

EXECUTIVE SUMMARY SIGNIFICANT ANNOUNCEMENTS

COVERAGE: **CAPITAL MARKET AUTHORITY**

LOCATION: **SAUDI ARABIA**

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INTRODUCTION & SUMMARY

During the month of May 2021, Saudi Arabian Capital Market Authority issued a total 13 Announcements on different matters. These are predominantly announcements in the areas of Saudi Capital Market.



DETAILS OF ANNOUNCEMENTS

Key announcements by CMA during the month of May, 2021 are summarized below:

CMA Announces the Referral of a Suspicion of Violating Article (49) of the Capital Market Law, Article (2) and (8) of the Market Conduct Regulations to the Public Prosecution dated May 02, 2021

The CMA informed to the investors and participants in the capital market that the CMA Board's has issued resolutions regarding the referral of a suspicion of two suspects to the Public Prosecution. The suspicion is regarding the violation of the Capital Market Law and the Market Conduct Regulations by two suspects, where they carried out practices that involved manipulation and fraud during trading on shares of a number of listed companies on the Saudi Stock Exchange "Tadawul".

- The suspicion cases were regarding one of the suspects entering purchase orders for a security without having the intention for execution, and entering sell orders for a security without having the intention for execution. as well as trading -by the two suspects- (by purchasing) in the shares of a number of listed companies, then promoting opinions via "Hawamer Saudi Stock Forum" through the handle name of (Rano Al Hamorah), for the purpose of influencing the price of the security, then trading (by selling) and take advantage of the share price that increased resulting from this promotion. Therefore, the cases have been filed to Committees for Resolution of Securities Disputes, by the Public Prosecution
- The General Secretariat of Committees for Resolution of Securities Disputes announces to the public to identities of violators on its website upon the issuance of final decisions by the Committees for Resolution of Securities Disputes regarding criminal cases. Moreover, any person affected by these violations is entitled to file a compensation claim against the violators before the Committee for the Resolution of Securities Disputes as per the Capital Market Law. Such claim is preceded by a complaint filed to the CMA via link available with this announcement on website

The Capital Market Authority approves Raydan Food Company's request to increase its capital by way of Rights Issue dated May 02, 2021

The CMA has approved Raydan Food Company's request to increase its capital by way of rights issue valued at SAR 112,500,000. The increase will be limited to the shareholders who are registered in the shareholder's registry at the Security Depository Center as of the closing of the second trading day after the extraordinary general assembly meeting. The offering price and the number of shares offered for subscription will be determined by the Company after the market extraordinary general assembly meeting is to be held. After reviewing the Company's application in light of the governing regulatory requirements, and the quantitative and qualitative criteria applicable to all companies requesting a capital increase, the CMA has issued its approval for Raydan Food Company's capital increase request highlighted above. The rights issue prospectus will be posted and made available to the public at a later time.

- The suspicion CMA advise the investor to carefully read the rights issue prospectus or fully reviewing its content may involve high risk
- The CMA's approval of the prospectus should never be considered as a recommendation to participate in the offer nor invest in the Company's shares. The CMA's approval of the prospectus

merely means that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met

The Capital Market Authority approves the capital increase request Arabian Shield Cooperative Insurance Company through the issuance of bonus shares May 06, 2021

The CMA has approved Arabian Shield Cooperative Insurance Company's request to increase its capital from SAR 300,000,000 to SAR 400,000,000 through issuing (1) bonus share for every (3) existing share owned by the shareholders who are registered in the shareholder's registry at the Security Depository Centre as of the closing of the second trading day after the due date

- Such increase will be transferring an amount of SAR 100,000,000 from the "Retained Earnings" account and from the "Statutory reserve" account to the Company's capital. Consequently, increasing the Company's outstanding shares from 30,000,000 shares to 40,000,000 shares. The extraordinary general assembly should be held within six months from this approval date and the Company must satisfy all regulatory requirements and applicable laws.

CMA invite the shareholders of National Agricultural Marketing Co. to attend the company's ordinary general assembly meeting Based on the authority granted to the CMA in the Article (90) of the Company's Law. (FIRST MEETING) (Reminder) dated May 06. 2021

Based on the company's auditor request (Al-Azem & Al-Sudairy & Al-Shaik Certified Public Accountants) to Board of Directors of National Agricultural Marketing Co. to invite the shareholders to attend the company's general assembly meeting, based on the CMA Board resolution on 04/08/1442H / 17/03/2021 in this regard. CMA invites National Agricultural Marketing co.'s shareholders to attend the Ordinary General Assembly Meeting (Second Meeting) which will be held at 9:30 p.m. on Sunday 27/09/1442H/ 09/05/2021 remotely through contemporary technology using Tadawulaty, to discuss the following agenda:

- The Failure to meet auditor requirements and facilitated audit works for the third quarter of 2019.
- The Non-approval of the financial statements for the third quarter of 2019 by the Board of Directors.
 - **Attendance Eligibility:** Shareholders Registered in the Issuer's Shareholders Registry in the Depository Centre at the End of the Trading Session Preceding the General Assembly's Meeting as per Laws and Regulations.
 - **Quorum for Convening the General Assembly's Meeting:** According to the company's articles of association, the ordinary general assembly meeting shall be valid if attended by shareholders representing at least half of the Company's capital. In case of non-completion of the quorum a second meeting shall be held within the next thirty days from the first meeting, and the second meeting shall be valid regardless of the number of shares represented in it.
 - **Eligibility for Attendance Registration:** Eligibility for Registering the Attendance at the General Assembly's Meeting Ends upon the Convenience of the General Assembly's Meeting.

The Capital Market Authority approves Methanol Chemicals Company's request to reduce its capital and subsequently increasing it by way of Rights Issue dated May 06, 2021

The CMA approved Methanol Chemicals Company's request to reduce its capital from SAR 1,206,000,000 to SAR 674,508,630, thus reducing the number of shares from 120,600,000 shares to 67,450,863 shares. This approval is conditional on the Company's extraordinary general assembly approval and completion of the necessary procedures in relation to the applicable regulations.

- The Company will publish a disclosure document to its shareholders related to the proposed method of capital reduction and the expected effect of such reduction within sufficient time prior to the Extraordinary General Assembly Meeting. The CMA's approval of a particular company's application should never be viewed as an endorsement of the feasibility of the capital decrease. The CMA's approval merely means that the regulatory requirements as per the Capital Market Law and its Implementing Regulations have been met.
- The CMA has approved the Company's request to increase its capital by way of rights issue valued at SAR 480,000,000. This approval is conditional on the Company's extraordinary general assembly approval of the capital reduction and completion of the necessary procedures in relation to the applicable regulations. The increase will be limited to the shareholders who are registered in the shareholder's registry at the Security Depository Centre as of the closing of the second trading day after the extraordinary general assembly meeting.
- The offering price and the number of shares offered for subscription will be determined by the Company after the extraordinary general assembly meeting is to be held. After reviewing the Company's application, the CMA has issued its approval for Methanol Chemicals Company's capital increase request highlighted above. The rights issue prospectus will be posted and made available to the public at a later time.
- The investors should carefully read the prospectus, which contains detailed information on the Company, the offering and risk factors. The CMA's approval of the prospectus should never be considered as a recommendation to participate in the offer nor invest in the Company's shares. The CMA's approval of the prospectus merely means that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met.

CMA announces the convenience general assembly meeting of National Agricultural Marketing Co. Based on the authority granted to the CMA in sub-paragraph (d) of paragraph (2) of Article (90) of the Company's Law (SECOND MEETING) dated May 10, 2021

Based on CMA announces the convenience general assembly meeting of National Agricultural Marketing Co. (Second MEETING) which was held at 9:30 p.m. on Sunday 27/09/1442H corresponding to 09/05/2021 remotely through contemporary technology using Tadawulaty, as the second meeting got attendance of (16.73%), as discussed the following agenda:

- Failure to meet auditor requirements and facilitated audit works for the third quarter of 2019.
- The Non-approval of the financial statements for the third quarter of 2019 by the Board of Directors.

CMA Announces the Referral of a Suspicion of Violating Article (49) of the Capital Market Law to the Public Prosecution dated May 18, 2021

The CMA informs the investors and participants in the capital market that a CMA Board resolution has been issued regarding the referral of a suspicion of a violation to the Public Prosecution. The suspicion is regarding the violation of Article (49) of the Capital Market Law by a number of investors, where they carried out a series of actions and procedures that resulted in a false and misleading impression with respect to the security price of Al- kathiri Holding Company during the period between 30/05/2019 until 10/10/2019.

- The General Secretariat of Committees for Resolution of Securities Disputes announces to the public the identities of violators on its website upon the issuance of final decisions by the Committees for Resolution of Securities Disputes regarding criminal cases. Moreover, any person affected by these violations is entitled to file a compensation claim against the violators before the Committee for the Resolution of Securities Disputes as per the Capital Market Law. Such claim is preceded by a complaint filed to the CMA via the link available with announcement.

The Capital Market Authority approves the capital increase request for Al Kathiri Holding Company through the issuance of bonus shares dated May 19, 2021

The CMA has approved Al Kathiri Holding Company's request to increase its capital from SAR 90,417,600 to SAR 113,022,000 through issuing (1) bonus share for every (4) existing share owned by the shareholders who are registered in the shareholder's registry at the Security Depository Centre as of the closing of the second trading day after the due date which will be determined later by the Company's board.

Such increase will be paid by transferring an amount of SAR 22,604,400 from the "Retained Earnings" account to the Company's capital. Consequently, increasing the Company's outstanding shares from 9,041,760 shares to 11,302,200 shares, by an increase of 2,260,440 shares. The extraordinary general assembly shall be held within six months from this approval date and the Company shall satisfy all regulatory requirements and applicable laws.

CMA Disapproves Jazan Energy and Development Company request to increase its capital to acquire Jazil Investment Company dated May 20, 2021

Jazan Energy and Development Company has applied for CMA approval to increase its capital from SAR 500,000,000 to SAR 828,027,560 by issuing 32,802,756 ordinary shares to acquire Jazil Investment Company. After studying the application by the CMA and pursuant to the Capital Market Law and its Implementing Regulations, and based on the CMA's responsibilities to protect investors and because the transaction involves high risks and conflicts of interest, CMA has issued its resolution disapproving the Company's request.

An Announcement from Capital Market Authority regarding the Approval of Public Offering of the Real Estate Fund "Mulikia - Alajlan Riviera Fund" dated May 25, 2021

The Capital Market Authority has approved the public offer, by "Mulikia Investment Company", of the Real Estate Fund "Mulikia - Alajlan Riviera Fund".

- CMA advise the investors to carefully read the Terms and Conditions which includes detailed information on the Fund, investment strategy and risk factors, and carefully study it to be able to assess the feasibility of taking into consideration the associated risks. The date of trading and securities in relation to the violation are attached with announcement.
- The CMA's approval of the fund should never be considered as a recommendation to subscribe in the fund, The CMA's approval of the fund merely means that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met.

Imposition of a Fine on Tourism Enterprise Co. due to the Violation of the Capital Market Law and a CMA Board Circular dated May 26, 2021

The CMA Board announces to imposing a fine of SR 10.000 on Tourism Enterprise Co. due to its violation of paragraph (b) of Article (46) of the Capital Market Law and the CMA circular number (S/7/5/5977/18) dated 20/09/2018G. Where the Company did not provide the CMA with a number of information related to it for the fiscal year ended on 31/12/2021 G. within the specified period for it.

The Capital Market Authority Approves the Merger of SAMBA Capital & Investment Management Company into NCB Capital Company, and the Cancellation of the License Granted to SAMBA Capital & Investment Management Company dated May 31 2021

The Board of the Capital Market Authority issued its resolution to approve the merger of SAMBA Capital & Investment Management Company as the merged company into NCB Capital Company as the merging company, and the cancellation of the license granted to SAMBA Capital & Investment Management Company.

Announcement from the GS of CRSD Regarding the Issuance of the ACRSD Final Decision in the Class Action Lawsuit Filed by Investor against Persons Responsible for the Violations Committed in Mohammad Al Mojil Group (During Period after Company's IPO) dated May 31, 2021.

The General Secretariat of the Committees for Resolution of Securities Disputes (GS-CRSD) on 01/06/1441 H./ 26/01/2020 G, regarding the issuance of the CRSD decision No. (4/L/D1/C/2020) of the year 1441 H. which concluded with the approval to accept the class action filed by an investor (main claimant) against senior executives in Mohammad Al Mojil Group Company and its auditor. They are: Adel bin Mohammad bin Hamad Almojil, Fahad bin Ali bin Saad Alraqttan, Ibrahim bin Sa'ad bin Ibrahim Alshuai'r, Sek Choy Choong, Amaar bin Adnan bin Ibrahim Qudoomy, Deloitte & Touche Company and Baker bin Abdullah Abu-alkhair, being responsible for the violations committed in the Company's share (during the period after the Company's IPO), against whom the final decision of ACRSD No. (1807/L.S/2019) of 1441 H., dated 16/02/1441 H / 15/10/2019 G, which concluded with their conviction for violating of the Capital Market Law, as well of the Market Conduct Regulations, when they committed acts that created a false and misleading impression regarding the value of the Company's

share by manipulating the financial statements of the Company for the years 2008, 2009, 2010 and 2011, during the period after the Company's IPO; The decision concluded with endorsing CRSD decision No. 2995/L/D1/C/2020 of 1442 H. indicating that:

- First- Adel bin Mohammad bin Hamad Almojil, Saudi national, Second - Fahad bin Ali bin Saad Alraqtan, Third - Ibrahim bin Sa'ad bin Ibrahim Alshuai'r, Fourth- Sek Choy Choong, New Zealander national, Fifth - Amaar bin Adnan bin Ibrahim Qudoomy, Jordanian national, Sixth - Deloitte & Touche Company (Bakr Abu-alkhair & Partners), Commercial Registration No. (1010600030), and Seventh - Baker bin Abdullah Abu-alkhair, jointly obliged to compensate the inflected investors (included in the said class action) with the amount of SR. 40,214,110.73 in accordance to the text of the decision's reasons.

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