



الشركة البحرينية للترفيه العائلي ش.م.ب.

BAHRAIN FAMILY LEISURE COMPANY B.S.C.

www.bflc.com.bh

محل رقم ١٠٠٦، مبنى ١٥، مجمع ٣٣٨، طريق ٣٨٠١  
ص.ب: ١١٦١٢، مملكة البحرين، س.ت: ١ - ٣٢١٩٦

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Resolution passed in Special Board Meeting

08 July 2025

## BAHRAIN FAMILY LEISURE COMPANY Board Resolution to Approve Capital Reduction Plan and Convening of EGM

**WHEREAS**, the Board of Directors (**Board**) of Bahrain Family Leisure Company B.S.C (**BFLC**), in accordance with the provisions of the Commercial Companies Law and the Company's Memorandum and Articles of Association, convened on 08 July 2025 to consider and recommend a capital reduction for the absorption of accumulated losses for submission to the shareholders for their approval;

**WHEREAS** the Board of Directors has reviewed the financial position of BFLC and noted that accumulated losses have significantly eroded BFLC's economic capital, resulting in a material misalignment between the issued and paid-up share capital and the actual capitalization of BFLC;

**WHEREAS** the Board of Directors recognizes the need to restructure BFLC's issued share capital also having regard to Bahrain Bourse Circular LP/18/2020 regarding companies with accumulated losses, with a view to presenting a fairer representation of BFLC's capitalization and to avoid triggering any of the mandatory actions or disclosures prescribed in the aforementioned Circular;

**WHEREAS** the Board of Directors has further determined, as prescribed by Article 132 of the Bahrain Commercial Companies Law, that the proposed capital reduction will not have any negative impact on BFLC's existing obligations, as it constitutes a restructuring of the equity structure only and does not involve any distribution of assets to shareholders;

**WHEREAS** such a restructuring would further enable BFLC to undertake business combinations or other corporate transactions by issuing shares at or above par value, which would not be possible under the current capital structure due to the erosion of capital by accumulated losses;

**NOW THEREFORE**, it is hereby resolved that the Board recommends the following actions for approval by the shareholders at an Extraordinary General Meeting, subject to all necessary regulatory approvals:

1. That the issued share capital of BFLC (before accounting for treasury shares) be reduced from BD 4,000,000 (40,000,000 shares @ 100 fils per share) to BD 1,000,000 (10,000,000 shares @ 100 fils per share).
2. That the authorised share capital to be reduced from BD 20,000,000 (200,000,000 shares @ 100 fils per share) to BD 10,000,000 (100,000,000 shares @ 100 fils per share).
3. That the reduction of the issue share capital under item 1) above shall be applied as follows:
  - a. BHD2,7000,000 (corresponding to 27,000,000 shares @ 100 fils per share) in [offset] of accumulated losses; and
  - b. BHD300,000 (corresponding to 3,000,000 shares @ 100 fils per share) in [write-off] of treasury shares.



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4. That the accumulated losses of BFLC be shall be further reduced by:
- a. Transferring the statutory reserve of BD 596,195 to accumulated losses;
  - b. Transferring the capital reserve of BD 51,184, relating to the cancelled treasury shares, to accumulated losses;
5. That, based on the above, the total proposed reduction of accumulated losses — comprising the capital reduction, transfer of statutory reserves, and transfer of capital reserves (net of treasury shares) — shall amount to BD 3,347,379.
6. As the above recommendations are subject to the approvals of the Ministry of Industry and Commerce, the Central Bank of Bahrain, and other relevant authorities, the Board hereby authorizes all directors, officers, and advisors of BFLC to initiate the process for obtaining such approvals and to take all necessary steps in this regard.
7. That, upon receipt of all required approvals, the Board shall proceed with the necessary steps to convene an Extraordinary General Meeting of the shareholders to consider and approve the proposed capital reduction plan and all related actions.

Mr. AbdulLateef Khalid Alaujan

Chairman (CH)

Mr. Ahmed Janahi

Vice Chairman (VC)

Mr. Adel Salman Kanoo

Director

ABSENT

Mr. Sharif Mohd Ahmadi

Director



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Mr. Bashar Mohd Alhasan

Director

Mrs. Ream Alrayes

Director

ABSENT

Mr. Mohamed Algharbi

Director