent limited assurance report on declaration submitted by the Chairman of the Board of Directors to the shareholders of Herfy Food Services Company

We have undertaken a limited assurance engagement in respect of the accompanying declaration of related party transactions and contracts for the year ended 31 December 2024 relating to Herfy Food Services Company (the "Company") prepared by the management and approved by the Chairman of the Board of Directors of the Company in accordance with the applicable criteria mentioned below so as to comply with the requirements of Article 71 of the Regulations for Companies (the "Declaration").

Subject matter

The Subject Matter for our limited assurance engagement is the Declaration prepared by the management of the Company and approved by the Chairman of the Board of Directors as attached to this report and submitted to us.

Criteria

The applicable criteria (the "Criteria") is the requirement of Article 71 of Regulations for Companies issued by the Ministry of Commerce (2015-1437H) and subsequent amendments made therein which states that any member of the Board of Directors (the "Board") with any interest, both directly or indirectly, in the transactions or contracts made for the account of the Company shall declare such interests for the approval of a general assembly of the Company. The Board member must notify the Board of such interest and excuse himself in vote by the Board to approve such transactions or contracts. The Chairman of the Board will notify the general assembly of transactions and contracts in which a member of the Board has a direct or indirect interest.

Management's responsibility

Management of the Company is responsible for the preparation of the Declaration in accordance with the Criteria and ensuring its completeness. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Declaration that is free from material misstatement, whether due to fraud or error.

Professional ethics and quality management

We have complied with the independence requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our limited assurance engagement and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

The firm applies International Standard on Quality Management 1 ("ISQM 1"), as endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our responsibility

Our responsibility is to express a limited assurance conclusion on the Declaration based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information', as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Company has not complied with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration, for the year ended 31 December 2024.

The procedures selected depend on our judgment, including the assessment of risks such as failure of systems and controls, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration. Our procedures included examining, on a test basis, evidence supporting systems and controls in respect of the preparation of the Declaration in accordance with the requirements of Article 71 of the Regulations for Companies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of work performed

We have planned and performed the following procedures to obtain limited assurance over the Company's compliance with the requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration:

- Discussed with the Company's management the process for conducting business and entering into contracts with any of the Board members, either directly or indirectly, with the Company which includes that the Board member notifies the Board on the transactions and contracts entered into by the Company, in which the Board member may have any interest, either directly or indirectly, and further that the concerned Board member will not vote on the resolution issued in this regard at the meetings of the Board and the shareholders, and resolutions will be passed annually.
- Obtained the accompanying Declaration (enclosed as Appendix I to this report) that includes the lists of all transactions and contracts entered into by any of the Board members of the Company, either directly or indirectly, with the Company during the year ended 31 December 2024.
- Reviewed the minutes of the Board meetings that indicates that the concerned Board member notified the Board on the transactions and agreements entered into by that Board member during the year ended 31 December 2024; and further that the concerned Board member did not vote on the resolution issued in this regard at the meetings of the Board.
- Reviewed the confirmations obtained from the concerned Board members on the business and contracts participated by the Board members, either directly or indirectly, during the year ended 31 December 2024.
- Tested the consistency of the transactions included in the Declaration with the disclosure in Note 5 to the Company's audited financial statements for the year ended 31 December 2024.

Inherent limitations

Our procedures regarding systems and controls relating to the preparation of the Declaration in accordance with the requirements of Article 71 of the Regulations for Companies, are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Furthermore, such procedures may not be relied upon as evidence of the effectiveness of the systems and controls against fraudulent collusion, especially on the part of those holding positions of authority or trust.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised) as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.



Inherent limitations (continued)

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements as endorsed in the Kingdom of Saudi Arabia and accordingly we do not express an audit or a review opinion in relation to the adequacy of systems and controls.

This conclusion relates only to the Declaration for the year ended 31 December 2024 and should not be seen as providing assurance as to any future dates or periods, as changes to systems or controls may alter the validity of our conclusion.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Regulations for Companies in the preparation of the Declaration of related party transactions for the year ended 31 December 2024.

Restriction of use

This report, including our conclusion, has been prepared solely upon the request of the management of the Company, to assist the Company and its Chairman of the Board of Directors in fulfilling their reporting obligations to the General Assembly in accordance with Article 71 of the Regulations for Companies. The report should not be used for any other purpose or be distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce, Capital Market Authority and the shareholders of the Company.

PricewaterhouseCoopers

A blue ink signature, appearing to read 'Adel F. Alqantani', written over a horizontal line.

Adel F. Alqantani
License Number 614

19 March 2025



Date: 2025/ 1/ 29

M/S: the shareholders, Herfy Food Services Co. (J.S.C)

Dear Sirs,

In reference to articles (27&71) of Companies Law, and reference to Article 64 of the Executive Regulations of the Companies Law for Joint Stock Companies. we would like to inform you that during the financial year, 2024 Herfy Food Services Co. (J.S.C) entered into contracts and commercial transactions in which the board members have a indirect interest as per the attached statement, in accordance with the relevant laws. Noting that these transactions follow the same conditions and commercial bases applied to dealing with others at arm's length most of these contracts are signed from previous years and are still ongoing. According to the Law, we requested a special report from the external auditor on these transactions to present it to your respectful assembly (copy attached).

Best regards

Signatures of the Chairman and members of the Board of Directors



Eng. Mutaz kusai Alazzawi
Chairman



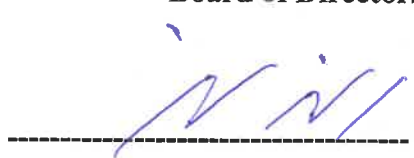
Eng. Esam Majed AlMuhaidib
Vice –Chairman



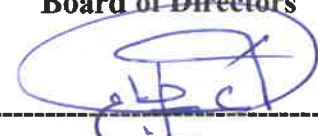
Mr. Mohammed Alnahas
Board of Directors



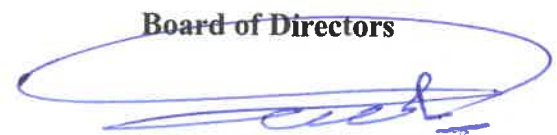
Eng. Ahmed Mohamed Elfaleh
Board of Directors



Mr. Waleed Khaled Fatani
Board of Directors



Mr. Ghassan Yasser Shlabi
Board of Directors



Mr. Riyadh Alzahrani
Board of Directors



Related Party Transaction for the Year 2024

Mr. Waleed Fetani - Eng. Essam Majed Al Mudaidib – Board Members

First: Rent Charged from Panda Retails Company

Statement	Amount Rent	Contract Date
Herfy Store (3) Panda Al-Muraba – Riyadh – 10% Of Sales	133,036.00	م 21/01/2009
Herfy Store (10) Panda Al-Nassem – Riyadh – 8% Of Sales	211,601.00	م 01/07/2009
Herfy Store (15) Panda Al-Masef – Riyadh – 10% Of Sales	317,345.00	م 21/10/2009
Herfy Store (170) Panda Exit (2) – Riyadh – 9% Of Sales – 10/10/2024	204,270.00	م 01/05/2010
Herfy Store (157) Panda Al-Nassem – Riyadh – 9% of Sales	139,326.00	م 01/04/2012
Rent – Total Percent	1,005,578.00	
Herfy Store (126) Panda Al-Oruba Rd– Riyadh – Fixed Rent	115,000.00	م 01/07/2007
Herfy Store (141) Panda Al-Majmaih – Riyadh – Fixed Rent	144,000.00	م 01/06/2009
Herfy Store (174) Panda Buraidah – Fixed Rent	120,000.00	م 01/01/2011
Herfy Store (191) Panda Al-Termizi Rd - Riyadh – Fixed Rent	300,000.00	م 01/01/2012
Herfy Store (37) Panda Jazan – Fixed Rent	300,000.00	م 17/04/2016
Herfy Store (170) Panda Exit (2) – Riyadh –Fixed from 11/10/2024	134,795.00	2024/10/11
Villa for Employees Panda Exit (2) – Riyadh - 07 Feb 2024	5,200.00	
Rent - Total Fixed	1,118,995.00	
Total Grand	2,124,573.00	

Second: Sales Herfy products to Panda Retail Company

Statement	Sales Amount SR.
Panda Retail Company	18,033,414.00

27-Feb-2025
Long Khraim



Related Party Transaction for the Year 2024

Mr. Waleed Fetani - Board Members

First: Rent Charged from Kinan Co,

Statement	Amount Rent	Contract Date
Herfy Store (109) Rimal Center – Riyadh 10% of Sales-01/05/2024	1,237.00	01.03.2006
Herfy Store (109) – Extension to the Store	2,400.00	01.12.2006
Herfy Store (171) Dana Mall – Yanbua City 9% of Sales	87,672.00	01/08/1431
Total amount	91,309.00	

Second: Purchase raw material to the Company Segments

Statement	Amount Rent
Afia International Company	18,792,547.00
United Sugar Factory	3,771,177.00
International Food Industrial Company	5,802,532.00
Al Marai Company	3,328,841.00
Total amount	31,695,097.00

27-Feb-2025
Waleed Fetani



Related Party Transaction for the Year 2024

Eng. Motaz Qusai El Gazawy – Board Chairman

Purchase raw material to the Company Segments

Statement	Amount Rent
Afia International Company	18,792,547.00
United Sugar Factory	3,771,177.00
International Food Industrial Company	5,802,532.00
Total	28,366,256.00

شركة هرفي للخدمات الغذائية (شركة مساهمة)

HERFY FOOD SERVICES CO. (C.J.S.)



Item (15 & 16)

Description of Al-Marai and Al-Kabeer Company, which Mr. Waleed Khaled Fatanai member of the Board of Directors is practicing in a business competition for the Herfy Food Services Company

Item number in the assembly schedule	Name of board member at Herfy company	The company which takes part in a competing activity	Company activity	The role of the company member
16& 15	Mr. Waleed Khaled Fatani Board Member of directors	Almarai Company is a Listed Joint A stock company that owns Lusine Bakery factories	Production and sale of baked Products	Al-Marai Board Member
		Almarai Company is a Listed Joint A stock company that owns Premier Foods Factory for Processed Meat and poultry	Poultry products and Manufacturing Meat	Al-Marai Board Member
		Al Kabeer Holding Company Limited Liability Company	Frozen food and poultry industries	Al Kabeer Company Board Member