

EXECUTIVE SUMMARY

SIGNIFICANT ANNOUNCEMENTS

COVERAGE: CAPITAL MARKET AUTHORITY

LOCATION: KINGDOM OF SAUDI ARABIA

ISSUE: DECEMBER, 2023



INTRODUCTION & SUMMARY

During the month of November 2023, Saudi Arabian Capital Market Authority issued a total of 10 Announcements in the area of capital Market.

ANNOUNCEMENTS

10



DETAILS OF ANNOUNCEMENTS

Key announcements by CMA during the month of November, 2023 are summarized below:

CMA Announced the Approval of Taiba Investments Co. request to increase its capital to acquire Dur Hospitality Co. through a securities exchange offer and the approval of the publication of the offer timetable, and the offer document to the shareholders of Dur Co. dated 06, November 2023.

Taiba Investments Co. has received approval from the Capital Market Authority (CMA) to increase its capital from SAR 1,604,574,830 to SAR 2,604,574,830 by issuing 100,000,000 ordinary shares. This capital increase is intended for the acquisition of Dur Hospitality Co. through a securities exchange offer. The CMA's resolution includes the approval of the proposed offer timetable and the publication of the offer document. The document, to be issued by Taiba Investments Co., will provide Dur Hospitality Co. shareholders with necessary information before their Extraordinary General Assembly Meeting. If both companies' shareholders approve the capital increase and offer, new shares will be issued, and Dur Hospitality Co. shares will be delisted from the Saudi Stock Exchange after the acquisition decision becomes effective. It is emphasized that CMA approval does not imply an endorsement of the acquisition's feasibility but rather confirms compliance with legal requirements under the Capital Market Law and its Implementing Regulations. Shareholders are urged to carefully review relevant documents and consult with financial advisors before making voting decisions.

The Capital Market Authority Calls for Public Consultation for the Instructions on Offering of Real State Contributions Certificates dated 06, November 2023

The Capital Market Authority (CMA) has invited relevant parties to provide feedback on the Draft Instructions on Offering of Real Estate Contributions Certificates during a 15-day public consultation period ending on 20/11/2023. The Draft Instructions aim to regulate the offering of real estate contributions certificates in the Kingdom, aligning with the Real Estate Contributions Law and the CMA's authority over capital market institutions. Requirements for CMA authorization, approval processes, obligations of capital market institutions, and information disclosure to investors are outlined. The Real Estate Contributions Law grants the CMA the authority to regulate fund collection for real estate contributions in collaboration with the Real Estate General Authority. The proposed instructions are expected to enhance the regulation of the issuance process, bolster investor confidence, and provide a new financial and investment avenue for real estate developers and investors in the Kingdom.

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CMA Announces the Approval of Public Offering of "Al Rajhi Real Estate Monthly Distributions Fund" dated 07, November 2023

The Capital Market Authority (CMA) has approved the public offer of the "Al Rajhi Real Estate Monthly Distributions Fund" by Al Rajhi Capital. Investors are cautioned that making an investment decision without carefully reading and fully understanding the Terms and Conditions may pose high risks. The Terms and Conditions provide detailed information on the Fund, its investment strategy, and associated risk factors. Investors are advised to study the document thoroughly to assess its feasibility and understand the risks. If the Terms and Conditions are challenging to comprehend, it is recommended to consult the fund manager for clarification. The CMA's approval should not be considered a recommendation to subscribe to the fund; it indicates compliance with legal requirements under the Capital Market Law and its Implementing Regulations.

Cancellation of Authorization to Swicorp Company, upon its request dated 08, November 2023

Based upon the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H and its Implementing Regulations, The Board of the Capital Market Authority issued its resolution to approve the cancellation of the license granted to Swicorp Company to conduct Arranging and Advising activities in the Securities Business, based upon its request.

CMA Publishes a Public Consultation for Regulating Foreign Investors' Ownership of Shares in Saudi Listed Companies that have Investment Properties in Makkah and Madinah dated 15, November 2023

The Saudi Capital Market Authority (CMA) has invited feedback from relevant stakeholders in the capital market on the proposal to exclude companies listed on the Saudi Stock Exchange (Tadawul) from being considered "Non-Saudi" entities under the Law of Real Estate Ownership and Investment by Non-Saudis. The proposed regulations aim to allow foreign investors to own shares in Saudi-listed companies with investment properties in Makkah and Madinah, subject to specific criteria and ownership percentages. This initiative is expected to stimulate investment, enhance the attractiveness and competitiveness of the Saudi capital market, and attract foreign capital to support the local economy. Key elements of the regulations include permitting listed companies to own real estate in Makkah and Madinah for their headquarters and allowing foreign investors to hold up to 30% of a listed company's shares with real estate investments in these cities. The CMA emphasizes the importance of compliance with relevant rules and regulations, particularly the law governing non-Saudis owning and investing in real estate, during companies' operations or liquidation.

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The Permission of the FinTech experiment granted to Emkan Alarabiya Company to test Offering and Investment in Debt Instruments, and its completion of the commencement of business requirements dated 20, November 2023

Based on the Capital Market Law issued by Royal Decree No. (M/30) dated 06/02/1424 AH, its implementing regulations, and the Financial Technology Experimental Permit instructions issued by the Board of the Capital Market Authority, The Capital Market Authority announces that Emkan Alarabiya Company has completed the commencement of business requirements to experiment the Financial Technology permit with test Offering and Investment in Debt Instruments according to the decision of CMA's Board of Directors dated 10/05/2023G.

The Permission of the FinTech experiment granted to Safqah Capital Company to test Offering and Investment in Debt Instruments, and its completion of the commencement of business requirements dated 20, November 2023

Based on the Capital Market Law issued by Royal Decree No. (M/30) dated 06/02/1424 AH, its implementing regulations, and the Financial Technology Experimental Permit instructions issued by the Board of the Capital Market Authority, The Capital Market Authority announces that Safqah Capital Company has completed the commencement of business requirements to experiment with the Financial Technology permit about test Offering and Investment in Debt Instruments according to the decision of CMA's Board of Directors dated 18/01/2023G.

The Capital Market Authority Licenses Sharaka Capital Company to Conduct Managing Investments Activity in the Securities Business and its Completion of the Commencements of Business Requirements dated 21, November 2023

In accordance with the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H and its Implementing Regulations, the Capital Market Authority announces that Sharaka Capital Company has completed the commencements of business requirements to conduct Managing Investments Activity in the Securities Business licensed as per CMA resolution dated 15/01/1445H corresponding to 02/08/2023G.

The Capital Market Authority announces the Approval on the Registration and the Initial Public Offering of MBC Group Company's Shares dated 21, November 2023

The Capital Market Authority (CMA) Board has approved MBC Group Company's application for the registration and offering of 33,250,000 shares, representing 10% of the company's share capital. The prospectus containing essential information, such as financial statements, activities, and management details, will be published before the subscription period begins. Investors are advised to carefully read the prospectus to understand the company, offering, and associated risks before making a subscription

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decision. The CMA's approval does not constitute a recommendation to subscribe but indicates compliance with legal requirements. The approval is valid for six months from the CMA Board resolution date, and if the offering and listing are not completed within this period, the approval will be deemed canceled.

The Capital Market Authority Calls for Public Consultation on Regulating Secondary Offerings dated 22, November 2023

The Capital Market Authority (CMA) has opened a 30-day public consultation period on the Draft Regulatory Framework to Regulate Secondary Offerings, concluding on 21/12/2023. The draft aims to govern secondary offerings, enabling existing shareholders to sell their shares partially or entirely in a listed company through an offering process. Secondary offerings enhance market attractiveness by increasing tradable shares, boosting market weight in emerging market indices, and diversifying the investor base in the Saudi capital market. According to the draft, shareholders planning a secondary offering must engage a CMA-authorized financial advisor and notify the CMA at least 15 days before the proposed offering date. The draft also addresses procedures for secondary offerings in the Saudi capital market, imposes restriction periods on remaining shares in public and parallel market offerings, and outlines provisions for applying the book-building process and price stabilization mechanisms to contribute to share price stability post-offering.

The Capital Market Authority approves the capital increase request for Alkhorayef Water and Power Technologies Co. through the issuance of bonus shares dated 29, November 2023

The CMA has issued its resolution approving Alkhorayef Water and Power Technologies Company's request to increase its capital from SAR (250,000,000) to SAR (350,000,000) through issuing (1) bonus share for every (2.5) existing share owned by 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 due date which will be determined later by the Company's board, such increase will be paid by transferring an amount of SAR (100,000,000) from "Retained earnings" account to the Company's capital. Consequently, increasing the Company's outstanding shares from (25,000,000) shares to (35,000,000) shares, by an increase of (10,000,000) 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.

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