

Board of Directors' Report

for year 2019

(Saudi Cable)

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1. Implemented and non-implemented provisions of CMA's Corporate Governance Regulations, and justifications therefore

Saudi Cable Company implements all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority.

2. Names, qualifications, and experience of the Board and committees' members and Executive Management

Board Members:

Name	Current position	Previous position	Qualifications	Experience
Meyassar A. Nowailati	Chairman	Chairman	Bachelor's degree in Science-Finance - King Fahd University of Petroleum and Minerals, Saudi Arabia	Corporate Banking & Finance.
			Training courses (Banking-Analysis-Management)	
Khalid A. Alireza	Member	Member	Bachelor's degree in Engineering from University of California, Berkley	Strategy and Corporate Management
			Master's degree in Engineering from University of California, Berkley	
Abdullah H. Masri	Member	Member	Bachelor's degree in Humanities from University of California	Corporate Management & Documental Corporate a Media Management
			Master's degree in Humanities from University of Chicago	
			Doctorate in Humanities from University of Chicago	
			Dip in Business Administration from Harvard University	
Adnan A. Maimani	Member	Member	Bachelor's Degree in Law from Beirut University, Cairo.	Legal & Corporate Management
			Master's degree in Law from McGill University, Canada	
Khalid A. Al Ajlan	Member	Member	Bachelor's degree in Administration – King Saud University, Riyadh	Financial Affairs
			Master Degree in Business Administration – King Saud University, Riyadh	
Yousuf A. Alireza	Member	Member	Bachelor's degree in Applied Sciences in Business Sector from University of San Francisco	Corporate Management & IT
			Master's degree in Business Administration	
Raaid K. Alireza	Vice Chairman	Member	Bachelor's degree in Industrial Engineering and Operations Research – University of California, Berkeley	Corporate & Investment Banking
			Masters of Science degree in Construction Management – Department of Civil Engineering at University of California, Berkeley	
			Certificate in Management Technology University of California, Berkeley	

Committees members:

Name	Current position	Previous position	Qualifications	Experience
Adnan A. Maimani	Chairman of Audit Committee	Chairman of Audit Committee.	Bachelor's Degree in Law from Beirut University – Cairo	Legal
			Master's degree in Law from McGill University, Canada	
Khalid A. Al-Ajlan	Member of Audit Committee	Member of Audit Committee	Bachelor's degree in Administration – King Saud University, Riyadh	Finance
			Master Degree in Business Administration – King Saud University, Riyadh	
Mohameed A. Tumbi	Member of Audit Committee	Member of Audit Committee	Bachelor of Commerce & Certified Accountant	Finance
Ziad S. Tayara	Member of Audit Committee	Member of Audit Committee	Bachelor of Economy and Business Management	Finance
Abdullah H. Masri.	Chairman of Nomination and Remuneration Committee.	Chairman of Nomination and Remuneration Committee.	Bachelor's degree in Humanities from University of California	Corporate Management & Documental Corporate a Media Management
			Master's degree in Humanities from University of Chicago	
			Doctorate in Humanities from University of Chicago	
			Dip in Business Administration from Harvard University	
Yousuf A. Alireza.	Member of Nomination and Remuneration Committee.	Member of Nomination and Remuneration Committee.	Bachelor's degree in Applied Sciences in Business Sector from University of San Francisco	Corporate Management & IT
			Master's degree in Business Administration	
Wadia A. Eshgi	Member of Nomination and Remuneration Committee.	Member of Nomination and Remuneration Committee.	Bachelor's degree in Mechanical Engineering from King Fahad University – Dhahran	Strategic Business Development

Senior Executives:

Name	Current position	Previous position	Qualifications	Experience
Abdulhadi A. Abulkhair	SCC Group President	SCC Group President	Bachelor of Science in Applied Chemical Engineering	Chemical Industry
Mohammed T. Himdi	Vice President, Operations	Vice President, Operations	Master of Science in Industrial Engineering	Industrial Engineering
Ammar R. Qari	Vice President, Commercial (Acting)	Vice President, Commercial (Acting)	Bachelor in Mechanical Engineering	Marketing
Sayed A. Sayed	Vice President, Finance	Vice President, Finance	Certified Public Accountant (CPA)	Finance
Abdullah A. Al Rashid	Vice President, Supply Chain Management	Vice President, Supply Chain Management	Master Degree in Integrated Marketing Communication	Business Development

3. Names of the companies inside and outside the Kingdom in which a Board member is a member of their current or previous Board member or manager

Name	Names of the companies in which a Board member is a member of their current Board or manager	Inside / outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)	Names of the companies in which a Board member is a member of their previous Board or manager	Inside / Outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
Meyassar A. Nowailati Chairman	Board Member of Mazar International Real Estate & Development Co	Inside the Kingdom.	-	-	-	-
	Board Member of Dar Aleitman and Chairman of the Audit and Risk Committee Al-Fursan Industrial Resins Company					
Khalid A. Alireza	Chairman of Hidada Company Limited	Inside the Kingdom.	-	-	-	-
	Board Member of National Petrochemical Industrial Company					
	CEO of Xenel Industries Co. Ltd					
	Chairman of Safra Co. Ltd					
	Vice Chairman of AMI Co. Ltd					
Abdullah H. Masri	Coca-Cola Bottling Company of Saudi Arabia (CCBCSA) for soft drink	Inside the Kingdom.	-	-	-	-
Adnan A. Maimani	Board Member of SEJEL Technology for Electronic Integration Applications Co. Ltd	Inside the Kingdom.	-	-	-	-
	Board Member of Saudi Industrial Services Co. (SISCO)					

	Board Member of National Petrochemical Industrial Company					
	Board Member of Kindasa Water Services					
	Partner & Board Member of Rakeem Technology Co.Ltd					
	Board Member of Saudi Services and Operations Co. Ltd					
	Board Member of Arabian Services Group Co. Ltd					
	Board Member of Hidada Co. Ltd					
Khalid H. Al Ajlan	-	-	-	-	-	-
Yousuf A. Alireza	Board Member & Executive Manager of Xenel Industries Co. Ltd	Inside the Kingdom.	-	-	-	-
	Board Chairman of Imdad Medical Business Co. Ltd					
	Board Chairman of Chemical Co. Ltd. (London)					
	Board Member of Safra Co. Ltd					
	Board Member of Hidada Company					
	Board Member of National Petrochemical Industrial Company					
	Board Member of TECHNOMATE					
Board Member of AMI Co. Ltd						
Raaid K. Alireza Vice Chairman	Board Member of AECOM Arabia	Inside the Kingdom.	-	-	-	-

4. Composition of the Board and classification of its members, as follows: Executive Director, Non-Executive Director, or Independent Director

The Board of Directors currently consists of 7 members, and the following table shows the composition of Saudi Cable's Board of Directors including the Directors' names and their Board membership classifications:

Name	Membership classifications (Executive / Non-Executive / Independent)
Meyassar A. Nowailati Chairman	Non-Executive
Khalid A. Alireza	Non-Executive
Abdullah H. Masri	Non-Executive
Adnan A. Maimani	Non-Executive
Khalid A. Al Ajlan	Independent
Yousuf A. Alireza	Non-Executive
Raaid K. Alireza Vice Chairman	Non-Executive

5. Procedure taken to the Board to inform its members, Non-Executive Directors in particular, of the shareholders' suggestions and remarks on the Company and its performance

Investor Relations Department sends a detailed quarterly report to the Board of Directors to provide them with the shareholders' suggestions, comments and questions about the Company and its performance.

6. A brief description of the competencies and duties of the committees, such as the audit committee, the nomination committee and the remuneration committee indicating their names, names of their chairmen, names of their members, the number of their respective meetings, dates of those meetings and the members' attendance details of each meeting

Audit Committee:

A. The Audit Committee in the company was formed under the Resolution No. 903 dated 12/08/1414H issued by the Ministry of Commerce. The formation of the Committee was approved by the Ordinary General Assembly (OGA) of the shareholders on 30/12/1414H. The current Committee was reformed and approved by the shareholders in the Extra Ordinary General Assembly (EGA) No.23 held on 27 Rabi al Thani 1439 (14 January 2018) and the following members were appointed effective the EGA date for a period equivalent to Board's duration.

1. Adnan A Maimani

2. Mohammed A. Tumbi

3. Ziad S. Tayara,

4. Khalid al Ajlan - Appointed later on by the shareholders in the 42nd OGA meeting held on 07 June 2018 for a period equivalent to Board's duration.

Note: Qualifications of Committee Members are included in this report.

B. The Charter of the Audit Committee was initially approved by the Board of Directors on 8/6/1994 (Resolution No. BM 65-4). The current revised Charter was approved by the shareholders in their 23rd Extraordinary General Assembly (EGA) held on 14 January 2018.

Mandate:

The main objectives of the Committee includes, but are not limited to, ensuring adequacy of policies, procedures and soundness of the internal control appropriateness of financial accounting and reporting, as well as ensuring the effectiveness of the internal and external audit functions on an ongoing basis. The committee also reviews the company's periodical and annual financial statements and annual budgets and recommends to the Board of its approval. The Committee also recommends to the shareholders of the selection of external auditors to be chosen and approved by the shareholders.

The Audit Committee oversees the work of the internal audit in the Company periodically to ensure the adequacy and effectiveness of the internal control system in general and with respect to the fairness of the financial statements in particular. It also provides ongoing evaluation of the internal control system and its effectiveness, and deals with any serious observation, in context of the goals of the Board of Directors to obtain a resolution assurance about the soundness of the design and effectiveness of the same.

In this context the Committee has discussed during the fiscal year 2019 the periodic reports prepared by the internal auditor and reported to the Board of Directors on actions and recommendations as it deemed appropriate, and met with external auditors and executive management to discuss matters related to the work of the Company.

The following table shows the names of the Audit Committee members, the Chairman, the number of its meetings and the dates of the meeting and the number of attendances for each meeting:

Name	Title	Meetings Attended (2019)				Number of attendance
		1 st Meeting dated 19/03/2019	2 nd Meeting dated 08/05/2019	3 rd Meeting dated 24/07/2019	4 th Meeting dated 05/11/2019	
Adnan A. Maimani	Chairman	√	√	√	√	4
Khalid A. Al Ajlan	Member	√	√	√	√	4
Ziad S. Tayara	Member	√	-	√	√	3
Mohammed A. Tumbi	Member	√	√	-	√	3

Nomination and Remuneration Committee:

The main objectives of the Nominations & Remunerations Committee summarized as determining the policies and standards for nominations to the membership of the Board of Directors with periodical review of the requirements of capabilities and skills for the Board; study of the Board's strengths and weaknesses and suggesting ways of addressing it; ensuring the independence of the independent Directors, study of conflict of interest with their membership of the Boards of other companies; beside studying or suggesting policies for compensation and bonus to the Board of Directors and Senior Executives.

The following table shows the names of the Nomination and Remuneration Committee members, the Chairman, the number of its meetings and the dates of the meeting and the number of attendances for each meeting:

Name	Title	Meetings Attended (2019)		
		1 st Meeting dated 18/07/2019	2 nd Meeting dated 12/11/2019	Number of attendances
Abdullah H. Masri	Chairman	√	√	2
Yousuf A. Alireza	Member	√	√	2
Wadia A. Eshgi	Member	√	√	2

7. Where applicable, the means used by the Board to assess its performance, the performance of its committees and members and the external body which conducted the assessment and its relation with the Company, if any

The Board of Directors has established a mechanism for an annual 'Board Effectiveness Evaluation'. The mechanism elaborates on specific aspects of Board performance to ensure that the evaluation findings clarify any potential problems; identify the root cause(s) of these problems; and test the practicality of specific governance solutions. The annual Board evaluation exercise provides an assessment of the Board performance by the Board members themselves (including the CEO) as the sole sources of information for the evaluation process. This "Board-as-a-Whole" evaluation ensures that the Directors develop a shared understanding of their governance role and responsibilities. The assessment includes ten parameters covering the following premium axes: Membership Accountability; Governance; Board Operations; Legal Responsibility; Financials; Planning; and Board Member Relations. The Nomination and Remuneration Committee (NRC) presides over the evaluation process, hence, the NRC Secretary will be in charge of conducting the analysis and reporting of the results. A special workshop was conducted for all Board Members by a specialized third-party consultant for the purpose of assessing the Evaluation results and establishing the required Implementation Plan and KPIs.

8. Disclose the remuneration of the Board members and Executive Management as stated in Article (93) of Corporate Governance Regulations

Board members: (In SAR Thousands)

	Fixed remuneration							Variable remuneration					End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings committee	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)			

First: Independent Directors

1. Khalid bin Ali Al Ajlan	-	23	-	-	20	-	43	-	-	-	-	-	-	-	43	-
Total	-	23	-	-	20	-	43	-	-	-	-	-	-	-	43	-

Second: Non-Executive Directors

1. Meyassar A. Nowailati		18				960	978	-	-	-	-	-	-	-	978	-
2. Yousaf A. Zainal Alireza		18					18	-	-	-	-	-	-	-	18	-
3. Adnan A. Maimani		18					18	-	-	-	-	-	-	-	18	-
4. Abdullah Hassan Masri		12					12	-	-	-	-	-	-	-	12	-
5. Raaid Khaled Alireza		18					18	-	-	-	-	-	-	-	18	-
Total	-	84	-	-	-	960	1,044	-	-	-	-	-	-	-	1,044	-
Grand Total	-	107	-	-	20	960	1,087	-	-	-	-	-	-	-	1,087	-

Third: Executive Directors

1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Senior Executives : (In SAR Thousands)

Position	Fixed remunerations				Variable remunerations						End-of- service award	Total remunerations for Board executives, if any	Aggregate Amount
	Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
SCC Group President	1,070,000	374,500	0	1,444,500	0	0	0	0	0	0	106,875	270	1,821,375
Vice President, Operations	600,000	210,000	0	810,000	0	0	0	0	0	0	143,168	50,000	1,003,168
Vice President, Commercial (Acting)	372,500	130,375	0	502,875	0	0	0	0	0	0	94,500	30,000	627,375
Vice President, Finance	705,000	246,750	0	951,750	0	0	0	0	0	0	62,073	180,000	1,193,823
Vice President, Supply Chain Management	600,000	210,000	0	810,000	0	0	0	0	0	0	52,594	110,000	972,594
Total	3,347,500	1,171,625	0	4,519,125	0	0	0	0	0	0	459,209	640,000	5,618,334

Committees members: (In SAR Thousands)

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending meetings	Total
Audit Committee Members			
1. Khalid A. Al Ajlan	-	22	22
2. Adnan A. Maimani	-	12	12
3. Ziad S.Tayara	-	19	19
4. Mohammed A. Tumbi	-	-	-
Total	-	53	53
Remuneration & Nomination Committee Members			
1.	-	-	-
Total	-	-	-

9. Any Punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Capital Market Authority or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future

The following penalty was imposed on the Company by Capital Market Authority during 2019:

On 30 October, 2019 CMA imposed a penalty of SR 20,000 on the Company, due to the violation of paragraph (5) of Article (63) of the Rules on the Offer of Securities and Continuing Obligations.

The company is taking all possible measures to prevent these penalties from re-occurring.

10. Results of the annual review of the effectiveness of the internal control procedures of the Company and the opinion of the audit committee with respect to the adequacy of the Company's internal control system

Results and Findings of the Audit Committee:

- The current audit manual containing audit scope, functions of the Internal Audit Department, charter, procedures, code of ethics of the Department and Audit Plan was reviewed and found adequate and satisfactory.
- A review of the company's financial and operational policies/procedures and internal control system shows that policies/procedures and internal control system are satisfactory. The audit of the effectiveness of internal control for the year 2019 showed no substantial or material weakness in the company. However, with the implementation of IFRS effective 2018, the Committee has suggested to update the existing SCC Accounting Policy accordingly.
- The Committee convened several meetings during the year 2019 to review the financial and operational statements, internal control system, management's reports and reports of the internal auditor. The result of internal audit showed that the internal control system/procedures were effective throughout the Group. Examination and review of the books of account, financial transactions, reports, data and operational activities did not show any significant discrepancy. Verification of company's assets and properties were carried out. It has been suggested to the Management to update the Fixed Assets Record and conduct 100% physical verification at least once in a two year time.
- The Annual review of the effectiveness of the Internal Control System has not shown any intrinsic weakness in the company.
- The Committee held several meetings with the external auditors to review and discuss in detail the periodical/annual financials prepared by them and remarks/qualifications raised therein.
- The Audit Committee and Board of Directors have confirmed the effectiveness of the internal control procedures that the company's objectives have been achieved, and the published financial statements have been prepared in reliable and dependable manner in accordance with the accounting standards and related regulations and laws.

11. The audit committee's recommendation on the need for appointing an internal auditor for the Company, if there is no internal auditor

The Internal Audit Department already exists in the Company.

12. The audit committees recommendation with conflict with Board resolution or those which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor, as well as justifications for those recommendations and reasons for disregarding them

There was no conflict between the Audit Committee recommendations and the Board resolutions.

13. Details of the Company's Social Contributions, if any

Training center received around 32 trainees in 2019 from institute and university as mechanical engineering and electronical.

14. A list of the dates of the General Assembly meetings held during the last fiscal year and the names of the Board members who attended them.

The following 3 General Assembly meetings were held during the year 2019, the attendance of the Board Members to these meetings is marked against their names:

Names of Board Member	12/06/2019	15/12/2019	31/12/2019
	Ordinary General Assembly 43	Extraordinary General Assembly 25	Extraordinary General Assembly 26
Meyassar A. Nowailati	√	√	√
Raaid K. Alireza	√	-	√
Adnan A. Maimani	-	√	-
Abdullah H. Masri	-	√	√
Yousuf A. Alireza	-	√	√
Khalid H. Al Ajlan	√	√	√

15. A description of the main scope of business of the company and its affiliates. If there are two or more, a statement showing each activity and how it affects the company businesses and results shall be attached

Main activities of the Company

Activity (1) Cables & wires

Activity (2) Contracts

Activity (3) Switchgears & accessories

The effect of these main activities on the volume of the Company's business, and their contribution on the results, as shown below:

	Activity's Revenues IN SR'000	Percentage %
Activity (1) Cables & wires	265,032	70%
Activity (2) Contracts	89,985	24%
Activity (3) Switchgears & accessories	26,257	7%
Total	381,274	100%

Main activities of a Subsidiary company (1): Mass Projects for Power & Telecom

Activity (1): Supply of cables & accessories

Activity (2): Installation of Joints & Terminations

Activity (3): Testing & Commissioning

The effect of these main activities on the volume of the Subsidiary's business, and its contribution on the results, as shown:

	Activity's Revenues	Percentage %
Activity (1) Supply of cables & accessories	50,207	56%
Activity (2) Installation of Joints & Terminations	33,302	37%
Activity (3) Testing & Commissioning	6,476	7%
Total	89,985	100%

Main activities of a Subsidiary company (2): Elimsan

Activity (1): Manufacturing of cable accessories.

The effect of these main activities on the volume of the Subsidiary's business, and its contribution on the results, as shown:

	Activity's Revenues	Percentage %
Activity (1) Switchgears & accessories	26,257	100%
Total	26,257	100%

16. A description of the company's significant plans and decisions (including changes to the structure, expanding the company's operations or halting them) and the future expectations.

On 2 Sha'ban 1440H, corresponding to April 7, 2019, the Board of directors of the Company recommended an increase in the Company's capital by way of a rights issue with a total value of SR 250 million by issuing 25,000,000 shares at SR 10 each. The Company's request for capital increase was approved by the Capital Market Authority on December 2, 2019 and subsequently presented and unanimously approved by the Company's shareholders at the extraordinary general assembly held on December 31, 2019. However, as the legal formalities were not completed by year ended December 31, 2019, the Company's share capital remained at SR 110,614,060 consisting of 11,061,406 shares at SR 10 each.

The funds raised through this transaction are planned to be allocated mainly towards working capital needs of the Group with a portion to be invested in capital expenditure. The working capital injection serves as a breathe of air, enabling the SCC and it's affiliates to surface from a drowning state, claiming it's rightful place as one of the top tier local manufacturers and service providers in the Kingdom. The investments in machinery and capital resources are to sustain this ramp up over the transition period and guide the Group towards achieving it's goals and objectives, bringing the Group on track towards achieving it's vision.

Subsequent to December 31, 2019, the Company finalized procedures related to the capital increase by way of rights issue of SR 250m where proceeds were deposited to the Company on February 20, 2020. After fulfilling all regulatory requirements, the Company's share capital post increase was SR 360,614,060 consisting of 36,061,406 shares.

17. Information on any risks facing the company (operational, financial or market related) and the policy of managing and monitoring these risks

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow and interest rate risks), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of markets and seeks to minimize potential adverse effects on the Group's financial performance. A risk matrix is plotted based on impact (severity) and likelihood (probability). Risks that have a medium to high score in terms of impact and likelihood are as follows:

1. Credit risk (withdrawal of credit line received / non-compliance of credit provided)
2. Zakat and tax exposure risk
3. Political risk

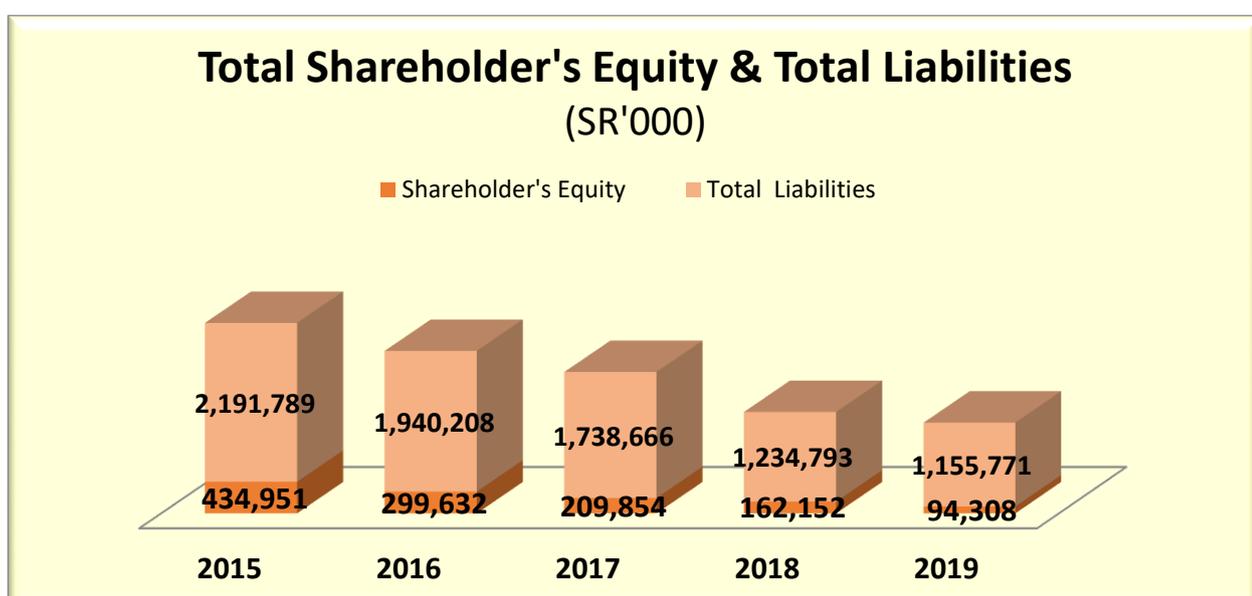
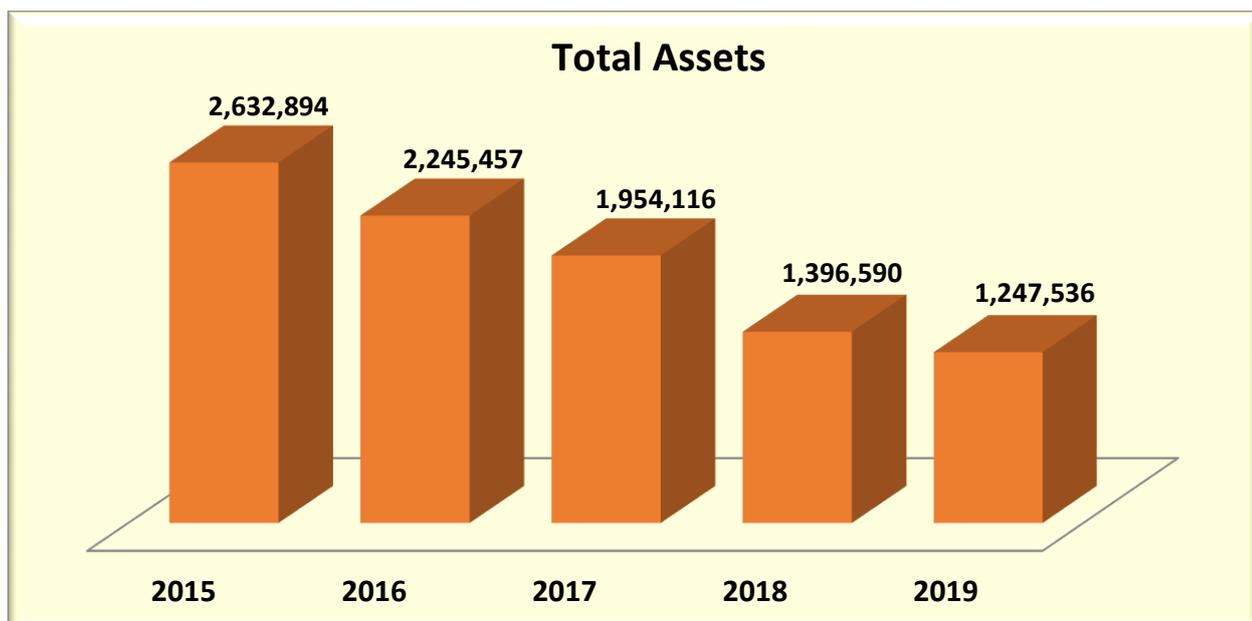
The Group has established controls on counter-party risks and uses derivative instruments to hedge its major risk exposures. Property risks, Business Interruption, Public/Product Liability etc. are covered through appropriate insurance policies.

Risk management is carried out by senior management under policies approved by the Board of Directors. The most important types of risks are credit risks, currency risk and fair value, cash flow and interest rate risks.

18. A summary in a form of table or graph showing the company's assets, liabilities and results of the last five fiscal year or since the incorporation date, whichever is shorter

Condensed Statement of Financial Position (5 Years)

Description	As of 31 December				
	(SR'000)				
	2015	2016	2017	2018	2019
Current Assets	1,222,560	1,008,934	892,923	631,484	521,638
Non - Current Assets	1,410,334	1,236,523	1,061,193	765,106	725,898
Total Assets	2,632,894	2,245,457	1,954,116	1,396,590	1,247,536
LIABILITIES AND SHAREHOLDERS' EQUITY:					
Current liabilities	1,928,747	1,263,136	1,197,083	1,001,384	708,733
Non - Current liabilities	263,042	677,072	541,583	233,409	447,038
Total Liabilities	2,191,789	1,940,208	1,738,666	1,234,793	1,155,771
Shareholders' Equity	434,951	299,632	209,854	162,152	94,308
Minority Interest	6,154	5,617	5,596	(355)	(2,543)
Total Liabilities and Shareholders' Equity	2,632,894	2,245,457	1,954,116	1,396,590	1,247,536



Condensed Statement of Comprehensive income (5 Years)

DESCRIPTION	Year ended 31 December				
	(SR'000)				
	2015	2016	2017	2018	2019
Revenue	1,918,059	1,564,555	1,342,477	865,023	381,274
Costs and Expenses	(1,986,235)	(1,831,573)	(1,387,190)	(836,076)	(433,443)
Net Profit/(Loss) before equity share of Profit/(Loss) from Associates and zakat	(68,176)	(267,018)	(44,713)	28,947	(52,169)
Equity Share of Profit/(Loss) from Associates	83,763	42,577	(23,238)	(86,490)	395
Net Profit/(Loss) before Zakat	15,587	(224,441)	(67,951)	(57,543)	(51,774)
Zakat & Income Tax	(13,900)	(10,952)	(12,362)	(5,409)	(10,057)
Net Profit/(Loss)	1,687	(235,393)	(80,313)	(62,952)	(61,831)

19. Geographical analysis of the company's and its affiliates' revenues

The Group's revenues in 2019 were SR 381 million as compared to SR 865 million in 2018.

The Group's consolidated revenues include sales from its Turkish and UAE subsidiaries, but do not include the revenues of Midal Cables, which is 50% owned by SCC. Midal Cables recorded revenue of SR 2,831.6 million in 2019.

The Geographical distribution of the revenues was:

Region	SR Million	
	2019	2018
Kingdom of Saudi Arabia (KSA) & GCC	354	702
Rest of the World	27	163
TOTAL REVENUE	381	865

Revenue was generated from the following segments:

Revenue From	SR Million	
	2019	2018
Product Sales	291	801
Projects & Contracting	90	64
TOTAL REVENUE	381	865

Geographical distribution of net profit / (loss):

Region	SR Million	
	2019	2018
Kingdom of Saudi Arabia and the Gulf region	-40	13
The rest of the world	-22	-76
TOTAL	-62	-63

20. Any material differences in the operational results compared to the preceding year's results, along with any expectations announced by the company

The Group made a net loss of SR 61.8 million as compared to the net loss of SR 62.9 million last year and the change in net losses of the current year compared with net loss of the previous year are mainly due to following impacts:

- Close monitoring and strict control over spending minimized expenses as compared to the previous year.
- Negotiations with a formerly restructured lender waived off finance cost.
- Restructuring debt with 2 main lenders of the Parent, shifting majority of immediate dues over 2 to 6 years with a debt moratorium to facilitate sustainable growth.
- Share of results from associates reached breakeven as compared to significant losses in 2018.
- Reached a zakat settlement with the General Authority of Zakat and Tax to waive an amount of SR 33 million from its obligations for assessment raised up to 2012.
- Lower volumes and margins in 2019 as compared to 2018 due to severe working capital constraints resulted in heavy unutilized capacity and thereby unrecovered fixed costs.

21. Any Inconsistency with the standards approved by the Saudi Organizations for Certified Public Accountant

The Consolidated financial position of the Group as of December 31, 2019, and its financial performance for the year ended are in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants.

22. Name of each affiliate company, its capital, the company's ownership percentage, the main scope of business, country of operation and country of incorporation

Subsidiaries and associates of the Saudi Cable Company Group

Subsidiaries	Principal Field of Activities	Country of Incorporation	% of Capital held Directly or Indirectly	Capital as per Nominal Share Value in SR Million
Domestic				
Saudi Cable Company for Marketing Limited	Purchase and sale of electrical cables and related products	Saudi Arabia	100%	10.0
Mass Projects for Power and Telecommunications Limited	Turnkey power and telecommunication projects	Saudi Arabia	100%	10.0
Mass Centers for Distribution of Electrical Products Limited	Electrical & telecommunication distribution services	Saudi Arabia	100%	44.5
International				
Mass Kablo Yatirim Ve Ticaret Anonim Sirketi (Previously Mass Holding Anonim Sirketi)	Holding Company	Turkey	100%	477.3
Mass International Trading Company Limited (dormant)	International trade	Ireland	100%	0.6
Fairhaven Holdings Ltd.	Holding Company	Seychelles	100%	0.2
Kablat Holding Limited	Holding Company	Malta	100%	0.01
Gozo Gayrimenkul Anonim	Holding Company	Turkey	100%	0.03
Valleta Gayrimenkul Anonim Sirketi	Holding Company	Turkey	100%	0.03
Saudi Cable Company (U.A.E) L.L.C.	Sale of cables and related products	United Arab Emirates	100%	1.0
Elimsan Group of Companies	Manufacturer of Switch Gears, Transformers and related accessories	Turkey	94.4%	216.9
Midal Cables W.L.L.	Conductors, Rods & related products	Bahrain	50%	124.3
XECA International Information Technology	Implementation of Information Systems and Network Services	Saudi Arabia	25%	13.2

Midal Cables W.L.L.

The Company owns 50% of Midal Cables Limited – Bahrain, which is engaged in the manufacture and supply of Aluminum alloy rods, wires and conductors and related products. Midal Cables mainly carries out operates in Bahrain, Turkey, Saudi Arabia and Mozambique.

Subsidiary	Country of Incorporation	Share-holding %	Principal activities
Aluminum Wheel Company S.P.C (Aluwheel)	Bahrain	100	Manufacturing and supply of fabricated metal product, alloy and aluminium wires.
Bahrain Welding Wire Products Manufacturing Company W.L.L	Bahrain	75	Manufacturing of aluminum rods.
Metal Form S.P.C	Bahrain	100	Manufacturing of alloy wires, aluminum clad steel wire, core and conform products and providing processing services.
Midal Kablo Sanayi ve Ticaret A.Ş	Turkey	100	Manufacturing and supply of aluminum alloy rods, wires and conductors.
Midal Cables International Pty Ltd.	Australia	90	Manufacturing and supply of aluminum and aluminum alloy rods, wires and conductors.
Midal Cables Private Ltd.	India	100	The commercial operations have not commenced yet.
Midal Cables International Limited	Mozambique	100	Manufacturing and supply of aluminum and aluminum alloy rods, wires and conductors.
Midal Cables International FZE	UAE	100	Provision of engineering and management services.
Sohar Electrical Industries L.L.C.	Oman	-	The commercial operations have not commenced yet.
Midal Cables International Limited	UK	100	Marketing the products of Midal in Europe and Turkey.
Midal Cables International SDN. BHD.	Malaysia	100	Marketing the products of Midal in Asia, Australia and New Zealand.
Midal Cables Marketing Ltd.	Kenya	100	Dormant
Midal Cable International Ltd.	Canada	100	Marketing the products of Midal in Americas and Canada.
Midal Cables Saudi Arabia Limited	Saudi Arabia	100	Provide commercial services and produce rods, wires, cables and conductors.
Midal Electrics Company	Bahrain	100	Dormant.
Tunaverken Sweden A.B. (owned by Aluwheel)	Sweden	100	Managing shares and other securities, manufacturing and trading of parts for motor vehicles and runs consultancy business.
Midal Cable Marketing Ltd. Nigeria	Nigeria	100	Marketing the products of Midal in Africa.
Midal Cable Marketing Ltd. South Korea	South Korea	100	Marketing the products of Midal in Asia.
Leader Makina San. Ve Tic. A.S.	Turkey	100	Manufacture and distribution of drums, machine (trailer/silobas), container and construction.

XECA International Information Technology

The Company currently owns 25% of XECA. XECA was engaged in the supporting of Information Systems and Network Services to many companies within and outside the Group, including SCC. In 2016, a decision was made to discontinue XECA'S operations and as of December 31, 2019, XECA is under the process of liquidation.

23. Details of shares and debt instruments issued for each affiliate company

Not applicable

24. A descriptions of the dividends distribution policy

Distribution of the Company's Profits shall be completed after deducting all general expenses and other costs as the following:

- A sum of (10%) of the net profits shall be set aside to form the Company's Statutory Reserve. The Ordinary General Assembly may stop such saving when the said reserve equals (30%) of the Company's paid-up Capital.
- The Ordinary General Assembly upon recommendation passed by the Board of Directors may set aside (10%) of the net profits to form an agreed reserve that shall be allocated for a certain purpose(s).
- The Ordinary General Assembly may decide to form other reserves, to the extent that shall realize the Company's interest or guarantees distribution of fixed profits as much as possible, for the shareholders.
- Then the remaining amount shall be distributed to the Shareholders representing (5%) at least of the Company's paid-up Capital.
- Subject to the provisions set in Article (19) of the Company's Bylaws and Article (76) of the Companies' law, after the aforesaid, no more than (10%) of the remaining shall be allocated as remuneration for the Board of Directors, and the entitlement for this remuneration shall be in accordance with the applicable regulations in this respect.

25. A description of any interest in a class of voting shares held by persons (other than the company's directors, Senior Executives and their relatives) who have notified the company of their holdings pursuant to Article 68 of the Rules on the Offer of Securities and Continuing Obligations, together with any change to such interests during the last fiscal year

Not applicable.

26. A description of any interest, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the company or its affiliates, and any change on these interest or rights during the last fiscal year

Board Members:

Name	Position	Period Start		Period End		Net Change	Change %	Ownership of first degree relatives & changes therein
		Stocks	Debt Instruments	Stocks	Debt Instruments			
Khalid A. Alireza	Non-Executive Director	98,317	-	98,317	-	-	-	Included
Abdullah H. Masri	Non-Executive Director	372	-	372	-	-	-	-

Adnan A. Maimani	Non-Executive Director	145	-	145	-	-	-	-
Yousuf A. Alireza	Non-Executive Director	145	-	145	-	-	-	-
Raaid K. Alireza	Non-Executive Deputy Chairman	14,554	-	14,554	-	-	-	-

Senior Executives:

Name	Position	Year Start		Year End		Net Change	Change %	Ownership of first degree relatives & changes therein
		Stocks	Debt Instruments	Stocks	Debt Instruments			
Hesham A. Ismail*	Vice President Commercial & Corporate Affairs	914	-	914	-	-	-	-

* Mr. Hesham resigned from SCC on 31 August, 2019, from beginning of 2019 till he left he was holding 914 Shares.

27. Information on any loans (payable upon request or not), a statement of the total indebtedness of the company and its affiliates, any amounts paid by the company in repayments of loans during the year, the amount of the principal debts, the creditor name, the loan term and remaining amount. In case there is no debts, a declaration thereof shall be presented

The following table shows Saudi Cable loans from commercial banks, Islamic banks and government agencies:

Long term loans

Borrowing Company	Lender	Loan Tender (Years)	Principle Loan	Balance on December 31, 2018	Repayment during 2019	Waiver/ derecognition / Addition 2019	Transfer to/(from) Short Term Loan	Balance on December 31, 2019
TERM LOANS								
Saudi Cable Company	Saudi Industrial Development Fund	5 Years	191,460	109,250	(1,960)	-		107,290
	Total SIDF		191,460	109,250	(1,960)	-	-	107,290
Restructured bank loans	Al Rajhi Bank- Facility - A	2 Years	159,988	92,114		2,283	(36,097)	58,300
	Al Rajhi Bank - Facility - B	6 Years	31,578	169,779			36,097	205,876
	Total Comercial Banks		191,566	261,893	-	2,283	-	264,176
Total Saudi Cable Co.			383,026	371,143	(1,960)	2,283	-	371,466
ELIMSAN	Yapi ve Kredi Bankasi A.S.	5 Years	7,136	-	(794)	1,914	8,051	9,171
	Turkiye Is Bankasi	5 Years	9,540	-	(1,156)	1,799	8,996	9,639
	Kuveyt Turk Katilim Bankasi A.S	5 Years	6,551	-	(1,102)	1,965	6,889	7,752
	Deniz Bank A.S	5 Years	8,929	889	(710)	857	7,386	8,422
	Vakif Bank	5 Years	6,375	-	(306)	135	6,064	5,893
	Asya Katilim Bankasi A.S		-	-	(601)	371	3,983	3,753
Total Elimsan			38,531	889	(4,669)	7,041	41,368	44,630
Total			421,557	372,032	(6,629)	9,324	41,368	416,096
Less : Current Portion	Saudi Industrial Development Fund			(980)			(1,020)	(2,000)
	Comercial Banks			(187,393)			151,478	(35,915)
Total Long Term Loans			421,557	183,659	(6,629)	9,324	191,826	378,181

Short term loans

Borrowing Company	Lender	Loan Tender (Years)	Principle Loan	Balance on December 31, 2018	Repayment during 2019	Waiver/ derecognition / Addition 2019	Transfer from Term Loan	Balance on December 31, 2019
SHORT TERM LOAN								
Saudi Cable Company	Saudi British Bank	2 months	15,233	3,141	(38,325)	51,260	-	16,076
	Total Saudi Cable Co.		15,233	3,141	(38,325)	51,260	-	16,076
Mass Kablo	Vakif Bank	1.5 Years	9,375	4,908	(4,908)	-	-	-
Total Mass Kablo			9,375	4,908	(4,908)	-	-	-
ELIMSAN	Yapi ve Kredi Bankasi A.S.	5 Years	8,095	8,051			(8,051)	-
	Turkiye Is Bankasi	5 Years	8,996	8,996			(8,996)	-
	Kuveyt Turk Katilim Bankasi A.S	5 Years	8,022	6,889			(6,889)	-
	Kuveyt Turk Katilim Bankasi A.S	1 Year	1,039	1,076	(768)		-	308
	Asya Katilim Bankasi A.S	5 Years	3,992	3,983			(3,983)	-
	Deniz Bank A.S	5 Years	8,281	7,386			(7,386)	-
	Vakif Bank	5 Years	5,943	6,064			(6,064)	-
Total Elimsan			44,368	42,444	(768)	-	(41,368)	308
Total Short Term Loans			68,976	50,492	(44,001)	51,260	(41,368)	16,384

28. A description of the class and number of any convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the company during the fiscal year, as well as stating any compensation obtained by the company in this regard

Not applicable

29. A description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company

Not applicable

30. description of any redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the company and those purchased by its affiliates

Not applicable

31. The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of the attendees

Name	Title	1 st Meeting dated 19/03/2019	2 nd Meeting dated 25/07/2019	3 rd Meeting dated 15/12/2019	Total Meetings Attended
Meyassar A. Nowailati	Chairman	√	√	√	3
Khalid A. Alireza	Member	-	-	-	All Proxies.
Abdullah H. Masri	Member	√	√	√	3
Adnan A. Maimani	Member	√	√	√	3
Khalid H. Al Ajlan	Member	√	√	√	3
Yousuf A. Alireza	Member	√	√	√	3
Raaid K. Alireza	Vice Chairman	√	√	√	3

32. Numbers of Company's requests of shareholders records, dates and reasons thereof

15 records were requested for the shareholders of the Company during the year 2019 as shown in the following table:

S.No.	Date	Reason
1	3 January	For Company Procedures
2	10 January	
3	7 February	
4	14 February	
5	21 February	
6	10 March	
7	28 March	
8	18 April	
9	13 May	
10	12 June	To determine the eligibility for attending the Ordinary General Assembly 43
11	29 July	For Company Procedures
12	12 November	To determine the eligibility for attending the Extraordinary General Assembly 25
13	11 December	For Company Procedures
14	15 December	To determine the eligibility for attending the Extraordinary General Assembly 25 (Third Meeting)
15	31 December	To determine the eligibility for attending the Extraordinary General Assembly 26

33. A description of any transaction between the company and any Related Party

Board Member's Name	The Company Contracted with	Nature of Transactions and contracts	Conditions of Transactions and contracts	Term of Transactions and contracts	Amount of Transactions and contracts SAR ('000s)
Midal Cable Company is comprised of six members, three of which are appointed by Saudi Cable Company, these are: - Meyassar Anwar Nowailati. - Abdulhadi Abulkhair. - Ashfaque Sayed.	Midal Cable Company	Purchase of raw material	Ordinary transactions without any preferential terms or benefits	Annual Contracts	11,461
		Directors remuneration			2,344
		Others			1,868
- Mr. Khalid A. Alireza. - Mr. Yousuf A. Alireza.	Xenel Industries Co. Ltd.	Recharged expenses by the Group	Ordinary transactions without any preferential terms or benefits	Annual Contracts	8
Saudi Cable Company owns 25% and Xenel Industries Co. Ltd. also owns 25% of the Capital of Xeca International Co., and it is represented by Mr. Yousuf A. Alireza.	Xeca International Co.	Expenses incurred by the Group	Ordinary transactions without any preferential terms or benefits	Annual Contracts	445

34. Information relating to any business or contract to which the company is a party and in which a director of the company, a Senior Executive or any person related to any of them is or was interested, including the names of persons in relation, the nature, conditions, durations and the amount of the business or contract. If there are no such businesses or contracts, the company must submit a statement thereof

The Board of Directors of the Company declare that except for the information mentioned in the table above (item#33), there are no businesses or contracts to which the Company is a party, and in which a Director of the Company or its senior executives or any person related to any of them is or was interested.

35. A description of any arrangement or agreement under which a director or a Senior Executive of the company has waived any remuneration

Not applicable.

36. A description of any arrangement or agreement under which a shareholder of the company has waived any rights to dividends

Not applicable.

37. A statement of the value of any paid and outstanding statutory payment on account of any zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period with a brief description and the reasons therefor

	2019		Brief description	Reasons
	Paid SAR ('000s)	Charges that have not been paid until the end of the annual financial period SAR ('000s)		
Zakat	11,387	NIL	During the year 2019, the Company filed its Zakat and Tax Return relating to year ended 31 December 2018, with General Authority of Zakat and Tax (GAZT) and paid Zakat amounting to SAR 11,387 thousands.	Zakat payable as at 31 Dec 2019 will be paid when Zakat and Tax Return for 2019 will be filed in the Year 2020.
Taxes	-	NIL	NIL	NIL
General Organization for Social Insurance	6,366	NIL	During the year 2019, the amount of annual subscription	-
Costs of visas and passports	135	NIL	Paid to Ministry of Interior (MOI).	Renewal of Iqamas, Passports and Visas.
Labor Office Fees	3,179	NIL	Paid to Ministry Labor Office (MOL).	Renewal of the work permits.

38. A statement as to the value of any investments made or any reserves set up for the benefit of the employees of the company

In continuation of Management's effort to improve the overall performance and boost the morale of employees, it has been decided to implement an incentive scheme for the "Thank You Card" holders. Therefore,

The winners will be paid as per the following scheme:

- 1- This scheme is applicable to staff with Grade B2 and below (Senior Managers & below).
2. It is applicable to employees who individually awarded with Thank You Cards (minimum 2) by the Group President in one calendar year (Jan to Dec).
- 3- An employee received cash incentive from any other scheme during preceding year related to same significant contribution and accomplishments are not eligible for further incentive.
- 4- Incentive of SAR 5000 for 2 Thank You Card holders (with basic salary less than SAR 10,000) and an addition of SR2500 for each additional card. 50% of basic salary will be awarded for 2 Card holders (with basic SAR 10,000 or above) and an addition of 25% of basic for each additional card.
- 5- The payment of this incentive scheme will be awarded `Once per year` in the month of January of succeeding year considering the achievement of previous year.
- 6- As a pre-requisite, the Annual Performance Appraisal of the eligible employee must not be lower than 3(meet expectation) during the year considering for incentive.

39. Declarations of the Board of Directors

The Board of Directors declares the following:

- 1- Proper books of account have been maintained
- 2- The system of internal control is sound in design and has been effectively implemented
- 3- There are no significant doubts concerning the company's ability to continue its activity

40. If the external auditor's report contains reservations on the annual financial statements, the Board report shall highlight this mentioning the reasons and any relevant information

The independent auditor's report on the financial statements for the year ended December 31, 2019 contained a modified opinion. Excerpts relating to modifications are below.

Basis for Qualified Opinion

The subsidiary; Mass Kablo Ve Ticaret Anonim Sirketi, reported a net loss amounting to SAR 21.9 million for the year ended December 31, 2019 and its accumulated losses as of have reached to SAR 435.2 million, representing 91.2% of the Subsidiary's share capital, which indicate a significant doubt about its ability to continue as going concern and its ability to meet its obligations when it becomes due. The Subsidiary has been and is still in the process of restructuring its liabilities to its creditors and plans to reduce its payables with future cash flows from its current projects. Therefore, the Company's Management does not foresee any risk regarding going concern and has prepared their financial statements under going concern basis. Accordingly, these facts raise an indication of going concern issue and we are not able to obtain a sufficient appropriate audit evidence to satisfy ourselves that the subsidiary will be able to continue its operation in the future.

41. If the Board recommended replacing the external auditor before the end of its term, the report shall indicate this mentioning the reasons for the replacement recommendation

Not applicable.

42. Treasury shares held by the Company and details of the uses of such shares

Not applicable.

Note: The BOD's has approved this report through a circulated resolution on April 28, 2020.