Annual Report

Saudi Cable Company

2023

بسم الله الرحمن الرحيم

الكابلات السعودية
Saudi Cable

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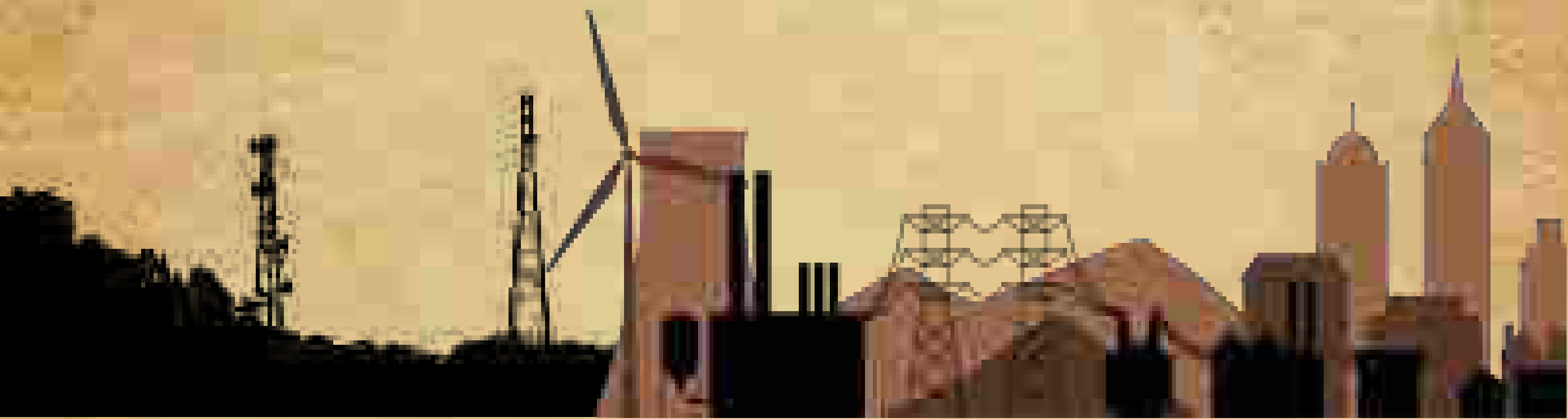


About Saudi Cable Company

SCC is a leading manufacturer of power cables, telecommunications cables, and fiber optic cables in Saudi Arabia. The company was founded in 1975 and is headquartered in Jeddah, Saudi Arabia.

The Saudi Cable Company's product portfolio includes a wide range of cables, such as high and low voltage power cables, instrumentation cables, control cables, and optical fiber cables. The company's products are used in various industries, including energy, infrastructure, telecommunications, and transportation.

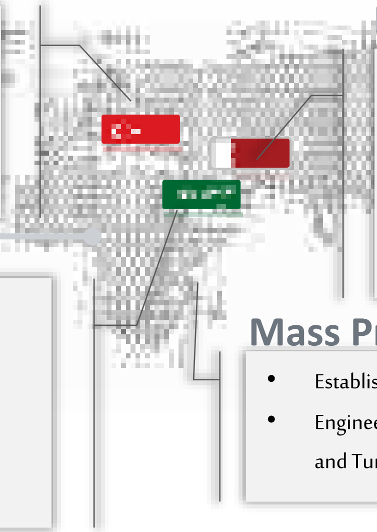
The company has a strong presence in the Middle East and North Africa region and exports its products to more than 40 countries worldwide. SCC is committed to delivering high-quality products and services to its customers and has obtained various certifications, such as ISO 9001, ISO 14001, and OHSAS 18001.

In addition to its manufacturing capabilities, SCC also provides engineering and project management services to its customers. The company has a team of experienced engineers and project managers who work closely with customers to design and implement customized cable solutions.

SCC is also committed to sustainability and has implemented various initiatives to reduce its environmental impact. These initiatives include reducing energy consumption, minimizing waste, and promoting eco-friendly practices across the organization.

Overall, SCC is a well-established and reputable company in Saudi Arabia and the wider region, known for its high-quality products, engineering expertise, and commitment to sustainability.

Subsidiaries



Elimsan

- Established in 1980
- Product line includes Metal Clad enclosed switchgear, CT, VT
- In 2009, SCC acquired 79% of the group's equity (Currently 94%)

Midal Cables

- Established in 1977
- SCC became an 50% shareholder in 1984
- Products includes aluminum and aluminum alloys rods, wires and conductors.

SCC KSA

- Established in 1975
- Product line includes power (LV, MV, HV) and telecommunication cables (Fiber and instrumentation)
- 60,000 MT per year capacity
- ISO 9001 & 45001 certified

The group is currently in the process of winding down

Mass Projects

- Established in 1995
- Engineering, Construction and Turnkey projects

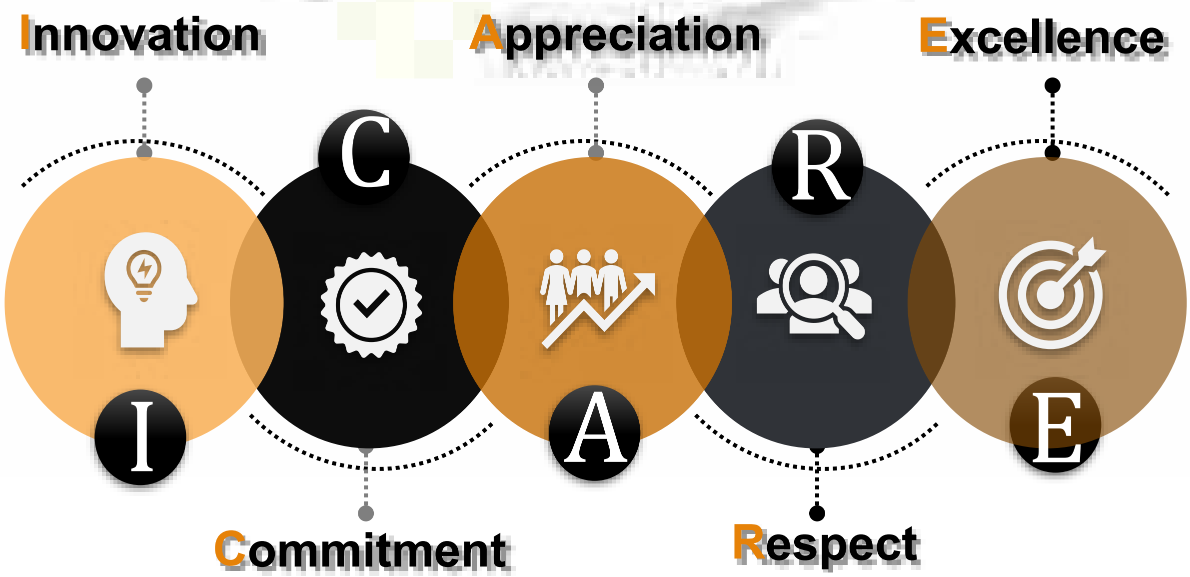
VISION STATEMENT

To become a leading provider of innovative and high-quality power cable solutions in Saudi Arabia and the global market. We aim to leverage our expertise, technology, and commitment to customer satisfaction to become the partner of choice for customers seeking reliable and efficient power cable solutions.

MISSION STATEMENT

To provide exceptional quality power cable solutions that meet the needs of our customers in Saudi Arabia and beyond. We are committed to using the latest technology and best practices to design, manufacture, and deliver our products to the highest standards of quality, reliability, and safety. We strive to build long-term relationships with our customers based on trust, transparency, and mutual respect. Our goal is to be a responsible corporate citizen that contributes to the economic, social, and environmental well-being of the communities we serve.

VALUES



الكابلات السعودية
Saudi Cable

Governance

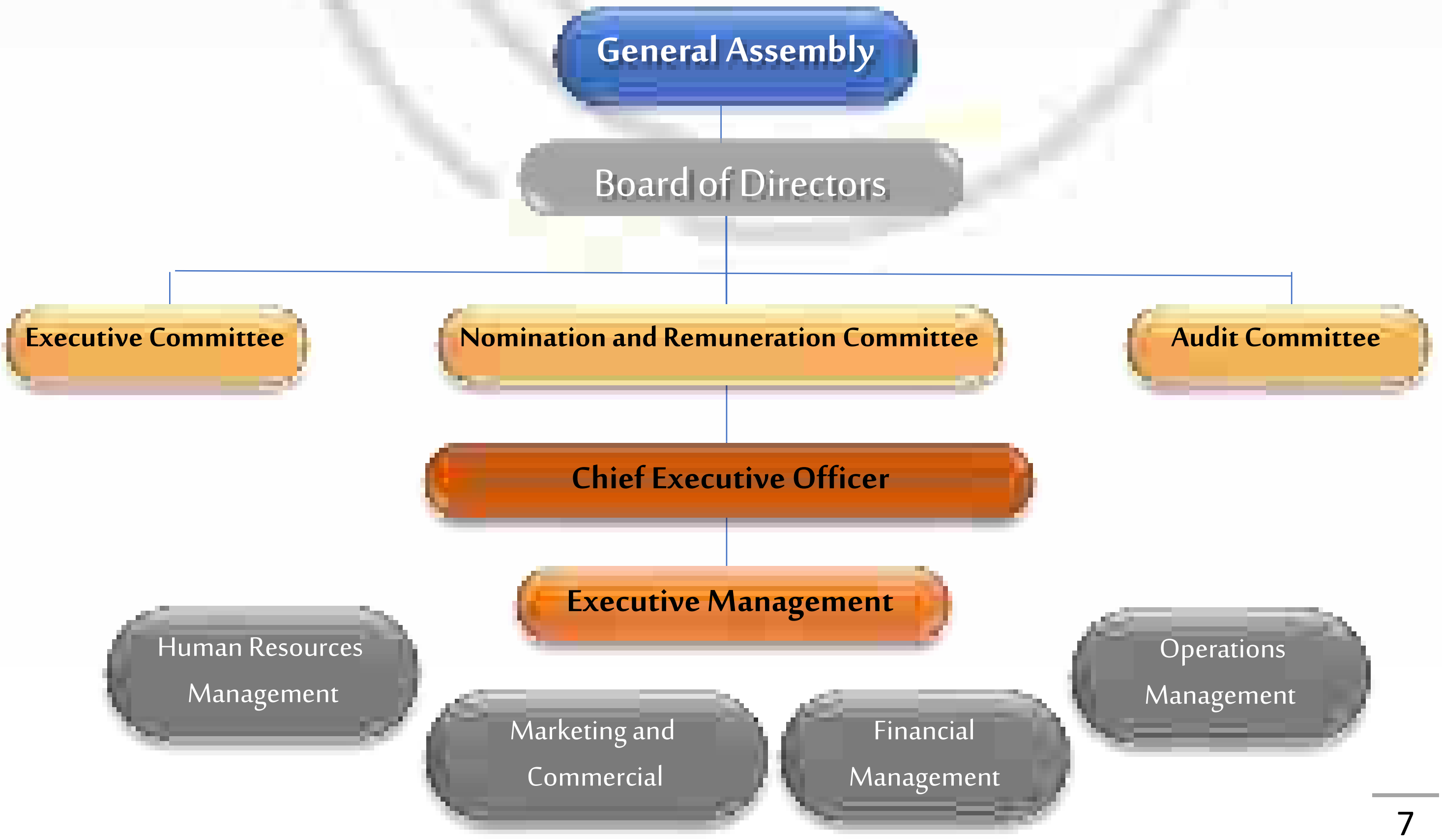
1. **Implemented and non-implemented provisions of these Regulations, and justifications, therefore.**

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

2. **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.**

   In accordance with the procedures applied in the company, shareholders give their opinions and suggestions at the General Assembly Meetings of Shareholders. Which discussed with the attendees of the Board of Directors at the General Assembly Meetings and, in case of any new proposals, shall be present at the first meeting of the Board of Directors following the General Assembly Meeting.

Board of Directors ,Committees and Executive Management



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

Abdulrahman I. Alkhayal
Independent

Nael S. Fayez
Executive

Abdulhadi A. Abulkhair
Non-Executive

Meyassar A. Nowailati
Independent

Khalid M. Bawazeer
Independent

Azhar M. Kenji
Independent

Saleh A. Al Shathry
Independent

Ali M. Al Attas
Independent

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

A. Names, qualifications, and experience of the Board members.

Name	Current position	Previous position	Qualifications	Experience
Abdulrahman I. Al Khayal	Chairman of Board of Directors, Member of Nomination & Remuneration Committee	Chairman of Board of Directors, Member of Nomination & Remuneration Committee	Master's degree in business administration	Experience in Business Administration and Membership of many Boards of Directors and its Committees
Nael S. Fayez	Board Member & CEO	Board Member & Managing Director	Executive master's in business administration	Executive and Administration Experience

Name	Current position	Previous position	Qualifications	Experience
Abdulhadi A. Abulkhair	Board Member	Board Member	Bachelor's Degree of Science in Applied Chemical Engineering	Industrial and Corporate Management
Saleh A. Al Shathri	Board Member, Chairman of Nomination and Remuneration Committee	Board Member, Chairman of Nomination and Remuneration Committee	Bachelor's degree in administrative science	Corporate Laws and Executive Management
Meyassar A. Nowailati	Board Member, Member of Nomination and Remuneration Committee	Board Member, Member of Nomination and Remuneration Committee	Bachelor's degree in science in Finance	Corporate Banking & Financial analysis and Public Administration
Ali M. Al Attas	Board Member, Member of Nomination and Remuneration Committee	Board Member, Member of Nomination and Remuneration Committee	Master's degree in business administration	Industrial and Commercial Marketing and Corporate Management
Azhar M. Kenji	Board Member & Member of Audit Committee	Board Member & Member of Audit Committee	Bachelor's Degree of Science in Industrial Engineering	Executive experience in the field of Public Administration and Membership of Board of Directors and its Committees
Khalid M. Bawazeer	Board Member	Board Member	Bachelor's degree in industrial engineering	Executive and Administration Experience

B. Names, qualifications, and experience of the Committees' members

Audit Committees' members:

Name	Current position	Previous position	Qualifications	Experience
Ghaith Raji (1)	Chairman of Audit Committee	Chairman of Audit Committee	Master's and bachelor's degrees in business administration	Executive experience in auditing
Omar Bahathiq (2)	Member of Audit Committee	Member of Audit Committee	Master's degree in business administration and bachelor's degree in accountant	experience in auditing
Majed Kareem (3)	Chairman of Audit Committee	-	Bachelor of Administrative Sciences in Financial Management	Financial Advisor, Founder of KK Advisory Financial Consulting Company, Member of the Board of Directors of many listed and closed joint stock companies. He also chaired several audit and risk committees.
Mohammed Daghestani (4)	Member of Audit Committee	-	Master's degree in business administration and bachelor's degree in accountant	auditor, financial analyst, head of finance, accounting manager, and serves as a member of the audit committee in several listed, closed, and governmental companies
Azhar Kenji	Member of Audit Committee	Member of Audit Committee	Bachelor's Degree of Science in Industrial Engineering	Executive experience in the field of Public Administration and Membership of Board of Directors and its Committees

(1) Mr. Ghaith Raji resigned from the Audit Committee on 01/05/2023

(2) Mr. Omar Bahathiq resigned from the Audit Committee on 01/05/2023

(3) Mr. Majed Kareem started as a member of the Audit Committee on 09/05/2023

(4) Mr. Mohammed Daghestani started as a member of the Audit Committee on 09/05/2023

Nominations and Remuneration Committee

Name	Current position	Previous position	Qualifications	Experience
Saleh Alshathry	Chairman of the Nominations and Remunerations Committee and Member of the Executive Committee	Chairman of the Nominations and Remunerations Committee and Member of the Executive Committee	Bachelor's degree in administrative science	Corporate Laws and Executive Management
Abdulrahman Alkhayal	Member of the Nominations and Remunerations Committee	Member of the Nominations and Remunerations Committee	Master's degree in business administration	Experience in Business Administration and Membership of many Boards of Directors and its Committees
Meyassar Nowailati	Member of Nomination and Remuneration Committee	Member of the Nominations and Remunerations Committee	Bachelor's degree in science in Finance	Corporate Banking & Financial analysis and Public Administration
Ali Alattas	Member of the Nominations and Remunerations Committee	Member of the Nominations and Remunerations Committee	Master's degree in business administration	Industrial and Commercial Marketing and Corporate Management

C. Names, qualifications, and experience of the Executive Management.

Name	Current position	Previous position	Qualifications	Experience
Nael S. Fayez	Board Member & CEO	Board Member & Managing Director	Executive master's in business administration	21 Years
Lowi A. Bakhsh	Chief of Staff	Technical data manager	Bachelor's degree in mechanical engineering	18 Years
Mohamed K. Bagasi	Chief Commercial Officer	Communications Factory Manager	Bachelor's degree in mechanical engineering	17 Years
Abdul Aziz M. Batarfi	Financial Controller	Senior Finance Manager	Bachelor of Accounting	12 Years
Assim M. Qari	Operations Director	Operations Director	Bachelor's degree in mechanical engineering	17 Years

(1) Eng. Lowi Bakhsh (Chief of Staff) appointed on 01/08/2023.

(2) Eng. Mohamed Bagasi (Chief Commercial Officer) appointed on 01/08/2023.

(3) Mr. Abdul Aziz Batarfi (Financial Controller) appointed on 01/08/2023.

5. 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)
Abdulrahman I. Al Khayal	Fast Form Manufacturing Industry	Inside the Kingdom	Individual Institution	Midal Cables Company	Outside the Kingdom	Closed Joint Stock
	Association of Construction Technologies and Real Estate Development	Inside the Kingdom	Cooperative Association	Chemical Industries Association	Inside the Kingdom	Cooperative Association
	Qarar Financial Technology Company	Inside the Kingdom	Closed Joint Stock	-		

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)
Khalid M. Bawazeer	Al Manara Business	Inside the Kingdom	Businessmen Forum	-		
	NIF Group	Outside the Kingdom				
	Saudi Turkish Business Council	Inside the Kingdom				
	Saudi Indian Business Council	Inside the Kingdom				
	Jeddah Chamber	Inside the Kingdom				
	Gulf Marketing Association	Inside the Kingdom	Association			
	Friends of the Society	Inside the Kingdom	Charity			
	Al-Wedad Charitable Society	Inside the Kingdom	Charity			
Nael S. Fayez	Strategic Sustainability Solutions	Inside the Kingdom	Limited liability	-		
	INJAZ – Saudi Arabia	Inside the Kingdom	A national not- profit initiative			

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)
Abdulhadi A. Abulkhair	-	-	-	-	-	-
Saleh A. Al Shathry	Midal Cables Company	Outside the Kingdom	-	-	-	-
Meyassar A. Nowailati	Tunisian Saudi Bank	Outside the Kingdom	Closed Joint Stock	-		
	Saudi Moroccan Investment of Development Company	Outside the Kingdom	Closed Joint Stock			
	Dar Aletiman Al Saudi	Inside the Kingdom	Closed Joint Stock			
Ali M. Al Attas	-	-	-	-	-	-
Azhar M. Kenji	Arabian Plastic Industrial Co. (APICO)	Inside the Kingdom	Public Joint Stock	Takween Company for Advanced Industries	Inside the Kingdom	Public Joint Stock
	Ahmed Saleh Baeshen Company	Inside the Kingdom	Closed Joint Stock	Al Salam Company	Inside the Kingdom	Closed Joint Stock
	-	-	-	New Marina Company	Outside the Kingdom	Closed Joint Stock

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.**

The Audit Committee is responsible for monitoring the company's work. Verifying the integrity, integrity of reports, internal audits and internal control systems. Examining and making technical opinions about them, examining any important or unusual issues, verifying accounting estimates and examining accounting policies in the company. Studying and reviewing the company's internal control and risk management systems. Recommend appointment of external auditors, segregation, neutralize their fees and check their independence, reviewing the results of the company's auditing and auditing regulations and supervision of relevant regulations, policies and relevant instructions.

The Audit Committee consists of three members. Two members resigned in May 2023, and two new members were appointed from outside the Board to join the committee. Eleven meetings were held during the year, where the periodic financial reports and the reports of the External Auditor and the Internal Auditor were reviewed. This review was carried out based on the financial statements and information provided by the executive management, and work was done to improve and strengthen the internal control system in the company.

Audit Committee Members

Name	Position
Ghaith Raji [1]	Chairman of Audit Committee
Omar Bahathiq [2]	Member of Audit Committee
Majed Kareem [3]	Chairman of Audit Committee
Mohammed Daghestani [4]	Member of Audit Committee
Azhar Kenji	Member of Audit Committee

[1] Mr. Ghaith Raji resigned from the Audit Committee on 01/05/2023

[2] Mr. Omar Bahathiq resigned from the Audit Committee on 01/05/2023

[3] Mr. Majed Kareem started as a member of the Audit Committee on 09/05/2023

[4] Mr. Mohammed Daghestani started as a member of the Audit Committee on 09/05/2023

Audit Committee members' Meetings

Number and date of the meeting	Ghaith Raji	Omar Bahathiq	Majed Kareem	Mohammed Daghestani	Azhar Kenji
(001) 2023/05/17	X	X	✓	✓	✓
(002) 2023/07/20	X	X	✓	✓	✓
(003) 2023/09/16	X	X	✓	✓	✓
(004) 2023/10/11	X	X	✓	✓	✓
(005) 2023/10/26	X	X	✓	✓	✓
(006) 2023/10/31	X	X	✓	✓	✓
(007) 2023/11/02	X	X	✓	✓	✓

Number and date of the meeting	Ghaith Raji	Omar Bahathiq	Majed Kareem	Mohammed Daghestani	Azhar Kenji
(008) 2023/11/19	x	x	✓	✓	✓
(009) 2023/11/23	x	x	✓	✓	✓
(0010) 2023/12/07	x	x	✓	✓	✓
Total	0	0	10	10	10

Remunerations of Audit Committee Members: (in SAR thousands)

Name	Fixed remunerations (except for the allowance for attending sessions)	Allowance for attending sessions	Total
Ghaith Raji	Not applicable	0	0
Omar Bahathiq	Not applicable	0	0
Majed Kareem	Not applicable	30	30
Mohammed Daghestani	Not applicable	30	30
Azhar Kenji	Not applicable	30	30
Total	**0**	**90**	**90**

Note: The committee members did not receive the "session attendance allowance" dues for the period from 01/01/2023 to 07/06/2023, and they were recorded as outstanding debts from the company and were included in the financial restructuring plan.

Nominations & Remunerations Committee

The tasks of the Nominations and Remuneration Committee are to determine the general policies and criteria for the nomination to the Board of Directors with periodic review of the needs of the capabilities and skills required in the Board membership. Examine the strengths and weaknesses of the Board and propose appropriate procedures to ensure the independence of independent Board members and conflicts of interest in members of other corporate Boards, as well as to study or propose compensation policies and remuneration of Board members and senior executives.

Nominations & Remunerations Committee members

Name	Position
Saleh Alshathry	Chairman of the Nominations and Remunerations Committee and Member of the Executive Committee
Abdulrahman Alkhayal	Member of the Nominations and Remunerations Committee
Meyassar Nowailati	Member of Nomination and Remuneration Committee
Ali Alattas	Member of the Nominations and Remunerations Committee

Nominations & Remunerations Committee Members's Meetings

Number and date of the meeting	Saleh Alshathry	Abdulrahman Alkhayal	Meyassar Nowailati	Ali Alattas
(01) 2023/01/25	✓	✓	X	✓
(02) 2023/04/27	✓	✓	✓	✓
(03) 2023/08/29	✓	✓	✓	✓
(04) 2023/10/22	✓	X	✓	✓
(05) 2023/11/15	✓	✓	X	✓
(06) 2023/12/13	✓	✓	✓	✓
Total	6	5	4	6

Remunerations of Nominations & Remunerations Committee Members: (in SAR thousands)

Name	Fixed remunerations (except for the allowance for attending sessions)	Allowance for attending sessions	Total
Saleh Alshathry	Not applicable	18	18
Abdulrahman Alkhayal	Not applicable	15	15
Meyassar Nowailati	Not applicable	12	12
Ali Alattas	Not applicable	18	18
Total	0	63	63

Note: The committee members did not receive the "session attendance allowance" dues for the period from 01/01/2023 to 07/06/2023, and they were recorded as outstanding debts from the company and were included in the financial restructuring plan.

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 relationship with the Company, if any.**

   Not applicable

8. **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	001 2023/01/11	002 2023/01/18	003 2023/03/19	004 2023/05/08	005 2023/06/22	006 2023/08/30	007 2023/10/11	008 2023/11/29	009 2023/12/26
Abdulrahman Alkhayal	✓	✓	✓	✓	✓	✓	✓	✓	✓
Khalid Bawazeer	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nael Fayez	✓	✓	✓	✓	✓	✓	✓	✓	✓

Name	001 2023/01/11	002 2023/01/18	003 2023/03/19	004 2023/05/08	005 2023/06/22	006 2023/08/30	007 2023/10/11	008 2023/11/29	009 2023/12/26
Abdulhadi Abulkhair	✓	✓	✓	✓	✓	✓	✓	✓	✓
Saleh AlShathry	✓	✓	✓	✓	✓	✓	✓	✓	✓
Meyassar Nowailati	✓	✓	✓	✓	✓	X	✓	✓	✓
Ali Alattas	✓	✓	✓	✓	✓	X	✓	✓	X
Azhar Kenji	✓	✓	✓	✓	✓	✓	✓	✓	✓

9. **Disclose the remuneration of the Board members and Executive Management as stated in Article (90) of these Regulations.**

- **Disclosure of the remuneration policy and how to determine the remuneration of the members of the Board and the executive management of the company.**

  The annual remunerations of the Board Members for the services they perform shall be determined in accordance with the provision of Article (43/5) of the Bylaws: (Subject to the provision of Article (19) of the Bylaws and Article (76) of Companies Law to preserve. Not more than (10%) of the remainder shall be distributed to Board members, provided that, the entitlement of such remunerations must be in accordance with the relevant regulations in this concern).

A. Members of the Board of Directors.

*Amounts are in thousands of riyals

Name	Fixed remunerations							Variable remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meeting	Total Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative	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)	**Total**			
First: Independent Directors																
Abdulrahman Alkhayal	0	54	15	0	0	0	69	0	0	0	0	0	**0**	0	69	
Khalid Bawazeer	0	54	0	0	0	0	54	0	0	0	0	0	**0**	0	54	
Meyassar Nowailati	0	48	12	0	0	0	60	0	0	0	0	0	**0**	0	60	
Saleh AlShathry	0	54	18	0	0	0	72	0	0	0	0	0	**0**	0	72	
Azhar Kenji	0	54	30	0	0	0	84	0	0	0	0	0	**0**	0	84	
Ali Alattas	0	42	18	0	0	0	60	0	0	0	0	0	**0**	0	60	
Total	**0**	**306**	**93**	**0**	**0**	**0**	**399**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**399**	

Name	Fixed remunerations							Variable remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meeting	Total Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative	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)	**Total**			
Second: Non-Executive Directors																
Abdulhadi Abulkhair	0	54	0	0	0	0	**54**	0	0	0	0	0	**0**	0	54	
Total	**0**	**54**	**0**	**0**	**0**	**0**	**54**	0	0	0	0	0	**0**	**0**	**54**	
Third: Executive Directors																
Nael Fayez	0	54	0	0	0	0	**54**	0	0	0	0	0	**0**	0	54	**52**
Total	**0**	**54**	**0**	**0**	**0**	**0**	**54**	0	0	0	0	0	**0**	**0**	**54**	**52**

Note: The Board of Directors members did not receive the “session attendance allowance” dues for the period from 01/01/2023 to 07/06/2023, and they were recorded as outstanding debts from the company and were included in the financial restructuring plan.

B. **Five senior executives who received the highest remuneration from the company, including the CEO and Chief Financial Officer.**

*Amounts are in thousands of riyals

Position	Fixed Remunerations				Variable Remunerations						**End of service award from the date of appointment until 31/12/2023**	**Total Executive remuneration for the Board, if any**	**Aggregate Amount**
	Salaries	Allowances	In-kind benefits	Total	Total Salary (Yearly)	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)			
CEO	1,175	411	0	**1,586**	0	0	0	0	0	**0**	96	0	**1,682**
Chief of Staff	260	91	0	**351**	9	0	0	0	0	9	492	0	**852**
Chief of Commercial Officer	285	100	0	**385**	10	0	0	0	0	10	477	0	**872**
Financial Controller	254	89	0	**343**	10	0	0	0	0	10	50	0	**403**
Operations Director	444	155	0	**599**	10	0	0	0	0	10	674	0	**1,284**
Total	**2,418**	**846**	**0**	**3,264**	**39**	**0**	**0**	**0**	**0**	**39**	**1,789**		**5,093**

Note: The senior executives did not receive the dues for the period from 01/01/2023 to 07/06/2023, and they were recorded as outstanding debts from the company and were included in the financial restructuring plan.

10. **Any punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the 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 Punishment/Penalty/Precautionary Procedure/Preventive Measure	Reasons for the Non-Compliance	Authority Imposing the Penalty	Measures Taken to Remedy and Avoid Such Incompliance in the Future
Imposing financial fines	Non-payment of workers ' wages and entitlements on the specified due dates	Labor Office	Commitment to pay salaries on due times and not delay them
Imposing financial fines	Penalty for late non-payment of the subscription	GOSI	Commitment to pay subscription fees at due times and not to delay them
Imposing financial fines	Non-payment of fees for financial consideration	Jawazat	Pay 4 arrears salaries to resident employees so that they can pay the fee
Fine for not having a safety systems contract	Not acquiring operating License	Industrial Cities "MODON"	Providing a safety systems contract to obtain an operating license
Imposing financial fines	Non-renewal of car forms and dropping unwanted cars	Moroor	Renewing forms and dropping unwanted cars
Imposing financial fines	Late payment of tax	Zakat, Tax and Customs Authority (ZATCA)	Payment on time

11. 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.

The audit committee was unable to obtain proof of the existence of an applied methodology for internal audit work. Through this methodology, risks are assessed for all work and procedures and priorities are determined based on which an integrated audit work plan is drawn up for the current year and the following years. This deficiency is attributed to the exceptional stage that the company is going through. From the suspension of bank accounts and the leakage of the company's human resources, which significantly affected the performance of the internal audit department and other departments. Accordingly, the committee's opinion on the adequacy of the company's internal control system requires support from the Board of Directors and the executive management in providing specialized cadres to build an internal audit department and using the audit methodology. Risk-based so that the committee can obtain the necessary reports to provide an integrated opinion on the company's internal control environment.

12. The audit committee's recommendation on appointing an internal auditor for the Company if it has made such a recommendation in the last financial year.

Not applicable

13. The audit committee's 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.

Not applicable

14. Details of the Company's social contributions, if any;

Not applicable

Shareholders' Equity

15. **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.**

Extraordinary General Assembly Meeting held on Monday 15/07/1444 corresponding to 06/02/2023

Names Of the Board Members	Attendance Details
Abdulrahman I. Alkhayal	Absent
Khalid M. Bawazeer	Absent
Nael S. Fayez	Attended
Abdulhadi A. Abulkhair	Attended
Saleh A. Al Shathry	Attended
Meyassar A. Nowailati	Attended
Ali M. Al Attas	Attended
Azhar M. Kenji	Attended

16. **Numbers of company's requests of shareholders records, dates and reasons thereof.**

The company requested shareholders records by (8) requests on different dates, for the purposes of holding general assembly, and for other purposes such as limiting the power of attorney, and providing financial services through the shareholders' affairs relations.

	تاريخ الطلب	أسباب الطلب
1	2023/01/30	Other
2	2023/10/12	For Company Procedures
3	2023/11/16	For Company Procedures
4	2023/11/30	For Company Procedures
5	2023/12/07	For Company Procedures
6	2023/12/12	For Company Procedures
7	2023/12/31	Other
8	2023/12/31	Other

17. A description of the dividends distribution policy.

- 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 interests 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.

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

None of the company's shareholders waived any rights to dividends.

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

Not applicable

20. 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 85 of the Rules on the Offer of Securities and Continuing Obligations, together with any change to such interests during the last fiscal year.

The company didn't receive notification of any interest held by persons (other than the company's directors, Senior Executives and their relatives) in a class of voting shares, or a change in those rights during the year 2023.

21. 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.

Name	Period Start		Period End		Net Change	Change %
	Stocks	Debt Instruments	Stocks	Debt Instruments		
Abdulhadi Abulkhair	1	-	1	-	0	%0
Saleh A. Al Shathry	18	-	18	-	0	%0
Meyassar A. Nowailati	1	-	1	-	0	%0
Ali M. Al Attas	92	-	92	-	0	%0

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

There are no treasury shares held by the company.

23. A description of any transaction between the Company and any Related Party.

Not Applicable.

24. 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.

There are no 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.

Communication with Shareholders.

The Investor Relations Department is concerned with permanently improving and developing the relationship between the company and its shareholders through a specific strategy commensurate with the creation of distinguished relations with the company's shareholders and ensuring their rights in accordance with the laws and regulations issued in this regard and related to the listed companies. While ensuring commitment to transparency, credibility and balance in all its dealings in a way that achieves the best interest of the company and its shareholders without differentiation or bias towards one group over the other.

In emphasis on the principle of transparency, the company, starting with the Chairman of the Board of Directors, was keen to hold continuous meetings with shareholders through communication means, and these efforts continued by the CEO as well, in addition to other means of communication.

The company is committed to a level that satisfies its shareholders. In this regard, the company's Investor Relations Department has allocated a special telephone line and e-mail to receive and respond to all shareholders' inquiries.

Telephone :0126087500

E-mail : Investor.Relations@saudicable.com

Operational Performance

25. 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/Associate	Principal Field of Activities	Country of Incorporation	% of Capital Held Directly or Indirectly	Capital as Per Nominal Share Value in SR Million
Domestic				
SCC for Marketing Limited	Purchase and sale of electrical cables and related products	Saudi Arabia	100%	10
Mass Projects for Power and Telecommunications Limited	Turnkey power and telecommunication projects	Saudi Arabia	10%	10
Mass Centers for Distribution of Electrical Products Limited	Electrical & telecommunication distribution services	Saudi Arabia	90%	44.5
International				
Mass Kablo Yatirim Ve Ticaret Anonim Sirketi (Previously Mass Holding Anonim Sirketi)	Holding Company	Turkey	100%	477,3
Elimsan Group of Companies	Manufacturer of Switch Gears, Transformers and related accessories	Turkey	94%	204
Gozo Gayrimenkul Anonim	Holding Company	Turkey	100%	0.03
Valleta Gayrimenkul Anonim Sirketi	Holding Company	Turkey	100%	0.03
Mass International Trading Company Limited (dormant)	International trade	Ireland	100%	0.06
Fairhaven Holdings Ltd.	Holding Company	Seychelles	100%	0.19
Kablat Holding Limited	Holding Company	Malta	100%	0.01
SCC(U.A.E) L.L.C.	Sale of cables and related products	United Arab Emirates	100%	1
Midal Cables W.L.L.(Associate)	Conductors, Rods & related products	Bahrain	50%	124

26. 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.

Revenue

	2023	2022
sales of good	**17,992**	44,711
Contract Revenue	**12,686**	23,657
	30,678	68,368

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market and major products.

	2023	2022
Primary geographic markets		
Foreign countries	**11,594**	4,560
Saudi Arabia	**19,084**	68,368
	30,678	68,368
Major products/service lines /		
Sales of goods	**17,992**	44,711
Contract Revenue	**12,686**	23,657
	30,678	68,368

27. 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.

A. The Board of Directors' decision to trade Saudi Cable Company shares outside the platform.

B. The Board of Directors' decision to approve the signing of a tripartite agreement with Noble Resources International Pte. Ltd. and Rawafed Al Mostaqbal Investment Company, to which the debt of Noble Resources International Pte. Ltd. will be transferred and authorizing the Chairman of the Board of Directors to sign it.

C. Board of Directors' decision approving the signing of a working capital financing agreement with Rawafed Al-Mustaqbal Investment Company in the amount of 140,000,000 (one hundred and forty million) Saudi riyals and authorizing the Chairman of the Board of Directors to sign it.

D. The Board of Directors' decision to approve the signing of a tripartite agreement to transfer the debt of Al Rajhi Investment Banking Company and Thamer Investment Company and authorizing the Chairman of the Board of Directors to sign it.

E. The group's management has prepared a going concern assessment, and the assessment assumes that funds will be injected through the issuance of equity instruments, growth in achievements on future orders and offers. The group also applied to establish a legal reorganization under the Saudi Bankruptcy Law of 2016, I want to propose a restructuring, and therefore the procedure was opened on June 7, 2023 and Mr. Walid bin Mohammed Sobhi was appointed as trustee.

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Risks And Future Outlook

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

The Group's Enterprise Risk Management program focuses on the unpredictability of markets and seeks to minimize potential adverse effects on the Group's overall performance.

A Risk Register is plotted based on severity and likelihood (probability). Risks that have a medium to high score in terms of financial impact and recurrence.

The Group has established controls on counter-party risks and uses derivative instruments to Hedge its major Risk Exposures. Perils for Property, Business Interruption, Public/Product Liability, Land Transit, Employee Personal Accident, Money & Fidelity and Vehicles 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:

- Commodity Price Risk
- Credit Risk
- Foreign Currency Risk
- Interest Rate Risks and
- Liquidity Risk

- **Commodity price risk:**

The Group purchases metals on an ongoing basis for its operating activities. To safeguard itself from the frequent variations of the metal prices, the group enters into commodity forward contracts, hedging the price with LME Brokers in accordance with the Hedging Policy of the Group.

- **Credit risk:**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. To reduce exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers.

The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history.

- **Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals, UAE Dirham, Bahraini Dinar, United States Dollar or Turkish Lira. Transactions and balances in other currencies are not material. For the currencies which have fixed parity with USD, the Group's management believes that their exposure to currency risk is limited. However, the functional currency of the Group's operations in Turkey is USD. It is exposed to currency risk due to its exposure to Turkish Lira. Currency risk is managed on a regular basis by each entity of the Group separately and fluctuation in the exchange rates are monitored on a continuous basis.

- **Interest rate risk**

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. Majority of the Group's borrowings are at floating rate of interest and are subject to re-pricing on a regular basis except for Saudi Industrial Development Fund which is, instead of interest or profit, charge the Group a biannually fee. These changes exposes the Group to cash flow risks but it regularly monitors the changes in interest rates.

- **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments and discharge liabilities as they fall due. Liquidity risk may result from the inability to generate cash promptly or sell a financial asset at its fair value. The Group manages the Risk with continuous control on fixed expenses.

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Financial Performance

29. 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.

Intensive Statement of Financial Position (five years)

Description	on 31 December (in thousands of riyals)				
	2019	2020	2021	2022	2023
Current assets	521,638	489,357	427,460	242,258	155,456
Non-current assets	725,898	746,142	642,565	547,340	433,683
Total assets	**1,247,536**	**1,235,499**	**1,070,025**	**789,598**	**589,139**
Liabilities and Shareholders' Equity					
CURRENT LIABILITIES	708,733	524,002	903,847	1,216,788	1,000,501
NON-CURRENT LIABILITIES	447,038	426,075	85,072	76,475	53,216
Total Liabilites	1,155,771	950,077	988,919	1,293,263	1,053,717
EQUITY	94,308	288,684	83,798	(496,484)	(464,578)
Non-controlling interest	(2,543)	(3,262)	(2,692)	(7,181)	-
TOTAL EQUITY AND LIABILITIES	1,247,536	1,235,499	1,070,025	789,598	589,139

Summary statement of comprehensive revenues (5 years):

Description	Ended 31 December (in thousands of riyals)				
	2019	2020	2021	2022	2023
Revenue	381,274	368,779	160,553	68,368	30,678
Cost of revenue	(416,451)	(426,441)	(237,178)	(153,099)	(98,841)
GROSS LOSS	**(35,177)**	**(57,662)**	**(76,625)**	**(84,731)**	**(68,163)**
Share of result of an associate	395	1,524	7,180	23,912	73,981
PROFIT (LOSS) BEFORE ZAKAT AND INCOME TAX	**(51,920)**	**(48,001)**	**(132,853)**	**(249,411)**	**30,537**
Zakat and income tax	(11,640)	(7,730)	(60,886)	(262,223)	35,647
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUED OPERATION	**(63,560)**	**(55,731)**	**(193,739)**	**(584,965)**	**36,556**

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

Below are the selected financial data, summarized by geographic region, such as the :Kingdom of Saudi Arabia, Turkey, and others

2023	Saudi Arabia	Türkiye	Other	total
Assets	**587,737**	**29,628**	**1,402**	**618,767**
LIABILITIES	**1,051,083**	**29,628**	**2,635**	**1,083,346**
Net revenue	**29,585**	**-**	**1,093**	**30,678**
Net Profit/(losses)	**38,152**	**-**	**(1,596)**	**36,556**

2022	Saudi Arabia	Türkiye	Other	total
Assets	549,641	237,661	2,296	789,598
LIABILITIES	1,150,875	140,513	1,875	1,293,263
Net revenue	44,966	-	23,402	68,368
Net losses	(511,634)	(73,331)	-	(584,965)

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

    The Group submitted a request to open a financial reorganization procedure under the Saudi Bankruptcy Law of 2016 AD with the aim of enabling the implementation of restructuring transactions, and accordingly the procedure was opened on June 7, 2023 AD and Mr. Walid bin Muhammad Subhi was appointed as trustee

32. **Any inconsistency with the standards approved by the Saudi Organization for Chartered and Professional Accountants.**

There is no difference.

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

    Not Applicable.

34. **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.**

Long term loans							
SCC	SIDF	5 Years	191,460	105,290	(1,000)	-	104,290
	Total SIDF loan		191,460	105,290	(1,000)	-	104,290

35. **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.

36. **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.

37. **A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments, and the value of the remaining securities, distinguishing between listed securities purchased by the Company and those purchased by its subsidiaries.**

    Not Applicable.

38. 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, therefore.

2023				
	Paid Amount (in thousands of riyals)	Fees not paid until the end of the annual financial period (in thousands of riyals)	Short description	Reasons
Zakat	0	158,589	Due zakat from the zakat declarations for the prior years and Zakat assessments	Lack of liquidity in the company and freeze of .company's bank accounts
VAT	0	27,084	Total value added tax and penalty for late payment	Lack of liquidity in the company and freeze of company's bank accounts
GOSI	0	13,900	GOSI dues and penalty for late payment	Lack of liquidity in the company and freeze of company's bank accounts
Renew Iqamas and issues exit and entry visa	326	6,802	MOI payment	Lack of liquidity in the company and freeze of company's bank accounts

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

Not Applicable.

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 external auditor's report stated the following:

Material Uncertainty Related to Going Concern

We draw attention to note 1 of the consolidated financial statements which indicates that for the year ended December 31, 2023, the Group incurred a net profit of SAR 37 million (2022: net losses of SAR 585 million), and the Group's accumulated losses have reached SAR 507 million (2022: SAR 543.3 million), representing 759% (2022: 814%) of the Group's share capital. Further, the Group current liabilities exceeded its current assets by SAR 845 million as at December 31, 2023 (2022: SAR 974 million). These conditions, along with other matters, cast a significant doubt about the Group's ability to continue as a going concern and its ability to meet its obligations when it becomes due.

In this respect the management has prepared five years forecast which exhibits net profit from year 2025, the plan includes certain assumptions in respect of cash injection via rights issue, revenue growth based on pipeline orders and quotations, creditors voting due in May 2024 to convert part of debt to equity in the process of Financial Restructuring Procedure (FRP). These elements are future events and hence contain material uncertainty as to the outcome. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw your attention to Note 30.b to the consolidated financial statements where it shows that the Group has a court in Turkey issued a verdict in favor of Mass Kablo Yatırım ve Tic. A.Ş for a case filed by the minority shareholders of its subsidiary. An appeal against the verdict has been presented by said minority shareholders. However, based on a legal opinion obtained from an independent counsel which is of view that the decision of Court of Appeal will not be different from the original decision issued by court of first instance.

In this respect the Board of Directors of the Group decided on 22 Shabaan 1445H, corresponding to March 3, 2024, to exit of its investments in Turkey, by disposing of them by sale or in any other way as permitted by Turkish law. As these companies did not achieve the desired returns and continued to achieve losses during the past years despite the solutions and treatments carried out by successive administrations to no avail and strengthening the opinion of local and international legal advisors to support the exiting decision. Our opinion is not modified in respect of this matter.

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. **Information relating to any competing business with the Company or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses, including the names of persons in relation, the nature, conditions of such competing businesses. If there are no such competing businesses, the Company must submit a statement thereof.**

    Not Applicable.

Board of Directors Declaration

43. The Board of Directors declares the following:

1. Proper books of accounts have been maintained.
2. The company's internal audit system needs support in providing specialized cadres to build an internal audit department and use the risk-based audit methodology.
3. According to the opinion of the external auditor, there is doubt about the company's ability to survive and continue its activity, but the company will work hard to mitigate that impact by benefiting from the FRP plan, attracting investors, and working to reduce debts.
4. The company's financial statements are prepared in accordance with generally accepted accounting rules in Saudi Arabia and these accounting rules are consistently applied.
5. There are no major contracts awarded to relevant entities other than those disclosed in the advanced section of this report and included in the financial statements.
6. There are no existing loans or loans to Board members during the year.
7. Bank loans and their movements were disclosed in this report and in the financial statements.
8. The Company has not received any waiver of rights from any shareholder.