

RIYADH CABLES GROUP COMPANY

BOARD OF DIRECTORS' ANNUAL REPORT 2023



مجموعة كابلات الرياض
Riyadh Cables Group

CHAIRMAN’S FOREWORD

Dear Shareholders of Riyadh Cables Group Company,
Peace be upon you.

In my own name and on behalf of the members of the Board of Directors of Riyadh Cables Group Company, I am honored to present to you the Company’s Board of Directors’ Annual Report. This comprehensive report provides a holistic overview of the Company’s performance and business results for the fiscal year ending on 31 December 2023, complete with the Company’s reviewed and audited financial statements by our external auditor. It also details the Company’s activities and developments throughout the year 2023, future aspirations, and expectations for the Company’s business.

The report was prepared in accordance with the requirements of the Companies Law (Issued by the Ministry of Commerce), the Corporate Governance Regulations, and the Registration, Listing and Regulatory Rules and Procedures Issued by the Capital Markets Authority (CMA). As we reaffirm our commitment to achieving the collective interests of the Company and its shareholders, the Board of Directors remains steadfast in its support for the national cable industry and its contribution to the development of local content and national economy, maintaining sustainability and application of the effective environmental, social and governance standards. The report includes comprehensive and clear information and data on the Company’s disclosure, activities and operations in FY2023, to protect shareholders’ rights by furnishing them with accessible, comprehensive and clear information and data, thereby enabling them to examine and evaluate the Company’s financial position.

The Board of Directors extends its heartfelt gratitude and sincere appreciation to our dear shareholders for their invaluable trust and support, which has been instrumental in the Company’s resounding success and progress.

Best regards...

Chairman of the Board of Directors
Khalid Abdulrahman Al Gwaiz

About Riyadh Cables Group Company

The Company was incorporated in 1984 as a limited liability company under the name Saudi Modern Company for Cables Industry Ltd. (Riyadh Cables), with its principal office situated in Riyadh, Kingdom of Saudi Arabia. On the 27th of Safar 1435 AH (corresponding to 30 December 2013), the Board of Directors passed a resolution to convert the Company into a closed joint stock company, in accordance with the Minister of Commerce Resolution No. 146/Q dated 17/06/1435 AH (corresponding to 01/04/2014). On the 5th of Muharram 1436 AH (corresponding to the 29 October 2014), the Company officially changed its name to “Riyadh Cables Group Company” and was successfully registered in the Commercial Register at the Ministry of Commerce under the Registration Number 1010052927, with the date of registration being 24/6/1435 AH. On the 21st of Rabi Al-Awwal 1444 AH (corresponding to 17 October 2022), the Capital Market Authority approved the application to list Riyadh Cables Group Company as a public joint stock company in the Saudi Stock Exchange (Tadawul). Subsequently, on 19 December 2022, the Company’s shares were successfully listed and traded in the main market.

Riyadh Cables Group Company has a total of six (6) wholly-owned Material Subsidiaries (with 100% direct ownership), and seven (7) Non-Material Subsidiaries, located inside and outside the Kingdom of Saudi Arabia. The parent Company maintains full management control over these subsidiaries, whose main activities involve producing, selling, and distributing electrical and communication cables and wires. They also offer design and development services for grids, electric distribution networks, and other electrical project contracting works. Below are the relevant details of each subsidiary:

Material Subsidiaries

- 1) Saudi Modern Company for Metals, Cables and Plastic Industry Ltd. (RMC): RCM is a closed joint stock company registered in Riyadh under Commercial Registration No. 1010081709, with a share capital of (SAR 215,100,000), which is wholly owned directly by the Company;
- 2) Saudi Modern Company for Specialized Wires and Cables Industry (REW): REW is a closed joint stock company registered in Riyadh under Commercial Registration No. 1010106953, with a share capital of (SAR 25,100,000), which is wholly owned directly by the Company;
- 3) Saudi Modern Company for Telephone Cables Industry (RTC): RTC is a closed joint stock company registered in Riyadh under Commercial Registration No. 1010107248, with a share capital of (SAR 40,100,000), which is wholly owned directly by the Company;
- 4) Riyadh Cables Company (RCC): RCC is a closed joint stock company registered in Riyadh under Commercial Registration No. 1010146019, with a share capital of (SAR 120,125,000), which is wholly owned directly by the Company;
- 5) National Cables Industry (NCI): NCI is a UAE single shareholder limited liability company registered in the Industrial Registry under No. 28588 issued by the Sharjah Economic Development Department, with a current share capital of (AED 80,000,000), which is wholly owned indirectly by the Company;
- 6) Al Rowad Company for the Production of Electrical Cables and Wires Ltd.: An Iraqi limited liability company established in Baghdad with incorporation certificate number (MSH-02 – 000079844), with current share capital of (IQD 15,000,000,000), which is wholly owned indirectly by the Company.

Non-Material Subsidiaries

- 1) Saudi Modern Company for Cables Ltd. (SMC): SMC is a Saudi limited liability company registered in Riyadh under commercial registration number 1010143896, with a current share capital of (SAR 5,000,000), which is wholly owned directly and indirectly by the Company;
- 2) Arabian Gulf Company for Electrical Cables: Kuwaiti limited liability company registered in Kuwait under commercial registration number M/1584/ 2003, with a current share capital of (KD 10,000). The Company indirectly owns 49% of the share capital of Arabian Gulf Company for Electrical Cables;
- 3) Qatar Cables Company: A Qatari limited liability company registered in Doha under commercial registration number 26703, with a current share capital of (QAR 200,000). The Company indirectly owns 50% of the share capital of Qatar Cables Company;
- 4) Gulf Company for Electrical Works: An Omani limited liability company registered at the Muscat Municipality under commercial registration number 1229581, with a current share capital of (OMR 20,000). The Company indirectly owns the entire share capital of Gulf Company for Electrical Works;
- 5) Egyptian Riyadh Cables Company for Electrical Works: An Egyptian joint stock company registered at Cairo Investment Commercial Register Office under commercial registration number 141356, with a current share capital of (EGP 5,000,000). The Company indirectly owns 49% of the share capital of Egyptian Riyadh Cables Company for Electrical Works;
- 6) Gulf and Riyadh Company for the Manufacture of Electrical and Electronic Cables and Wires: A Kuwaiti limited liability company registered in Kuwait under commercial registration number 461039, with a current share capital of (KD 5,000,000). The Company indirectly owns 50% of the share capital of Gulf and Riyadh Company for the Manufacture of Electrical and Electronic Cables and Wires;
- 7) Iraqi National Company for the Manufacture of Cables: an Iraqi limited liability company established in Baghdad with incorporation certification number M.SH.A/02-8161, with a current share capital of (IQD 5,500,000,000). The Company indirectly owns the entire share capital of Iraqi National Cables Manufacturing Company.

Riyadh Cables Group Company is the largest manufacturer of cables in KSA and ranks among the top cable manufacturers worldwide in terms of production. The Group holds an estimated market share of 37.5% in KSA, the biggest and most important market for the Group's products, accounting for 72% of the Group's sales in 2023. The Company is confident that the KSA market will continue to grow, leading to an increase in demand for its products. This projected growth is set to be propelled by the ongoing nation-wide development projects, mega-projects, and other initiatives that align with the Saudi Vision 2030. The Group seeks to expand its market share in KSA through the following measures:

- A. Providing customers with integrated solutions (products and services) and staying ahead of market trends and needs to maintain our leading position as the preferred provider of cable solutions in KSA;
- B. Leveraging the Company's robust sales and distribution network, spanning eighteen (18) branches across KSA, to bolster its market share in urban projects and small to medium-sized infrastructure projects;
- C. Utilizing its extensive portfolio of power cable products, ranging from 0.3 kV to 500 kV, which provides a distinct advantage over peer KSA manufacturers, the Group is poised to secure the largest share in upcoming mega-projects;
- D. Enhancing the Group's production capacity to meet the Company's plans and business expectations outlined in the report.

The Group continues to broaden its geographical reach and strengthen its presence in neighboring markets, such as the United Arab Emirates, Iraq and Kuwait, leveraging its regional experience and relationships to achieve this goal by expanding and establishing factories, as follows:

- A. **GCC countries:** Drawing upon its established relationships with customers, the Group maintains a robust presence in these countries and primarily distributes its products, manufactured in KSA and the UAE, through its sales and distribution branches based across the region;
- B. The Group is actively engaged in executing and contracting high-voltage (turnkey) projects in the UAE, as a key approved supplier and contractor with the Dubai Electricity and Water Authority (DEWA). In addition, the Group supplies cables and provides electrical contracting services in the State of Kuwait;
- C. **Egypt:** The Company has been providing its products for high-voltage projects in Egypt through the Egyptian Riyadh Cables Company for Electrical Works, which was established by the Company in 2019.

To enhance its global export markets, the Group continues to further expand its presence in these markets through representative offices and collaboration with clients and authorized distributors in various countries such as Jordan, the Netherlands, Belgium, Luxembourg, New Zealand and Australia.

1) Implemented and non-implemented provisions of the Corporate Governance Regulations, and justifications thereof:

As per the CMA Corporate Governance Regulations, the Company is obliged to disclose implemented and non-implemented provisions of the Corporate Governance Regulations, and justifications thereof, in its Board of Directors' Report. Riyadh Cables Group Company ensures compliance with all the statutory requirements of the CMA Corporate Governance Regulations, except for the following guiding provisions:

Article/Paragraph No	Article/Paragraph Text	Reason for Non-Implementation
Article No. 37 / Paragraph (2)	2) Developing the necessary mechanisms for Board members, committee members, and the Executive Management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.	(Guiding Article) The article has been partially implemented, since the Company provides the following training courses for Board members during the year: <ul style="list-style-type: none">– A comprehensive training course on corporate governance– A training course on dealing with the Board of directors’ electronic platform for minutes, e-signatures and meetings– A training course entitled “Investor relations”. We point out that there have been no recent appointments to either the Board of Directors or the Executive Management during the year 2023, and that all of them have the necessary skills and full knowledge of the Company’s activities.
Article No. 39 / Paragraph (e)	Assessment: e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.	(Guiding Article) The Remuneration and Nomination Committee evaluates the performance of the Board of Directors annually.
Article 67	Composition of the Risk Management Committee: The Company’s Board shall, by resolution therefrom, form a committee to be named the “risk management committee”. Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge and experience in risk management and finance.	(Guiding Article) The management of risk within the Company is assigned to the Audit Committee, which is authorized to oversee and execute relevant tasks as per its terms of reference. To support this effort, the Company has engaged the services of an external auditor to perform regular risk assessments, the results of which are reported to the committee on a periodic basis.
Article No. 85 / Paragraph (a)	Social Initiatives: (a) Establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities.	(Guiding Article) The organization is dedicated to providing social responsibility programs, as outlined in the Board of Directors’ Annual Report.
Article No. 92	Formation of a Corporate Governance Committee: If the Board forms a corporate governance committee, it shall assign to it the competencies stipulated in Article (94) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	(Guiding Article) The organization has established a Compliance and Governance Department with the specific responsibility of ensuring compliance with relevant regulations and governance protocols.

2) Names, qualifications, experiences, and current and previous positions of the Board and Committees' members and the Executive Management:

A. Members of the Board of Directors:

SN	Name	Positions in Riyadh Cables Group Company	Other current Positions and Memberships	Previous Positions/Experience	Academic Qualifications	Years of experience
1	Khalid Abdulrahman Abdullah Al Gwaiz	- Chairman of the Board of Directors - Chairman of the Executive Committee - Member of the Nomination and Remuneration Committee		- Chief Executive Officer, Binladin International Holding Group - Managing Director, Arabian Company for Water and Power Development (currently known as Global Vision) - Chief Executive Officer of Astra Industrial Group - General Manager - Credit Group - Arab National Bank - General Manager of the Credit Group of Companies at Samba Financial Group - Director of the Financial and Administrative Affairs Sector at the National Cooperative Insurance Company (Alwataniya)	- Fellowship, Chartered Insurance Institute, United Kingdom, 1992 - Bachelor's degree in Urban Planning, University of Washington, Seattle, USA, 1980	44 years
2	Mohamed Hekmat Saadaldain Al Zaim	- Vice Chairman of the Board of Directors - Member of the Executive Committee - Member of the Nomination and Remuneration Committee	- Chief Executive Officer, International Trading and Contracting Company - Chief Executive Officer, Al Afaq Development Company	- Managing Director, Riyadh Cables Group Company - Managing Director, Riyadh Cables and Metals Company - Managing Director, REW - Managing Director, Saudi Modern Company for Telephone Cables Industry (RTC) - Managing Director, Saudi Modern Company for Cables Limited	- Bachelor's degree in Electrical Engineering, King Saud University, KSA, 2002	22 years
3	Ahmad Samer Hamdi Saadaldain Al Zaim	- Director - Member of the Executive Committee - Member of the Nomination and Remuneration Committee		- Managing Director, Riyadh Cables Group Company - Managing Director, Riyadh Cables and Metals Company - Managing Director, REW - Managing Director, Saudi Modern Company for Telephone Cables Industry (RTC) - Managing Director, Saudi Modern Company for Cables Limited	- Bachelor's degree in Economics, the State University of New York, USA, 1992 - Bachelor's degree in Business Administration, Lebanese American University of Beirut, The Republic of Lebanon, 1987	37 years
4	Ziad Fouad Fahd Al Saleh	- Director	- Chief Operating Officer, Al Muhaidib Group - Managing Director, Arab Gulf Real Estate Investment Company	- Senior Manager, Private and Public Equities, Al Muhaidib Group	- Bachelor of Business Administration, University of Miami, USA, 2002 - Master of Business Administration, International University in Geneva, Switzerland, 2004	22 years

SN	Name	Positions in Riyadh Cables Group Company	Other current Positions and Memberships	Previous Positions/Experience	Academic Qualifications	Years of experience
5	Abdulwahab Abdulkareem Abdulrahman Albtairi	- Director - Chairman of the Audit Committee	- Managing Director, Experts Academy Schools		- Bachelor of Finance, King Fahd University of Petroleum and Minerals, KSA, 1999 - Master of Business Administration, London Business School, UK, 2010	25 years
6	Fahad Mahmoud Zuhdi Malhas	- Director - Chairman of the Nomination and Remuneration Committee	- Advisor to the Board of Directors, McLean Square Shopping Center - Director and Chief Executive Officer, Realm Real Estate Development Company		- Bachelor of Business Administration, American University of Beirut, 2000	24 years
7	Raed Ibrahim Suleiman Al Modaihim	- Director - Member of the Audit Committee			- Bachelor's degree in Electrical Engineering, King Saud University, KSA, 1986 - Master's degree in Electrical Engineering, King Saud University, KSA, 1992	38 years

B. Names of non-director committee members, their current and previous positions, qualifications and experience:

SN	Name	Committee and Membership	Current Positions and Memberships	Previous Positions/Experience	Academic Qualifications	Years of experience
1	Ms. Kholoud Abdulaziz Mohammed Al-Dakhil	- Member of the Audit Committee	- Chief Executive Officer, Erteqa Financial Company	- Chairwoman of the National Statistical Committee, Council of Saudi Chambers - Managing Director, Aldukheil Financial Group	- Bachelor's degree in Finance and International Trade, Georgetown University, USA - Master of Business Administration (Finance), University of Washington	27 years
2	Firas Samir Alawan AlBayyat	- Member of the Executive Committee		- Management Consultant, Booz & Company - Project Manager, Saudi Arabian Oil Company (Aramco)	- Bachelor's degree in Electrical Engineering, Colorado School of Mines - Master of Business Administration, London Business School, UK	14 years
3	Mohammed Suleiman Mousa Al Saleem	- Member of the Executive Committee	- Executive Advisor, Riyadh Cables Group Company	- He held various roles at Riyadh Cables Group Company (RCGC), including: • Deputy Chief Executive Officer, RCGC, 2018-2021 • Managing Director supervising the Administrative Affairs of RCGC, 2007-2017 • Advisor to the Board for the Administrative Affairs of RCGC, 2002-2007 • Administrative Affairs General Manager, RCGC, 1996-2002	- Bachelor's degree in Economics, Imam Muhammad Ibn Saud Islamic University, KSA, 1985	39 years

C. Names of senior executives, their current and previous positions, qualifications and experience

SN	Name	Current Positions and Memberships	Previous Positions/Experience	Academic Qualifications	Years of experience
1	Borjan Milorad Boro Sehovac	- CEO	- Chief Executive Officer, Prysmian Group - Finland, a Finnish limited liability company operating in the cable manufacturing industry	- Bachelor's degree in Electrotechnical Engineering, Politecnico University of Milan, Italy, 2003 - Master's degree in Electrotechnical Engineering, Politecnico University of Milan, Italy, 2006	21 years
2	Bahaa Ahmed Bakr Issa	- Chief Financial Officer	- Chief Executive Officer, Habsburg Group, a UK-based limited liability company operating in financial consulting and restructuring - Deputy Managing Director, Saudi Research & Publishing Company, a UK-based limited liability company operating in publications and media - Head of Treasury and Investment, Saudi Research and Marketing Group, a Saudi public joint stock company operating in publications, media and advertising - Vice Chairman, Merrill Lynch International Bank-London, a UK-based listed joint stock company operating in international investment and asset management services - Vice Chairman, Samba Financial Group – London, a Saudi public joint stock company operating in the banking services sector	- Bachelor's degree in International Management, American University, USA, 1985 - Certified Financial Analyst, UK Securities and Exchange Commission, 1994 - Series 7 License, U.S Securities and Exchange Commission, 1994 - Course in Strategic Decision Making for Leaders, INSEAD, 2003	39 years
3	Mohammed Suleiman Mousa Al Saleem	- Executive Advisor - Secretary of the Company's Board of Directors - Member of the Executive Committee	- (Covered earlier)	- Bachelor's degree in Economics, Imam Muhammad Ibn Saud Islamic University, KSA, 1985	39 years
4	Mouaaz Marawan Badreldin Al-Younes	- Chief Strategy Officer	- Since 2015, he has held various positions within the Riyadh Cables Group Company, beginning as the EHV Program Manager and subsequently assuming roles as the Director of the Development Department and the General Manager of the Strategic Projects Department - General Manager - Special Business Unit, Promac, an American single shareholder company operating in supplement manufacturing of complementary production lines and manufacturing systems - General Manager of Special Projects, OSAID Company, an American limited liability company operating in the manufacture of machinery, equipment and production lines - Director of Electrical Control and Industrial Automation Projects, Livingstone Company, an American closed joint-stock company operating in electronic control and industrial automation	- Bachelor's degree in Electrical Engineering, North Carolina State University, USA, 2001	23 years

SN	Name	Current Positions and Memberships	Previous Positions/Experience	Academic Qualifications	Years of experience
5	Abdalmohsen Abdurrahman Ibrahim Al Huraish	- Chief Commercial Officer	- Associate Professor, King Saud University, a Saudi public university	- Bachelor's degree in Electrical Engineering, King Saud University, 1985 - B- Master's degree in Electrical Engineering, University of Missouri, USA, 1989 - PhD in Electrical Engineering, University of Strathclyde, Scotland, 2000	39 years
6	Raed Ayoub Ibrahim Ayoub	- Chief Information Technology Officer	- Chief Strategy Officer, Saudi Company for Hardware (SACO), a listed joint stock company operating in the retail of consumer goods - System Analyst and Software Developer, Arabian Computer Projects Company, a Saudi limited liability company operating in IT - Software Developer, Tantash Information Systems Company, a Jordanian limited liability company operating in IT	- Bachelor's degree in Computer Science, Al-Mansour University, Iraq, 1997	27 years
7	Khaled Omar Abdulhalim Al-Turk	- Vice President of Operations	- General Manager of Operations, El Sewedy Electric, a Saudi closed joint stock company operating in the cable industry - General Manager of Plants, Gulf Cable Group, a Jordanian closed joint stock company affiliate of Gulf Cable & Electrical Industries Company, a Kuwaiti Company operating in the cable manufacturing industry	- Bachelor's degree in Electromechanical Engineering, Al-Balqa Applied University (BAU), Amman, Jordan, 1995	29 years
8	Muhammad Mustafa Muhammad Al-Shmory	- Vice President of the Technical and Quality Control Departments	- Since 1999, he has assumed several roles within the Riyadh Cables Group Company, commencing as a Technical Engineer, and subsequently serving as the Assistant General Manager, the Deputy General Manager, and eventually the General Manager of the Technical Affairs Department	- Bachelor's degree in Electrical Engineering, American University of Beirut, Lebanon, 1997	27 years
9	Sameer Muhammad Iqbal Ghulam Al-Shahid	- Vice President for Human Resources & Administration	- Director of Shared Services, Golden Chicken Farms Company for Agricultural & Animal Production, a Saudi closed joint stock company operating in the field of agriculture and poultry production - Senior Manager Business Continuity Department, The Saudi Investment Bank, a listed joint stock company operating in the banking services sector	- Bachelor of Business Administration, King Saud University, KSA, 1997	27 years

3) Names of companies inside and outside KSA in which a Board member currently or previously held a position on the Board or served as a manager:

Member Name	Names of companies in which a Board member currently holds a position on the Board or served as a manager	Inside / Outside KSA	Legal Entity	Previously held a position on the Board or served as a manager	Inside / Outside KSA	Legal Entity
Khalid Abdulrahman Abdullah Al Gwaiz	(1) Al Rajhi Bank	(1) Inside KSA	(1) Listed	(1) Binladin International Holding Group	(1) Inside KSA	(1) Closed
	(2) Bawan Company	(2) Inside KSA	(2) Listed	(2) Swicorp	(2) Inside KSA	(2) Limited Liability Company
	(3) Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO)	(3) Inside KSA	(3) Listed			(3) Closed
	(4) Unique Solutions for Chemical Industries (USCI)	(4) Inside KSA	(4) Limited Liability Company	(3) Arabian Company for Water and Power Development (Global Vision)	(3) Inside KSA	(3) Closed
	(5) Saudi Emcor Company	(5) Inside KSA	(5) Limited Liability Company			
Mohamed Hekmat Saadaldain Al Zaim	(1) Saudi Modern Company for Specialized Wires and Cables Industry (REW)	(1) Inside KSA	(1) Closed			
	(2) Riyadh Cables Company	(2) Inside KSA	(2) Closed			
	(3) Saudi Modern Company for Metals, Cables and Plastic Industry Ltd. (RMC)	(3) Inside KSA	(3) Closed			
	(4) Saudi Modern Company for Metals, Cables and Plastic Industry Ltd. (RMC)	(4) Inside KSA	(4) Closed			
	(5) Saudi Modern Company for Telephone Cables Industry (RTC)	(5) Inside KSA	(5) Closed			
	(6) National Cables Industry (NCI)	(6) Outside KSA	(6) Limited Liability Company			
	(7) Al-Madinah Cement Company	(7) Inside KSA	(7) Listed			
	(8) Green Solutions Company	(8) Inside KSA	(8) Limited Liability Company			
	(9) Future Ceramics Company	(9) Inside KSA	(9) Closed			
	(10) Dar Akai Real Estate Development Company	(10) Inside KSA	(10) Limited Liability Company			
	(11) Afaq Al-Hikmah Company	(11) Inside KSA	(11) Closed			
	(12) Ajyal ALHikma Investment Company	(12) Inside KSA	(12) Limited Liability Company			
	(13) Al Afaq Development Company	(13) Inside KSA	(13) Limited Liability Company			
	(14) Jasmine AgricuLtural Meadows Company	(14) Inside KSA	(14) Limited Liability Company			
	(15) International Trading & Contracting Company	(15) Inside KSA	(15) Limited Liability Company			
Ahmad Samer Hamdi Saadaldain Al Zaim	(1) Seera Holding Group	(1) Inside KSA	(1) Listed	(1) ALTayyar Travel Group	(1) Inside KSA	(1) Listed
	(2) Al-Rajhi Takaful	(2) Inside KSA	(2) Listed	(2) Gulf International Contracting & Real Estate Company	(2) Inside KSA	(2) Limited Liability Company
	(3) Saudi Modern Company for Metals, Cables and Plastic Industry Ltd. (RMC)	(3) Inside KSA	(3) Closed	(3) Saudi Modern Company for Specialized Wires and Cables Industry (REW)	(3) Inside KSA	(3) Closed
	(4) Saudi Modern Company for Metals, Cables and Plastic Industry Ltd. (RMC)	(4) Inside KSA	(4) Closed	(4) Riyadh Cables Company	(4) Inside KSA	(4) Closed
	(5) Saudi Modern Company for Telephone Cables Industry (RTC)	(5) Inside KSA	(5) Limited Liability Company			
	(6) National Cables Industry (NCI)	(6) Outside KSA	(6) Limited Liability Company			
	(7) Gulf International Company for Home Furnishing	(7) Inside KSA	(7) Limited Liability Company			
	(8) Inara Lighting Company	(8) Inside KSA	(8) Limited Liability Company			
	(9) Silver Crown Trading Company	(9) Inside KSA	(9) Limited Liability Company			

Member Name	Names of companies in which a Board member currently holds a position on the Board or served as a manager	Inside / Outside KSA	Legal Entity	Previously held a position on the Board or served as a manager	Inside / Outside KSA	Legal Entity
Ziad Fouad Fahd Al Saleh	(1) Riyadh Cables Company	(1) Inside KSA	(1) Closed	(1) Dr. Sulaiman Al Habib Medical Group	(1) Inside KSA	(1) Closed
	(2) Saudi Modern Company for Metals, Cables and Plastic Industry Ltd. (RMC)	(2) Inside KSA	(2) Closed			
	(3) Saudi Modern Company for Specialized Wires and Cables Industry (REW)	(3) Inside KSA	(3) Closed			
	(4) Saudi Modern Company for Metals, Cables and Plastic Industry Ltd. (RMC)	(4) Inside KSA	(4) Closed			
	(5) National Cables Industry (NCI)	(5) Outside KSA	(5) Limited Liability Company			
	(6) Saudi Modern Company for Telephone Cables Industry (RTC)	(6) Inside KSA	(6) Limited Liability Company			
	(7) Yanal Finance Company	(7) Inside KSA	(7) Closed			
	(8) J.P. Morgan Saudi Arabia	(8) Inside KSA	(8) Closed			
	(9) Mayar Foods	(9) Inside KSA	(9) Limited Liability Company			
	(10) Pioneers Properties for Urban Development (PREDCO)	(10) Outside KSA	(10) Listed			
	(11) Al-Hoshan Company	(11) Inside KSA	(11) Limited Liability Company			
	(12) Al-Romansiah Company	(12) Inside KSA	(12) Limited Liability Company			
	(13) Al Zahrawi Medical Supplies	(13) Outside KSA	(13) Limited Liability Company			
	(14) Arab Gulf Real Estate Investment Company	(14) Inside KSA	(14) Closed			
	(15) Abdulqadir Al Muhaidib & Sons Company	(15) Inside KSA	(15) Closed			
Abdulwahab Abdulkareem Abdulrahman Albtairi	(1) Asateer Entertainment Company	(1) Inside KSA	(1) Limited Liability Company			
	(2) Jahez International Company for Information Systems Technology	(2) Inside KSA	(2) Listed			
	(3) Bank AlJazira	(3) Inside KSA	(3) Listed			
	(4) Saudi Airlines Catering Company	(4) Inside KSA	(4) Listed			
	(5) National Petrochemical Industrial Company	(5) Inside KSA	(5) Closed			
	(6) Alujain Corporation	(6) Inside KSA	(6) Listed			
	(7) Food & Fine Pastries Al Sunbulah Manufacturing Company (Sunbulah Group)	(7) Inside KSA	(7) Closed			
	(8) Osool & Bakheet Investment Company	(8) Inside KSA	(8) Closed			
	(9) Watar Business Company	(9) Inside KSA	(9) Limited Liability Company			
	(10) Al Himmah Tadamon	(10) Inside KSA	(10) Limited Liability Company			
	(11) Knowledge Masarat Information Technology Company	(11) Inside KSA	(11) Limited Liability Company			
	(12) Amlak Al Diriyah Holding Company	(12) Inside KSA	(12) Limited Liability Company			
	(13) Manafeth Ambulance & Handicap Vehicles	(13) Inside KSA	(13) Limited Liability Company			
Fahad Mahmoud Zuhdi Malhas	(1) Value Group Europe	(1) Outside KSA	(1) Closed	(1) Itihad Bank	(1) Outside KSA	(1) Listed
	(2) Al Mahmodia Commercial	(2) Outside KSA	(2) Limited Liability Company	(2) Palestinian trade bank	(2) Outside KSA	(2) Listed
	(3) Realm Real Estate Development Company	(3) Inside KSA	(3) Limited Liability Company	(3) HSBC Saudi Arabia	(3) Inside KSA	(3) Closed
	(4) Mediterranean Tourism Investment Company	(4) Outside KSA	(4) Listed			
Raed Ibrahim Suleiman Al Modaihim	(1) Masdar Building Materials Company	(1) Inside KSA	(1) Closed			
	(2) United Mining Industries	(2) Inside KSA	(2) Closed			
	(3) Northern Region Cement Company	(3) Inside KSA	(3) Listed			
	(4) Northern Cement Company	(4) Outside KSA	(4) Listed			
	(5) Jeddah Airports Company	(5) Inside KSA	(5) Closed			
	(6) Bawan Company	(6) Inside KSA	(6) Listed			
	(7) Al Yamamah Steel Industries Company	(7) Inside KSA	(7) Listed			
	(8) Saudi Airlines Catering Company	(8) Inside KSA	(8) Listed			
	(9) Thabat Construction Company	(9) Inside KSA	(9) Limited Liability Company			

4) Composition of the Board of Directors and classification of its members, and Board Committees:

The Riyadh Cables Group Company is run by a Board of Directors comprising seven (7) members, who were appointed in accordance with the decision of the Shareholders' General Assembly on 14/07/1443 AH (corresponding to 15/02/2022). The current term of the Board of Directors began on 28/07/1443 AH (corresponding to 01/03/2022) and will conclude on 29/08/1446 AH (equivalent to 28/02/2025). The table below delineates the names and respective classifications of the members of the Company's Board of Directors:

A. Classification of the members of the Board of Directors

SN	Name	Job Title	Membership Classification	Executive Committee	Nomination and Remuneration Committee	Audit Committee
1	Khalid Abdulrahman Abdullah Al Gwaiz	Chairman of the Board of Directors	Independent / Non-executive	Chairman	Member	-
2	Mohamed Hekmat Saadaldain Al Zaim	Vice Chairman of the Board of Directors	Non-independent / Non-executive	Member	Member	-
3	Ahmad Samer Hamdi Saadaldain Al Zaim	Director	Non-independent / Non-executive	Member	Member	-
4	Ziad Fouad Fahd Al Saleh	Director	Non-independent / Non-executive	-	-	-
5	Abdulwahab Abdulkareem Abdulrahman Albtairi	Director	Independent / Non-executive	-	-	Chairman
6	Fahad Mahmoud Zuhdi Malhas	Director	Independent / Non-executive	-	Chairman	-
7	Raed Ibrahim Suleiman Al Modaihim	Director	Non-independent / Non-executive	-	-	Member

B. Classification of non-director committee members:

SN	Name	Job Title	Membership Classification	Executive Committee	Nomination and Remuneration Committee	Audit Committee
1	Mohammed Suleiman Mousa Al Saleem	Member of the Executive Committee	Non-independent / Executive	Member	-	-
2	Firas Samir Alawan AlBayyat	Member of the Executive Committee	Non-independent / Non-executive	Member	-	-
3	Ms. Kholoud Abdulaziz Mohammed Al- Dakhil	Member of the Audit Committee	Independent / Non-executive	-	-	Member

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

The Chairman of the Board of Directors communicates shareholders' suggestions and comments regarding the Company and its performance to all Board members, particularly non-executives, during their meetings. These suggestions and remarks are conveyed to the Company through various means, such as the executive management's interaction with shareholders, the General Assembly meetings, or through the Company's dedicated email for investor relations: ir@riyadh-cables.com , which serves as one of the communication channels between the shareholders and the Company.

6) A brief description of the competencies and duties of committees:

A. Executive Committee

A Board committee tasked with participating in the formulation of new strategic plans and objectives for the Company, utilizing the powers granted by the Board of Directors. The committee is responsible for evaluating proposals submitted by the management team, as well as reviewing and assessing the annual plan and estimated budget, and providing relevant recommendations to the Board of Directors. Additionally, the committee monitors the performance of portfolio companies against the set objectives and budget, and addresses any urgent developments that may arise. The committee also reviews the key topics to be presented on the agenda for Board of Directors' meetings and provides recommendations to the Board on the matter. The committee was formed in accordance with a decision by the Board of Directors dated 21/02/2022, and it comprises five (5) members as outlined in the table presented in this report.

Responsibilities of the Executive Committee

The Committee shall perform the functions listed below:

First: Works related to the Company's strategy

- Undertaking the functions delegated to it by the Board pursuant to a Board resolution in this regard; this shall be recorded in the Board's meeting minutes;
- Taking appropriate decisions, whether with respect to the purchase of machinery and equipment or the purchase of lands or warehouses for the Company's branches, according to the schedule approved by the Board, and submitting a report to the Board at its first meeting;
- Performing any functions, responsibilities or powers delegated to the Committee by the Board;
- Reviewing the Company's strategic planning processes and procedures in coordination with the CEO;
- Ensuring the completion of strategic plans that achieve the Company's objectives;
- Reviewing the CEO's recommendations regarding the allocation of the Company's resources with the aim of aligning the Company's strategic plans with its long-term operational objectives;
- Reviewing the strategic plans and operational objectives of the Company and its subsidiaries to ensure their compliance with the Company's objectives on a regular basis;
- Conducting the necessary studies on the Company's new investments and making the necessary decisions in this regard based on the authorization of the Board;
- Making recommendations to the Board with respect to the Company's operational priorities and strategies.

Secondly: Works related to the Company's financial planning

- Developing and reviewing annual and long-term financial objectives and strategies and making the necessary recommendations to the Board;
- Reviewing the financial aspects of the Company, including the quarterly financial statements, the final accounts and monthly reports of the Company, in coordination with the Company's Executive Management and Audit Committee;
- Following up on the implementation of the Company's plans and estimated budgets, observing actual performance, monitoring deviations, if any, and requesting the concerned managers to respond to them, in addition to making recommendations in this regard;
- Developing and reviewing dividend distribution policies and their implementation, and making recommendations thereon to the Board;
- Reviewing actual capital expenditures on a periodic basis to ensure their conformity with the budgets approved by the Board;
- Reviewing and making the necessary recommendations to the Board regarding the Company's productivity and the extent of its impact on the Company's future in order to realize the desired objectives to improve the quality of products and services.

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Members of the Executive Committee

The Executive Committee comprises five (5) members:

SN	Name	Position	Membership Status
1	Khalid Abdulrahman Abdullah Al Gwaiz	Chairman of the Executive Committee	Independent / Non-executive
2	Ahmad Samer Hamdi Saadaldain Al Zaim	Member of the Executive Committee	Non-independent / Non-executive
3	Mohamed Hekmat Saadaldain Al Zaim	Member of the Executive Committee	Non-independent / Non-executive
4	Firas Samir Alawan AlBayyat	Member of the Executive Committee	Non-independent / Non-executive
5	Mohammed Suleiman Mousa Al Saleem	Member of the Executive Committee	Non-independent / Executive

Executive Committee meetings and attendance record:

The Executive Committee held seven (7) meetings in 2023, and the table below provides an overview of the attendance record at each of these meetings:

Members of the Executive Committee	Meeting (1) 10/01/2023	Meeting (2) 21/02/2023	Meeting (3) 11/04/2023	Meeting (4) 03/05/2023	Meeting (5) 18/06/2023	Meeting (6) 05/09/2023	Meeting (7) 29/11/2023	Attendance
Khalid Abdulrahman Abdullah Al Gwaiz	✓	✓	✓	✓	✓	✓	✓	7/7
Ahmad Samer Hamdi Saadaldain Al Zaim	✓	✓	✓	✓	✓	✓	✓	7/7
Mohamed Hekmat Saadaldain Al Zaim	✓	✓	✓	✓	✓	✓	✓	7/7
Firas Samir Alawan AlBayyat	✓	✓	✓	✓	✓	✓	✓	7/7
Mohammed Suleiman Mousa Al Saleem	✓	✓	✓	✓	✓	✓	✓	7/7

B. Audit Committee

It is a Board committee with the responsibility of examining the annual financial statements and submitting recommendations for approval to the Board of Directors. The committee also oversees the performance of internal auditors within the Group's companies, ensuring the efficacy of their respective roles and duties. In this capacity, the Audit Committee thoroughly reviews internal audit reports, diligently tracks the implementation of corrective actions in response to pertinent observations, and assesses the internal control system. The committee prepares a comprehensive written report outlining its opinions and recommendations for the Board of Directors' consideration. The committee also makes recommendations regarding the appointment, termination and remuneration of external auditors. When proposing appointments, the committee ascertains the auditors' independence. The Audit Committee also scrutinizes the observations on financial statements, monitors the Company's responsive measures, and assesses the accounting policies and procedures in place. Based on this, the Audit Committee presents its well-informed opinions and recommendations to the Board of Directors. On 02/21/2022, the Board of Directors submitted its recommendation to the Shareholders' General Assembly for restructuring the Audit Committee for its third term which commences on 01/03/2022 and ends on 02/28/2025. The Shareholders' General Assembly approved the recommendation on 04/04/2022. Furthermore, the Shareholders' General Assembly approved the Audit Committee charter on 05/31/2022.

Responsibilities of the Audit Committee

The Audit Committee shall be primarily responsible for monitoring the Company's business and verifying the integrity and effectiveness of its reports, financial statements and internal control policies. The duties and responsibilities of the Audit Committee shall include in particular the following:

Financial reporting

- Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency;
- Providing its expert opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows Shareholders and Investors to assess the Company's financial position, performance, business model and strategy;
- Analyzing any important or unusual issues contained in the financial reports;
- Accurately investigating any issues raised by the Company's Chief Financial Officer or any person assuming his/her duties or the Company's Compliance Officer or Auditor;
- Examining the accounting estimates in respect of significant matters that are contained in the financial reports; and
- Considering the Company's accounting policies, expressing an opinion thereon and making recommendations to the Board of Directors with respect to them.

Internal Audit

- Examining and reviewing the Company's internal and financial control systems and risk management system;
- Analyzing the internal audit reports and following up on the implementation of the corrective measures in respect of observations made in such reports;
- Monitoring and supervising the performance and activities of the internal auditor and Internal Audit Department of the Company, to verify the availability of the necessary resources and their effectiveness in performing the tasks and assignments entrusted thereto;
- Providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggesting his/her remunerations.

External Audit

- Providing recommendations to the Board about the nomination and dismissal of Auditors, determining their fees and evaluating their performance after verifying their independence and reviewing their scope of work and the terms of their contracts;
- Verifying the independence, objectivity and fairness of the Auditor and the effectiveness of the auditing, taking into account relevant rules and standards;
- Reviewing the plan and work of the Company's Auditor, ensuring that it does not provide any technical or administrative works that are beyond the scope of its work, and providing its opinion thereon;
- Responding to inquiries from the Company's Auditor, reviewing the Auditor's reports and the notes on the Company's financial statements, and following up the relevant actions.

Ensuring Compliance

- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;
- Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions;
- Reviewing contracts and transactions to be concluded with the related parties and expressing its views thereon to the Board; and
- Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

Members of the Audit Committee

The Audit Committee comprises three (3) members:

SN	Name	Position	Membership Status
1	Abdulwahab Abdulkareem Abdulrahman Albairi	Chairman of the Audit Committee	Independent / Non-executive
2	Raed Ibrahim Suleiman AlModaihim	Member of the Audit Committee	Non-independent / Non-executive
3	Ms. Kholoud Abdulaziz Mohammed Al- Dakhil	Member of the Audit Committee	Independent / Non-executive

Audit Committee meetings and attendance record:

The Audit Committee held six (6) meetings in 2023, and the table below provides an overview of the attendance record at each of these meetings:

Members of the Audit Committee	Meeting (1) 07/03/2023	Meeting (2) 04/05/2023	Meeting (3) 09/08/2023	Meeting (4) 19/10/2023	Meeting (5) 29/10/2023	Meeting (6) 28/12/2023	Attendance
Abdulwahab Abdulkareem Abdulrahman Albairi	✓	✓	✓	✓	✓	✓	6/6
Raed Ibrahim Suleiman AlModaihim	✓	✓	✓	✓	✓	✓	6/6
Ms. Kholoud Abdulaziz Mohammed Al- Dakhil	✓	✓	✓	✓	✓	✓	6/6

C. Nomination and Remuneration Committee

A Board committee responsible for nominating new members to the Board of Directors, in line with the approved policies and standards. As part of its mandate, the committee conducts an annual review to determine the skills required for potential Board of Directors members, and prepares a comprehensive description of the capabilities and qualifications required for membership. Furthermore, the Nomination and Remuneration Committee conducts an annual independence verification exercise to ensure the independence of independent members and absence of any potential conflicts of interest that may arise if a member occupies a position on the board of directors of another company. Apart from its nomination responsibilities, the committee is also responsible for setting clear policies that govern the remuneration of members of the Board of Directors and Senior Management.

On 08/09/2022, the Board of Directors issued a decision to restructure the Nomination and Remuneration Committee, and the Shareholders' General Assembly approved the committee's charter on 05/31/2022.

Responsibilities of the Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee include:

- Preparing a clear policy for the remuneration of the members of the Board of Directors, the committees emanating from the Board and Senior Management, and submitting the same to the Board of Directors for consideration in order to be approved by the General Assembly, provided that such policy takes into account performance-related standards and ensures that they are implemented;
- Clarifying the relationship between the remuneration granted and the applicable remuneration policy, and highlighting any material deviation from such policy;
- Carrying out periodic review of the remuneration policy and evaluating its effectiveness in terms of achieving its objectives;
- Making recommendations to the Board with regard to the remuneration of members of the Board of Directors, its committees and Senior Executives of the Company in accordance with the approved policy;
- Proposing clear policies and criteria for membership of the Board of Directors and Senior Management positions;
- Making recommendations to the Board of Directors to nominate or re-nominate members in accordance with the approved policies and criteria, ensuring no person previously convicted of committing a breach of trust felony shall be nominated;
- Preparing a description of the capabilities and qualifications required for membership of the Board and Senior Management positions;
- Determining the time that members should dedicate to the responsibilities of the Board;
- Carrying out annual reviews of the required skills or appropriate expertise necessary for membership of the Board of Directors and Senior Management positions;
- Reviewing the structure of the Board and the Senior Management and making recommendations regarding any possible changes that may be made to such structure;
- Verifying the independence of independent members on an annual basis, and ensuring there is no conflict of interest in the event any member is a member of the board of directors of another company;
- Developing special procedures in the event that there is a vacancy in the Board of Directors or for Senior Executive positions;
- Determining the strengths and weaknesses of the Board of Directors, and proposing solutions to address them in line with the Company's interests.

Members of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises four (4) members:

SN	Name	Position	Membership Status
1	Fahad Mahmoud Zuhdi Malhas	Chairman of the Nomination and Remuneration Committee	Independent / Non-executive
2	Khalid Abdulrahman Abdullah Al Gwaiz	Member of the Nomination and Remuneration Committee	Independent / Non-executive
3	Ahmad Samer Hamdi Saadaldain Al Zaim	Member of the Nomination and Remuneration Committee	Non-independent / Non-executive
4	Mohamed Hekmat Saadaldain Al Zaim	Member of the Nomination and Remuneration Committee	Non-independent / Non-executive

Nomination and Remuneration Committee meetings and attendance record:

The Nomination and Remuneration Committee held four (4) meetings in 2023, and the table below provides an overview of the attendance record at each of these meetings:

Members of the Executive Committee	Meeting (1) 15/01/2023	Meeting (2) 21/02/2023	Meeting (3) 04/05/2023	Meeting (4) 01/10/2023	Attendance
Fahad Mahmoud Zuhdi Malhas	x	x	✓	✓	4/4
Khalid Abdulrahman Abdullah Al Gwaiz	✓	✓	✓	✓	4/4
Ahmad Samer Hamdi Saadaldain Al Zaim	✓	✓	✓	✓	4/4
Mohamed Hekmat Saadaldain Al Zaim	✓	✓	✓	✓	4/4

7) The means used by the Board of Directors to assess its performance:

The Nomination and Remuneration Committee has conducted a thorough evaluation of the Board of Directors, utilizing approved assessment models established by the Company. These models are designed to identify the strengths and weaknesses of the Board and ensure the independence of its independent members.

8) Disclosure of remuneration of the Board members and Executive Management as stated in Article (90) of the Corporate Governance Regulations:

Under Article (90) of the CMA's Corporate Governance Regulations, we state the following:

A. Disclosure of the details of the remuneration policies, and mechanisms for determining compensation paid to the Company's Board members and Executive Management:

The bylaws and regulations governing the remuneration of the Board of Directors and its committees, as approved by the Shareholders' General Assembly on 04/28/2022, establish clear criteria for calculating the compensation provided to Board members and Executive Management, including any direct or indirect benefits. This information is presented in a transparent and accurate manner, with no omissions or misleading details;

B. The relationship between the remunerations granted and the applicable remuneration policy:

The Riyadh Cables Group Company calculated the compensations and remunerations provided to the Board of Directors in compliance with the provisions set forth in Article No. (22) of the Company's bylaws, which are consistent with the approved remuneration policy for Board members, board committees, and Executive Management, as endorsed by the Shareholders' General Assembly. The Board of Directors affirms that the remunerations granted are fully aligned with the applicable remuneration policy, with no deviation or discrepancies present.

First: Remuneration of the Directors (in Saudi Riyals)

	Fixed Remuneration						Variable Remuneration					End of service benefits Grand Total		Expenses allowances
	Specific Amount	Allowance for attending the Board sessions	Total allowance for attending committee sessions	In-kind Benefits	A statement of the Board members' remuneration as workers or managers or payments received for technical, administrative and consultancy works	Remuneration of the Board chairman, managing director or secretary, if they are committee members	Total	Profit share	Periodic remunerations	Short-term Incentive Plans	Long-term Incentive Plans			
First: Independent members														
Khalid Abdulrahman Abdullah Al Gwaiz	600,000	15,000	33,000				648,000							648,000
Abdulwahab Abdulkareem Abdulrahman Albtairi	300,000	15,000	18,000				333,000							333,000
Fahad Mahmoud Zuhdi Malhas	300,000	15,000	12,000				327,000							327,000
Second: Non-executive Members														
Mohamed Hekmat Saadaldain Al Zaim	300,000	15,000	33,000				348,000							348,000
Ahmad Samer Hamdi Saadaldain Al Zaim	300,000	15,000	33,000				348,000							348,000
Ziad Fouad Fahd Al Saleh	300,000	15,000					315,000							315,000
Raed Ibrahim Suleiman Al Modaihim	300,000	15,000	18,000				333,000							333,000
Third: Executive Members														
Total	2,400,000	105,000	147,000				2,652,000							2,652,000

Second: Remuneration of Committee Members (in Saudi Riyals)

Name	Fixed Remuneration (Except attending sessions)	Allowance for attending sessions	Total
Members of the Audit Committee			
Abdulwahab Abdulkareem Abdulrahman Albtairi	100,000	18,000	118,000
Raed Ibrahim Suleiman Al Modaihim	100,000	18,000	118,000
Ms. Kholoud Abdulaziz Mohammed Al- Dakhil	200,000	18,000	218,000
Total	400,000	54,000	454,000
Members of the Nomination and Remuneration Committee			
Fahad Mahmoud Zuhdi Malhas	100,000	12,000	112,000
Khalid Abdulrahman Abdullah Al Gwaiz	-	12,000	12,000
Mohamed Hekmat Saadaldain Al Zaim	100,000	12,000	112,000
Ahmad Samer Hamdi Saadaldain Al Zaim	100,000	12,000	112,000
Total	300,000	48,000	348,000
Members of the Executive Committee			
Khalid Abdulrahman Abdullah Al Gwaiz	-	21,000	21,000
Mohamed Hekmat Saadaldain Al Zaim	100,000	21,000	121,000
Ahmad Samer Hamdi Saadaldain Al Zaim	100,000	21,000	121,000
Firas Samir Alawan AlBayyat	200,000	21,000	221,000
Mohammed Suleiman Mousa Al Saleem	100,000	21,000	121,000
Total	500,000	105,000	605,000

Third: Remuneration of the top five senior executives, including the CEO and CFO (in SAR)*

Senior executives	Fixed Remuneration				Variable Remuneration						End of service benefits Total remuneration for executives in the Board, if any	Grand Total
	Salaries	Allowances	In-kind Benefits	Total	Periodic remunerations	Profits	Short-term Incentive Plans	Long-term Incentive Plans	Equity (values to be entered)	Total		
Total	3,594,672	1,201,128	406,829	5,202,629	5,000,000	2,475,000	620,000	2,475,000	0	10,570,000		15,772,629

* The Company is committed to disclose the aggregate amount of remuneration provided to senior executives, in accordance with the statutory requirements outlined in subparagraph (b) of paragraph (4) of Article (90) of the Corporate Governance Regulations. However, to safeguard the interests of the Company, its shareholders, and employees, and to prevent any potential harm that may arise from detailed disclosure based on specific job titles, the specific details of executive compensation are not presented as stipulated in Appendix (1) of the Senior Executives section of the Corporate Governance Regulations.

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

There is no sanction, penalty, preventive measure or precautionary restriction imposed on the Company.

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

Recognizing the significance of internal control, the Board of Directors regularly monitors the effectiveness of the internal control system, policies, and procedures through periodic reports. It also oversees the periodic updates of these systems in compliance with the policies and regulations approved by the General Assembly. The Audit Committee has provided its assessment of the adequacy of the internal control system, as follows:

Audit Committee Opinion:

Upon thorough review of the (appointed) internal auditor's work and the internal audit plan, which was duly approved by the Audit Committee for Fiscal Year 2023, we acknowledge that despite the proper design and implementation of internal control procedures, absolute assurance of their effectiveness cannot be guaranteed. As a result, the Audit Committee has assessed the internal control procedures currently in place within the Company. After carefully analyzing the information presented to the Committee, it has not identified any material deficiencies in the current internal control procedures. Nevertheless, the Audit Committee strongly advises the management of the Company to continually improve and streamline the efficiency and effectiveness of its control policies and procedures, while ensuring they are updated to match the Company's evolving size and business operations.

11) Audit Committee’s recommendation on the need for appointing an internal auditor for the Company:

In the last year, the Audit Committee previously made a recommendation to the Board of Directors concerning the appointment of an internal auditor within the Company. Accordingly, Internal Audit Department was established and a General Manager of Internal Audit was appointed as well as a number of staff in this Department. Additionally, the Company contracted in 2023 with an external consulting firm specialized in internal audit work to serve as its internal auditor.

12) The Audit Committee’s recommendations that are in conflict with the Board’s resolutions or those which the Board disregarded, relating to appointment, dismissal, performance 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 recommendations made by the Audit Committee and the decisions taken by the Board of Directors. Furthermore, the Board of Directors has not rejected any of the recommendations that have been presented to it by the Audit Committee.

13) Details of the Company’s social contributions:

The Group's responsibility towards society is always at the forefront of its concerns; it is an objective the Group seeks to achieve through direct contribution by supporting a number of charities in the Kingdom, including:

- Developmental Housing Foundation (Sakan)
- Charitable Foundation for Orphans Care (Ekhaa)
- Saudi Social Responsibility Association
- Prince Sultan Medical City

The Group supports individuals and communities by investing in university graduates through employing and training young people at the Group's training center by providing training and educational courses in cable manufacturing and electricity projects. It also participates in sponsoring Careers Day, along with universities and industrial institutes inside the Kingdom. The Group supports and sponsors a number of programs for young people.

14) A statement of the dates of the Shareholders’ General Assembly meetings held during the last fiscal year and the names of the Board members who attended them:

Board Members' Attendance Record		Extraordinary General Assembly Meeting 20/06/2023
Khalid Abdulrahman Abdullah Al Gwaiz		✓
Mohamed Hekmat Saadaldain Al Zaim		✓
Ahmad Samer Hamdi Saadaldain Al Zaim		✓
Ziad Fouad Fahd Al Saleh		✓
Abdulwahab Abdulkareem Abdulrahman Albtairi		✓
Fahad Mahmoud Zuhdi Malhas		✓
Raed Ibrahim Suleiman Al Modaihim		✓

15) A description of the main types of activities of the Company and its affiliates:

The Group's business is divided into four (4) key sections:

Manufacturing activities:

The Group manufactures a range of electrical cables and wires, including those with low, medium, high, and extra-high voltage ratings, that are made from copper or aluminum. Additionally, the Group produces home electrical cables and wires, copper communication cables, fiber optic cables, and aerial & overhead power cables and connectors (conductors). In addition, the Group produces raw materials used in manufacturing its products, including copper and aluminum rods, compounding polymers necessary for cable manufacturing such as medium-density polyethylene (MDPE) compound, fire-retardant low-smoke emission halogen-free polymer compound (LSHF), polyvinyl chloride (PVC) compound, cross-linked polyethylene (XLPE) compound and polypropylene yarn (PP). The Group also manufactures wooden and steel drums used in spooling electrical cables and wires;

Sales activities:

The Company sells the Group's products through multiple sales channels including direct sales to Group customers in addition to 18 distribution centers of REW in different cities throughout the Kingdom;

Electrical contracting projects:

The Group undertakes electrical contracting turnkey projects for High Voltage/Extra High Voltage cables inside and outside the Kingdom. Electrical contracting projects include the design and construction of electricity distribution networks, excavation, installation and connection works related to electrical cables and wires;

Maintenance activities:

Backed by a specialized team of engineers, one of our subsidiaries engages in construction and maintenance of industrial buildings and production lines. The Company also offers industrial services, including maintenance, repair and operation of industrial, electrical, telephone and computer machinery, as well as installation and operation of laboratory equipment.

Each of such main activities on the size of the Company's business and its contributions to results are as follows:

Activity	Activity Revenue (SAR)	Percentage
Sales activities	7,607,486,650	97.22%
Electrical contracting projects	217,891,477	2.78%
Total	7,825,378,127	100%

16) A description of the Company’s significant plans and decisions (including any restructuring, business expansion or discontinuance of operations), the future prospects of the Company’s business:

A. Company structural changes:

- On 20/06/2023, the Company’s Articles of Association were adapted to comply with the new corporate law with the approval of Shareholder’s General Assembly;
- On 10/12/2023, the Board of Directors decided unanimously to transfer the entire indirect ownership of Riyadh Cables Group Company’s shares and stakes in subsidiaries to the 100% direct ownership of Riyadh Cables Group Company at their book value.

B. The Company’s business expansions - operational activities and strategic decisions:

- Continuing an efficiency improvement program through the Group’s expansions in the Kingdom of Saudi Arabia, United Arab Emirates and Republic of Iraq, with an investment exceeding one hundred and fifty million riyals, including purchase of machinery, equipment and civil and development works;
- Commitment to our continued efforts to support the goals of the National Transformation Program 2020 and Saudi Vision 2030, with a particular emphasis on increasing the local content of national industries.

C. The Company’s future business plans and expectations:

The Group's strategy included protecting and increasing its market share by focusing on increasing sales of its primary products in existing markets. KSA and other targeted markets constitute attractive elements that will increase the demand for cables and services provided in the coming years.

In order to increase its market share and expand into other markets, the Company is currently working on the development of new types of cables and products, focusing on key areas including:

- Expanding its product portfolio to include electrical submersible pump cables;
- Expanding its product portfolio to include sustainable and recyclable cables;
- Expansion projects to decrease costs of insulation materials used in manufacturing medium pressure cables;
- Medium and high voltage accessories project;
- Consideration of rubber-insulated cables project;
- Focusing on turnkey projects, especially in the field of regional mega projects.

D. Environmental, Social and Governance (ESG) standards:

In 2023, the Group continued its interest in effective governance to achieve economic and environmental sustainability. The Group increased the disclosure of environmental, social and governance practices.

The Company effectively seeks to integrate environmental, social and governance practices with its core business strategy by ensuring that the Group’s staff have a common understanding of the major trends which will affect the Company and society more generally over the coming decades. The Company intends to make enhanced ESG disclosure practices an essential part of its business procedures, whether the regulations require it or not, in order to integrate ESG practices in decision making at all levels across the business; compliance with a consistent and comprehensive ESG methodology, combined with appropriate enforcement, will enable the Company to meet the desired standards in this regard.

During 2023, the Group implemented ISO 50001 ENG/ system regarding energy management and received certification from the accredited bodies, highlighting the importance of reducing the use of energy and available natural resources, and decreasing the energy wastage rate to the lowest possible level. The Group used expert consultants to assess its current ESG practices and to formulate a strategic roadmap in this regard. The Company has to date made progress in developing an ESG agenda, including the following achievements:

- The Group has a clear system and policy concerning quality, health, safety and environment that is compliant with ISO 14001, ISO 9001 and ISO 45001;
- The Group designed an emergency plan for solid waste disposal and has created a dedicated scrap department to deal with the solid waste generated in its facilities;
- The Group records its data concerning carbon monoxide (CO), volatile organic compounds (VOCs), nitrogen oxides (NOx), sulfur oxides (SOx) and particulate matters 10 micrometers in diameter (PM10);
- The Group has a strict code of conduct for suppliers;
- The Group has comprehensive workflow policies and procedures for procurement management;
- The Group records water consumption data in all its facilities and implements emergency plans for the treatment of that water;
- The Group carries out audit processes on a periodic basis and provides senior management with a report on non-compliance with the action plan;
- The Group’s procedures and policies are compatible with the requirements of ISO 30405 (Guidelines necessary for organizations to reach employment best practices) and the requirements of ISO 26000 (Guidelines for social responsibilities);

9. The Group was keen to implement the standards of ISO 22301 (International Standard of Business Continuity Management) and prepare an anti-bribery policy and code of business conduct;
10. The Group carried out regular training for its employees on the most important practices for sound and effective governance and economic and environmental sustainability.

Senior management is responsible for preparing ESG practice reports and ensuring implementation of the following tasks:

1. Developing a clear and specific charter for preparation of ESG practice reports in the Company;
2. Understanding ESG practice performance and identifying disclosures of those practices that are most relevant to the Company;
3. Determining priorities for preparing reports about ESG practices, prepared by business units and departments;
4. Monitoring the current and emerging requirements related to ESG that may affect operations;
5. Providing a strong platform to engage the Company and enhance its understanding of ESG issues;
6. Supporting the risk assessment and opportunities related to ESG practices and searching for ways to achieve income from them.

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

In the event that any of the risks outlined below, which are currently deemed immaterial, were to materialize or escalate to a material level, it could have a significant and adverse impact on the Company's business, financial standing, operational performance, and future prospects. Due to the aforementioned risks and other factors that could impact the Company's operations, the future events and conditions may not occur in the manner anticipated by the Company or its Directors, or may not occur at all. Therefore, it is advisable for shareholders to regularly review all forward-looking statements that the Company publishes on its website.

The Board of Directors affirms that the risks described below are not presented in any assumed order of priority reflecting their expected impact on the Company. There may be additional risks and uncertainties, including those that are currently unknown or considered immaterial, that could have similar consequences to those outlined in this section and negatively impact the Company. As a result, the risks highlighted in this section may not reflect all potential risks that could affect the Group, its operations, assets and the markets in which it conducts business.

1. Risks Related to the Operations of the Group (Operational risks):

1-1) Risks related to the Group operations' dependence on the availability and price stability of raw materials and relationships with suppliers:

The Group depends on certain key raw materials in manufacturing electrical cables and wires and communication cables, namely copper and aluminum. These are used as key materials from which electrical cables and wires and communication cables are manufactured, as well as plastic derivatives used for wire and cable insulation and sheathing. Considering the Group's huge production volume, the Group requires large quantities of raw materials and base metals. Accordingly, the Group's manufacturing operations depend materially on the availability of such raw materials and base metals on an ongoing basis and in quantities sufficient to meet its manufacturing needs. Hence, if raw materials or base metals become unavailable, or if the Group is unable to procure sufficient quantities due to high demand from other industrial firms, or if the suppliers are unable to provide the requested amounts for any reason, be it temporary or permanent, such as the introduction of new import regulations or laws, inability to adhere to delivery times agreed with the Group, inability to export to the Kingdom, incidents during the production or supply process or severe fluctuation of the prices, it will impede the Group's manufacturing operations and adversely affect its business, financial position, results of operations and future prospects. Therefore, it is crucial for the Group to maintain uninterrupted relationships with its suppliers without any hindrances that might limit their ability to meet the Group's needs.

1-2) Risks related to revenue concentration

The Group primarily generates its revenues from the sale of three products: low-voltage cables, medium-voltage cables, and internal electrical wires. Any reduction in sales of these products, whether due to the emergence of competing alternatives, customer aversion to utilizing these products, or the Group's inability to keep up with evolving customer demands, could result in a decline in sales and adversely affect the Group's business, financial position, results of operations, and future prospects.

1-3) Risks related to setting aside provisions for onerous contracts

It should be noted that when entering into a contract or receiving a purchase order/confirmation from a customer in connection with the manufacture of any of its products, the Group usually fixes the prices of metals used in the relevant manufacturing process vis-a-vis the customer, in accordance with the terms agreed between the parties. In view of the volatility of metal prices, in the event that the delivery date is delayed for any reason and the metals are used to manufacture products under other subsequent contracts, the Company makes provisions for what it considers to be excess revenues from such subsequent contracts to offset what it considers to be losses as a result of the said delayed contracts which the Group classifies as onerous contracts. In this case, profits are realized from subsequent contracts in the short term which are balanced against losses from onerous contracts in the long run. The inability of the Company to make sufficient provisions for onerous contracts may affect the volatility of the profit and loss results in the short term and expected to be balanced in the long run, which may affect the Group's results, financial position and future prospects.

1-4) Risks related to hedging agreements

The Group has entered into hedging agreements in order to fix the prices of base metals used in manufacturing electrical cables and wires, namely copper, aluminum and lead. Hedging transactions are entered into pursuant to said agreements against the procurement or sales contracts received by the Group from its customers and suppliers, such transactions usually include the Company's procurement of base metals used in the products sold by the Group's branches. The hedging agreements do not cover other raw materials used in manufacturing electrical cables and wires, such as plastic derivatives, as this system is not applicable in the global markets for these materials.

Therefore, the Group does not guarantee that the aforementioned hedging transactions will cover all of the losses that it may incur as a result of significant changes and fluctuations in the price of raw materials, which, in turn may affect the Group's business, financial position, results of operations and future prospects. The Group does not guarantee its ability to enter into hedging agreements to stabilize the prices of metals used in its manufacturing operations, as the provisions of such agreements may not be accepted by the Group, which may expose the Group to risks of fluctuations in the prices of metals and which may therefore increase product costs and have an adverse effect on the Group's business, financial position, results of operations and future prospects.

1-5) Risks related to raw material inventory management, finished product manufacturing, storage, transportation and distribution

The Group maintains an inventory of raw materials and base metals sufficient to meet its needs for a period ranging from one month to three months in accordance with customer orders and manufacturing plans. In case of any inventory surplus exceeding the Group's needs, management of such inventory will cause the Group to incur additional costs and to use of a portion of the Company's liquidity to finance such surplus. In contrast, any shortage in raw material inventory would have an impact on the Group's ability to maintain the required level of production and meet the needs of some customers as quickly as required, which may have an adverse and material impact on the Group's business, results of operations, financial position and future prospects.

It is worth noting that the Group's inability to manage the storage of finished products efficiently and effectively, inadequacy or disruption of storage space or failure of storage systems or policies adopted by the Group in this regard could result in increased storage costs, which in turn would adversely affect the Group's business, financial position, results of operations and future prospects.

1-6) Risks related to the operations of the Group depending on the availability of energy and water

The Group's manufacturing operations depend on electricity, industrial water, diesel, gas and gasoline. The Group's manufacturing plants consume approximately 194 million kw/h of electricity, 2 million liters of diesel, 772 thousand cubic meters of industrial water and 191 thousand Btu of gas annually.

The Group's manufacturing plants require the aforementioned quantities of energy resources in its various manufacturing operations on an ongoing basis. Accordingly, any temporary or permanent shortage or interruption of energy supply and the Group's failure to provide alternative resources in a timely manner and at a reasonable cost, any material increase in electricity tariff, or any increase in prices of diesel, gas or gasoline, would hinder the Group's production operations and increase costs incurred, which would have an adverse effect on the Group's business, results of operations, financial position and future prospects.

1-7) Risks related to the fact that some of the Group's factories are located on leased land

Some of the Group's manufacturing facilities are constructed on land leased from the Saudi Authority for Industrial Cities and Technology Zones (Modon). Such lease agreements have a fixed term by definition, and the conditions of which may be reviewed during their term or upon renewal. Any increase imposed by the Saudi Authority for Industrial Cities and Technology Zones (Modon) would result in additional and unexpected costs incurred by the Group, which would have an adverse effect on the Group's business, results of operations, financial position and future prospects.

1-8) Risks related to natural phenomena and disasters such as floods, earthquakes and other natural events

The operations and facilities of the Group may be vulnerable to various events that are beyond its control and could materially affect its business conduct, including but not limited to fires, floods, earthquakes, and other natural disasters. These occurrences have the potential to significantly impact the Group's operations. In the event of such accidents, the Group's business or affected facilities may be suspended for a certain period, resulting in a decrease in the Group's revenue during that period. Moreover, the Group may have to bear emergency capital expenditures and expenses related to repairing, reconstructing, and rehabilitating the affected facilities to their previous condition. Thus, such accidents would have a negative impact on the Group's business, results of operations, financial position and future prospects.

1-9) Risks related to protection of the Group's intellectual property rights

The Group has registered 5 trademarks. It should be noted that, in general, it is difficult to monitor unauthorized use of trademarks and other violations of intellectual property rights. Additionally, the Group may not be able to register its trademarks in all countries in which it wishes to register such trademarks, as other companies in those countries may have previously registered the same under their own names and used it for their products. In the event that the Group fails to protect its intellectual property rights successfully - or if any other parties steal, breach or infringe upon the intellectual property rights of the Group - the value of the Group's trademark may be damaged, which would adversely affect the Group's business, financial position, results of operations and future prospects.

1-10) Risks related to the Group's operations relying heavily on IT systems

The Group uses many information technology systems to manage its business, including, but not limited to, manufacturing, storage, distribution, advertising, selling, following-up and accounting and financial matters. It should be noted that the Group might bear significant operational costs and consequences as a result of updating its information technology systems and networks, or due to the Group adopting additional measures to protect its data or information technology systems, whether as a result of expansion, modernization, new technologies, systems and regulations or other such factors. In addition, the increased use and reliance of the Group on applications and systems hosted on networks (such as cloud computing) to store, process and transmit information exposes the Group, its employees and its customers to the risk of loss or misuse of such information. In the event that the Group's information technology systems are compromised for any reason, it may lead to a leakage of data regarding the employees, customers and consumers of the Group's products, which may expose the Group to lawsuits against it by the affected parties, thus adversely affecting its reputation.

Any internet or IT infrastructure malfunctions, including those related to the Group's computer systems, website and electronic application, or the occurrence of any of the above-mentioned risks would negatively affect the Group's business, financial position, results of operations and future prospects.

2. Risks related to the Group's financing:

Some companies within the Group have secured facilities from multiple commercial banks both inside and outside the Kingdom. However, in accordance with certain facility agreements, the lenders hold the authority to unilaterally terminate or cancel such facilities without providing any justification or seeking the prior consent of the respective company. In the event that a creditor elects to terminate or cancel any facilities extended to the pertinent company, the creditor may demand full repayment of outstanding amounts, thereby negatively impacting the Group's cash flow, financial position, and future prospects.

Additionally, certain facility agreements entered into by the Group include a number of conditions which authorize the lending banks to adjust interest rates and profit margins as they see fit and as per the market's prevailing prices without the Group having any right to object. Therefore, should the Saudi Inter-Bank Offered Rate ("SIBOR") or the interest rates imposed by third-party financing institutions increase, the costs of finance obtained by the Group will increase, which would have an adverse effect on the Group's cash flow, profitability, results of operations, financial position and future prospects.

3. Risks Related to the Market and the Industry and supply-demand fluctuations

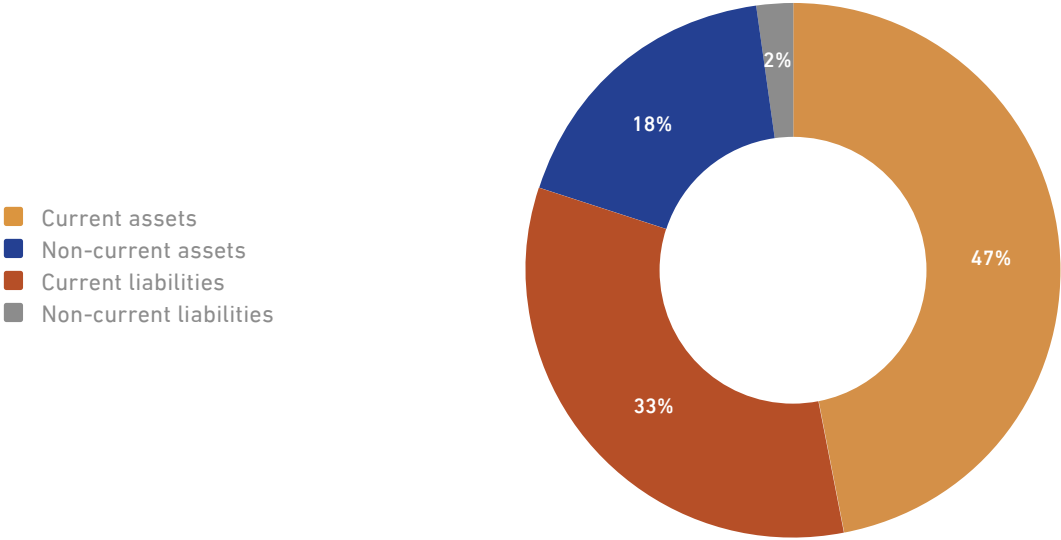
Production volume in the electrical cables and wires sector, like other sectors, is affected by supply and demand fluctuations in the domestic and regional markets. Therefore, if regional production levels do not adapt to the sharp decline in demand, this will affect the productivity of manufacturers of electrical cables and wires and the levels of their sales, which in turn will affect the sector's overall performance and thus the Group's business prospects, results of operations, financial position and future prospects. Moreover, fluctuations of supply and demand for electrical cables and wires in global markets may result in a continuous increase in production capacity.

Accordingly, the existence of large surplus stock of electrical cables and wires domestically and regionally may force the Group to decrease production or decrease the prices of its products, which will adversely affect the Group's profit margins and thus its business, results of operations, financial position and future prospects.

Risk Management and Monitoring Policy:

The Board of Directors has duly authorized the implementation of the Risk and Sustainability Charter, delegating all risk management responsibilities to the Audit Committee within its purview and accountability. To perform risk assessment, the Company has engaged the services of an external consultant, who periodically submits reports to the Audit Committee, which then presents the findings to the Board of Directors. While recognizing that the enumerated risks may not be exhaustive of all potential risks affecting the Company and its operations, the Board hereby affirms, to the best of its knowledge and belief, that no other significant risks, beyond those disclosed, are likely to impact shareholder decisions if left undisclosed.

18) A summary, in the form of a table or a chart, of the assets and liabilities of the Company and of the Company's results for the last five fiscal years:



Comparison of business results:

Description	2023 (SAR)	2022 (SAR)	2021 (SAR)	2020 (SAR)	2019 (SAR)
Revenue	7,825,378,127	6,852,306,557	4,883,443,882	4,086,816,140	4,565,676,154
Revenue Costs	6,852,614,689	6,205,205,384	4,420,360,895	3,650,438,801	4,085,657,371
Gross Profit	972,763,438	647,101,173	463,082,987	436,377,339	480,018,783
Net Profit	518,492,623	351,863,147	239,996,967	218,123,115	197,004,334

Comparison of Assets and Liabilities:

Description	2023 (SAR)	2022 (SAR)	2021 (SAR)	2020 (SAR)	2019 (SAR)
Current assets	3,488,886,173	3,332,848,658	2,669,917,340	2,068,699,250	2,258,033,900
Non-current assets	1,342,042,895	1,291,034,261	1,282,749,530	1,233,430,703	1,245,367,247
Total assets	4,830,929,068	4,623,882,919	3,952,666,870	3,302,129,953	3,503,401,147
Current liabilities	2,450,141,953	2,380,599,125	1,800,136,397	1,235,945,816	1,475,608,356
Non-current liabilities	134,588,657	122,741,094	116,463,689	106,858,590	108,531,834
Total Liabilities	2,584,730,610	2,503,340,219	1,916,600,086	1,342,804,406	1,584,140,190

19) Geographical analysis of revenues of the Company and its subsidiaries:

Geographical analysis of revenues of the Company and its subsidiaries

Geographical Area	2023	
	Total Revenue (SAR)	Percentage
Kingdom of Saudi Arabia	5,645,686,421	72%
United Arab Emirates	1,312,284,351	17%
Iraq	512,299,951	7%
Other	355,107,404	5%
Total	7,825,378,127	

20) Explanation of any material differences in the operational results compared to the previous year’s results or any expectations announced by the Company:

The 47.4% rise in net profit can be attributed mainly to the increase of 14.20% in sales revenue, resulting in a corresponding increase of 50.38% in gross profit. Moreover, by enhancing the efficacy of selling and administrative expenses, operating profit surged by 45%.

a) Review of the material differences between revenue and gross profit

Description	2023	2022	Change	
			Amount	%
Sales/Revenue	7,825,378,127	6,852,306,557	973,071,570	14%
Sales/Revenue Cost	(6,852,614,689)	(6,205,205,384)	(647,409,305)	10%
Gross Profit	972,763,438	647,101,173	325,970,397	50%

b) Material differences between (loss) / operating profit

Description	2023	2022	Change	
			Amount	%
Gross Profit	972,763,438	647,101,173	325,662,265	50%
Sales and distribution expenses	(111,938,018)	(102,779,469)	(9,158,549)	9%
General and administrative expenses	(135,284,304)	(100,165,790)	(35,118,514)	35%
Provision/refund for expected credit losses	(42,914,189)	3,123,727	(46,037,916)	-1474%
Other income	(20,707,312)	10,463,388	(31,170,700)	-298%
Operating Profit / (Loss)	661,919,615	457,743,029	204,176,586	45%

C) Material differences in net profit for the fiscal year

Description	2023	2022	Change	
			Amount	%
Operating Profit / (Loss)	661,919,615	457,743,029	204,176,586	45%
Financing Costs	(103,327,167)	(72,798,933)	(30,528,234)	42%
Income Tax and Zakat	(39,126,206)	(29,208,266)	(9,917,940)	34%
Deferred tax	(973,619)	(3,872,683)	2,899,064	-75%
Net Profit for the year	518,492,623	351,863,147	166,629,476	47%

21) Any inconsistency with the standards approved by the Saudi Organization for Chartered and Professional Accountants:

The financial statements for the fiscal year ending on 31/12/2023 have been prepared in accordance with the accounting standards approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and there is no inconsistency with the SOCPA accounting standards.

22) The name of every affiliate, its share capital, the Company’s ownership percentage in it, its main business, its principal country of operation and its country of incorporation:

Subsidiary Name	Capital	Company's Ownership Percentage	Main Business	Country of Operation	Country of Incorporation
Saudi Modern Company for Metals, Cables and Plastic Industry Ltd.	215,100,000 SAR	100% Direct	The production and sale of low, medium, and high voltage cables, wires, and overhead connectors. Furthermore, the company manufactures raw materials required for the production and insulation of electrical cables and wires, such as copper and aluminum rods, and plastic derivatives including polyvinyl chloride (PVC) granules and crosslinked polyethylene (XLPE), which are utilized in the insulation and packaging of electrical cables and wires. The company also produces wooden and iron reels and carries out high voltage turnkey projects outside of the Kingdom of Saudi Arabia, and undertakes other activities stipulated in its bylaws.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Modern Company for Specialized Wires and Cables Industry	25,100,000 SAR	100% Direct	The company specializes in the manufacturing and distribution of electrical wires, cables, and overhead conductors for the construction sector. These products are available at retail branches situated across the KSA. Additionally, the company undertakes other activities stipulated in its bylaws.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Saudi Modern Company for Telephone Cables Industry	40,100,000 SAR	100% Direct	Production and sale of communication cables made of copper and optical fibers with different capabilities and specifications. Additionally, the company undertakes other activities stipulated in its bylaws.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

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Fiscal Year Ending on 12/31/2023

Subsidiary Name	Capital	Company's Ownership Percentage	Main Business	Country of Operation	Country of Incorporation
Saudi Modern Company for Telephone Cables Industry (RTC)	120,125,000 SAR	100% Direct	The company specializes in the design and construction of electrical distribution networks, as well as undertaking electrical projects including drilling, installation, and connection operations. The company also produces low, medium and high voltage cables in cable factories owned by its subsidiaries. Additionally, the company undertakes other activities stipulated in its bylaws.	Kingdom of Saudi Arabia United Arab Emirates Republic of Iraq	Kingdom of Saudi Arabia
National Cables Industry (NCI)	5,000,000 SAR	100% Direct and Indirect	The company specializes in general construction and architectural contracting services, including the construction, maintenance, and operation of industrial facilities and production lines. It also offers installation, maintenance, repair, and operation services for industrial machinery, electrical devices, telecommunications systems, computer networks as well as laboratory instruments. Additionally, it provides marketing, import and export, inspection (excluding insurance activities), and advertising services.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Iraqi National Company for the Manufacture of Cables	80,000,000 AED	100% Direct	This company manufactures metal cables and tapes, electric power transmission and distribution equipment, electrical connection wires and wire communication wires.	United Arab Emirates	United Arab Emirates
Al Rowad Company for the Production of Electrical Cables and Wires Ltd	15 billion IQD	100% Direct	The company manufactures an extensive range of electrical wires and cables, including those for low, medium and high voltage applications, as well as all applications pertaining to the civil, mechanical and electrical engineering works.	Republic of Iraq	Republic of Iraq
Iraqi National Company for the Manufacture of Cables	5.5 billion IQD	100% Direct	The company manufactures an extensive range of electrical wires and cables, including those for low, medium and high voltage applications, as well as all applications pertaining to the civil, mechanical and electrical engineering works.	Republic of Iraq	Republic of Iraq
Arabian Gulf Company for Electrical Cables	10.000 KD	49% Indirect	Electrical and electronic contracting works	Kuwait	Kuwait
Qatar Cables Company	200,000 QAR	50% Indirect	Trading of electrical cables	Qatar	Qatar
Gulf Company for Electrical Works	20,000 OMR	100% Indirect	Importing electricity and communication cables	Sultanate of Oman	Sultanate of Oman
Egyptian Riyadh Cables Company for Electrical Works	5,000,000 EGP	49% Indirect	Import and export of all types of electric cables	Arab Republic of Egypt	Arab Republic of Egypt
Gulf and Riyadh Company for the Manufacture of Electrical and Electronic Cables and Wires	5,000,000 KD	50 % Indirect	Manufacturing electric and electronic wires and cables	Kuwait	Kuwait

23) Details of shares and debt instruments issued by each subsidiary or affiliate company:

Subsidiary Name	Capital	The nominal value of the share/equity right	Number of shares/ equity rights	Debt Instruments
Saudi Modern Company for Metals, Cables and Plastic Industry Ltd.	215,100,000 SAR	10 SAR	21,510,000	-
Saudi Modern Company for Specialized Wires and Cables Industry	25,100,000 SAR	10 SAR	2,510,000	-
Saudi Modern Company for Telephone Cables Industry	40,100,000 SAR	10 SAR	4,010,000	-
Riyadh Cables Company	120,125,000 SAR	10 SAR	12,012,500	-
Saudi Modern Company for Telephone Cables Industry (RTC)	5,000,000 SAR	100 SAR	50,000	-
National Cables Industry (NCI)	80,000,000 AED	80,000 AED	1,000	-
Al Rowad Company for the Production of Electrical Cables and Wires Ltd	15 billion IQD	1 IQD	15 billion	-
Iraqi National Company for the Manufacture of Cables	5.5 billion IQD	1 IQD	5.5 billion	-
Arabian Gulf Company for Electrical Cables	10.000 KD	100 KD	100	-
Qatar Cables Company	200,000 QAR	1,000 QAR	200	-
Gulf Company for Electrical Works	20,000 OMR	10 OMR	2,000	-
Egyptian Riyadh Cables Company for Electrical Works	5,000,000 EGP	1,000 EGP	5,000	-
Gulf and Riyadh Company for the Manufacture of Electrical and Electronic Cables and Wires	5,000,000 KD	500 KD	10,000	-

24) Description of the Company’s dividends distribution policy:

In accordance with Article Forty Eight (48) of the Company's Bylaws, the net profits for the fiscal year shall be distributed, after deducting all general expenses and other costs, as follows:

1.

The General Assembly shall determine the percentage that must be distributed to the shareholders from the net profits after deducting the reserves, if any.
2.

The Ordinary General Assembly may establish other reserves, as needed to achieve the Company's interests, or to distribute fixed dividends to Shareholders as much as feasible. The Ordinary General Assembly may also allocate amounts from the net profit to establish social institutions for the Company's employees or support existing institutions of such nature.
3.

In accordance with the relevant resolution issued by the General Assembly, the Shareholder is entitled to receive their dividend share. This resolution must specify the due date and date of distribution. Only those shareholders registered in the Shareholders' Register at the end of the day specified for the maturity. The Regulations shall specify the maximum term during which the Board of Director shall implement the General Assembly’s decision regarding the distribution of profits to the shareholders.
4.

The Board may distribute interim dividends, subject to securing the regulatory approvals.

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Fiscal Year Ending on 12/31/2023

The following table lists the profits distributed to Shareholders during the various periods of the fiscal year, as well as the proposed profits to be distributed at the end of the fiscal year, and the total of these profits.

Percentage of profits distributed during 2023 from the nominal value of share			
	16.10.2023	Proposed dividends for FY 2023	Total profits
Percentage	10%	15%	
Total	149,970,000	224,576,250	374,546,250

Proposed dividends for the fiscal year ending on 31/12/2023

At its meeting on 06/03/2024, the Board of Directors recommended distributing cash dividends to the Company's shareholders for the second half of 2023. The proposed amount for distribution is SAR 224,576,250 at a rate of SAR 1.5 per share, representing 15% of the nominal value of the share, noting that interim dividends were previously distributed for the first half of 2023, at a rate of SAR 1 per share. If the Board of Directors’ recommendation is approved by the General Assembly, the eligible shares from the distribution for the entire 2023 are SAR 2.5 per share.

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 (85) of the OSCIR Rules, along with any change to such rights during the last fiscal year:

Not applicable, as there is no interest in the class of shares with voting entitlement belonging to persons (other than the Company’s directors, Senior Executives and their relatives).

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 OSCIR Rules.

SN	Names of the persons of interest	No. of Shares Beginning of the year	No. of Shares End of the year	Net Change	Change (%)
1	Abdulqadir Al Muhaidib & Sons Company	35,977,500	35,977,500	0	0.0%
2	Hekmat Saadaldain Al Zaim	33,637,500	33,637,500	0	0.0%
3	Alma Limited Company	17,854,167	13,960,721	0	0.0%

26) A description of any interest, contractual securities or rights issue of the Board Members, Senior Executives and their relatives on the shares or debt instruments of the Company or its subsidiaries or affiliates, and any change on such interest or rights during the last fiscal year:

First: Board Members

A description of any interest, contractual securities or rights issue of Board Members and their relatives on shares or debt instruments of the Company

SN	Names of the persons of interest	No. of Shares		End of the year		Net Change	Change (%)
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
1	Khalid Abdulrahman Abdullah Al Gwaiz	0	-	30,000	-	+30,000	100%
2	Mohamed Hekmat Saadaldain Al Zaim	5,850,000	-	5,850,000	-	0	0.0%
3	Ahmad Samer Hamdi Saadaldain Al Zaim	13,980,706	-	13,980,706	-	0	0.0%
4	Ziad Fouad Fahd Al Saleh	-	-	-	-	-	0.0%
5	Abdulwahab Abdulkareem Abdulrahman Albtairi	-	-	-	-	-	0.0%
6	Fahad Mahmoud Zuhdi Malhas	-	-	-	-	-	0.0%
7	Raed Ibrahim Suleiman Al Modaihim	-	-	-	-	-	0.0%

Second: Senior Executives

A description of any interest, contractual securities or rights issue of Senior Executives and their relatives on shares or debt instruments of the Company

SN	Names of the persons of interest	No. of Shares		End of the year		Net Change	Change (%)
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
1	Mohammed Suleiman Mousa Al Saleem	877,500	-	950,000	-	+72,500	8.3%
2	Borjan Milorad Boro Sehovac	0	-	13,764	-	+13,764	100%

27) Information relating to any borrowings of the Company (whether repayable on demand or otherwise), and a statement of the aggregate indebtedness of the Company and its affiliates together with any amounts paid by the Company as a repayment of loans during the year, the amount of the principal debts, the creditor’s name, the loan term and the remaining amount. In case there are no loans outstanding for the issuer, the Company must provide an appropriate statement:

The Group secured credit facility agreements amounting to SAR 3 billion with multiple local banks to finance working capital requirements during the year. These facilities were obtained at Islamic Murabaha profit rates agreed upon with the respective banks. The interest rates on short-term loans are based on the internal lending ratios in Saudi banks (SIBOR) plus a variable rate during the year.

(Table of short-term Islamic financing facilities)

Bank	Opening balance as of 01/01/2023	New Loans in 2023	The amounts paid by the Company as a repayment of loans during 2023	Statement of the aggregate indebtedness of the Company and its subsidiaries and affiliates as of 31/12/2023	Loan Term
Arab National Bank	552,600,000	884,842,468	1,274,256,966	163,185,502	Less than one year
Gulf International Bank	193,950,000.00	306,783,130	445,733,130	55,000,000	Less than one year
Al Rajhi Bank	115,200,000	338,942,905	414,142,905	40,000,000	Less than one year
Saudi British Bank (SABB)	209,925,000	104,982,783	314,907,783	-	Less than one year
Export-Import Bank	-	388,259,693	70,000,000	318,259,693	Less than one year
Saudi National Bank	153,450,000	335,352,854	436,451,712	52,351,141	Less than one year
Banque Saudi Fransi	242,880,000	546,750,704	696,303,862	93,326,841	Less than one year
Total	1,468,005,000	2,905,914,537	3,651,796,359	722,123,178	

In addition, the Company signed an agreement with Saudi Industrial Development Fund to secure working capital financing with an amount of SAR 150 for 12 months at an interest rate of 5%.

28) A description of the classes and numbers of any convertible debt instruments, any contractually based securities, warrants, or similar rights issued or granted by the Company during the financial year, together with the consideration received by the Company in return:

The Company declares that it has not issued or granted any convertible debt instruments, any contractually based securities, warrants, or similar rights during the FY 2023.

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:

The Company declares that it has not issued or granted any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants, or similar rights.

30) A description of any redemption or 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 or subsidiaries:

The Company declares that it has not made any redemption or purchase or cancellation of any redeemable debt instruments. The following table provides a breakdown of the Company's capital, knowing that no debt instruments were issued by the Company during the FY 2023.

SN	Description	Capital/Number of Shares
1	Authorized and Paid-up capital	SAR 1,500,000,000
2	Number of shares issued (ordinary shares)	150,000,000 shares
3	Nominal value per share	SAR 10

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

Board Members	Number of meetings (5)					Total (Personal)
	First Meeting 2023/03/01	Second Meeting 2023/03/09	Third Meeting 2023/05/04	Fourth Meeting 2023/10/03	Fifth Meeting 2023/12/10	
Khalid Abdulrahman Abdullah Al Gwaiz	✓	✓	✓	✓	✓	5/5
Mohamed Hekmat Saadaldain Al Zaim	✓	✓	✓	✓	✓	5/5
Ahmad Samer Hamdi Saadaldain Al Zaim	✓	✓	✓	✓	✓	5/5
Raed Ibrahim Suleiman AlModaihim	✓	✓	✓	✓	✓	5/5
Ziad Fouad Al Saleh	✓	✓	✓	✓	✓	5/5
Abdulwahab Abdulkareem Albtairi	✓	✓	✓	✓	✓	5/5
Fahad Mahmoud Zuhdi Malhas	✓	✓	✓	✓	✓	5/5

(The quorum requirement for all meetings of the Board of Directors has been strictly adhered to, in accordance with the Company's bylaws and Corporate Governance Regulations).

32) The number of the Company’s requests of shareholders registry, dates and reasons thereof:

The number of the Company's requests of shareholders registry	Request date	Request reasons
9 requests	03/02/2023	Company procedures
	04/03/2023	Company procedures
	09/04/2023	General Assembly
	02/05/2023	Company procedures
	05/06/2023	Company procedures
	22/06/2023	General Assembly
	08/07/2023	Company procedures
	20/09/2023	Company procedures
	18/10/2023	Company procedures

33) A description of any transaction between the Company and a related party:

Related Party	Relationship with the Company	Transaction type	Term	Value
Masdar Building Materials	Owned by a shareholder	Purchases	Year	1,230,180
Masdar Building Materials	Owned by a shareholder	Sales	Year	61,468,625
Communication Solutions Company	Owned by a shareholder	Sales	Year	1,787,287
Thabat Construction Company	Owned by a shareholder	Sales	Year	1,326,302
Masdar Technical Supplies	Owned by a shareholder	Purchases	Year	77,192
Jadeer Logistics Company	Owned by a shareholder	Purchases	Year	10,085,413

34) Information relating to any businesses 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 names of the person in relation with such business and contract, in addition to the nature, conditions, durations and amount of the business or contract, or if there are no such businesses or contracts, the Company must submit an appropriate statement:

SN	Party to the contract	Nature of work or contract	Value of work or contract	Duration of work or contract	Conditions of work or contract	The name of the director / senior executive or any of their relatives
1.	Masdar Building Materials	Purchase orders	62,698,805	Year	No special conditions	- Owned by a shareholder
2.	Thabat Construction Company	Purchase orders	1,326,302	Year	No special conditions	- Owned by a shareholder
3.	Masdar Technical Supplies	Purchase orders	77,192	Year	No special conditions	- Owned by a shareholder
4.	Jadeer Logistics Company	Purchase orders	10,085,413	Year	No special conditions	- Owned by a shareholder
5.	Communication Solutions Company	Purchase orders	1,787,287	Year	No special conditions	- Owned by a shareholder

35) A description of any arrangement or agreement under which a director or a senior executive of the Company has waived any salary or compensation:

There was no arrangement or agreement under which a director or a senior executive of the Company has waived compensation.

36) A description of any arrangement or agreement under which a shareholder of the Company has waived any rights to dividends:

There was no arrangement or agreement under which a shareholder of the Company has waived any rights to dividends.

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 thereof:

Description	2023		Brief description	Reasons
	Paid Amount	Outstanding amount until the end of the annual financial period		
Income Tax and Zakat	28,626,786	39,126,206	Zakat is Calculated in accordance with regulations of the Zakat, Tax and Customs Authority "ZATCA") in the Kingdom of Saudi Arabia. Income tax, on the other hand, is determined at designated rates applied to the adjusted share of non-Saudi shareholders' income, as specified under Saudi regulations. Both are acknowledged in the consolidated statement of profit or loss.	Mandatory fees
The General Organization for Social Insurance	10,125,622	-	Government service fees	Mandatory fees
Visa and passport costs	1,217,227	-		
Labor Office fees	20,815,280	-		

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:

The Company declares that it has purchased (282,500) of the Company's shares during FY 2023, at a value of SAR 21 million out of the total number of shares amounting to 500,000 shares, which the General Assembly agreed to purchase in order to allocate them to the long-term incentives (LTI) programs for the Company's employees nominated for this program, in addition to the statutory provision for employees' end of service.

39) Declarations:

To the shareholders and other relevant parties, the Board of Directors declares, to the best of its knowledge and with regard to all significant aspects, the following:

- A. Proper books of account have been maintained.
- B. The system of internal control is sound in design and has been effectively implemented.
- C. There are no significant doubts concerning the Company's ability to continue conducting its activity.

40) If the external auditor's report contains reservations on the relevant annual financial statements, the Board's report must highlight such reservations, their reasons, and any relevant information:

The external auditor's report did not contain any reservations about the annual financial statements.

41) If the Board recommends that the external auditor should be changed before the lapse of the term for which it is appointed, the report must contain a statement to that effect and the reasons for such recommendation:

The Board did not recommend that the external auditor should be changed before the lapse of the term for which it is appointed.

42) Disclosure of the details of treasury shares maintained by the Company, and details of utilizing such shares:

The Extraordinary General Assembly, held on 20.06.2023, approved the Company's purchase of a number of up to maximum of 500,000 shares in order to allocate them for the long-term incentives (LTI) program for the Company's employees. In 2023, the number of the purchased shares reached 282,000 shares.

Number of treasury shares held by the Company	Value	Duration of holding	Details of its use
282,500	21,097,836	A maximum of five years from the date of decision of the General Assembly held on 20.06.2023	Allocated for the employee's incentive program

Conclusion

The Board of Directors, along with all the employees of the Company, extend their gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and HRH Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister, for their wise leadership and visionary guidance, which have continuously driven the growth and prosperity of our nation. The Board of Directors also expresses its deep appreciation to the shareholders of the Company and the regulators for their contribution to the Company's goals. Finally, we thank all the Company's customers and suppliers for their confidence in the quality of our products and services.

Thank you,

Board of Directors

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