

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY ANNOUNCES ITS BOARD OF DIRECTORS RECOMMENDATION TO REDUCE THE COMPANY'S CAPITAL AND A SUBSEQUENT CAPITAL INCREASE THROUGH THE ISSUANCE OF RIGHTS ISSUE SHARES

ELEMENT LIST	
Introduction	Al Hassan Ghazi Ibrahim Shaker Company (Shaker) announces that its Board Of Directors has decided in its meeting held on Sunday, 19/09/2021 corresponding to 12/05/1443 to recommend to the Extraordinary General Assembly Meeting to reduce the Company's Capital and subsequently increase the capital, in accordance with the following details:
Date of Board Meeting	19/09/2021 corresponding to 12/02/1443
Capital Before Decrease	630,000,000
Capital After Decrease	472,500,000
Percentage of Capital Decrease	25.0%
Number of Shares Before Decrease	63,000,000
Number of Shares after Decrease	47,250,000
Reasons for the Capital Decrease	Restructuring the Company's capital to write off the accumulated losses
Method of Capital Decrease	By cancelling 15, 750,000 shares, with 1 shares to be cancelled for every 4 shares.
Impact of the Capital Decrease on the Company's Obligations, Operations or Operational, Financial or Organizational Performance of the Company	There is no impact of the capital reduction on the Company's financial obligations, operations, or operational, financial or organization performance.
Date of Reduction	The end of the second trading day after the Extraordinary General Assembly Meeting in which the decrease was resolved. Such meeting shall be scheduled at a later stage.

ELEMENT LIST

Approvals

The capital reduction is subject to the approval of the related official authorities and the Extraordinary General Assembly.

Appointment of a Financial Advisor and the Submission of the Application for Capital Decrease and Increase to CMA

The Board of Directors has approved in the same meeting the appointment of Aljazira Capital as the financial advisor to manage the process of the capital reduction and capital increase. The Company will announce filing the capital reduction and increase requests upon submitting them to the Capital Market Authority for approval.

Additional Information

In the same meeting held on 12/09/2021 corresponding to 05/02/ 1443the Board of Directors has recommended to the Extraordinary General Assembly, after finalizing the capital reduction, to increase the capital by offering Rights Issue shares with value of SAR 250,000,000

The approval of the Extraordinary General Assembly to the process of increasing the capital by issuing Rights Issue shares is conditional on the Company's Extraordinary General Assembly approval of the proposed capital reduction.

By increasing its capital, the Company aims essentially to raise its financial solvency and decrease the borrowing rates and the costs incurred thereof.

The eligibility of subscription will be for the shareholders who own shares on the date of the Extraordinary General Assembly meeting in which the capital increase through the issuance of Rights Issue shares was resolved. Hence, such Shareholders whose names appear in the Register of the Issuer's Shareholders at Securities Depository Center Company (Edaa) at the end of the second trading day following the date of the Extraordinary General Assembly's Meeting, which shall be scheduled later.

We also wish to highlight that the increase of capital is subject to the approval of the relevant official authorities, including the Capital Market Authority, as well as the Extraordinary General Assembly.

As mentioned above, Aljazira Capital will be the financial advisor with respect to the capital decrease and capital increase.