Financial Advisor

Shareholders circular of Saudi Cable Company

Extraordinary General Assembly

****/**/1443H (corresponding to **/**/2022G)**

Reduce the Company's capital by one hundred ninety-five million five-hundred eighty-two thousand (195,582,000) Saudi riyals from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals, divided into twenty-six million two-hundred thirty-one thousand one-hundred six (26,231,106) ordinary shares. Thus, the new Company's capital shall be sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals, divided into six million six-hundred seventy-two thousand nine-hundred six (6,672,906) ordinary shares

Table of Contents

Company Information

Company Information

Saudi Cable Company
Jeddah, Industrial Area, Plot 12F
P.O. Box: 4403 Jeddah 21491
KSA
Tel: (012) 6087500
Fax: (012) 6352220
Email: Investor.Relations@saudicable.com
Website: www.saudicable.com

Financial Advisor Information

Al Wasatah Al Maliah (Wasatah Capital)
Riyadh, Public Olaya St., Building No. 7459
Sub-No. 2207 Al Muruj District, Postal Code: 12283
KSA
Tel: +996 11 4944067
Fax: +966 11 4944205
Email: info@wasatah.com.sa
Website: www.wasatah.com.sa

Auditor Information for Capital Reduction

Dr. Mohamed Al Amri & Co. - BDO
Riyadh, King Fahd Rd.
P.O. Box: 8736 - Riyadh 21421
KSA
Tel: +966 11 2780608
Fax: +966 11 2782883
Email: riyadh@bdoalamri.com
Website: www.bdoalamri.com

Company Background

- Saudi Cable Company (hereinafter referred to as “Company”, “Issuer” or “Saudi Cable”) was firstly incorporated as a limited liability company and was registered under CR No. (4030009931), dated 27/04/1396H (corresponding to 27/04/1976G). Under Ministerial Resolution No. (74) dated 22/01/1409H (corresponding to 04/09/1988G), it was transformed into a Saudi joint-stock company and its full shares of two million seven-hundred thousand (2,700,000) ordinary shares were listed in a nominal value of one-hundred (100) Saudi riyals each in the main Saudi Stock Exchange (Tadawul). The current Company’s capital is two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals, divided into twenty-six million two-hundred thirty-one thousand one-hundred six (26,231,106) fully-paid ordinary shares in a nominal value of ten (10) Saudi riyals each.
- The headquarters of the Company is located in Jeddah, Industrial Area, Plot 12F, P.O. Box: 4403 Jeddah 21491 KSA.
- The Company’s objectives set in the Articles of Association include practicing the and attaining the following objectives:

➢ Manufacture, marketing and distribution of rods, connectors, cables, electric and communication wires of copper, aluminum, optical fibers and others in all voltages (electric/technological) and measurements, earth connectors for electrical and communication uses, plastic components, pulleys, wooden pallets, accessories for telephone cable extensions and related electronic equipment, operating systems, electric, electronic, communication and information equipment;

➢ Electric, mechanical, electronic and plastic contracting works, communication and information system works, management, operation, installation, construction, maintenance and repair, and owning and renting the said works for third party, and performing any industrial services; Setting up different industrial projects after obtaining the required licenses from competent bodies;

➢ Installation, operation, maintenance and management of local, extended and specialized computer networks, correspondence and communication integrated systems while linking through integrated systems of correspondence, import, marking of linking equipment, protection and distribution of networks, sound, picture and information integrated equipment;

➢ Owning lands, real estates, buildings, warehouses and exhibitions required to serve and deal with Company’s objectives;

➢ Establishment and management of labor training center at the Company to develop industrial skills in the field of Company’s business , owning industrial technology related to Company’s objectives or cooperate with their owners or developers;

➢ Manufacture of raw materials related to Company’s business solely or in cooperation with different production sectors;

➢ Manufacture of electric switchgear, switches, transformers, accessory components, terminals and inner and outer connections related to power cables; and

➢ Commercial proxies, wholesale and retail of materials, tools, machineries, equipment and raw materials connected to Company’s business and marketing.

Company Background

According to the commercial register, the Company's business includes the following:

- Manufacture of wooden cable pulleys;
- Manufacture of plastics preforms;
- Manufacture of optical cable fibers;
- Manufacture of steel insulated wires and cables;
- Manufacture of copper insulated wires and cables;
- Manufacture of aluminum insulated wires and cables; and
- Manufacture of electric connectors and plastic wire extension channels.

The Company practices its business according the applicable laws and after obtaining the licenses required from the competent authorities, if any.

Contact Information

Name of Contact Official: Shareholder Affairs Management

Tel: +966 12 6087500

Fax: +966 12 6352220

Email: Investor.Relations@saudicable.com

Website: www.saudicable.com

الكابلات السعودية
Saudi Cable

Company Background

The current Company's capital is two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals, divided into twenty-six million two-hundred thirty-one thousand one-hundred six (26,231,106) fully-paid ordinary shares in a nominal value of ten (10) Saudi riyals each. Here is the development of capital since the incorporation of Company:

Event	Date
Saudi Cable Company (hereinafter referred to as "Company", "Issuer" or "Saudi Cable") was firstly incorporated as a limited liability company and was registered under CR No. (4030009931), dated 27/04/1396H (corresponding to 26/04/1976G) with a capital of three million five-hundred thousand (3,500,000) Saudi riyals, divided into thirty-five thousand (35,000) shares, the value of which is one-hundred (100) Saudi riyals.	27/04/1396H (corresponding to 26/04/1976G)
The Partners agreed to increase the Company's capital from three million five-hundred thousand (3,500,000) Saudi riyals to ten million five-hundred thousand (10,500,000) Saudi riyals, each share amounts one-hundred (100) Saudi riyals, through the transfer of a debt of seven million (7,000,000) Saudi riyals from the Partners to seventy thousand new shares to the Company's Partners.	13/12/1396H (corresponding to 04/12/1976G)
The Partners agree to increase the Company's capital from ten million five-hundred thousand (10,500,000) Saudi riyals to seventy million (70,000,000) Saudi riyals, each share amounts one-hundred (100) Saudi riyals. The amount was paid in cash by the Partners, each according to his shareholding in the Company.	12/05/1402H (corresponding to 07/03/1982G)
The Partners agree to increase the Company's capital from seventy million (70,000,000) Saudi riyals to two-hundred million (200,000,000) Saudi riyals, divided into two million (2,000,000) shares, the value of which is one-hundred (100) Saudi riyals. Such increase was made through the transfer of profits undistributed to new shares.	16/06/1404H (corresponding to 18/03/1984G)
The Partners agree to increase the Company's capital from two-hundred million (200,000,000) Saudi riyals to two-hundred fifty million (250,000,000) Saudi riyals, divided into two million five-hundred thousand (2,500,000) shares, the value of which is one-hundred (100) Saudi riyals. Such increase was made through a special offering.	20/03/1407H (corresponding to 23/11/1986G)
The Partners agree to increase the Company's capital from two-hundred fifty million (250,000,000) Saudi riyals to two-hundred seventy million (270,000,000) Saudi riyals, divided into two million seven-hundred thousand (2,700,000) shares, the value of which is one-hundred (100) Saudi riyals.	11/05/1408H (corresponding to 01/01/1988G)

Company Background

Event	Date
Under Ministerial Resolution No. (74) dated 22/01/1409H (corresponding to 03/09/1988G), it was transformed into a Saudi joint-stock company and its full shares of two million seven-hundred thousand (2,700,000) ordinary shares were listed in a nominal value of one-hundred (100) Saudi riyals each on 22/01/1409H (corresponding to 03/09/1988G) after obtaining the approval of the Ministry of Commerce and Saudi Arabian Monetary Authority (currently known as Saudi Central Bank).	22/01/1409H (corresponding to 03/09/1988G)
The Extraordinary General Assembly of the Company shareholders agreed to authorize the Board of Directors to increase the Company's capital from two-hundred seventy million (270,000,000) Saudi riyals to three-hundred million (300,000,000) Saudi riyals, divided into three million (3,000,000) ordinary shares, the value of which is one-hundred (100) Saudi riyals, through the issuance of three-hundred thousand (300,000) ordinary shares. twenty-seven million (27,000,000) Saudi riyals were transferred from the retained profits to be distributed among the current shareholders, representing two-hundred seventy thousand (270,000) ordinary shares. Additionally, thirty thousand (30,000) ordinary shares were issued in the amount of three million (3,000,000) Saudi riyals. These shares shall be offered for subscription by the Company employees by paid their value in cash.	27/11/1412H (corresponding to 28/05/1992G)
The Extraordinary General Assembly of the Company shareholders agreed to increase the Company's capital from three-hundred million (3,000,000) Saudi riyals to five-hundred million (500,000,000) Saudi riyals, divided into five million (5,000,000) ordinary cash shares, the value of each is one-hundred (100) Saudi riyals. The increase was made through two stages: 1) Issuance of one million (1,000,000) preference shares, the value of each is one-hundred (100) Saudi riyals totaling one-hundred million (100,000,000) Saudi riyals to be distributed among the shareholders willing to subscribe at one share per three shares; and 2) Issuance of one million (1,000,000) new free shares, the value of each is one-hundred (100) Saudi riyals totaling one-hundred million (100,000,000) Saudi riyals to be distributed among the shareholders at one free share per four shares owned by the shareholder.	06/03/1418H (corresponding to 11/07/1997G)
The Extraordinary General Assembly of the Company shareholders agreed to increase the Company's capital from five-hundred million (500,000,000) Saudi riyals to six-hundred forty million (640,000,000) Saudi riyals, divided into twelve million eight-hundred thousand (12,800,000) shares, the value of each is fifty (50) Saudi riyals. Previously in 1998G, the General Assembly agreed to divide the Company's shares so the nominal value of each share would be fifty (50) Saudi riyals instead of one-hundred (100) Saudi riyals. All shares are ordinary. The increase was made through the following: 1) Issuance of one million seven-hundred eighty thousand (1,780,000) preference shares; 2) Issuance of one million twenty thousand (1,020,000) new ordinary shares on behalf of Xenel Company Limited in a nominal value of fifty (50) Saudi riyals per each share to fulfill the Company's debt at fifty-one million (51,000,000) Saudi riyals.	10/05/1425H (corresponding to 28/06/2004G)
The Extraordinary General Assembly of the Company shareholders agreed to increase the Company's capital from sixty-four-hundred million (640,000,000) Saudi riyals to seven-hundred sixty million (760,000,000) Saudi riyals, fully paid and divided into fifteen million two-hundred thousand (15,200,000) ordinary shares. The value of nominal share for each is fifty (50) Saudi riyals. The increase was made through the issuance of two million four-hundred thousand (2,400,000) preference shares in a nominal value of fifty (50) Saudi riyals per each.	21/12/1426H (corresponding to 21/01/2006G)
The Extraordinary General Assembly of the Company shareholders agreed to reduce the Company's capital (to amortize the accumulated losses by (46.83)% of the Company's capital, i.e., from seven-hundred sixty million (760,000,000) Saudi riyals to four-hundred four million one-hundred fourteen thousand (404,114,000) Saudi riyals, divided into forty million four-hundred eleven thousand four-hundred (40,411,400) ordinary shares, the of each is ten (10) Saudi riyals. Previously in 2006G, the General Assembly agreed to divide the Company's shares so the nominal value of each share would be ten (10) Saudi riyals instead of fifty (50) Saudi riyals pursuant to the Council of Ministers Resolution issued on 27/02/1427H, which orders that the nominal value of shares are to be unified to be ten (10) Saudi riyals per each share.	09/09/1438H (corresponding to 04/06/2017G)

Company Background

Event	Date
The Extraordinary General Assembly of the Company shareholders agreed to reduce the Company's capital (to amortize the accumulated losses by %(72.63) of the Company's capital, i.e., from four-hundred four million one-hundred fourteen thousand (404,114,000) Saudi riyals to one-hundred ten million six-hundred fourteen thousand sixty (110,614,060) Saudi riyals, divided into eleven million sixty-one thousand four-hundred six (11,061,406) ordinary shares, the value of each is ten (10) Saudi riyals.	22/12/1439H (corresponding to 02/09/2018G)
The Extraordinary General Assembly of the Company shareholders agreed to increase the Company's capital from one-hundred ten million six-hundred fourteen thousand sixty (110,614,060) Saudi riyals to three-hundred sixty million six-hundred fourteen thousand sixty (360,614,060) Saudi riyals through the issuance of twenty-five million (25,000,000) preference shares in a nominal value of ten (10) Saudi riyals per each share.	05/05/1441H (corresponding to 31/12/2019G)
The Company announced through Tadawul website about the recommendation of its Board of Directors at its assembly held on 19/11/1442H (corresponding to 29/06/2021G) as follows: ➢ Reduce the Company's capital by (27.26%), i.e., from three-hundred sixty million six-hundred fourteen thousand sixty (360,614,060) Saudi riyals to two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals. Hence, the shares are reduced from thirty-six million sixty-one thousand four-hundred six (36,061,406) ordinary shares to twenty-six million two-hundred thirty-one thousand one-hundred six (26,231,106) ordinary shares in equal value of ten (10) Saudi riyals through the cancellation of nine million eight-hundred thirty thousand (9,830,000) of the Company's shares, i.e., reduction of (1) share per each (3.6684) shares. This is for restructuring the Company's capital to amortize the accumulated losses as on March 31, 2021G amounting ninety-eight million three-hundred three thousand (98,303,000) Saudi riyals representing (27.26%) of the Company's capital after obtaining all necessary legal approvals as well as the Extraordinary General Assembly's approval. ➢ Increase the Company's capital by (190.61)% (after completing the said capital reduction), i.e., from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals to seven-hundred sixty-two million three-hundred eleven thousand sixty (762,311,060) Saudi riyals. Hence, the shares are increased from twenty-six million two-hundred thirty-one thousand one-hundred six (26,231,106) ordinary shares to seventy-six million two-hundred thirty-one thousand one-hundred six (76,231,106) ordinary shares in equal value of ten (10) Saudi riyals through the offering of fifty million (50,000,000) preference shares in an amount of five-hundred million (500,000,000) Saudi riyals after obtaining all necessary legal approvals as well as the Extraordinary General Assembly's approval.	21/11/1442H (corresponding to 01/07/2021G)
The Capital Market Authority (CMA) approved the request to reduce the Company's capital by (27.26)%, i.e., from three-hundred sixty million six-hundred fourteen thousand sixty (360,614,060) Saudi riyals to two hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals. Hence, the shares are reduced from thirty-six million sixty-one thousand four-hundred six (36,061,406) ordinary shares to twenty-six million two-hundred thirty-one thousand one-hundred six (26,231,106) ordinary shares in equal value of ten (10) Saudi riyals through the cancellation of nine million eight-hundred thirty thousand three-hundred (9,830,300) of the Company's shares, i.e., reduction of (1) share per each (3.6684) shares. This is for restructuring the Company's capital to amortize the accumulated losses as on March 31, 2021G amounting ninety-eight million three-hundred three thousand (98,303,000) Saudi riyals representing (27.26%) of the Company's capital. Such approval was announced at CMA and Tadawul websites.	03/06/1443H (corresponding to 06/01/2022G)

Company Background

Event	Date
The Extraordinary General Assembly approved the request to reduce the Company's capital by (27.26%)%, i.e., from three-hundred sixty million six-hundred fourteen thousand sixty (360,614,060) Saudi riyals to two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals. Hence, the shares are reduced from thirty-six million sixty-one thousand four-hundred six (36,061,406) ordinary shares to twenty-six million two-hundred thirty-one thousand one-hundred six (26,231,106) ordinary shares in equal value of ten (10) Saudi riyals through the cancellation of nine million eight-hundred thirty thousand three-hundred (9,830,300) of the Company's shares, i.e., reduction of (1) share per each (3.6684) shares. This is for restructuring the Company's capital to amortize the accumulated losses as on March 31, 2021G amounting ninety-eight million three-hundred three thousand (98,303,000) Saudi riyals representing (27.26%) of the Company's capital. Such approval was announced at Tadawul website. The Extraordinary General Assembly resolved to disapprove the Board of Directors' recommendation to increase the Company's capital through the offering of preference shares.	19/07/1443H (corresponding to 20/02/2022G)
The Company announced through Tadawul website about the recommendation of its Board of Directors at its assembly held on 03/11/1443H (corresponding to 02/06/2022G) as follows: ➢ Reduce the Company's capital by (74.6%), i.e., from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals to sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals. Hence, the shares are reduced from twenty-six million two-hundred thirty-one thousand four-hundred six (26,231,106) ordinary shares to six million six-hundred seventy-two thousand nine-hundred six (6,672,906) ordinary shares in equal value of ten (10) Saudi riyals through the cancellation of nineteen million five-hundred fifty-eight thousand two-hundred (19,558,200) of the Company's shares, i.e., reduction of 0.7456 share per each share. This is for restructuring the Company's capital to amortize the accumulated losses as on March 31, 2022G amounting one-hundred ninety-five million five-hundred eighty-two thousand (195,582,000) Saudi riyals representing (74.6%) of the Company's capital after obtaining all necessary legal approvals as well as the Extraordinary General Assembly's approval. ➢ Increase the Company's capital by (599)% (after completing the said capital reduction), i.e., from sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals to four-hundred sixty-six million seven-hundred twenty-nine thousand sixty (466,729,060) Saudi riyals. Hence, the shares are increased from six million six-hundred seventy-two thousand nine-hundred six (6,672,906) ordinary shares to forty-six million six-hundred seventy-two thousand nine-hundred six (46,672,906) ordinary shares in equal value of ten (10) Saudi riyals through the offering of forty million (40,000,000) preference shares in an amount of four-hundred million (400,000,000) Saudi riyals after obtaining all necessary legal approvals as well as the Extraordinary General Assembly's approval.	03/11/1443H (corresponding to 02/06/2022G)
CMA approved the request to reduce the Company's capital from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals to sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals through the cancellation of nineteen million five-hundred fifty-eight thousand two-hundred (19,558,200) of the Company's shares. Such approval was announced at CMA and Tadawul websites.	01/12/1443H (corresponding to 30/06/2022G)
During its assembly held on **/**/2022G, the Extraordinary General Assembly of the Company approved the request to reduce the Company's capital from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals to sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals through the cancellation of nineteen million-five hundred fifty-eight thousand two-hundred (19,558,200) of the Company's shares. Such approval was announced at CMA and Tadawul websites.	**/**/1443H (corresponding to **/**/2022G)

Company Background - Board of Directors

Name*	Position**	Capacity	Indirect Shareholding	Direct Shareholding	Nationality	Date of Membership*
ABDULRAHMAN I. AL KHAYAL	Chairman	Independent Non-Executive	-	-	Saudi	14/01/2021G
NOHA A. SULAIMANI***	Vice-Chairman and Managing Director	Non-Independent Executive	-	-	Saudi	14/01/2021G
AZHAR M. KENJI	Board of Directors Member	Independent Non-Executive	-	-	Saudi	14/01/2021G
ABDULHADI ABDULRAHMAN Y. ABUL KHAIR	Board of Directors Member	Non-Independent Executive	-	0.0000267%	Saudi	14/01/2021G
SALEH A. AL SHATHRI	Board of Directors Member	Independent Non-Executive	-	0.0002745%	Saudi	14/01/2021G
MEYASSAR ANWAR NOWAILATI	Board of Directors Member	Non-Independent Non-Executive	-	0.0000267%	Saudi	14/01/2021G
ALI M. AL ATTAS	Board of Directors Member	Independent Non-Executive	-	0.0013839%	Saudi	14/01/2021G
NAEL S. FAYEZ	Board of Directors Member	Independent Non-Executive	-	-	Saudi	14/01/2021G
KHALID M. BAWAZIR****	Board of Directors Member	Independent Non-Executive	-	-	Saudi	22/05/2022G

Source: Company

***In its assembly held on 29/05/1442H (corresponding to 13/01/2021G), the Ordinary General Assembly approved the nomination of the said Board of Directors Members for the current session, which commenced on 01/09/1442H (corresponding to 14/01/2021G) for three years ending on 01/07/1445H (corresponding to 13/01/2024G).**

****In its assembly held on 07/06/1442H (corresponding to 20/01/2021G), the Company's Board of Directors resolved to appoint Mr. MEYASSAR ANWAR NOWAILATI as the Chairman and Mr. MAHMOUD MANSOUR MAHMOUD ABDUL GHAFFAR as Vice-Chairman. On 14/10/1442H (corresponding to 26/05/2021G), the Board of Directors resolved to relieve Mr. MEYASSAR ANWAR NOWAILATI from his position as Chairman and Mr. MAHMOUD MANSOUR MAHMOUD ABDUL GHAFFAR as Vice-Chairman while both remaining as Board of Directors Members. Mr. ABDULRAHMAN I. AL KHAYAL was appointed as Chairman and Ms. NOHA A. SULAIMANI as Vice-Chairman.**

*****In its assembly held on 24/01/1443H (corresponding to 01/09/2021G), the Company's Board of Directors resolved to appoint Board of Directors Member (Independent Member) Ms. NOHA A. SULAIMANI as the Company's Managing Director and to modify the membership to be Executive Member as of 25/01/1443H (corresponding to 02/09/2021G)**

Till the end of the current session on 01/07/1445H (corresponding to 13/01/2024G).

******On 19/12/1442H (corresponding to 29/07/2021G), the Company announced the resignation of Board of Directors Member Mr. MAHMOUD MANSOUR MAHMOUD ABDUL GHAFFAR. He submitted his resignation as Board of Directors Member on 18/12/1442H (corresponding to 28/07/2021G) and the Company's Ordinary General Meeting agreed at its assembly of 23/11/1443H (corresponding to 22/06/2022G) to appoint Mr. KHALID M. BAWAZIR as Board of Directors Member (Independent) as of his appointment on 22/05/2022G. He shall complete the assembly's session till the end of the current session on 13/01/2024G as successor of Mr. MAHMOUD MANSOUR MAHMOUD ABDUL GHAFFAR (Independent Member).**

Note:

The recommendation was submitted by the above-named Members on 03/11/1443H (corresponding to 02/06/2022G) as follows:

- Reduce the Company's capital by (74.6%), i.e., from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals to sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals through the cancellation of nineteen million five-hundred fifty-eight thousand two-hundred (19,558,200) of the Company's shares, i.e., reduction of 0.7456 share per each share. This is for restructuring the Company's capital to amortize the accumulated losses as on March 31, 2022G amounting one-hundred ninety-five million five-hundred eighty-two thousand (195,582,000) Saudi riyals representing (74.6%) of the Company's capital after obtaining all necessary legal approvals as well as the Extraordinary General Assembly's approval.
- Increase the Company's capital by (599)% (after completing the said capital reduction), i.e., from sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals to four-hundred sixty-six million seven-hundred twenty-nine thousand sixty (466,729,060) Saudi riyals through the offering of forty million (40,000,000) preference shares in an amount of four-hundred million (400,000,000) Saudi riyals after obtaining all necessary legal approvals as well as the Extraordinary General Assembly's approval.

Company Background - Executive Management

Name	Position	Nationality	Age	Date of Appointment	Shareholding prior to Reduction as on 27/06/2022G			
					Direct		Indirect	
					Number	Percentage	Number	Percentage
NOHA A. SULAIMANI	Managing Director	Saudi	44	02/09/2021G	-	-	-	-
ABDULHADI ABDULRAHMAN Y. ABUL KHAIR	CEO	Saudi	52	01/06/2018G	7	0.0000267%	-	-
Vacant*	Senior CFO	-	-	-	-	-	-	-
Vacant*	Senior Industrial Management Director	-	-	-	-	-	-	-
MOHAMED ZAKI SHAMROUKH	Commercial Director	Palestinian	43	01/10/2015G	-	-	-	-
HASSAN ASAAD KARKADAN	HR and Common Services Group Director	Saudi	44	01/02/2021G	-	-	-	-
BASSEM ABDUL REHIM SAATI	General Director of Compliance, Corporate Governance, Corporate Communication and Shareholders Affairs	Saudi	46	01/08/2019G	-	-	-	-
SHEHAB ELDIN SHERIF	Legal Director	Sudanese	73	01/01/2018G	-	-	-	-
AHMED HASSAN CHTIOUI	Corporate CFO	Jordanian	46	12/01/2018G	-	-	-	-

Source: Company.

*It is expected that the vacant positions mentioned in the said table shall be filled in 2022G.

Accumulation Loss Development

Period	Net Profit (Loss) In Thousands Saudi riyals	Retained Profits (Accumulated Losses) In Thousands Saudi riyals	Retained Profits/Accumulated Losses Ratio to Capital %	Reason of Accumulated Losses' Increase/Decrease
2017G	(80,313)	(175,542)	43.44%	➢ Decrease of sales in unredeemable fixed costs. ➢ Increase of depreciation expenses due to assets' division and re-evaluation of useful life.
2018G	(62,952)	55,006	49.73%	➢ Decrease of sales in unredeemable fixed costs. ➢ Decay of subsidiary Midan's value ➢ One-time unsuitable modifications to subsidiary Mass Kablo.
2019G	(61,831)	(7,409)	6.70%	➢ Decrease of sales in unredeemable fixed costs. ➢ Increase in intangible assets' amortization in Turkey.
2020G	(55,012)	(62,421)	17.31%	➢ Decrease of operating activity levels of the Parent Company (Saudi Cable Company) as the quantity of shipments delivered to clients reached 8.724 mt. This led to failure to absorb the fixed operating costs, thus adversely affecting the total margin profits and consequently the net margin profits. To be noted that the margin profits were also affected by combining manufactured products. ➢ The Group's activity witnessed decrease in production levels as the case for subsidiaries in Turkey, and remarkable decrease in the activity as to contract revenues related to projects, thus leading to a decease of total profit margin for the Group from -9% to -16% due to such performance. ➢ Delay in collections due to the pandemic, which affected the expected credit losses. The Company recorded a provision of 32.8 million Saudi riyals (1.9 million Saudi riyals in the Financial Year 2019G) against keeping them in trade dues, receivables and amounts retained from contracts. ➢ Increase of non-repetitive expenses related to capital increase and consultation fees related to some governmental settlements, which total roughly 10 million Saudi riyals recorded in general and administrative expenses for 2020G.

Accumulation Loss Development

Period	Net Profit (Loss) In Thousands Saudi riyals	Retained Profits (Accumulated Losses) In Thousands Saudi riyals	Retained Profits/Accumulated Losses Ratio to Capital %	Reason of Accumulated Losses' Increase/Decrease
2021G	(193,739)	(256,730)	71.19%	➢ The decrease of production volume and profit margin in 2021G in comparison to 2020G was caused due to working capital severe restrictions on the unused enormous production capability, thus unredeemable fixed costs resulted. ➢ Increase of Group's financing costs in 2021. The most important debt restructuring was completed in mid 2020, thus partially affect only in the last year, besides fair value earnings from restructured loans with trade lender and previous supplier in 2020G. ➢ Reduction in other revenues that are basically composed of foreign exchange earnings in 2021G against the reverse of legal and other provisions in 2020G. ➢ Decay of deferred tax assets while taking into consideration the expiry of reclaimable losses according to tax regulations in Turkey. ➢ Increase of Zakat and income tax provision, which also includes partial effects due to tax assessment.
March 31, 2022G	(37,620)	(195,582)	74.56%	➢ Trading volumes are lower in the current quarter in comparison to the same quarter of the previous year. ➢ Decrease of expenses in the current quarter in comparison to the same quarter of the previous year. ➢ Decrease of the share of dividends of affiliates in the current quarter in comparison to the same quarter of the previous year. ➢ Increase of other revenues in the current quarter in comparison to the same quarter of the previous year.

Company's Plan and Reform Steps to Stop Losses

At its assembly of 03/11/1443H corresponding to 02/06/2022G, the Board of Directors of Saudi Cable Company recommended reducing the capital from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals to sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals after obtaining all necessary legal approvals as well as the approval of the Extraordinary General Assembly.

The Company intends to take the following reform steps:

➢ Strict cost control and reduction to minimum limit through the following:

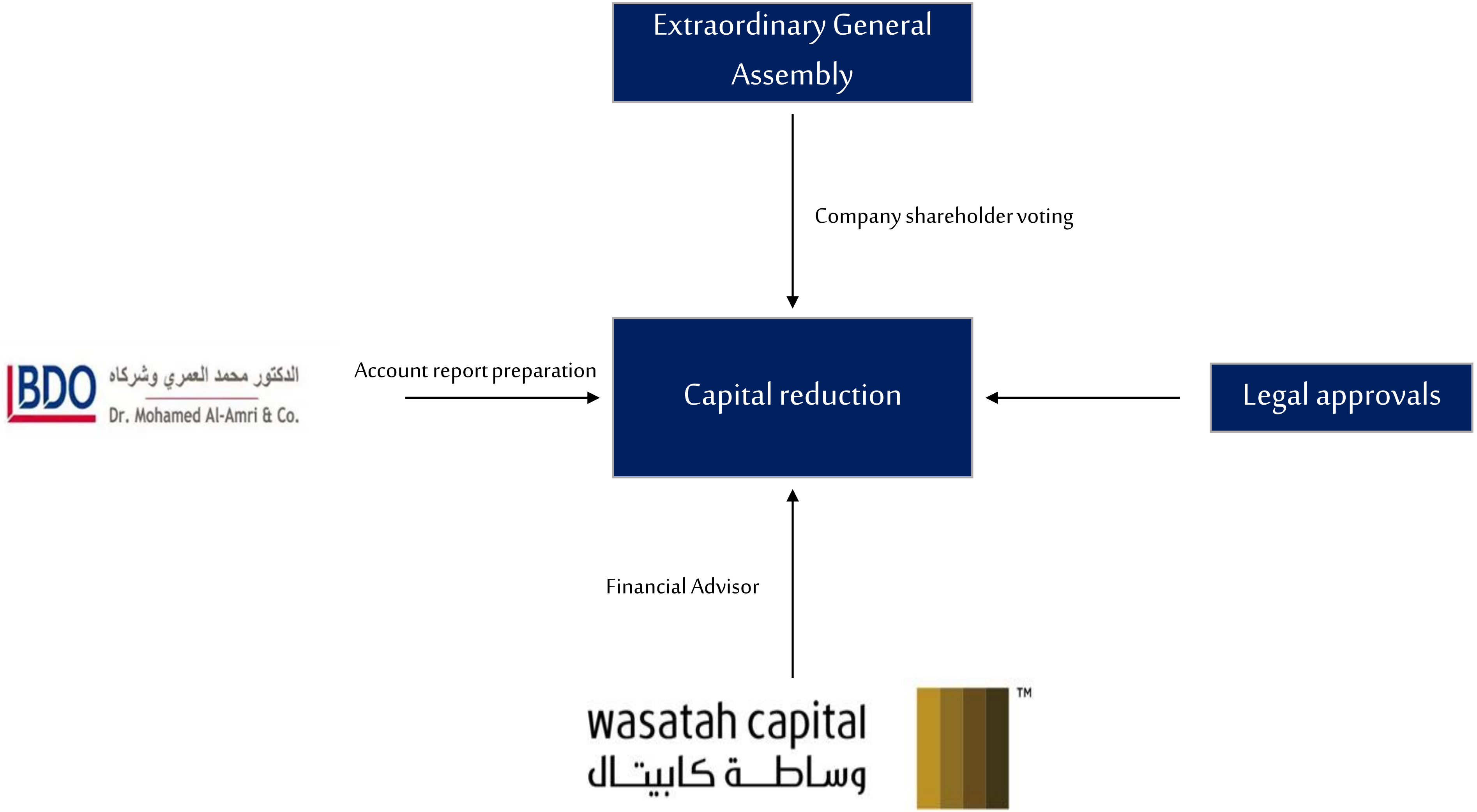
- Re-evaluating the management structure and its impact on human resources and working towards a more flexible hierarchy and achieving a reduction in expenses also means that the Company is seeking a more flexible structure by eliminating certain jobs and integrating functional roles to control workforce-related spending.
- Improvements in the production where production orders are carefully followed and evaluated to ensure production at the lowest costs, achieve the highest target profit margins and control scrap generation as required to achieve improved margins.
- Assess the stages of production and alternative sources of materials that ensure the lowest available costs and improve profitability and competitiveness.
- Careful monitoring of key performance indicators associated with departmental costs to ensure improved efficiency.

➢ Work to increase revenues to the upper limit through the following:

- Strategically strengthen business relationships with key customers to improve operational activity levels.
- Focus on achieving the "best combination" of products where profitability is increased along with liquidity.

Capital Reduction

The figure below demonstrates the Parties engaged in the capital reduction:



Proposed General Structure for Capital Reduction

- The current Company's capital is two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals, divided into twenty-six million two-hundred thirty-one thousand one-hundred six (26,231,106) fully-paid ordinary shares in a nominal value of ten (10) Saudi riyals each.

- Recommendation was submitted by the Board of Directors Members on 03/11/1443H (corresponding to 02/06/2022G) to reduce the capital from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals to sixty-six million seven-hundred twenty-nine thousand sixty-nine thousand (66,729,060) Saudi riyals. Hence, the number of shares are reduced from twenty-six million two-hundred thirty-one thousand one-hundred six (26,231,106) ordinary shares to six million six-hundred seventy-two thousand nine-hundred six (6,672,906) ordinary shares in equal value, the value of which is ten (10) Saudi riyals.

- The reduction rate is (74.6%) of the capital. The reduction shall be completed through the cancellation of nineteen million five-hundred fifty-eight thousand two-hundred (19,558,200) of the Company's shares, i.e., reduction of 0.7456 share per each share. This is for restructuring the Company's capital to amortize the accumulated losses as on March 31, 2022G amounting one-hundred ninety-five million five-hundred eighty-two thousand (195,582,000) Saudi riyals after obtaining all necessary legal approvals as well as the Extraordinary General Assembly's approval.

- The Company shall accumulate any fractional share (if any) in a single portfolio that shall result from the capital reduction and then sell the same in the market at the then prevailing price. Then, the sale proceeds shall be distributed to the Company shareholders according to each of their equity in (30) thirty days of the shareholders' approval in the Extraordinary General Assembly to reduce the Company's capital.

- The date of the financial statements used for capital purposes: Financial statements for the financial year ended on March 31, 2022G.

Reasons for Capital Reduction and Discussion of Management Analysis

- **Here are the main reasons for the Board of Directors' recommendation for capital reduction:**

- The Board of Directors resolved to reduce the capital to restructure the capital and amortize (100%) of the total accumulated losses, which as on March 31, 2022G amount one-hundred ninety-five million five-hundred eighty-two thousand (195,582,000) Saudi riyals.
- As part of its discussion and analysis of the Company's current situation, the Company's management developed a strategy to support the Company's future growth and financial performance, and reached a decision to restructure the Company's capital by commencing the capital reduction, then increasing the capital by issuing preference shares to restructure the capital and inject new funds to provide working capital so that the Company can increase operational capacity and support its future activity.
- The Company has obtained the CMA's approval for the capital reduction request on 01/12/1443H (corresponding to 30/06/2022G). Such approval was announced on the CMA and Tadawul websites on 01/12/1443H (corresponding to 30/06/2022G).
- The Company called for and announced this Extraordinary General Assembly at Tadawul website on **/**/1443H (corresponding to **/**/2022G), and a copy of this offer was included in the announcement.

Impact of Capital Reduction on Company’s Obligations

- The Company appointed Dr. Mohamed Al Amari & Co. as the auditor for account report preparation regarding the capital reduction, through which the mechanism of reduction was clarified as well as its expected impact on the Company's obligations.

- There shall be no impact of capital reduction on the Company’s obligations as in the attached auditor's report.

Impact of Capital Reduction on Company Shareholders' Equity

- The Company's accumulated losses amounted one-hundred ninety-five million five-hundred eighty-two thousand (195,582,000) Saudi riyals. As of March 31, 2022G, a capital reduction of one-hundred ninety-five million five-hundred eighty-two thousand (195,582,000) Saudi riyals shall lead to a 100% amortization of the total accumulated losses.

The impact on shareholders' equity shall be based on the financial statements for the period ended as on March 31, 2022G:

Shareholders' Equity as on March 31, 2022G	Prior to Capital Reduction In Thousands Saudi riyals	After Capital Reduction In Thousands Saudi riyals	Impact In Thousands Saudi riyals
Capital	262,311	66,729	(195,582)
Hedge reserve	16,876	16,876	
Foreign currency translation reserve	(6,221)	(6,221)	
Employee benefits liability reserve	(11,652)	(11,652)	
Accumulation Losses	(195,582)	-	195,582
Total shareholders' equity	**65,732**	**65,732**	**-**

Source: Attached auditor's report and financial statements as of March 31, 2022G

Impact of Capital Reduction on Company Shareholders’ Equity

- The Company intends to reduce its capital from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals to sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals through the cancellation of nineteen million five-hundred fifty-eight thousand two-hundred (19,558,200) of the Company’s shares at 0.7456 shares per each share.
- The Company shall accumulate any fractional share (if any) in a single portfolio that shall result from the capital reduction and then sell the same in the market at the then prevailing price. Then, the sale proceeds shall be distributed to the Company shareholders according to each of their equity in (30) thirty days of the shareholders’ approval in the Extraordinary General Assembly to reduce the Company's capital.
- The Company's capital reduction shall not affect the market value of the Company shareholders’ portfolios as detailed below for a shareholder with 1,000 Company shares

Item (estimated)	With capital reduction	Without capital reduction
Shares owned prior to reduction	1,000	1,000
Share price prior to reduction (Closing 08/05/2022G)	14.54 Saudi riyals	14.54 Saudi riyals
Canceled shares	746	N/A
Shares owned after reduction	254	N/A
Share price after reduction (estimated)**	57.16 Saudi riyals	N/A
Market value of shares prior to reduction (estimated)	14,540 Saudi riyals	14,540 Saudi riyals
Market value of shares after reduction (estimated)	14,517.76 Saudi riyals	N/A
Compensation resulting from fractional shares (estimated)	22.24 Saudi riyals	N/A

*The offer will be updated for shareholders by adding the closing price of the share on the day of convening the Extraordinary General Assembly.

**The expected share price was rounded after the capital reduction from 57.1565 to 57.16 Saudi riyals.

Impact of Capital Reduction on Company Shareholders' Equity

- It should be noted that the shareholder, who owns one of the Company's shares in his portfolio, shall be canceled and compensated. The following table shows the impact on the shareholder, who owns 10 shares:

Item (estimated)										
Shares owned prior to reduction	1	2	3	4	5	6	7	8	9	10
Share price prior to reduction (Closing 08/05/2022G)	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54
Canceled shares	1	2	3	3	4	5	6	6	7	8
Shares owned after reduction	0	0	0	1	1	1	1	2	2	2
Share price after reduction (estimated)**	57.16	57.16	57.16	57.16	57.16	57.16	57.16	57.16	57.16	57.16
Market value of shares prior to reduction (estimated)	14.54	29.08	43.62	58.16	72.70	87.24	101.78	116.32	130.86	145.40
Market value of shares after reduction (estimated)	0.00	0.00	0.00	57.16	57.16	57.16	57.16	114.31	114.31	114.31
Compensation resulting from fractional shares (estimated)	14.54	29.08	43.62	1.00	15.54	30.08	44.62	2.01	16.55	31.09

*The offer will be updated for shareholders by adding the closing price of the share on the day of convening the Extraordinary General Assembly.

**The expected share price was rounded after the capital reduction from 57.1565 to 57.16 Saudi riyals.

Method of Share Price Calculation after Capital Reduction

- The share price prior to the reduction was considered to represent the closing price of Saudi Cable Company's share on 08/05/2022G, which amounts (14.54) Saudi riyals. The following table explains the means of calculating share price after the capital reduction.

Item	
(A) Share price prior to reduction (Closing 08/05/2022G)	14.54
(B) Number of shares before reduction	26,231,106
(C) Market value of the Company's shares prior to the reduction = (A) * (B)	381,400,281
(D) Number of shares after reduction	6,672,906
Market value of the Company's shares after the reduction = (C) ÷ (D)*	57.15655

* The expected share price was rounded after the capital reduction from 57.1565 to 57.16 Saudi riyals.

Potential Risks due to Company’s Capital Reduction

- There are no potential risks as a result of capital reductions as the capital reduction aims to amortize accumulated losses, which will strengthen the Company’s financial position and maintain its viability. The Company is working to correct its situation to stop losses and realize profits, which shall benefit the Company shareholders. To be known that the auditor reviewed the capital reduction as to the financial and legal aspects and stressed that there were no risks that could affect the Company.

- After the capital reduction, the Company shall write off the full accumulated losses from the Company's capital. Should the accumulated losses reach (20%) or more of the Company's capital, the Company shall be subject to CMA’s Regulations of “Procedures and Instructions related to Listed Companies with Accumulated Losses Reaching 20% or more of their Share Capital”. If the accumulated loss reached (50%) or more, the Company shall be subject to several more stringent requirements, in particular Article (150) of the Companies Law that obliges any Company’s official or auditor upon learning of the Company’s accumulated losses of 50% or more of its capital to inform the Chairman. The Chairman shall immediately inform the Board of Directors Members. The Board of Directors shall, within (15) days of learning of the same, call the Extraordinary General Assembly to convene within (45) days as of the Board’s knowledge of the losses, to resolve to either increase or reduce the Company’s capital to the extent where the losses decrease below half of the Company’s paid-up capital or to dissolves the Company prior to the deadline specified in its Articles of Association. The Company is considered terminated by force of law if the Extraordinary General Assembly does not convene during the above set period, if it meets and is unable to adopt a resolution on the subject, or if it resolves to increase capital in accordance with the conditions established in Article (150) of the Companies Law and not to subscribe to each capital increase within (90) days of the assembly's resolution to increase. If the Company is terminated by the force of the law under Article (150) of the Companies Law or by resolution of the Extraordinary General Assembly, the listing of the Company's shares will be canceled.

Timeline of Capital Reduction

Date	Event
03/11/1443H (corresponding to 02/06/2022G)	Announcement of the Board's recommendation on capital reduction from (262,311,060) Saudi riyals to (66,729,060) Saudi riyals
24/11/1443H (corresponding to 23/06/2022G)	Announcement of the financial advisor's appointment for the Company's capital reduction.
28/11/1443H (corresponding to 27/06/2022G)	Application for the Company's capital reduction to CMA.
01/12/1443H (corresponding to 30/06/2022G)	CMA's approval for a request pf the Company's capital reduction. Such approval was announced at CMA and Tadawul websites.
//1443H (corresponding to **/**/2022G)	Call for and announcement of this Extraordinary General Assembly at Tadawul website and a copy of this offer was included in the announcement.
//1443H (corresponding to **/**/2022G)	Announcement of commencing of the electronic vote on the Extraordinary General Assembly's items, which shall include capital reduction (first assembly).
//1443H (corresponding to **/**/2022G)	Convention of the Extraordinary General Assembly, which includes capital reduction (first assembly). If the quorum required for the first assembly is not met, the second assembly shall be held one hour after the expiry of the deadline for the first assembly. If the quorum for the second assembly is not met, the third assembly shall be held 21 days after the expiry of the deadline for the second assembly.
//1443H (corresponding to **/**/2022G)	Announcement of the Extraordinary General Assembly's results.
//1443H (corresponding to **/**/2022G)	Announcement of the deposit of returns (if any) from the sale of fractional shares resulted from the Company's capital reduction in the eligible shareholders' accounts. This shall be within (30) days of the date of shareholders' approval in the Extraordinary General Assembly shareholders for the Company's capital reduction.

Capital Reduction

Procedures of capital reduction

The capital reduction shall be subject to the following procedures:

- Recommendation of the Board of Directors on the capital reduction.
- Appointment of a financial advisor for the Company's capital reduction.
- Appointment of an auditor to prepare the accounting report on the capital reduction.
- Preparation and submission of request for the capital reduction to CMA in accordance with the terms of Article Fifty-Eight of Rules on the Offer of Securities and Continuing Obligations in relation to the terms of the capital reduction.
- Approval by CMA for the request to decrease the Company's capital.
- Service of notice to Tadawul according to the wording stated in Annex (5) of the listing rules.
- Extraordinary General Assembly’s approval for the Company’s capital reduction.

Representation of Board of Directors Members:

The Board of Directors Members confirm, according to their knowledge and belief, that the Company’s capital reduction is in the interest of the Company and shareholders.

Legal Approvals Required to Complete Company's Capital Reduction

- The Company obtained CMA's approval on 01/12/1443H (corresponding to 30/06/2022G) for the request to reduce the Company's capital from two-hundred sixty-two million three-hundred eleven thousand sixty (262,311,060) Saudi riyals to sixty-six million seven-hundred twenty-nine thousand sixty (66,729,060) Saudi riyals through the cancellation of nineteen million five-hundred fifty-eight thousand two-hundred (19,558,200) of the Company's shares, which represent 74.6% of the capital. Such approval was announced at CMA and Tadawul websites on 01/12/1443H (corresponding to 30/06/2022G).

- The capital reduction requires the shareholders' approval. Shareholders must be aware that if their approval is not obtained for this capital reduction, the capital reduction shall not take place.

- If shareholders' approval is obtained for the capital reduction, the Company shall continue in its capital reduction procedures and approach the Ministry of Commerce to obtain its approval to amend the Company's Articles of Association and commercial registration.

- Aside from the foregoing, there are no other legal approvals required to be obtained by the Company to complete the capital reduction.

Relevant Laws, Regulations and Instructions

- Companies Law promulgated by Royal Decree No. M/3 dated 28/01/1437H (corresponding to 10/11/2015G)
- The Capital Market Law promulgated by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G) as amended.
- Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority pursuant to its Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) as amended by Resolution of the Board of the Capital Market Authority No. 5-5-2022 dated 02/06/1443H (corresponding to 05/01/2022G).
- Listing rules approved by Kabelo the Board of the Capital Market Authority Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) as amended by Resolution of the Board of the Capital Market Authority No. 1-104-2019 dated 01/02/1441H (corresponding to 30/09/2019G) as amended by Resolution of the Board of the Capital Market Authority No. 1-19-2022 dated 12/07/1443H (corresponding to 13/02/2022G) as amended by Resolution of the Board of the Capital Market Authority No. 1-52-2022 dated 12/09/1443H (corresponding to 13/04/2022G).
- Company's Articles of Association
- Procedures and Instructions related to Listed Companies with Accumulated Losses Reaching 20% or more of their Share Capital issued by the Board of the Capital Market Authority pursuant to its Resolution No. 4-48-2013 dated 15/01/1435H (corresponding to 18/11/2013G) based on the Capital Market Law promulgated by Royal Decree No. M/30 dated 02/06/1424H as amended by the Board of the Capital Market Authority Resolution No. 1-77-2018 dated 05/11/1439H (corresponding to 18/07/2018G).

Auditor's Report

- The Company appointed Dr. Mohammed Al Amari & Co. to prepare a limited inspection report to study the reasons for the capital reduction and the impact of that reduction on the Company's obligations and shareholders' rights in order to obtain CMA's approval for the capital reduction request.

- The accounting report shall be recited. Based on Article One Hundred Forty-Four of the Companies Law promulgated by Royal Decree No. (M/3) dated 28/01/1437H, the decision of capital reduction is issued only after reciting a special report prepared by the auditor on the reasons deemed sound by him, the obligations imposed on the Company and the impact of the reduction in these obligations.

- A copy of the limited inspection report prepared by the auditor was included in the announcement of the invitation to this Extraordinary General Assembly at Tadawul website dated **/** 1443H (corresponding to **/**/2022G).

Important Information

- With reference to the Procedures and Instructions related to Listed Companies with Accumulated Losses Reaching 20% or more of their Share Capital issued by the Board of the Capital Market Authority pursuant to its Resolution No. 4-48-2013 dated 15/01/1435H (corresponding to 18/11/2013G) based on the Capital Market Law promulgated by Royal Decree No. M/30 dated 02/06/1424H as amended by the Board of the Capital Market Authority Resolution No. 1-77-2018 dated 05/11/1439H (corresponding to 18/07/2018G);

- Based on the Companies Law issued by the Ministry of Commerce in 2015G corresponding to 1437H, in particular Article (150) of the Companies Law, if the Company's losses reached half of the paid-up capital at any time during the financial year, any Company official or auditor must, upon learning of this, inform the Chairman. The Chairman shall immediately inform the Board of Directors Members. The Board of Directors shall, within 15 days of learning of this, invite the Extraordinary General Assembly within forty-five days of knowing of the losses to resolve whether to increase or reduce the Company's capital in accordance with the provisions of the law to the extent where the losses falls below half of the paid capital, or to dissolves the Company before the deadline specified in its Articles of Association. The Company shall be considered terminated by force of law if the Extraordinary General Assembly does not meet within 45 days, if it meets and is unable to adopt a resolution on the subject, or if it decides to increase the capital according to the conditions established in this Article and not to subscribe each capital increases within ninety days of the assembly's resolution for the increase.

- The Company must disclose to the public immediately and without delay an independent announcement when its accumulated losses reach 20% or more and less than 35% of its capital. However, the announcement includes the accumulated losses' amount and proportion of capital and the main reasons that led to these losses. noting in the announcement that these procedures and instructions shall be applied to the same. If the required disclosure in accordance with this paragraph coincides with the announcement of the initial or annual financial results, the Company shall be exempted from disclosing under an independent announcement if it is included in the announcement of initial or annual financial results.

- The Company must disclose to the public immediately and without delay an independent announcement when its accumulated losses reach 35% or more and less than 50% of its capital. However, the announcement includes the accumulated losses' amount and proportion of capital and the main reasons that led to these losses. noting in the announcement that these procedures and instructions shall be applied to the same. If the required disclosure in accordance with this paragraph coincides with the announcement of the initial or annual financial results, the Company shall be exempted from disclosing under an independent announcement if it is included in the announcement of initial or annual financial results.

Important Information

- The Company must disclose to the public immediately and without delay an independent announcement when its accumulated losses reach 50% or more of its capital. However, the announcement includes the accumulated losses' amount and proportion of capital and the main reasons that led to these losses. noting in the announcement that the Procedures and Instructions related to Listed Companies with Accumulated Losses Reaching 50% or more of their Share Capital shall be applied. If the required disclosure in accordance with this paragraph coincides with the announcement of the initial or annual financial results, the Company shall be exempted from disclosing under an independent announcement if it is included in the announcement of initial or annual financial results.

- According to Article (94) of the Companies Law, the extraordinary General Assembly is valid only if it is attended by shareholders representing at least half of the Company's capital, if this quorum is not available at the first meeting a second meeting is invited, and the second meeting is valid if it is attended by several shareholders representing at least a quarter of the capital. The Extraordinary General Assembly shall be valid only if attended by shareholders representing at least one half of the company's capital. If this quorum is not met at the first assembly, an invitation shall be sent for a second assembly. Which shall be valid if attended by shareholders representing quarter of the capital at least. If a third meeting is not subsequently convened, according to the conditions stipulated in the Companies Law, the quorum shall be made with those who have attended after the approval of the competent authorities.

- In accordance with Article (94) of the Companies Law, the Extraordinary General Assembly's resolutions are issued by a two-thirds majority of the shares represented at the assembly unless this resolution is related to a capital increase or reduction, prolongation of the Company's term before the expiry of the period specified in its laws or its merger with another Company or establishment. The resolution shall be valid only if it is issued by a majority of three quarters of the shares represented at the assembly.

- If the Company's shareholders agree to reduce the capital, the resolution to reduce the capital shall be effective for all shareholders registered with the Company's records at Tadawul by the end of trading on the second day following the date of convening the Extraordinary General Assembly, including shareholders who did not attend the Extraordinary General Assembly as well as shareholders who attended the assembly and did not vote or voted against the capital reduction resolution.

Available documents for inspection

- The shareholders' circular shall be published and made available to the public within no less than (14) days before convening the Extraordinary General Assembly by reducing the Company's capital.

- The Company shall provide the following documents for review at the Company's headquarters in Jeddah as of approval by CMA on 01/12/1443H (corresponding to 30/06/2022G) until the date of convening the Extraordinary General Assembly on **/**/1443H (corresponding **/**/2022G) during official working periods from 8 AM to 4 PM:

  - Copy of recommendation of the Board of Directors on the capital reduction Company.
  - Copy of the financial adviser's appointment letter.
  - Copy of the auditor's report on the reduction of the Company's capital.
  - Copy of CMA's announcement of its approval for the Company's request to reduce its capital, which is published at CMA and Tadawul websites.
  - Copy of this circular to shareholders (presentation to the Company's shareholders at the Extraordinary General Assembly).

Attachments

- Copy of the auditor's report.
- Power of attorney form to attend the Extraordinary General Assembly (if the state or the competent authorities allow direct assemblies).

Head office: Moon Tower - 8 Floor
P.O. Box 8736, Riyadh 11492
Unified Number : 92 002 4254
Fax : +966 11 278 2883

AGREED-UPON PROCEDURES REPORT ON ACCUMULATED LOSSES OF SAUDI CABLE COMPANY (A SAUDI JOINT STOCK COMPANY) (THE "COMPANY") AND ITS SUBSIDIARIES (TOGETHER REFERRED TO AS THE "GROUP") AS OF MARCH 31, 2022 (Unaudited) AS REQUIRED UNDER ARTICLE FIVE (E) OF "PROCEDURES AND INSTRUCATIONS RELATED TO LISTED COMPANIES WHICH ACCUMULATED LOSSES REACHING 50% OR MORE OF THEIR SHARE CAPITAL"

To the shareholders of Saudi Cable Company
Jeddah City
Kingdom of Saudi Arabia.

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting the Company on the accumulated losses of the Company shown in the Interim Condensed Consolidated Statement of Financial Position of the Company as of March 31, 2022 (Appendix 1) as required under Article Five (e) of the *"Procedures and Instructions Related to Listed Companies which Accumulated Losses Reaching 50% or More of Their Share Capital"* issued by the Board of the Capital Market Authority pursuant to its Resolution Number 4-48-2013 dated 15/1/1435H corresponding to 18/11/2013G based on the Capital Market Regulation issued by Royal Decree No. M/30 dated 2/6/1424 H and amended by the Board of the Capital Market Authority pursuant to its Resolution Number 1-77-2018 dated 5/11/1439H corresponding to 18/7/2018G. Accordingly, our report may not be suitable for another purpose.

Company Responsibilities (Engaging Party)

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. Accordingly, we make no representations about the adequacy of the procedures described below if we are asked to use this report for any other purposes.

Auditor's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical and independence requirements in accordance with the Professional Code of Conduct and Ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our engagement and we have fulfilled our other ethical responsibilities in accordance with its requirements.

Our firm applies International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Head office: Moon Tower - 8 Floor
P.O. Box 8736, Riyadh 11492
Unified Number : 92 002 4254
Fax : +966 11 278 2883

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company.

	Procedures	Findings
1	Obtain a copy of recommendation resolution passed in the Board of Directors' meeting to offset 100% of the accumulated losses of the company by SR 195,582,000 as on 31 March 2022 against of part of share capital of the Company.	We have obtained a copy of recommendation resolution passed in the Board of Directors' meeting held on June 2, 2022 and found that the Board of Directors has recommended to offset Company's 100 % of the accumulated losses against the share capital of the Company by an amount of SR 195,582,000 and thereby reduced the Company's share capital from SR 262,311,060 to SR 66,729,060 through cancelation of 19,558,200 shares and the number of shares after the reduction become 6,672,906 shares, with no observation.
2	Obtaining the relevant information from the company's management and the effect of the reduction mentioned in the Board of Directors' recommendation resolution dated June 2, 2022 in reduction for the capital, and verifying its accuracy.	We obtained the relevant information from the company along with impact mentioned, in the resolutions of the Board of Directors, dated June 2, 2022 for reducing the capital (Appendix 1), with no observation.

The effect of the reduction on the unaudited financial statements as on 31 March 2022 is as follows:

A) Share capital and accumulated losses

The company's accumulated losses will be offset against the capital by an amount of SR 195,582,000 and thereby reduced the Company's share capital from SR 262,311,060 to SR 66,729,060 through cancelation of 19,558,200 shares and the number of shares after the reduction become 6,672,906 shares,

There will be no negative impact in the company liquidity, the shareholder equity and liabilities due to reduction.

These procedures mentioned above do not constitute an audit or review in accordance with international standards on auditing or the review standards endorsed in the Kingdom of Saudi Arabia, and accordingly, we do not issue any confirmation regarding the Interim Condensed Consolidated Statement of Financial Position of the Company as on March 31, 2022. (Appendix 1).

Assuming that we have implemented additional procedures, or assuming that we have carried out an audit or review of the financial statements in accordance with international standards on auditing or review standard endorsed in the Kingdom of Saudi Arabia, other matters may come to our attention that would have been reported to you.

The purpose of this report is what was clarified in the first paragraph of this report, the information about the company and the company's uses to complete the legal procedures for reduction the company's capital, and it may not be used for any other purpose or submitted to any other parties.

For Dr. Mohamed Al-Amri & Co

Maher Taha Al-Khatieb
Certified Public Accountant
Registration No.514

د. محمد العمري وشركاه - محاسبون قانونيون
شركة مهنية رقم ٣٢٣/١١/٦١
س.ت ٤٠٣٠٢٧٥٣٣٠
Jeddah
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Dhul Qa'dah 28, 1443H
June 27, 2022 G

Head office: Moon Tower - 8 Floor
P.O. Box 8736, Riyadh 11492
Unified Number : 92 002 4254
Fax : +966 11 278 2883

Appendix (1).

The condensed statement of financial position and the impact of the recommendation of the Capital reduction on the unaudited financial statements as on March 31, 2022
(Expressed in Thousands of Saudi Arabian Riyals)

	Before Capital reduction March 31, 2022 (unaudited)	Impact of Capital reduction	After impact of Capital reduction (unaudited)
ASSETS			
Total non- current assets	634,972	-	634,972
Total current assets	419,344	-	419,344
TOTAL ASSETS	**1,054,316**	-	**1,054,316**
EQUITY AND LIABILITIES			
Equity			
Share capital	262,311	(195,582)	66,729
Hedging reserve	16,876	-	16,876
Reserve for foreign currency translation	(6,221)	-	(6,221)
Employees' benefit obligation reserve	(11,652)	-	(11,652)
Accumulated losses	(195,582)	195,582	-
Total equity attributable to the shareholders of the parent company	**65,732**	-	**65,732**
Non-controlling interest	(3,157)	-	(3,157)
Total equity	**62,575**	-	**62,575**
Total Non-current liabilities	85,232	-	85,232
Total current liabilities	906,509	-	906,509
Total liabilities	**991,741**	-	**991,741**
TOTAL EQUITY AND LIABILITIES	**1,054,316**	-	**1,054,316**