

Ordinary General Assembly 6Th Meeting

Scientific & Medical Equipment House Co. shareholders



Riaydh - via modern technology (remotely)

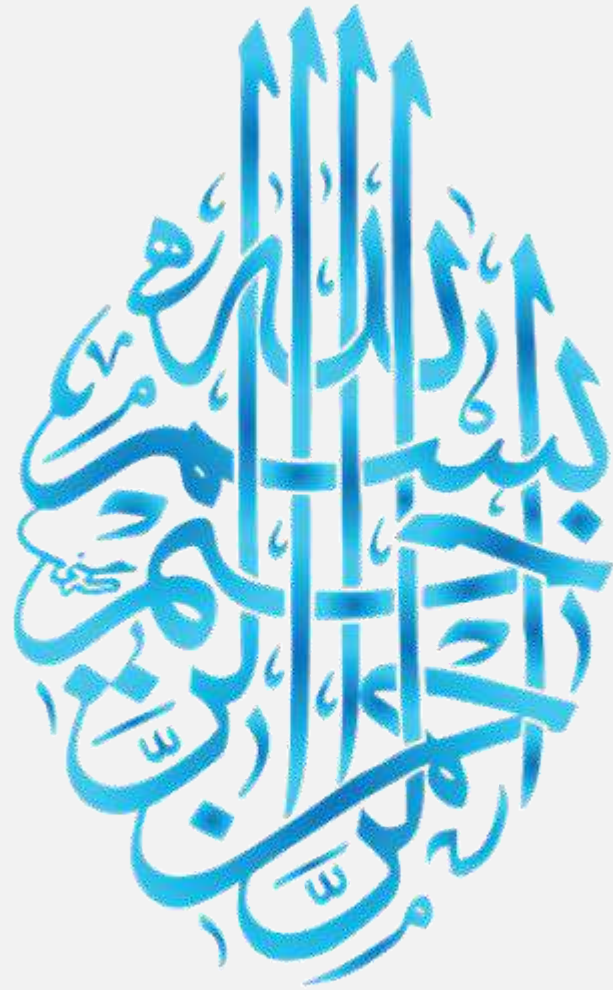


Monday 23 Jun 2025



(19:00)





دار المعاهد العلمية والطبية
Scientific & Medical Equipment House



Agenda of the General Assembly

Agenda of the Ordinary General Assembly 6th Meeting (first meeting) to be held on Monday on 27/12/1446AH, corresponding to 23/06/2025 on (19:00)

SN.	Item
1	Reviewing and discussing the Board of Directors' Report for the financial year ended on 31/12/2024.
2	Voting on the External Auditor's Report for the financial year ended on 31/12/2024 after its discussion.
3	Reviewing and discussing the Consolidated Financial Statements for the financial year ended on 31/12/2024.
4	Voting on the discharge of liabilities of the Members of the Board of Directors for the year ended 31/12/2024.
5	Voting on the appointment of the Company's External Auditor from among the candidates nominated based on the recommendation of the Audit Committee, to examine, review, and audit the financial statements for the second, third, and annual periods of the fiscal year 2025, and the first quarter of the fiscal year 2026, and to determine their fees.
6	Voting on disbursing an amount of SAR (1,308,000) as remuneration to the Members of the Board of Directors for the financial year ended on 31/12/2024.
7	Voting on delegating to the Board of Directors the authority of the Ordinary General Assembly to grant the license referred to in Paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the term of the delegated Board of Directors, whichever is earlier, in accordance with the terms and conditions set forth in the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.
8	Voting of the business and contracts concluded between the company and Rawabi International Marketing Company, in which members Basel Saud Al-Arifi, Bandar Saud Al-Arifi, Barakat Saud Al-Arifi, Muhammad Ibrahim Al-Haqul, and Hassan Ali Al-Jashi have an indirect interest. This is in exchange for leasing the company's building located on Prince Abdulaziz bin Jalawi Street in Sulaymaniyah to Rawabi International Marketing Company without preferential conditions. The contract includes maintenance and operation work for the building, for a total amount of (864,000) riyals during the year 2024 (Attached).
9	Voting of the business and contracts concluded between the Company and Rawabi International Marketing Company, in which members Basel Saud Al-Arifi, Bandar Saud Al-Arifi, Barakat Saud Al-Arifi, Muhammad Ibrahim Al-Haqul, and Hassan Ali Al-Jashi have an indirect interest. This is in exchange for hiring labor for Rawabi International Marketing Company at the prevailing market price and without preferential conditions, for a total amount of (4,724,271) riyals during the year 2024 (Attached).
10	Voting of the business and contracts concluded between the Company and Rawabi International Marketing Company, in which members Basel Saud Al-Arifi, Bandar Saud Al-Arifi, Barakat Saud Al-Arifi, Muhammad Ibrahim Al-Haqul, and Hassan Ali Al-Jashi have an indirect interest. This is in exchange for contracting and constructing warehouses for Rawabi International Marketing Company. The contract includes the supply and implementation of all civil, construction, architectural, mechanical, and electrical works for the warehouses at the prevailing market price and without preferential conditions, for a total amount of (13,814,473) riyals during the year 2024 (Attached).
11	Voting of the business and contracts concluded between the company and Rawabi International Marketing Company, in which members Basel Saud Al-Arifi, Bandar Saud Al-Arifi, Barakat Saud Al-Arifi, Muhammad Ibrahim Al-Haqul, and Hassan Ali Al-Jashi have an indirect interest. This is in exchange for purchase orders and the supply of cleaning materials for projects based on approved purchase orders and price quotations at the prevailing market price and without preferential conditions. The total amount is SAR (221,406) during the year 2024 (Attached).
12	Voting of the business and contracts concluded between the company and Rawabi Smart Services and Devices Company, in which members Basel Saud Al-Arifi, Bandar Saud Al-Arifi, and Barakat Saud Al-Arifi have an indirect interest. This is in exchange for providing technical support to SCIENTIFIC & MEDICAL EQUIPMENT HOUSE CO. without preferential conditions. The contract includes maintenance and operation work for the company's networks, computers, and servers, as well as follow-up work on the SAP computerized system with the implementing company, for a total amount of SAR (4,053,750) during the year 2024 (Attached).
13	Voting of the business and contracts concluded between the Company and the National Sulphur Products Company, in which members Basel Saud Al-Arifi, Bandar Saud Al-Arifi, and Barakat Saud Al-Arifi have an indirect interest. This is in exchange for leasing the Company's building located on Prince Abdulaziz bin Jalawi Street in Sulaymaniyah to the National Sulphur Products Company without preferential conditions. The contract includes maintenance and operation work for the building, for a total amount of (384,000) riyals during the year 2024 (Attached).
14	Voting of the business and contracts concluded between the Company and the National Sulphur Products Company, in which members Basel Saud Al-Arifi, Bandar Saud Al-Arifi, and Barakat Saud Al-Arifi have an indirect interest. This

	is in exchange for leasing labor to the National Sulphur Products Company at the prevailing market price and without preferential conditions, for a total amount of (5,192,422) riyals during the year 2024 (Attached).
15	Voting of the business and contracts concluded between the company and the German Company for Metal Surface Treatment Chemicals, in which the members Basel Saud Al-Arifi, Bandar Saud Al-Arifi and Barakat Saud Al-Arifi have an indirect interest, in exchange for renting the company's building located on Prince Abdulaziz bin Jalawi Street in Sulaymaniyah to the German Company for Metal Surface Treatment without preferential conditions, and the contract includes maintenance and operation work for the building, with a total amount of (264,000) during the year 2024 (Attached).
16	Voting of the business and contracts concluded between the company and the German Company for Metal Surface Treatment Chemicals, in which members Basel Saud Al-Arifi, Bandar Saud Al-Arifi, and Barakat Saud Al-Arifi have an indirect interest. This is in exchange for leasing labor to the German Company for Metal Surface Treatment at the prevailing market price and without preferential conditions, for a total amount of (832,129) riyals during the year 2024 (Attached).
17	Voting of the business and contracts concluded between the company and the German Company for Metal Surface Treatment Chemicals, in which members Basel Saud Al-Arifi, Bandar Saud Al-Arifi, and Barakat Saud Al-Arifi have an indirect interest. This is in exchange for approved purchase orders to supply construction services and cleaning materials for projects at the prevailing market price and without preferential conditions, for a total amount of (374,360) riyals during the year 2024 (Attached).
18	Voting of the business and contracts concluded between the company and Deira Al-Ammar Real Estate Company, in which the members Basel Saud Al-Arifi, Bandar Saud Al-Arifi and Barakat Saud Al-Arifi have an indirect interest, in exchange for contracts to rent commercial and residential units in the Medical and Scientific Equipment House Company building located on King Fahd Road for Deira Al-Ammar Real Estate Company without preferential conditions, with a total amount of (3,129,416) riyals during the year 2024 (Attached).
19	Voting of the business and contracts concluded between the company and the Union Land Trading Establishment, in which member Bandar Saud Al-Arifi has a direct interest, in exchange for a contract to supply consumables (electrical), through the issuance of approved purchase orders at the prevailing market price, and according to the agreed-upon value of the consumables without preferential conditions, for a total amount of (751,305) riyals during the year 2024 (Attached).



Audit Committee Report for the Fiscal Year 2024



دار المعدات الطبية والعلمية
Scientific & Medical Equipment House

**SCIENTIFIC & MEDICAL EQUIPMENT HOUSE CO.
AUDIT COMMITTEE**

ANNUAL REPORT 2024

Table of contents

1) INTRODUCTION.....	2
2) AUDIT COMMITTEE MEMBERSHIP.....	2
3) AUDIT COMMITTEE OBJECTIVES.....	2
4) AUDIT COMMITTEE INDEPENDENCE.....	3
5) AUDIT COMMITTEE DOCUMENTS.....	3
6) AUDIT COMMITTEE DUTIES.....	3
7) AUDIT COMMITTEE MEETINGS.....	4
8) THE ADEQUACY OF THE COMPANY'S INTERNAL CONTROL SYSTEM.....	5

1. Introduction

The Audit Committee of Scientific & Medical Equipment House (SMEH) Co. directly supervises the operations of the internal audit department and is committed to working to provide best professional practices in the fields of audit in its various aspects (financial, administrative, and operational) through adherence to the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA) And its subsequent updates (Global Internal Auditing Standards GIAS).

The Audit Committee also constantly seeks to raise the efficiency of internal controls to achieve its main objective of adding value to the company and helping to improve its business by ensuring that all controls and governance procedures in the company work effectively, and work to assist the Board of Directors also the executive management to carry out their work with a high degree of integrity, efficiency and effectiveness, in pursuit of this goal, the Audit Committee submitted this annual report for the year 2024.

2. Audit committee membership

According to the decision of the General Assembly of Scientific & Medical Equipment House (SMEH) Co. on Monday, 14/10/2019, the Audit Committee was formed for a period of (3) years ending on 13/10/2022, and it was renewed for a new period of (3) years according to the General Assembly's decision of (SMEH) on Wednesday corresponding to 29/06/2022 ending on 13/10/2025, On 04/12/2024, the appointment period was amended to become (4) years, subject to the approval of the BOD & the General Assembly of the company, and not exceeding the term of the BOD and not conflicting with the company's governance regulations and approved policies and standards.

According to the decision of (SMEH)'s general assembly on Tuesday corresponding to 15/11/2022, it was approved to increase the number of audit committee members to become (4) members, having adequate experience and good knowledge in the financial, operational, administrative, and legal affairs: –

1. Mr. Luay Ali Sartawi (Chairman).
2. Mr. Ahmed Nihad Al Zaeem (Member).
3. Mr. Mohamed Abdel-Fattah Mohamed (Member).
4. Mr. Mohamed Ibrahim Al-Hokail (Member-Indep. BOD).

3. Audit committee objectives

The main objective of the Audit Committee of (SMEH) Co. is to participate and assist the Board of Directors of the company in its responsibilities in relation to the following: –

1. Monitoring the company's financial, administrative, and operational activities and reporting such to both the Board of Directors and the General Assembly (if necessary).
2. Verify SMEH's internal control system and its adequacy, and issue any recommendations to the Board of Directors that would enhance and develop the internal control system in a way that achieves the company's objectives and protects the interests of shareholders.
3. Verifying the efficiency and effectiveness of corporate governance and issue recommendations to the company's management to improve the corporate governance system.

4. Audit committee independence

The Audit Committee of Scientific & Medical Equipment House (SMEH) Co. is completely independent from the executive management of the company, and it did not face any material restrictions by the executive management during its work.

5. Audit committee documents

The internal audit work in Scientific & Medical Equipment House (SMEH) Co. is organized through the following documents: –

1. Audit Committee Regulations.
2. Audit Committee Guide.
3. Internal Audit Charter.
4. Internal Audit Manual – Policies & Procedures.

6. Audit committee duties

A. Monitoring the company's financial, administrative, and operational activities

1. Review operational Policies & Procedures for the whole company and express its opinion.
2. Review the company's Accounting Policies and express its opinion to the Board of Directors, regarding its adequacy to the nature of the company's business.
3. Review material issues impacting the company's financial and operational performance.
4. Recommend to the Board of Directors the appointment of the external auditors, the termination of the contract with them, and the determination of professional fees, also ensuring their independence.
5. Review the scope of work related to the external auditors and issue any observations in order to enhance the efficiency and effectiveness of implementation of the audit plan.
6. Review the interim and annual Financial Statements, before submitting them to the Board of Directors with recommendation for approval.
7. Review the observations of the external auditors on the Financial Statements (Management report), and follow up with the concerned parties.

B. Evaluating Internal Control & Governance

1. Report its opinion about the adequacy/efficiency of the internal control system to the General Assembly of the company in its annual report.
2. Review Corporate Governance and risk systems in the company, expressing its opinion and recommendations, and raising it to the Board of Directors.
3. Ensure the existence and implementation of a periodic internal review function and evaluation the mechanism of Corporate Governance system.

4. Review the Internal Audit Department report about progress of implementation of recommendations related to Corporate Governance, risk, and internal control systems, and report to the Board of Directors once the committee finds out that the recommendations have not been taken into consideration.

C. Supervision of the Internal audit

1. Review the Internal Audit Charter and the audit committee manual also recommend its approval to the Board of Directors. Or General Assembly (if necessary).
2. Review and approve the strategic, annual, and progressive internal audit plans.
3. Ensure the independence of the internal audit from the executive management, and ensure that there are no restrictions limiting its work.
4. Supervise the Internal Audit Department in the company and ensuring its efficiency performing its functions.
5. Review the Internal Audit Department reports and follow up the implementation of corrective actions related to the observations recorded.

D. Others

1. Verify the existence, approval, and adherence to the code of ethics of the company.
2. The committee has the right to request the assistance of specialists and external parties to carry out tasks as per the scope of its work and require special expertise.
3. Submit reports to the Board of Directors and/or the General Assembly (if necessary) regarding its activities and recommendations.

7. Audit committee meetings

The Audit Committee conducted (13) meetings during the year 2024, for the purposes of carrying out its duties, supervising the work of the Internal Audit Department (audit plan/audit reports/ Nomination and selection of external auditors), in addition to discussing and approving the issuance of the consolidated (annual/ interim "Quarterly") financial statements of the company.

The Audit Committee emphasizes the need to adhere to the implementation of recommendations issued related to the organizational units of the company, and the continuation of the Internal Audit Department's follow up of the implementation of such recommendations, and disclose the progress as approved in the internal audit plan.

8. The adequacy of the company's internal control system

Based on the audit work performed during the year 2024 and the observations reported by the Internal Audit Department, which were discussed and confirmed/approved by both the Audit Committee and the Executive Management of the company, the Audit Committee confirms the following: –

1. We have noted general sufficient enhancement in the company's internal controls system which provide acceptable assurance to avoid material errors, prevent fraud, and its related losses.
2. We emphasise the need of continuation of improvement of the internal controls system, in accordance with business requirements and best practices, to achieve the company's goals.
3. The continuation of the cooperation and support of the Executive Management is a must to keep the momentum of the implementation of the Audit Committee's issued recommendations and to expedite the execution of the corrective action plan.

Chairman of the Audit Committee



Luay Ali Al Sartawi



Recommendation of the Audit Committee to appoint the company's external auditor from among the nominees, to examine and audit the financial statements for the second, third, and annual periods of the fiscal year 2025, and the first quarter of the fiscal year 2026, and to determine their fees.



Scientific and Medical Equipment House Company

Audit Committee

Meeting No. (4)

- ❖ Discussing the quotations for providing “External audit and issuance of the financial statements” services.

(Second Quarter 2025 - Third Quarter 2025 - Annual for 2025 - First Quarter 2026)

Place of Holding the Meeting	Scientific and Medical Equipment House Company - <u>Attendance virtually</u> - (Zoom App.)
Date of Holding the Meeting	Tuesday 08 Dhual-Qa’dah 1446 corresponding 06 May 2025
Meeting Commencement Time	19 : 00 PM
Meeting End Time	21 : 25 PM

Attendees

SN.	Name	Position
1	Mr. Luay Al-Sartawi	Chairman of Audit Committee
2	Mr. Ahmed Al-Zaim	Audit Committee Member
3	Mr. Mohamed Abdel Fattah	Audit Committee Member
4	Mr. Muhammad Al-Hogail	Audit Committee Member
5	Mr. Yasser Al-Safadi	Chief Financial Officer
6	Mr. Ahmed Al-Najjar	Internal Audit Manager

Meeting Agenda

- Discussing the quotations for providing “External audit and issuance of the financial statements” services.
(Second Quarter 2025 - Third Quarter 2025 - Annual for 2025 - First Quarter 2026)

Beginning of the meeting

Mr. Luay Al-Sartawi welcomed the attendees and announced the completion of a quorum for the Committee meeting.



Scientific and Medical Equipment House Company

Audit Committee

The discussions take place about quotations of providing "External audit and issuance of the financial statements" services, which is summarized as follows: -

SN.	Name of the Auditing firm*	Quotation status	License No.
1	Alzoman, Alfahad & Alhajjaj professional services	Submitted	1010461402
2	Turki Abdul Mohsen Alluhaid & Saleh Abdullah Al Yahya Chartered	Submitted	1010468314
3	Sultan Ahmed AlShubaily Certified Public Accountant co.	Submitted	1010676810
4	PKF Al Bassam Chartered Accountants	Submitted	1010385804
5	RSM Allied Accountants for professional Services	Submitted	4030228773
6	Crowe Solutions for Professional Consulting **	Submitted	1010466353
7	KPMG professional services	submitted	1010425494

*All the above firms are approved by the Capital Market Authority (CMA) for the purpose of auditing and issuing the financial statements for listed companies in the Saudi Capital Market.

** The audit firm (Crowe Solutions for Professional Consulting) stipulated the audit of all subsidiaries, and it was included in their Quotation, with amount of SAR. 175,000.

Accordingly, the following decision has been issued: -

SN.	Committee Decisions
1	<ul style="list-style-type: none"> ❖ The Audit Committee recommends nominating one of the following audit firms based on their experience in auditing joint-stock companies: - <ul style="list-style-type: none"> 1) Alzoman, Alfahad & Alhajjaj professional services for SAR. (500,000). 2) Turki Abdul Mohsen Alluhaid & Saleh Abdullah Al Yahya Chartered Accountants for SAR. (510,000). 3) Sultan Ahmed AlShubaily Certified Public Accountant co. for SAR. (520,000). 4) PKF Al Bassam Chartered Accountants for SAR. (535,000). ❖ The committee's recommendation to be submitted to the company's board of directors. ❖ Completing the presentation to the General Assembly of Shareholders for voting purposes and the selection of one of the audit firms recommended.

Meeting ended...

Mr. Luay Al-Sartawi	Mr. Ahmed Al-Zaim	Mr. Mohamed Abdel Fattah	Mr. Muhammad Al-Hogail
Chairman of Audit Committee	Audit Committee Member	Audit Committee Member	Audit Committee Member
