



SHAREHOLDER CIRCULAR

Shareholder Circular

Prepared in connection with the Significant Transaction of United International Holding Company United Electronics Company

The Board of Directors of United Electronics Company, a listed Saudi joint-stock company registered under Commercial Registration No. 2051029841, dated 10 Jumada al-Thani 1425H (corresponding to 27 July 2004G), with a current share capital of eight hundred million Saudi riyals (SAR 800,000,000), divided into eighty million (80,000,000) fully paid ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per share (the **"Shares"**) (hereinafter referred to as **"eXtra"**), at its meeting held on 15 Jumada al-Thani 1425H (corresponding to 28 December 2023G), approved the Significant Transaction through an offering of seven million, five hundred thousand (7,500,000) ordinary shares of United International Holding Company (**"UIHC"**), which represents thirty per cent (30%) of UIHC's share capital (the **"Significant Transaction"**) for the purpose of listing the shares of UIHC on the main market of the Saudi Stock Exchange (**"Saudi Exchange"**) through an initial public offering (**"IPO"**). UIHC is a Saudi joint-stock company with Commercial Registration No. 2051237935, dated 15 Rabi al-Awwal 1443H (corresponding to 21 October 2021G), and is a subsidiary owned by: (a) eXtra, which owns ninety-nine per cent (99%); and (b) United Electronics Company, which owns one per cent (1%) and is a Bahraini limited liability company registered under Commercial Registration No. (79207), dated 13/10/2011G, issued by the Ministry of Industry and Commerce in the Kingdom of Bahrain (referred to hereinafter as **"eXtra Bahrain"**). The Significant Transaction will become effective if the Extraordinary General Meeting of eXtra (the **"EGM"**) approves the Significant Transaction and if UIHC obtains all regulatory approvals related to the IPO. eXtra aims to complete the registration and listing of UIHC's shares in the first half of the year 2024G.

Financial Advisor



This Shareholder Circular (the **"Circular"**) contains the opinions of the Board of Directors and the Specialised Committee (as defined below) and advice provided by a financial advisor licensed by the CMA and appointed by eXtra to provide advisory services in accordance with the requirements of Paragraph (b) of Article 122 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia (the **"CMA"**), pursuant to Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by CMA Board Resolution No. 8-5-2023, dated 25/06/1444H (corresponding to 18/01/2023G) (the **"OSCOs"**).

Please read this Circular carefully prior to making any decision in connection with the Significant Transaction. If you do not understand the contents of this document, you should obtain professional advice from a licensed financial advisor to determine the effects of the Significant Transaction and obtain an independent evaluation thereof.

This Circular has been prepared in accordance with the requirements of the OSCOs. The Directors jointly and severally bear the full responsibility for the accuracy of the information contained in this Circular and confirm that, to the best of their knowledge and belief and after conducting all possible and reasonable inquiries, there are no other facts the omission of which would render any statement contained in this Circular misleading. The CMA and Saudi Exchange bear no responsibility for the contents of this Circular, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss that may arise from, or be incurred in reliance upon, any part of this Circular.

In addition, the Directors confirm that they have exercised due diligence under these circumstances, in their belief, and that the Significant Transaction is in the interest of eXtra and its Shareholders.

This Circular was issued on 17/08/1445H (corresponding to 27/02/2024G)

Important Notice

eXtra has prepared this Circular in order to provide information to its shareholders (the "**Shareholders**") to enable them to make an informed decision when voting on the Directors' recommendation to approve the Significant Transaction to offer seven million, five hundred thousand (7,500,000) ordinary shares of UIHC through the IPO on Saudi Exchange. The information contained in this Circular is of a general nature and has been prepared without consideration of the individual investment objectives, financial circumstances or investment needs of any particular Shareholder. It is the responsibility of each Shareholder, before voting on the Significant Transaction, to obtain independent professional advice from a financial advisor licensed by the CMA to determine the effects of the Significant Transaction and obtain an independent assessment thereof and of the information contained in this Circular with respect to the Shareholder's individual objectives, financial situation and needs.

The Circular contains information relating to the Significant Transaction. When voting on the Significant Transaction at the EGM of eXtra, which will be held for such purpose, the Shareholders will be treated on the basis that their votes are based solely on the information contained in this Circular, which was published as part of the invitation to the EGM. Neither the provision of this Circular nor any oral or written information related to the Significant Transaction, or the interpretation thereof or reliance thereon in any way, may be construed as a promise, confirmation or acknowledgement of the realisation of any future revenue, results or events.

This Circular contains information provided in accordance with the requirements of Article One Hundred and Twenty-Three (123) of the OSCOs in connection with the Significant Transaction.

eXtra has appointed HSBC Saudi Arabia as the financial advisor (the "**Financial Advisor**") to provide advice in relation to the Significant Transaction in accordance with the requirements of Article (122) of the OSCOs. The information contained in the Circular as of the date of its issuance is subject to change. In particular, the financial position of eXtra and the value of its shares could be affected negatively or positively as a result of future developments such as inflationary, economic, political or other factors beyond eXtra's control (please refer to Section 2 (**Risk Factors**) of this Circular). Neither the provision of this Circular nor any oral or written information related to the Significant Transaction, or the interpretation thereof or reliance thereon in any way, may be construed as a promise, confirmation or acknowledgement of the realisation of any future revenues, results or events.

This Circular may not be regarded as a recommendation by the Financial Advisor or the other advisors to vote in favour of the Significant Transaction.

eXtra does not intend to take any action to register this Circular in any country other than the Kingdom of Saudi Arabia (the "**Kingdom**" or "**KSA**"), and therefore it is expressly prohibited to distribute this Circular in any other country. All recipients of this Circular must review and adhere to all legal restrictions related to this Circular.

Subject to the applicable laws and regulations, including Article Forty-Nine (49) of the OSCOs, eXtra shall submit a supplementary Shareholder circular at any time after the date of submission of this Circular and before the EGM is convened if it becomes aware of any of the following: (a) there has been a significant change in any material information contained in this Circular; or (b) any significant matters arise that should have been included in this Circular. Except in the aforementioned circumstances, eXtra does not intend to update or amend any information contained in this Circular, whether as a result of new information, future events, or otherwise.

The consolidated financial statements of eXtra were prepared for the financial year ended 31 December 2022G and the nine-month period ended 30 September 2023G, as well as the notes thereto, in addition to the (unaudited) condensed consolidated interim financial information of UIHC for the nine-month period ended 30 September 2023G (including the Company's unaudited comparative consolidated interim financial information for the nine-month period ended 30 September 2022G). The consolidated financial statements of UIHC for the financial year ended 31 December 2022G and the special purpose consolidated financial statements of UIHC for the financial year ended 31 December 2021G were audited by the independent auditor, PricewaterhouseCoopers. The special purpose consolidated financial statements of United International Holding Group for the year ended 31 December 2020G and the accompanying notes

thereto were prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and reviewed by the independent auditor, PricewaterhouseCoopers.

Please note that some of the financial and statistical information contained in this Circular has been rounded to the nearest integer. Accordingly, if the figures contained in this Circular are rounded, they may differ slightly from the figures mentioned in the financial statements.

For an explanation of some of the phrases and terms contained in this Circular, please refer to **(Annex A: Glossary and Definitions)**.

Circular Summary

Name, Description and Incorporation of eXtra or United Electronics Company	<p>United Electronics Company was initially incorporated as a limited liability company on 17 Shawwal 1422H, in accordance with the laws of the Kingdom. Thereafter, it was transformed into a Saudi joint-stock company pursuant to Ministerial Resolution No. 65/S, dated 3 Rabi al-Awwal 1431H, under Commercial Registration No. (2051029841), dated 10 Jumada al-Thani 1425H (corresponding to 27 July 2004G). Its current share capital is eight hundred million Saudi riyals (SAR 800,000,000), divided into eighty million (80,000,000) fully paid ordinary shares, with a nominal value of ten Saudi riyals (SAR 10) per share.</p>
	<p>UIHC is a closed Saudi joint-stock company incorporated pursuant to Ministry of Commerce Resolution No. 621, dated 13/03/1443H (corresponding to 19/10/2021G). UIHC is registered under Commercial Registration No. (2051237935), dated 15/03/1443H (corresponding to 21/10/2021G) issued in Al Khobar, KSA. The Company's headquarters are located at King Faisal bin Abdulaziz Street, Al Rawabi District, Al Rakah Area, P.O. Box: 76688, Al Khobar 31952, KSA. As of the date of this Prospectus, the current share capital of UIHC is two hundred and fifty million Saudi riyals (SAR 250,000,000), divided into twenty-five million (25,000,000) fully paid ordinary shares, with a nominal value of ten Saudi riyals (SAR 10) per share.</p>
Name, Description and Incorporation of UIHC	<p>UIHC was established in 1443H (corresponding to 2021G) as a closed joint-stock company owned by (a) eXtra, which owns ninety-nine per cent (99%) of UIHC's share capital, and (b) United Electronics Company, which owns one per cent (1%) of UIHC's share capital. United Electronics Company is a Bahraini limited liability company established under Commercial Registration No. (79207), dated 13/10/2011G, issued by the Ministry of Industry and Commerce, with a share capital of five hundred thousand Bahraini dinars (BHD 500,000), divided into five thousand (5,000) shares with a nominal value of one hundred Bahraini dinars (BHD 100) per share. United Electronics Company is wholly owned by eXtra (and is hereinafter referred to as "eXtra Bahrain").</p>
	<p>UIHC obtained a certificate of membership in the Eastern Province Chamber of Commerce and Industry under Membership No. (333243), issued on 03/04/1445H (corresponding to 18/10/2023G) and valid until 15/03/1448H (corresponding to 28/08/2026G). UIHC is a holding company that manages its subsidiaries, namely (a) United Company for Financial Services (hereinafter referred to as "Tasheel"), a one-person closed joint-stock company wholly owned by UIHC with Commercial Registration No. 2051224103, dated 15/05/1440H; and (b) Procco Financial Services W.L.L, a Bahraini limited liability company wholly owned by UIHC with Commercial Registration No. (62406), dated 12/09/2006G, issued by the Ministry of Industry and Commerce in the Kingdom of Bahrain (hereinafter referred to as "Procco").</p>
Summary of eXtra's Activities	<p>As of the date of this Circular, eXtra's key activities consist of the following business segments:</p> <p>wholesale and retail trade in electrical appliances, electronic gadgets, computers, spare parts and accessories thereof, furniture, office equipment, tools, maintenance and repair services, third-party marketing services and consumer financing services.</p>

**Summary
of UIHC's
Activities****As of the date of this Circular, UIHC's key activities consist of the following key business segments:**

- managing its subsidiaries and participating in the management of other companies in which it has a shareholding, as well as providing them with the necessary support;
- owning real estate and movables necessary to carry out its activities;
- investing its money in stocks and other securities;
- providing loans, guarantees and financing its subsidiaries; and
- owning industrial property rights, including patents, trademarks, industrial trademarks, franchise rights and other moral rights, as well as leveraging and leasing such rights to its subsidiaries or others.

A Substantial Shareholder is a person who owns 5% or more of UIHC's shares. The following table sets forth the number of shares held by eXtra and its ownership percentage in UIHC prior to the Significant Transaction.

#	Shareholder	No. of Shares	Share Value	Total Value of Shares	Shareholding (%)
Direct Ownership					
1	United Electronics Company - Saudi Arabia	24,750,000	10	247,500,000	99%
Indirect Ownership					
2	United Electronics Company - *Bahrain	250,000	10	2,500,000	1%
Total		25,000,000	-----	250,000,000	100%

Source: UIHC

* eXtra owns 100% of the shares of eXtra Bahrain. Accordingly, eXtra Bahrain will be subject to the regulatory lock-up period applicable to the Substantial Shareholder.

UIHC's Share Capital

Two hundred and fifty million Saudi riyals (SAR 250,000,000).

Total Number of UIHC's Shares

Twenty-five million (25,000,000) ordinary shares, with a fully paid nominal value of ten Saudi riyals (SAR 10) per share.

Nominal Value per UIHC share

The nominal value per share is ten Saudi riyals (SAR 10).

Structure of the Significant Transaction

Offering of seven million, five hundred thousand (7,500,000) ordinary shares of UIHC, representing thirty per cent (30%) of its share capital, through an IPO.

Objective of the Significant Transaction	<ul style="list-style-type: none"> Achievement of eXtra's business strategy, namely, to continue exploiting promising opportunities that could allow it to enhance its operations and maximise the value of its various businesses. Enablement of UIHC to pursue its strategic goals, compete in the sector in which it operates and increase brand awareness as a result of being a listed company. Independence of the UIHC's management through an independent and specialised team, with an increased focus on the consumer financing sector as the Company's primary sector.
IPO Share Price	<p>The IPO share price shall be determined in accordance with the Book-Building Instructions and Allocation of Shares in Initial Public Offerings (IPOs) issued pursuant to the CMA Board Resolution No. 2-94-2016, dated 15/10/1437H (corresponding to 20/07/2016G), as amended.</p>
Use of the Significant Transaction Proceeds	<p>The net proceeds of the Offering (after deduction of the IPO expenses) shall be paid to eXtra. UIHC shall not receive any part of the Offering Proceeds.</p>
Necessary Key Procedures	<ul style="list-style-type: none"> Provision of the CMA with an invitation to the EGM meeting and the agenda for the EGM; The Shareholders' approval of the Significant Transaction at the EGM, based on the recommendation of the Board of Directors; UIHC's application to the CMA for approval of the registration and offer of its shares and submission of an application to Saudi Exchange for approval of the listing of its shares on Saudi Exchange; Completion of the IPO; and Any other regulatory requirements, if applicable.

Shareholders should read this entire Circular carefully, in particular the "**Important Notice**" section and Section 2 (**Risk Factors**) before deciding to vote on the Significant Transaction.

The Circular Summary provides a brief overview of the information contained herein. It does not include all information that may be relevant to the Shareholders. This summary should be read as an introduction to this Circular. Accordingly, Shareholders should read and review this Circular in full. Shareholders should reach any decision regarding voting on the Significant Transaction after taking into account all sections and parts of this Circular.

Furthermore, the Significant Transaction under this Circular is subject to the approval of the EGM and other procedures detailed in Section 8 (**Procedures to be Followed**). The Shareholders of eXtra were invited to attend the EGM to vote on the Significant Transaction on 17/08/1445H (corresponding to 27/02/2024G). Shareholders shall note that if their approval of the Significant Transaction is not obtained, if the additional measures detailed in Section 8 (**Procedures to be Followed**) are not taken, or if the Significant Transaction is cancelled before the EGM is convened, the Significant Transaction will not take place, which will result in termination of the Significant Transaction and cancellation of this Circular (in the event that the Significant Transaction is cancelled before the EGM is convened), and the Shareholders will be notified of the same.

Key Dates

Expected Timeline for Completion of the Significant Transaction Procedures

Event	Date
1. Procedures required in connection with the vote of the EGM on the Significant Transaction	
The Board of Directors' approval of the Significant Transaction	15/06/1445H (corresponding to 28/12/2023G)
Call for the EGM to vote on the Significant Transaction (the quorum shall be met if Shareholders representing at least half of the share capital (50%) are present. If the quorum is not met, a second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting indicates the possibility of a second meeting being held. The second meeting shall be valid if attended by Shareholders representing at least a quarter of the share capital (25%). A copy of the invitation and the agenda shall be sent to the CMA, and the invitation shall be announced on the website of Saudi Exchange.	17/08/1445H (corresponding to 27/02/2024G)
Publication of this Circular	17 Sha'ban 1445H (corresponding to 27 February 2024G)
Availability of the documents for perusal	From 9:00 a.m. until 4:00 p.m., commencing from 17/08/1445H (corresponding to 27/02/2024G) until 09/09/1445H (corresponding to 19/03/2024G)
Voting period using modern technology for eXtra Shareholders to vote on the Significant Transaction	Starting from 1:00 AM on Friday, 5 Ramadan 1445H (corresponding to 15 March 2024G), until the end of the Extraordinary General Assembly meeting.
EGM of eXtra	09/09/1445H (corresponding to 19/03/2024G)
Announcement of the results of the EGM	10/09/1445H (corresponding to 20/03/2024G)
2. Procedures to be followed in the event that the necessary quorum is not met for the First EGM held for the purpose of voting on the Significant Transaction	
The Second EGM (the quorum shall be met if the number of attending Shareholders represents at least a quarter of the share capital)	Within one hour of the end of the first EGM that failed to achieve the required quorum.
eXtra's announcement of the results of the Second EGM	

Event	Date
3. Procedures to be followed in the event that the necessary quorum is not met for the Second EGM held for the purpose of voting on the Significant Transaction	<p>The third EGM (if the necessary quorum is not met for the Second EGM, an invitation shall be sent for a third EGM to be convened under the same conditions stipulated in the Companies Law. The third EGM shall be valid regardless of the number of shares represented therein, after the approval of the competent authority)</p>
eXtra's announcement of the result of the third EGM	
4. Procedures to be followed after the end of the EGM for voting on the Significant Transaction	<p>Provision of the CMA with a copy of the minutes of the EGM meeting</p>
<p>Expected date of the CMA's approval of the application for the registration of and offer of UIHC's shares to the public and Saudi Exchange's approval of the application for the listing of UIHC's shares on the main market of Saudi Exchange</p>	<p>Within ten days from the date of the EGM being held.</p>
<p>Expected date of the listing of UIHC's shares on Saudi Exchange</p>	<p>The first half of the year 2024G.</p> <p>The trading of UIHC's shares on Saudi Exchange is expected to commence after all of the relevant regulatory requirements and procedures have been met. The commencement date of share trading will be announced in local newspapers and on the website of Saudi Exchange (www.saudixchange.sa), which is expected to take place in The first half of the year 2024G.</p>

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FAQS

1. FAQs regarding the Significant Transaction

1.1 What is the Significant Transaction?

The Significant Transaction represents the sale of seven million, five hundred thousand (7,500,000) ordinary shares of UIHC (a company wholly owned by eXtra, both directly and indirectly), representing thirty per cent (30%) of UIHC's share capital, through an IPO, and the listing of the shares on Saudi Exchange. In addition to what has been mentioned on the first page of this Circular, a Significant Transaction is defined as any transaction that requires the approval of the Shareholders in accordance with Article (121) of the OSCOs, regardless of how it is executed, through which eXtra wishes to sell part of its assets or business, or one of its subsidiaries, or to sell its interest in one of its subsidiaries, by transferring the same in full to a single entity or multiple existing entities (the acquiring legal entities) or entities to be established, or transferring the same to the public in exchange for cash or shares in the acquiring legal entity, and such cash or shares are to be granted to UIHC.

1.2 Why does eXtra propose the Significant Transaction?

eXtra's Board of Directors and Executive Management conducted a comprehensive review of the rationale and feasibility of the Significant Transaction and found that it serves the short and long-term interests of its Shareholders, employees, customers and other stakeholders.

The Significant Transaction will result in the listing of UIHC's shares on Saudi Exchange, allowing both UIHC and eXtra to pursue their strategic objectives. In particular, the Board of Directors believes that the Significant Transaction will benefit eXtra's Shareholders in terms of the following:

- (1) Unlocking value for eXtra: By offering 30% of UIHC's shares through an initial public offering, eXtra can seek to unlock further value through:** Better price discovery of UIHC's operations in public markets (as of 9M23, UIHC contributes approximately 8% of eXtra Group's revenues and 59% of eXtra Group's net profit), which will potentially have a positive impact on eXtra's market value, reflected by an increase in eXtra's share price. Allowing eXtra and the wider public markets investors to have direct exposure to UIHC's business through direct ownership of equity shares in UIHC, offering a potential upside opportunity in a high growth company operating in a fast-growing market and expected to offer outsized returns;
- 2. Greater brand awareness:** Allows UIHC to continue benefitting from its strong brand association with eXtra and its wide network in KSA. In addition, the public nature of UIHC's listing would increase its brand awareness both locally and globally, given it involves regular public outreach / communication in the form of marketing & advertisements and investor engagement, which should increase its profile. This could potentially help UIHC to attract and retain talent, attract more customers, expand its partnerships with retailers and other third parties and increase its cross selling opportunities;
- 3. Access to public markets for liquidity:** Allows UIHC to accelerate the execution of its growth strategies by providing it with access to additional liquidity/ funding diversity from the public equity markets, in addition to its existing funding facilities. This could be value accretive to all of UIHC's shareholders, including eXtra, in the medium to long-term;
- 4. Enhanced monetization option for the remaining stake:** UIHC by virtue of being a publicly listed entity, allows eXtra to retain flexibility on the ability to monetise its remaining shareholding in due course, should it decide that it would be in the best interests of eXtra;
- 5. Proceeds from the Transaction to support investment for growth / dividends:** It is expected that the Transaction will generate secondary proceeds, part of which eXtra may reinvest to support its growth, whether organically or inorganically and may also look to distribute as dividends (any recommendation from the Board of Directors of eXtra to distribute any dividends will depend on a number of factors, including eXtra's previous and expected profits, and cash flows, financing and capital requirements, market environment, economic factors in general, and the status of zakat as well as legal and regulatory considerations, including the obligations contained in the financing agreements and any restrictions contained in its bylaws, and eXtra shareholders will have to approve such distributions at the general assembly meeting);
- 6. Adherence to robust corporate governance standards:** UIHC will adopt higher standards of corporate governance as a listed company in light of the CGRs issued by the CMA to ensure compliance with best governance practices and to protect the rights of its Shareholders and other stakeholders. This would benefit eXtra as one of the major shareholders in UIHC.

1.3 Why is the approval of eXtra's EGM required for the Significant Transaction?

In accordance with Articles (116) and (121) of the OSCOs, the EGM of eXtra's Shareholders must approve the Significant Transaction, particularly if any percentage of the class tests in the planned Significant Transaction reaches 50% or more. In such case, eXtra must obtain prior approval from its Shareholders at the EGM meeting. To determine whether the transaction is considered material or not, the issuer shall evaluate the size of the transaction in comparison to the size of the company or asset that is the subject matter of the Significant Transaction. This comparison shall be made using the percentage ratios resulting from application of the class test calculations to this Transaction. The class tests as stipulated in the OSCOs are: (a) the asset test; (b) the profit test; (c) the revenue test; and (d) the consideration test.

Given that the profit test (which was calculated by dividing the net profits attributable to the assets that are the subject matter of the Significant Transaction by the net profits of eXtra, according to the most recent reviewed interim financial statements or audited annual financial statements, whichever is later) exceeds 50%, the approval of eXtra's EGM for the Significant Transaction is required.

1.4 Why was the Specialised Committee formed and what is its role in the Significant Transaction?

The Specialised Committee was formed pursuant to Article (122) of the OSCOs, which stipulates that in respect of any Significant Transaction subject to shareholder approval, UIHC shall form a specialised committee (consisting solely of independent Directors or of other independent persons, or both, who have no material interest in the proposed Significant Transaction).

Based on the above, on 23/05/1445H (corresponding to 07/12/2023G), the Board of Directors formed the "**Specialised Committee**," whose role is to advise Shareholders on whether the terms of the Significant Transaction are fair and reasonable, and whether the Significant Transaction is in the interest of eXtra and all of its Shareholders.

1.5 How will the Significant Transaction be conducted?

The Significant Transaction requires, inter alia, the EGM's approval of the relevant Significant Transaction resolution, Saudi Exchange's approval of the application to list the Company's shares, the CMA's approval of the application to register UIHC's shares and offer them to the public and beginning and successfully completing the IPO.

1.6 When will the Significant Transaction be completed?

eXtra and UIHC aim to complete the Significant Transaction in the first half of the year 2024G.

2. Risk Factors

All Shareholders should consider the following risk factors related to the Significant Transaction, as well as all the information contained herein, before reaching any decision to vote on the Significant Transaction at the EGM.

The risks and uncertainties set out below are those that the Board of Directors currently believes are relevant to the Significant Transaction. However, the risks described below do not necessarily include all such risks. There may be other risks and uncertainties related to the Significant Transaction that are not currently known to the Directors or that the Directors currently consider to be immaterial. Furthermore, there are other risks and uncertainties not related to the Significant Transaction that apply to both eXtra and UIHC. Any of these risks and uncertainties may have a material adverse effect on the business and/or financial position and/or results of operations and/or future prospects of both eXtra and UIHC.

The Directors of eXtra further confirm that, to the best of their knowledge, belief and the information available to them as of the date of this Circular, there are no other substantial risks related to the Significant Transaction that have not been disclosed below which may affect Shareholders' decisions to vote on the Significant Transaction.

The risks set out below are presented in an order that does not reflect their significance or expected impact on eXtra and/or the share price.

2.1 Change in eXtra's Ownership Percentage in UIHC and a Reduction in the Associated Voting Rights

After the completion of the Significant Transaction, the public will own thirty per cent (30%) of UIHC, while eXtra's direct ownership will decrease to 69%. Therefore, eXtra will have reduced voting rights, and thus its ability to influence UIHC's decisions will be reduced, particularly the strategic decisions of UIHC that require Shareholder approval at the General Assembly meetings of UIHC, including, but not limited to, the election of Directors, amendments to the share capital, mergers, and any other decisions that have a material impact on UIHC. Any further sale of eXtra's ownership interest in UIHC after the Significant Transaction will reduce eXtra's influence on decisions that require Shareholder approval at the General Assembly meetings of UIHC.

2.2 Risks Related to the Assignment of 30% of the Ownership Interest in UIHC

The net profit of eXtra generated from UIHC amounted to approximately 33.0%, 44.0% and 59.0% of eXtra's total net profit in the years ended 31 December 2021G and 2022G and the nine-month period ended 30 September 2023G, respectively. As a result of the Significant Transaction and the listing, eXtra's direct ownership in UIHC will decrease to 69%; therefore, eXtra will record only 69% of UIHC's net profit in its consolidated statements. Accordingly, UIHC's contribution to eXtra's net profit may decrease as a result of its reduced ownership stake.

2.3 Risks Related to Potential Zakat Claims

Holding companies and their directly or indirectly wholly owned subsidiaries, whether registered inside or outside the Kingdom, may submit consolidated Zakat returns. Zakat will be calculated according to the result of the consolidated Zakat base. Companies owned by the same shareholders may also submit consolidated Zakat returns. As a result of submitting a consolidated Zakat return, a) the profits and losses of the consolidated group may be adjusted; and b) balances between companies within the consolidated group are eliminated, which may lead to a reduction of the Zakat base.

In line with the Zakat regulations in force in the Kingdom, eXtra submitted a consolidated Zakat return for the financial year ended 31 December 2022G, along with all of its subsidiaries, excluding Tasheel. UIHC's results were announced independently for this period; however, eXtra intends to submit a consolidated Zakat return containing the results of UIHC and Procco for the financial year ended 31 December 2023G.

Tasheel submits an independent Zakat return and is not part of eXtra's consolidated Zakat return. This is because any financial services company falls under the Regulations for Zakat Collection set out in the Ministerial Resolution No. (2215), which apply specifically to the financial institutions regulated

by the Saudi Central Bank (SAMA). As a result, a different Zakat law applies to financial services companies and therefore Tasheel cannot be included in eXtra's or UIHC's consolidated Zakat returns after the Significant Transaction.

No mutual tax agreements were concluded between eXtra and its subsidiaries. eXtra shall remain responsible for any additional Zakat levied on any assessment after completion of the Significant Transaction related to the submission of the consolidated Zakat return that includes UIHC and Procco. It should be noted that eXtra will not recover or allocate any tax exposure risks to UIHC or Procco, which may be due to the submission of previous returns that included UIHC and Procco in the consolidated Zakat return submitted for eXtra (please refer to Section 7 (**Tax and Zakat**) for the tax and Zakat effects of the Significant Transaction).

2.4 Risks Related to the Limited Experience of UIHC's Senior Executives in Managing a Publicly Listed Company

Some of UIHC's Senior Executives have experience managing listed joint-stock companies and complying with the laws and regulations to which they are subject. Therefore, this may require that a number of UIHC's Senior Executives receive internal or external training in managing Saudi listed joint-stock companies and in relation to the obligations imposed on listed companies, such as regulatory oversight and reporting. This will require significant attention from UIHC's Senior Executives, which could distract them from managing the daily business of UIHC. Once UIHC is listed on Saudi Exchange, it must assume a number of ongoing obligations, which include issuing its annual consolidated financial statements within 30 days of the end of each quarter. UIHC's consolidated financial statements for the financial year ended 31 December 2021G were issued within three months of the end of its financial year. Accordingly, if UIHC fails to issue its annual consolidated financial statements within three months of the end of its financial year or if it fails to comply in a timely manner with any other laws, regulations or disclosure requirements applicable to listed companies, this will expose it to regulatory penalties and fines (including, but not limited to, the suspension of trading of UIHC's shares) which would reduce investors' confidence in UIHC and negatively impact its business, financial position, results of operations and future prospects.

2.5 Risks Related to Fluctuations in the Market Price of UIHC's Shares

The price of UIHC's shares which eXtra will sell as part of the Significant Transaction, shall be determined through the book-building process based on several factors, including the UIHC's performance in the previous period, its future business prospects, the sector in which it operates, the markets in which it is located, and an evaluation of UIHC's management, operations and financial results. The price of UIHC's shares may fluctuate after the Significant Transaction, and eXtra may not be able to sell additional UIHC shares at or above the Significant Transaction price, or it may not be able to sell them at all. The price of UIHC's shares may be subject to a large degree of fluctuation and may not be stable as a result of factors including, but not limited to, the following:

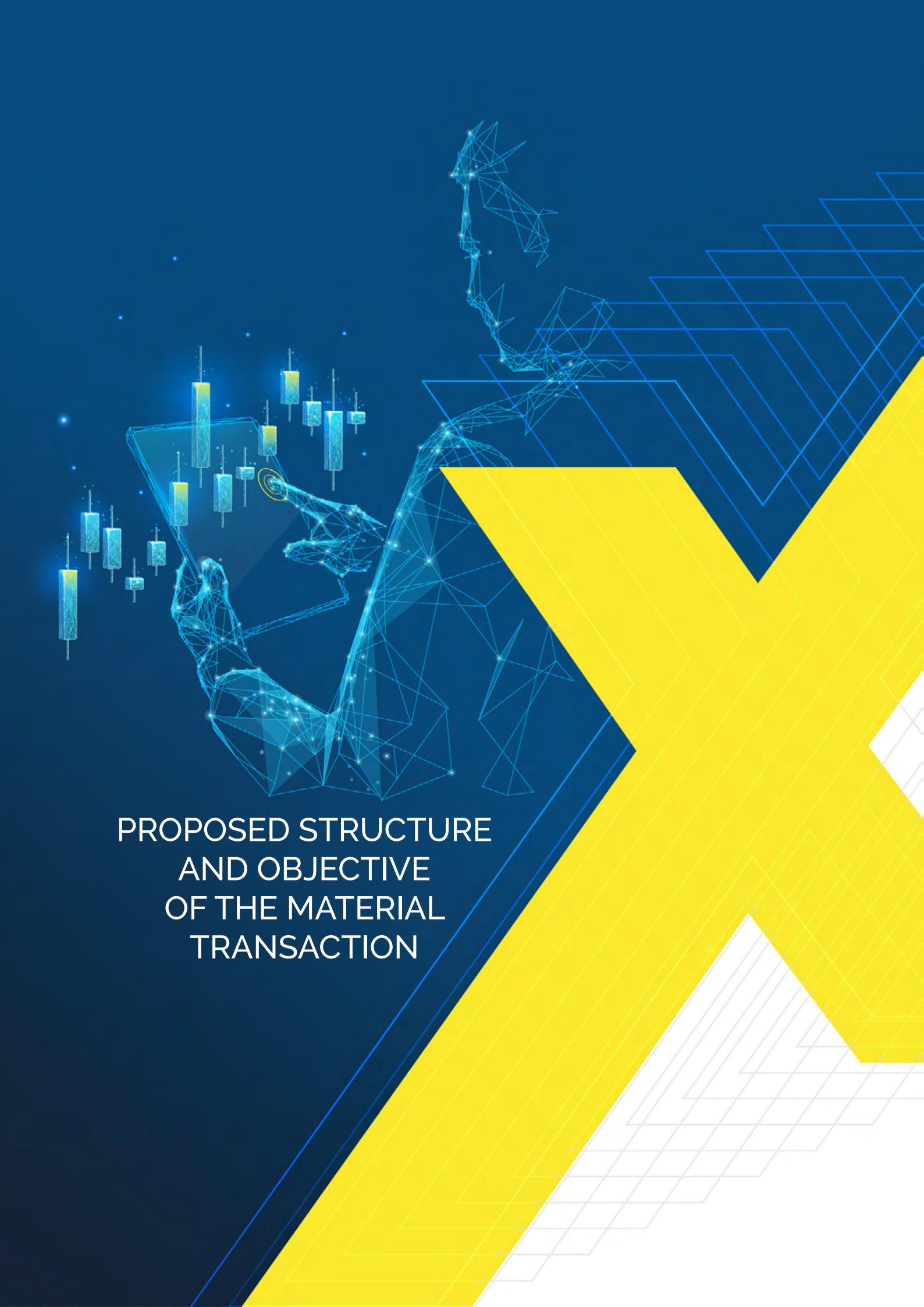
- market volatility and price fluctuations;
- negative changes in the operational performance of UIHC;
- actual or expected fluctuations in quarterly or annual operating results;
- the publication of unfavourable research reports by securities analysts about UIHC or its competitors;
- negative public reaction to UIHC's press releases and other public announcements;
- the resignation or retirement of key employees;
- adverse significant and strategic decisions made by UIHC or its competitors, and adverse changes in its business strategy;
- press reports about UIHC;
- changes in the regulatory environment that affect UIHC;
- changes in applicable accounting principles and policies;
- the occurrence of terrorist or hostile acts or widespread civil unrest;
- the occurrence of natural disasters and the spread of epidemics and other disasters;
- changes in policies pegging the Saudi riyal to the US dollar; and/or
- changes in general market and economic conditions.

If any of these risks or other factors occur, this could lead to a significant decline in the market price of UIHC's shares.

In general, the stock market experiences price surges and an increase in the magnitude volatility from time to time. Periodic and continuous market fluctuations can lead to extreme volatility in the prices of listed shares. This could cause a decrease in the value of UIHC's shares and increased price volatility if the trading volume of UIHC's shares decreases, which would have a negative impact on eXtra's ownership of UIHC's shares.

2.6 Risks Related to Dividend Distribution

In the future, UIHC's distribution of dividends will depend on several factors, including future profits, financial position, cash flows, working capital requirements, capital expenditure and distributable reserves, among other factors. UIHC may not be able to pay dividends to Shareholders and UIHC's Board of Directors may not recommend the disbursement of such dividends, or the Shareholders may not approve the same. Additionally, dividend distributions shall be subject to the restrictions stipulated in the banking facilities, which include compliance with financial pledges made and settlement of payments due to lenders. UIHC or its subsidiaries may also be subject to other restrictions stipulated in financing and credit facility agreements that they may conclude in the future, which further restrict its dividend distributions. UIHC may incur expenses or assume liabilities that could reduce the cash available for dividend distributions or result in there being no cash available for dividend distributions. If UIHC does not distribute dividends, the Shareholders, including eXtra, may not receive any return on the investment in the shares, and the price of UIHC's shares may be negatively affected.



PROPOSED STRUCTURE AND OBJECTIVE OF THE MATERIAL TRANSACTION

3. Proposed Structure and Objective of the Significant Transaction

3.1 Overview of eXtra

3.1.1 History of eXtra

eXtra was initially established as a limited liability company on 17 Shawwal 1422H (corresponding to 1 January 2002G), in accordance with the laws of the Kingdom. eXtra was registered in the Commercial Register under No. (2051029841) on 10 Jumada al-Thani 1425H (corresponding to 27 July 2004G), in Khobar, KSA. eXtra was then transformed into a Saudi joint-stock company pursuant to Ministerial Resolution No. 65/S, dated 3 Rabi al-Awwal 1431H (corresponding to 17 February 2010G), with a share capital of one hundred million Saudi riyals (SAR 100,000,000). In 2011G, eXtra's shares were listed on Saudi Exchange, and the current share capital of eXtra is eight hundred million Saudi riyals (SAR 800,000,000), divided into eighty million (80,000,000) fully paid shares, with a nominal value of ten Saudi riyals (SAR 10) per share.

The key activities of eXtra include the following:

eXtra offers, on a retail basis, a wide range of products and services that include all electronic and household appliances, which presents numerous options for customers. Existing stock is constantly upgraded, and the commercial team works closely with the supplier base to ensure that eXtra is the first to introduce the latest technology and products to the market. The list of key items and products offered by eXtra includes televisions, audio devices, computers, mobile communication devices, digital and audio imaging devices, electronic gaming devices, and all household appliances. In addition to the products and the product types that eXtra offers to consumers, eXtra also offers its consumers distinguished service products that help provide reassurance to its customers after sales. These services vary between providing basic requirements including delivery and installation services, as well as value-added services such as computer services, extended warranty and educational information within eXtra's exhibitions.

eXtra Share Capital

In accordance with the Shareholders' resolution dated 14 Muharram 1432H (corresponding to 20 December 2010G), the share capital of eXtra was increased from one hundred million Saudi riyals (SAR 100,000,000) to two hundred and forty million Saudi riyals (SAR 240,000,000) through the capitalisation of one hundred and twenty-eight million, nine hundred and forty thousand, and three hundred Saudi riyals (SAR 128,940,300) from the retained earnings and eleven million, fifty-nine thousand, and seven hundred Saudi riyals (SAR 11,059,700) from the statutory reserve. On 20 Jumada al-Awwal 1434H (corresponding to 1 April 2013G), eXtra's share capital was increased to three hundred million Saudi riyals (SAR 300,000,000) through the capitalisation of sixty million Saudi riyals (SAR 60,000,000) from the retained earnings. On 8 Rajab 1436H (corresponding to 27 April 2015G), eXtra's share capital was increased to three hundred and sixty million Saudi riyals (SAR 360,000,000) through the capitalisation of sixty million Saudi riyals (SAR 60,000,000) from the retained earnings. On 18 Sha'ban 1438H (corresponding to 14 May 2017G), eXtra's share capital was increased to four hundred and twenty million Saudi riyals (SAR 420,000,000) through the capitalisation of fifty-five million Saudi riyals (SAR 55,000,000) from the statutory reserve and five million Saudi riyals (SAR 5,000,000) from the retained earnings. On 8 Muharram 1440H (corresponding to 18 September 2018G), eXtra's share capital was increased to five hundred million Saudi riyals (SAR 500,000,000) through the capitalisation of sixty million Saudi riyals (SAR 60,000,000) from the retained earnings and twenty million Saudi riyals (SAR 20,000,000) from the statutory reserve. On 12 Ramadan 1441H (corresponding to 5 May 2020G), the share capital of eXtra was increased to six hundred million Saudi riyals (SAR 600,000,000) through the capitalisation of sixty million Saudi riyals (SAR 60,000,000) from the retained earnings and forty million Saudi riyals (SAR 40,000,000) from the statutory reserve. On 9 Rabi al-Awwal 1444H (corresponding to 5 October 2022G), eXtra's share capital was increased to eight hundred million Saudi riyals (SAR 800,000,000) through the capitalisation of one hundred and forty million Saudi riyals (SAR 140,000,000) from the retained earnings and sixty million Saudi riyals (SAR 60,000,000) from the statutory reserve.

3.1.2 Key Financial Indicators - eXtra

The following table sets out the key financial indicators of eXtra for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G.

Table 3.1: Key Financial Indicators of eXtra for the Financial Years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G:

SAR million	Year Ended 31 December 2020G	Year Ended 31 December 2021G	Year Ended 31 December 2022G	Nine-Month Period Ended 30 September 2022G	Nine-Month Period Ended 30 September 2023G
Revenue	5,962.3	5,833.6	6,031.1	4,485.1	4,641.0
Net income	280.1	396.8	440.2	318.8	264.4
Total assets	2,929.5	3,648.2	3,970.1	n/a	4,295.7
Total liabilities	2,103.6	2,655.6	2,830.8	n/a	3,157.8

3.2 Overview of UIHC

3.2.1 Brief History of UIHC

UIHC was established in 1443H (corresponding to 2021G) as a closed joint-stock company owned by (a) eXtra, a listed Saudi joint-stock company under Commercial Registration No. (2051029841), dated 10/06/1425H, which owns ninety-nine per cent (99%) of the share capital of UIHC; and (b) eXtra Bahrain, which owns one per cent (1%) of the share capital of UIHC and is a Bahraini limited liability company established under Commercial Registration No. (79207), dated 13/10/2011G, issued by the Ministry of Industry and Commerce. eXtra Bahrain is wholly owned by eXtra. UIHC is registered under Commercial Registration No. 2051237935, dated 15/03/1443H (corresponding to 21/10/2021G) and issued in Al Khobar, KSA. The Company's headquarters are located at King Faisal bin Abdulaziz Road, Al Rawabi District, Al Rakah Area, P.O. Box 76688, Al Khobar 31952, KSA. As of the date of this Circular, the current share capital of UIHC is two hundred and fifty million Saudi riyals (SAR 250,000,000), divided into twenty-five million (25,000,000) fully paid ordinary shares, with a nominal value of ten Saudi riyals (SAR 10) per share.

UIHC obtained a certificate of membership in the Eastern Province Chamber of Commerce and Industry under Membership No. (333243), issued on 03/04/1445H (corresponding to 18/10/2023G) and valid until 15/03/1448H (corresponding to 28/08/2026G). UIHC is a holding company that operates in the field of managing its subsidiaries which are (a) Tasheel; and (b) Procco.

UIHC was established to be a holding company that manages consumer financing businesses through Tasheel and Procco. In this context, Tasheel was established in 1440H (corresponding to 2019G) as a closed joint-stock company wholly owned by eXtra under Commercial Registration No. 2051224103, dated 15/05/1440H (21 January 2019G), with a share capital of one hundred and fifty million Saudi riyals (SAR 150,000,000), divided into fifteen million (15,000,000) shares, each of which has a fully paid nominal value of ten Saudi riyals (SAR 10). Tasheel operates under a license issued by the Saudi Central Bank (SAMA) to engage in consumer financing and credit card financing activities. On 19/01/1442H (corresponding to 07/09/2020G), the EGM of Tasheel approved an increase in the company's capital from one hundred and fifty million Saudi riyals (SAR 150,000,000) to three hundred and fifty million Saudi riyals (SAR 350,000,000), divided into thirty-five million (35,000,000) ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per share, through the issuance of twenty million (20,000,000) ordinary shares with a value of two hundred million Saudi riyals (SAR 200,000,000). On 26/03/1443H (corresponding to 1 November 2021G), eXtra transferred ownership of all its shares in Tasheel to UIHC.

Procco Financial Services W.L.L, a Bahraini limited liability company wholly owned by UIHC, was established under Commercial Registration No. 62406, dated 12/09/2006G, and issued by the Ministry of Industry and Commerce.

3.2.2 Overview of UIHC's Business

UIHC operates in accordance with the activities set forth in its Bylaws, which are as follows:

- a. managing its subsidiaries and participating in the management of other companies in which it has a shareholding, as well as providing them with the necessary support;
- b. owning real estate and movables necessary to carry out its activities;
- c. investing its money in stocks and other securities;
- d. providing loans, guarantees and financing its subsidiaries; and
- e. owning industrial property rights, including patents, trademarks, industrial trademarks, franchise rights and other incorporeal rights, as well as leveraging and leasing such rights to its subsidiaries or others.

3.2.3 Key Financial Indicators – UIHC

The following table sets out the key financial indicators of UIHC for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G.

Table 3.2: Key Financial Indicators of UIHC for the Financial Years Ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G:

SAR million	Year Ended 31 December 2020G	Year Ended 31 December 2021G	Year Ended 31 December 2022G	Nine-Month Period Ended 30 September 2022G	Nine-Month Period Ended 30 September 2023G
Revenue	130.6	300.9	417.0	298.3	383.2
Net income	22.2	129.6	192.7	143.3	156.8
Total assets	790.1	1,264.5	1,621.8	*n/a	1,857.9
Total liabilities	434.4	779.1	943.4	*n/a	1,022.8

* Statement of financial position figures as at 30 September 2022 are not presented in the unaudited condensed consolidated interim financial information of UIHC for the nine-month period ended 30 September 2023G.

3.2.4 Vision, Mission, Strategy and Competitive Advantages of International Holding Company (UIHC)

3.2.4.1 Vision

To enable our customers to enrich their lives and achieve their ambitions by providing them with convenient, swift financing solutions through an innovative digital system.

3.2.4.2 Mission

To provide a dynamic and effective ecosystem that meets customers' various financial needs through a unique digital experience, by focusing on investing in digital transformation and meeting customer needs and objectives swiftly and efficiently.

3.2.4.3 Strategy

UIHC aspires to take the lead in providing multi-product and multi-category digital financial services and to be the largest provider of sharia-compliant consumer finance in the Kingdom, offering an integrated and flexible range of products at prices suited to a large customer base. UIHC is also committed to serving a diverse customer base across various categories through its dedication to implementing optimal risk management policies, expanding its geographical presence and providing a seamless, swift and streamlined digital experience.

The eXtra brand provides the advantage of rapid spread and boosts confidence in Tasheel, thus furthering the growth of UIHC. Through its strategic partnership with eXtra, Tasheel is able to access approximately 14 million customers annually across eXtra's 48 branch locations throughout the Kingdom. Furthermore, Tasheel maintains long-standing collaborations with a wide range of strategic partners across various sectors.

Through Tasheel, UIHC has developed various risk models and collection strategies through its extensive consumer finance expertise spanning over 8 years, accrued from offering consumer finance products through the Company and its parent company, eXtra.

The initiatives of Saudi Vision 2030 and favourable economic and financial demographic developments are expected to enable the group to be a major factor of consumer finance growth in an emerging market. UIHC's growth strategy is based on four key pillars.

Pillar 1: Innovative Digital Transformation

One of the main components of UIHC's strategy is based on innovative digital transformation. As a leader in consumer finance, Tasheel is able to leverage its current IT infrastructure in technical applications and innovations implemented across all areas of digital solutions. In 2022, Tasheel's technological innovation excellence was recognised through winning the "Best Digital Consumer Finance Platform" award in the Kingdom at the Global Business Outlook Awards 2022G, as well as the "Most Innovative Fintech Company" award in the Kingdom from International Business Magazine. Tasheel views the advanced data analytics underpinning its financing products as integral to delivering a seamless and unique customer experience, since approximately 80% of requests are handled online (encompassing website and Tasheel app submissions) and 90% of requests undergo processing within less than 20 minutes, with financing transactions typically completed in under 48 hours. Furthermore, Tasheel's IT infrastructure demonstrated robustness and dependability through achieving 97% uptime in 2022G.

Tasheel's systems are fully and automatically integrated with various governmental and regulatory platforms for real-time customer data verification and promissory note finalisation, facilitating seamless financing product provision to customers. Moreover, Tasheel places emphasis on cybersecurity, whereby it attained a 3.65 rating according to the Saudi Central Bank's Cybersecurity Regulatory Framework (CRF) and underwent annual audits for conformity with the stringent Payment Card Industry Data Security Standards (PCI DSS).

Pillar 2: Capitalising on Existing Business Segments

Through Tasheel, UIHC seeks to better comprehend customer financing requirements and purchasing patterns in order to gain deeper market insights. This is achieved by capitalising on strategic collaborations with the Kingdom's leading home appliance and electronics retailer (eXtra) and other strategic partners, facilitating expanded financing product offerings which include personal loans.

UIHC leverages its prior expertise and strategic partner relationships to craft and provide diverse financing products that appeal to target customer segments, augment customer experience and streamline necessary financing procurement processes. This also facilitates the creation of a vast database, empowering Tasheel to enhance customer segmentation strategies, risk management policies and debt collection procedures. Tasheel's presence across over 310 strategic partner locations allows it to boost brand awareness and establish itself as a trusted consumer finance provider. It should be noted that consumer financing has been provided to over 550,000 customers since 2015G (encompassing both eXtra and Tasheel finance product customers).

Through Tasheel, UIHC aims to capitalise on eXtra's reputation and footprint and forge partnerships with other strategic retail partners in the Kingdom in order to meet the growing demand for finance products. These partnerships concentrate on commercial segments with substantial consumer finance demand (namely in furniture and consumer electronics), in addition to other industries like healthcare and education, both of which exhibit rising demand for consumer finance products.

Pillar 3: Effective Risk Management

Over the previous years, UIHC has succeeded in building a large base of distinguished customers through Tasheel. UIHC's advanced risk assessment and analytics system enables it to identify low-risk customers and divide them into different segments. At the same time, the diversity of its product portfolio coupled with the swift and streamlined registration process ensures consumers have easy access to the UIHC's products, thus increasing Tasheel's competitiveness in the consumer finance sector for non-banking financial institutions (NBFIs). Through the introduction of new products, UIHC seeks to continue expanding its business scope to include new customers that are compatible with Tasheel's risk management policy. During 2022G, Tasheel provided loans to more than 69,000 new customers and more than 10,000 previous customers.

Pillar 4: Rapid Product Development

Leveraging Tasheel, UIHC's strategy is primarily focused on providing a swift and seamless experience for various customer segments, as well as products and services tailored to their specific needs. Tasheel currently offers three different products: Tawarruq financing contracts (cash loans), Murabaha financing contracts (instalment loans), and sharia-compliant credit cards. Tasheel also aspires to expand into new consumer segments and products on an ongoing basis. Tasheel relies on a comprehensive digital process to grant consumer finance loans to its customers swiftly and conveniently. Tasheel's products feature tailored specifications that meet the needs of its various customer segments, including instant approvals (whereby the processing of 90% of cash loans is completed within twenty (20) minutes, while financing transactions are typically completed within forty-eight (48) hours). Despite the swift granting of loans to customers, Tasheel continues to adopt a robust risk management structure based on several criteria: adopting a dual credit scoring system that consists of identifying the customer's credit limit through SIMAH reports as well as applying Tasheel's internal credit policies, which verify the customer's income in addition to the debt burden ratio (DBR) of the borrower and their instalment payment date.

In response to customer requests, in 2022G, Tasheel launched new products such as sharia-compliant credit cards (World MasterCard and Titanium MasterCard), commensurate with the customers' increasing need for credit cards in the Kingdom. Realising the importance of speed and convenience in the process of applying for and obtaining approval for credit cards, Tasheel has established swift, seamless and easy procedures for applying for and issuing credit cards through its digital platform, without the need for a guarantor or salary transfer, in addition to instant approval through the digital platform and waiving of credit card fees for the first year. Customers also benefit from attractive cashback offers and benefits (up to 2.25% on international purchases), travel benefits and discounts from retail partners, as well as the ability to use the Tap and Pay service through Apple Pay.

Competitive Advantages of UIHC

The Company's strengths and competitive advantages include:

A. Focus on Market Sectors with High Growth Potential

UIHC focuses on customer segments facing difficulties in accessing traditional financing options, including resident expatriates, SME employees and low-income customers, allowing it to capture a rapidly growing market sector. Such customer segments are typically least targeted by banks and NBFI's that offer them limited products and services. The Company is capable of serving such customer segments by applying an advanced structure and state-of-the-art risk management and analysis systems that take into account the credit scores of such customers. UIHC endeavours to streamline consumer finance and make it accessible to its customers, whether Saudi citizens or expatriate residents. Tasheel does not require guarantors or salary transfers to approve personal financing, instead offering instant financing approval with a sharia-compliant set profit margin rather than fluctuating interest rates. As such, UIHC believes that there are great expansion and growth opportunities in focusing on services that specifically target customer segments without access to adequate and satisfactory financing services.

B. Extensive Brand Reach and Large Distribution Network

Through its subsidiary, Tasheel, UIHC boasts a wide-reaching brand and is able to maximise its leverage of eXtra's network of branches as well as the network branches of other strategic partners with widespread presence throughout the Kingdom. This will help Tasheel expand its brand to a larger customer base, as eXtra has over 48 stores in 28 cities across the Kingdom in which Tasheel has offices. Furthermore, Tasheel's services can be obtained from more than 310 locations across the Kingdom through its network of 40+ strategic partners.

C. Integrated Digital Process

UIHC leverages the innovative fintech platform developed by Tasheel, which provides its customers with unique consumer finance offers. Tasheel was the first NBFI in the Saudi market to offer an integrated digital process, providing one of the swiftest credit approval cycles in the market which covers all phases of the financing process, from receiving financing applications to granting financing

to customers. This is coupled with digital integration with a number of systems to automate processes for approval and granting of financing, whereby Tasheel utilises services provided by the following entities and companies:

- Elm to record personal data of customers;
- the General Organization for Social Insurance (GOSI) to obtain customer salary information;
- the Nafith platform to obtain customer signatures on promissory notes; and
- SIMAH to collect customer credit score information.

Online applications are available either through Tasheel's website or app. Self-service kiosks have also been installed in 310+ sites, with staff available at certain locations to help consumers who prefer face-to-face interaction when submitting applications. Tasheel's e-channels account for approximately 80% of all application received. In 2022G, Tasheel's e-channels also achieved an operating rate of approximately 97%.

Tasheel has received the approval of the Ministry of Justice to accept digital signatures on finance contracts. Tasheel has also adopted the Ministry of Justice's electronic writs of execution platform to obtain promissory notes from potential customers in order to promote the digitisation process for granting loans to customers.

D. Risk Management Policies

Through Tasheel, UIHC applies a comprehensive approach to managing current and potential risks, including any risks that may pose a material threat to its business model, performance or financial solvency or that may hinder Tasheel from achieving its strategic objectives. Risk handling and management are a key factor for Tasheel, which will facilitate setting risk management limits at all organisational levels in line with the principles set out by the Board of Directors for Tasheel's risk management policy. Tasheel utilises an advanced risk management infrastructure to provide guarantee-free credit programmes to its customers while managing defaults effectively and competitively.

Through Tasheel, UIHC's risk management adopts nine risk classifications in addition to taking into account SIMAH's credit rating and a dynamic pricing system based on customer risk assessment to ensure a fixed profit margin and to control risks relating to default. Written-off customer balances and 90+ days default of payment have increased as a result of an increase in portfolio volume, as they were SAR 0 and SAR 25.0 million in the financial year ended 31 December 2020G, SAR 13.5 million and SAR 50.1 million in the financial year ended 31 December 2021G, SAR 27.4 million and SAR 89.4 million in the financial year ended 31 December 2022G, and SAR 26.6 million and SAR 156.4 million in the period ended 30 September 2023G, respectively.

UIHC has also recorded an improvement in written-off loan recovery, which reached SAR 6.9 million in the first nine months of 2023G, in comparison to the amounts recorded throughout the year of 2022G, which amounted to SAR 7.1 million.

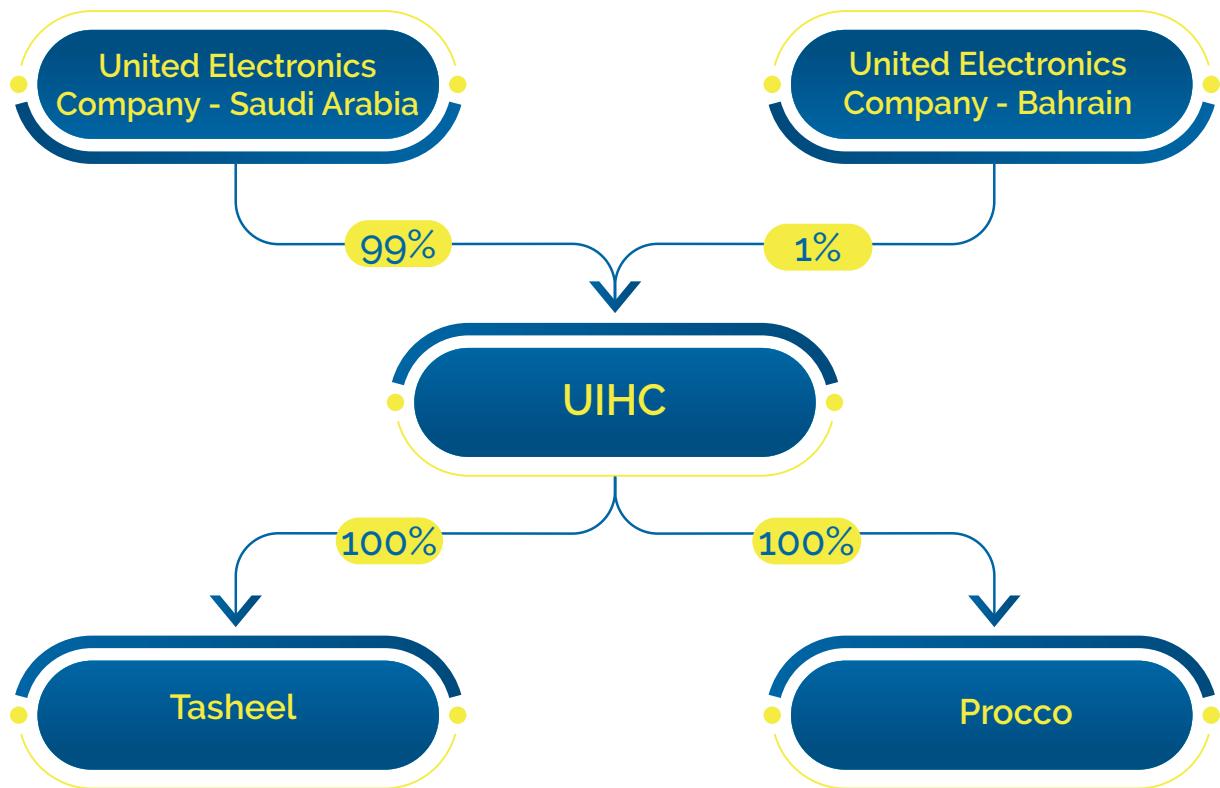
E. Stable Financing and Optimal Leverage Ratio

UIHC features a robust and stable financing position, along with an optimal exposure limit ratio, ensuring financial flexibility and long-term sustainability. UIHC has achieved stable cash flows due to its strict collection policy. Furthermore, through Tasheel, UIHC leverages a robust relationship with reputable financial institutions as a result of its track record and leadership in the sector, which has enabled it to access diverse financing options, including lines of credit and long-term loans that currently exceed two billion Saudi riyals. This diversified financing approach reduces UIHC's dependence on any single finance source, thereby reducing potential financing risks.

Tasheel has been able to maintain an optimal exposure limit ratio within the 3:1 ratio limit set by the Saudi Central Bank (SAMA) for NBFIs due to its strong financial position and profits, along with UIHC's approach to retaining profits in order to grow Shareholders' equity. Tasheel continuously monitors its exposure limit ratio and regularly reviews its policies to adapt to the changing market conditions and needs. With its optimal exposure limit ratio and access to external finance, Tasheel is able to continue lending at a swift pace without any hindrances to meeting its financial obligations or achieving future growth. Moreover, UIHC boasts the highest profitability levels in the sector, which further stabilises its financing position and the desire of lenders to do business with it. This enables it to obtain competitive lending terms and rates.

Through its solid financial foundations, stable financing sources and optimal leverage ratio, UIHC is able to achieve continuous growth, address economic fluctuations and seize strategic opportunities while maintaining financial stability.

3.2.5 Ownership Structure



The following table sets forth UIHC's current ownership structure as of the date of this Circular:

Table 3.3: UIHC's Ownership Structure as of the Date of this Circular:

#	Shareholder	No. of Shares	Share Value	Total Value of Shares (SAR)	Shareholding (%)
1	United Electronics Company - Saudi Arabia	24,750,000	10	247,500,000	99%
2	United Electronics Company - Bahrain	250,000	10	2,500,000	1%
Total		25,000,000	-	250,000,000	100%

Source: UIHC

As of the date of this Circular, UIHC's share capital is two hundred and fifty million Saudi riyals (SAR 250,000,000), divided into twenty-five million (25,000,000) ordinary shares of equal value, each of which has a nominal value of ten Saudi riyals (SAR 10), all of which are ordinary shares.

Table 3.4: UIHC's Direct Ownership Structure Before and After the Significant Transaction:

Shareholder	Before the Significant Transaction			After the Significant Transaction		
	No. of Shares	Shareholding (%)	Total Nominal Value (SAR)	No. of Shares	Shareholding (%)	Total Nominal Value (SAR)
United Electronics Company - Saudi Arabia	24,750,000	99%	247,500,000	17,250,000	69%	172,500,000
United Electronics Company - Bahrain	250,000	1%	2,500,000	250,000	1%	2,500,000
Public	0	-	0	7,500,000	30%	75,000,000
Total	25,000,000	100%	250,000,000	25,000,000	100%	250,000,000

Source: UIHC

3.2.6 UIHC's Board of Directors

UIHC's Board of Directors consists of five (5) directors elected by the Shareholders' Ordinary General Assembly for a term not exceeding three (3) years. As an exception, the founders appointed the first Board of Directors for a term of four (4) years. The Companies Law, the Corporate Governance Regulations (CGRs), the Bylaws and UIHC's Internal Governance Regulations determine the duties and responsibilities of the Board of Directors.

Table 3.5: UIHC's Board of Directors as of the Date of this Circular:

Name	Position	Nationality	Capacity	Direct Ownership (%)		Indirect Ownership (%)		Appointment Date
				Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
Mohammed Galal Ali Fahmy*	Chairman	Egyptian	Non-executive	-	-	3.30418%	2.31287%	15/03/1443H (corresponding to 21/10/2021G)
Wael Mohammed Mohammed Khalil**	Vice Chairman	Egyptian	Non-executive	-	-	0.07419%	0.05193%	15/03/1443H (corresponding to 21/10/2021G)
Maher bin Saad bin Mohammed Al Rajhi	Member	Saudi	Non-executive	-	-	-	-	15/03/1443H (corresponding to 21/10/2021G)
Abdulrahman bin Mohammed bin Abdulmohsen Al-Issa	Member	Saudi	Independent	-	-	-	-	23/05/1445H (corresponding to 07/12/2023G)
Assaf Abdulkarim Zaid Al Quraishi	Member	Saudi	Independent	-	-	-	-	23/05/1445H (corresponding to 07/12/2023G)

Source: UIHC

* Mohammed Galal Ali Fahmy indirectly owns 3.30418% of UIHC's shares pre-offering through his ownership in eXtra, which owns 99% of UIHC pre-offering. His indirect ownership percentage will be 2.31287% post-offering.

** Wael Mohammed Mohammed Khalil indirectly owns 0.07419% of UIHC's shares pre-offering through his ownership in eXtra, which owns 99% of UIHC pre-offering. His indirect ownership percentage will be 0.05193% post-offering.

The current Secretary of the Board of Directors is Ahmed Bendary, who was appointed pursuant to the Board of Directors' Resolution dated 08/06/1445H (corresponding to 21/12/2023G). UIHC also amended its Bylaws on 15/06/1445H (corresponding to 29/11/2023G) to increase the number of Directors to five (5) in order to appoint independent Directors to its Board in compliance with the requirements of the CGRs issued by the CMA Board pursuant to Resolution No. 8-16-2017 dated 16/05/1437H (corresponding to 13/02/2017G), as amended by CMA Board Resolution No. 08-05-20223, dated 25/06/1444H (corresponding to 18/01/2023G).

3.2.7 UIHC's Senior Management

UIHC's management consists of qualified and experienced members who have the relevant knowledge and experience necessary to manage the UIHC's business in line with the objectives and directives of the Board of Directors and the Shareholders. UIHC has successfully recruited and retained its Senior Management team and has worked to develop and promote qualified staff to senior positions.

Table 3.6: Details of UIHC's Senior Executives

#	Name	Nationality	Position
1	Sakhr Abdulrahman Mohammed Almulhim	Saudi	Chief Executive Officer
2	Rami Ahmed Askar	Egyptian	Finance Director
3	Mohammed Farooqi	British	Chief Customer Experience Officer
4	Mohammed Sabour	Egyptian	Chief Commercial Officer
5	Shahrukh Lali	Pakistani	Chief Risk Officer

Source: UIHC

3.3 Proposed Structure of the Significant Transaction

The proposed structure of the Significant Transaction is the offering of seven million and five hundred thousand (7,500,000) ordinary shares of UIHC for public offering through an IPO on Saudi Exchange. These shares to be offered represent thirty per cent (30%) of UIHC's share capital. eXtra will sell thirty per cent (30%) of its shares in UIHC through the offering, and after the completion of the offering, eXtra will continue to own 69% of its shares in UIHC, and eXtra Bahrain will continue to own 1% of its shares in UIHC. eXtra will therefore retain a controlling interest in UIHC.

3.4 Objective of the Significant Transaction

The completion of the Significant Transaction shall enable eXtra to achieve its objectives in the following respects:

- 1. Achievement of eXtra's Strategy:** One of eXtra's strategies is to continue exploiting promising opportunities that allow it to enhance its operations and maximise the value of its various businesses. It is expected that the Significant Transaction will produce proceeds, a portion of which eXtra intends to use to finance its other core segments and support its growth, whether internally or through acquisitions.
- 2. Access to Fair Market Capital:** Investors will have a clear view of UIHC's operations and cash flows, enabling them to make better investment decisions and estimate the fair value of UIHC and, indirectly, eXtra's business portfolio, which will be reflected in the share price.
- 3. Increased Brand Awareness:** The process of listing UIHC's shares on Saudi Exchange includes numerous marketing and advertising works that will increase awareness of the UIHC brand locally and internationally, which in turn will help UIHC to recruit and retain competencies, seamlessly attract more clients and customers, and create further opportunities with partners and suppliers within the sector.
- 4. Seamless Access to Finance:** After the completion of the Significant Transaction and listing of UIHC's shares on Saudi Exchange, it will be able to easily increase its share capital by issuing new shares or priority rights, in addition to acquiring other companies or material assets through the issuance of new shares to enhance its market share.



A stylized 3D bar chart composed of blue and yellow wireframe mesh is positioned on the left side of the image. In front of the chart, there is a stack of blue coins and a blue sphere with a white dollar sign (\$) symbol. The background is a dark blue gradient with a subtle grid pattern and a large, yellow, diagonal graphic element on the right.

FINANCIAL INFORMATION

4. Financial Information Illustrating the Impact of the Significant Transaction

4.1 Impact on Assets

As of the financial years ended 31 December 2020G, 2021G, and 2022G and the nine-month period ended September 2023G, eXtra owned consolidated assets amounting to SAR 2,929.5 million, SAR 3,648.2 million, SAR 3,970.1 million, and SAR 4,295.7 million, respectively. Meanwhile, for the same periods, UIHC held assets worth SAR 790.1 million, SAR 1,264.5 million, SAR 1,622.0 million, and SAR 1,857.9 million, respectively, representing 26.9%, 34.7%, and 40.9% and 43.3% of eXtra's assets, respectively. As a result of the Significant Transaction, eXtra will receive the net offering proceeds from the Significant Transaction while continuing to consolidate UIHC's assets.

4.2 Impact on Net Profits

eXtra's net profit for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G amounted to SAR 280.1 million, SAR 396.8 million, SAR 440.3 million and SAR 264.4 million, respectively. Meanwhile UIHC's net profits for the same periods amounted to SAR 22.2 million, SAR 129.6 million, SAR 192.7 million and SAR 156.8 million, respectively, representing 7.9%, 32.7%, 43.8% and 59.3% of eXtra's net profits, respectively. eXtra will record a one-time gain from the sale of 30% of its interest in UIHC. Therefore, eXtra's net profits are expected to decrease following the completion of the Significant Transaction, with the net offering proceeds from the Significant Transaction being used in accordance with eXtra's future investment strategy. For a discussion of the risks related to the assignment of 30% of the ownership interest in UIHC, please refer to Section 2.2 (**Risks Related to the Assignment of 30% of the Ownership Interest in UIHC**).

4.3 Impact on Revenue

eXtra's total revenue for the financial years ended 31 December 2020G, 2021G and 2022G and the nine-month period ended 30 September 2023G amounted to SAR 5,962.3 million, SAR 5,833.6 million, SAR 6,031.1 million and SAR 4,641.0 million, respectively. Meanwhile, UIHC's revenues for the same periods amounted to SAR 130.6 million, SAR 300.9 million, SAR 417 million and SAR 383.2 million, respectively, representing 2.2%, 5.2%, 6.91% and 8.26% of eXtra's revenue, respectively. eXtra will record a one-time gain from the sale of 30% of its interest in UIHC. Therefore, eXtra's net profits are expected to decrease following the completion of the Significant Transaction, with the net offering proceeds from the Significant Transaction being used in accordance with eXtra's future investment strategy. For a discussion of the risks related to the assignment of 30% of the ownership interest in UIHC, please refer to Section 2.2 (**Risks Related to the Assignment of 30% of the Ownership Interest in UIHC**).

4.4 Significant Transaction Costs

eXtra will bear all expenses and costs related to the offering, which will be deducted from the offering proceeds, which remain unknown as of the date of this Circular. These include the fees of financial advisors, underwriters, bookrunners, lead manager, legal advisors, auditor, market advisor, financial due diligence advisor and other advisors, in addition to the fees of the receiving agents, regulatory fees, marketing, printing and distribution expenses, and other expenses in relation to the offering.

5. The Views of eXtra's Board of Directors on the Significant Transaction

UIHC's General Assembly approved the IPO on 15 Jumada al-Thani 1425H (corresponding to 28 December 2023G). Pursuant to Articles (116) and (121) of the OSCOs, the Significant Transaction requires the approval of the EGM of eXtra's Shareholders, given that the profit test is in excess of 50% (please refer to Section 1.3 (**Why is the approval of eXtra's EGM required for the Significant Transaction?**)).

On 23/05/1445H (corresponding to 07/12/2023G), the Board of Directors formed the Specialised Committee required pursuant to Article 122 of the OSCOs. The Specialised Committee consists of the following members:

5.1 Formation of the Specialised Committee

Table 5.1: Members of the Specialised Committee:

Name	Position	Nationality	Membership/ Independence Status	Appointment Date
Mohammed Ahmed Youssef Abdulmalik	Chairman	Bahraini	Independent expert	23/05/1445H (corresponding to 07/12/2023G)
Ali Mohammed Ali Faramawi	Committee member	Canadian	Independent Board member	23/05/1445H (corresponding to 07/12/2023G)
Abdulaziz Abdulhamid Albassam	Committee member	Saudi	Independent expert	23/05/1445H (corresponding to 07/12/2023G)

Source: UIHC

The following is a description of the experience, qualifications and current and previous positions of the Specialised Committee members:

- Mohammed Ahmed Youssef Abdulmalik:** Mohammed Abdulmalik has extensive experience in investment banking and asset management and has spent his entire career at leading banking groups. His experience is an excellent and valuable addition, as he has worked with JPMorgan Chase & Co. for almost 10 years and held various positions, including Chairman of the Islamic Banking Group and the Financial Institutions Group in the MENA region. He then became the General Manager of Lend Lease, establishing and leading the development of their regional business in the MENA region. Subsequently, he became Executive Director and Head of the Business Development of the UBS Global Asset Management Cooperation Council, and at the regional level, Mohammed succeeded in establishing, managing, restructuring and merging a number of regional institutions. During such period, he assumed the position of GO at Capivest Investment Bank, where he led the merger of the operations of three investment banks in the region's first merger and acquisition deal involving three institutions. Mohammed holds a bachelor's degree in finance from the University of Bahrain and a master's degree in financial management from the University of Exeter. Moreover, he is a Chartered Alternative Investment Analyst (CAIA).
- Ali Mohammed Ali Faramawi:** He is an experienced technology executive, an independent Director, a strategic advisor and a social entrepreneur. He has more than 35 years of experience in corporate roles, 25 of which he spent at Microsoft. He is focussed on his work as an independent Director and his consultancy work, primarily in the areas of digital transformation, financial inclusion and youth empowerment. Currently, Ali serves on the Board of Directors of Valentino companies in Italy, Balmain in France, Beymen in Turkey, the Central Bank of Egypt, the American University in Cairo, and eXtra in the Kingdom. He also provides strategic advice to institutions on topics such as digital transformation and organisational and business development. As Vice President of Microsoft, Ali was a key member of Microsoft's global sales, marketing and operations leadership team. Early in his career, Ali held technical and business development positions at NCR, Gulf Data International and Yokogawa

Marex. With his passion for digital technology and its ability to bring people together and transform organisations and nations, Ali is dedicated to empowering young people to shape the future. He has also held advisory roles in helping governments use digital technology for human and economic development, including the presidential advisory councils of South Africa and Egypt. He holds an MBA degree in strategic marketing and a bachelor's degree in science. He also holds a bachelor's degree in engineering and computer science and a degree in corporate governance from INSEAD.

- **Abdulaziz Albassam:** He is the GO and a member of the Investment Committee of Al Jomaih Holding Co. His previous experience includes working for a number of leading companies internationally and locally, including Aramco, McKinsey, Arcapita, and Jadwa Investment. He also worked for the advisory unit at the Ministry of Economy and Planning in Riyadh. Most recently, he has served as GO at Abdullah bin Ibrahim Al Subaei Investment Company (AIMS) since 2019G. He is a director at several local and international companies and was appointed GO and member of the Investment Committee of Al Jomaih Holding Co.

None of the members of the Specialised Committee have any material interest in the Significant Transaction (please refer to Section 1.4 (**Why was the Specialised Committee formed and what is its role in the Significant Transaction?**)).

5.2 Recommendation of the Board of Directors

The Board of Directors recommends the Shareholders vote in favour of the Significant Transaction at the EGM, after taking into account the strategy of eXtra, which serves the short and long-term interests of its Shareholders, employees, customers and other stakeholders. Shareholders should also consider the ability of the Significant Transaction to drive sustainable future growth for UIHC and promote the ability of independent and focused management and governance to achieve UIHC's business objectives as of the date of this Circular. This follows the review of the letter of the Specialised Committee recommending voting in favour of the Significant Transaction and the letter of the financial advisor submitted to the Specialised Committee, which recommends the Shareholders to vote in favour of the Significant Transaction. The Board of Directors reserves the right to rescind or amend its recommendation in accordance with the statutory duties and obligations of the Directors. As of the date of this Circular, the Board of Directors has not withdrawn or amended its aforementioned recommendation.

According to the information available to it on the date specified in its letter, and subject to the assumptions, exclusions and limitations set forth in the said letter, the Financial Advisor has notified the Specialised Committee that the Significant Transaction is in the interests of eXtra and its Shareholders as a whole for the following reasons:

- **The transaction proceeds can support the investment in order to achieve eXtra's growth and/or help fund dividend distributions to Shareholders:** Cash proceeds from the transaction will be paid to eXtra, who has the discretion to decide how to use such proceeds: It will either reinvest the proceeds in order to support its growth, whether directly or indirectly, and/or adopt the proposal of its Board of Directors, which may suggest that it distributes some of the cash proceeds to Shareholders in the form of dividends.
- **The completion of the IPO will provide greater future financing flexibility for eXtra:** Once the shares of UIHC are listed, eXtra may, in the future and from time to time, seek to generate additional cash returns from the sale of further UIHC shares to external investors (if this is considered to be in the interest of eXtra and its Shareholders at such time). This additional source of potential liquidity to be obtained by eXtra would increase its financing flexibility, thereby potentially benefiting Shareholders.
- **Achieving a market value for UIHC may be reflected by an increase in the value of eXtra's shares:** Given that UIHC contributes to a relatively small portion of eXtra's revenue but a significant share of net profits, the completion of the IPO would allow investors to better recognise the value of UIHC separately and independently of eXtra. Since eXtra owns a controlling majority interest in UIHC, this may reflect positively on the market value of eXtra's shares and thus benefit Shareholders.
- **UIHC's operation as an independent entity supported by eXtra may promote UIHC's operational performance and increase the value of eXtra's majority interest:** Upon completion of the IPO, UIHC will operate as an independent company while continuing its association with eXtra and its extensive network in the Kingdom, which may result in increased awareness of the UIHC brand, both locally and globally, through direct marketing, direct publicity and direct investor interaction with UIHC. Operating

as an independent company may help UIHC attract and retain talent, attract more customers, expand its partnerships with retailers and other third parties, and increase cross-selling opportunities, which may help UIHC advance its financial performance. Since eXtra will continue to own a controlling majority interest in UIHC, this may reflect positively on the market value of eXtra's shares and thus benefit Shareholders.

- **As an independent company, UIHC may have access to separate sources of finance, which may reduce the burden of finance requirements on eXtra:** As an independent listed company, UIHC may have access to a wider range of equity and non-equity financing markets, thus reducing its need for direct financing from eXtra to support the acceleration of its growth strategy. If UIHC is able to effectively accelerate its growth strategy, this could lead to an increase in the value of its shares. Since eXtra will continue to own a controlling majority interest in UIHC, this may reflect positively on the market value of eXtra's shares and thus benefit Shareholders. This may also enable eXtra to leverage its financing capacity to grow other affiliate businesses.
- **The effective governance of UIHC as a listed company may improve its operating performance in the medium term:** As an independent listed company, UIHC will have a Board of Directors whose work complies with the CGRs issued by the CMA. The appointment of external directors and administrators who focus on the business of UIHC as an entity separate from and independent of eXtra may support UIHC and enable it to implement its growth strategy in the medium term, which may increase the value of UIHC's shares. Since eXtra will continue to own a controlling majority interest in UIHC, this may reflect positively on the market value of eXtra shares, potentially benefiting Shareholders.

The advice provided by the Financial Advisor should be read in the context of its letter, a copy of which is attached in Annex B **Annex B: Letter from the Financial Advisor** of this Circular. The original copy of the Financial Advisor's letter will be available at eXtra's headquarters during the period from the date of publication of this Circular until the EGM is convened, as specified in Section 10 (**Documents Available for Perusal**) below.

The Board of Directors did not take into account when making its recommendation, the specific investment objectives, financial, tax or Zakat position or individual circumstances of any particular Shareholder. Given that Shareholders have different investment objectives and portfolios, the Board of Directors recommends that each individual Shareholder consult with their independent financial advisor with respect to the Significant Transaction and rely on their own study of the Significant Transaction and the information contained herein regarding the objectives, financial circumstances and needs of each individual Shareholder.

The Shareholders shall also take into account that trading in the shares of eXtra and UIHC after the Significant Transaction shall, inter alia, be subject to the performance and prospects of eXtra, UIHC and their subsidiaries and affiliates, prevailing market conditions, economic expectations, and stock market conditions and trends (please refer to Section 2.5 (**Risks Related to Fluctuations in the Market Price of UIHC's Shares**)).

As such, when submitting its recommendation regarding the Significant Transaction, the Board of Directors did not take into account the trading activities, patterns, or future price levels that may be determined for eXtra's shares following the date of this Circular or for UIHC's shares following the Significant Transaction.

6. Legal Information

6.1 Legal Arrangements Related to the Significant Transaction

eXtra's Board of Directors confirms that there will be no transfer of any assets, liabilities, employees, or intellectual property (except for the Tasheel trademark, which is owned by eXtra and is set to be transferred to Tasheel) from eXtra to UIHC as a result of the Significant Transaction. The Significant Transaction will consist of the initial public offering of seven million and five hundred thousand (7,500,000) ordinary shares of UIHC, which is a subsidiary. The shares to be offered represent thirty per cent (30%) of UIHC's share capital.

In the event that the EGM approves the Significant Transaction, UIHC's Board of Directors shall make any decisions that fall within its scope pursuant to the applicable law and shall carry out all of the required procedures related to the completion of the Significant Transaction.

6.2 UIHC's Compliance with Corporate Governance

UIHC's policy is to adopt high standards of corporate governance. The Directors of UIHC declare their compliance with the CGRs issued by the CMA on 16/05/1438H (corresponding to 13/02/2017G), as amended by CMA Board Resolution No. 1-94-2022, dated 24/01/1444H (corresponding to 22/08/2022G).

The CGRs outline the rules and standards regulating the management of UIHC to ensure adherence to the best corporate governance practices that ensure the protection of the rights of Shareholders and stakeholders. The provisions of the CGRs are mandatory for companies listed on Saudi Exchange, with the exception of provisions that are explicitly stated as indicative.

The internal governance regulations of UIHC, which were approved by UIHC's Board of Directors on 12/11/2023 and the Ordinary General Assembly convened on 11/06/1445H (corresponding to 24/12/2023G), include provisions relating to the following:

- 1- Charter of the General Shareholder Assemblies;
- 2- Charter of the Board of Directors;
- 3- Charter of the Audit Committee;
- 4- Charter of the Nomination and Remuneration Committee;
- 5- Dividend Distribution Policy;
- 6- Code of Ethics and Management Method of the Company's Business;
- 7- Disclosure and Transparency Policy;
- 8- Conflict of Interest Policy;
- 9- Internal Control Policy; and
- 10- Remuneration Policy.

UIHC is compliant with the mandatory governance requirements applicable to Saudi public joint stock companies, except for certain provisions specific to listed companies which UIHC does not currently adhere to due to the fact that UIHC's shares are not yet listed on Saudi Exchange. Such provisions include the following:

- Paragraph (A) of Article (8), related to announcing information on the website of Saudi Exchange related to nominees for membership of the Board of Directors when publishing or calling upon the General Assembly to convene;
- Paragraph (B) of Article (8), related to limiting voting in the General Assembly to nominees whose information is announced in accordance with Paragraph A of Article 8;
- Paragraph (D) of Article (13), related to publishing the invitation to the General Assembly on the websites of the Tadwul and UIHC;
- Paragraph (E) of Article (13), related to amending the agenda of the General Assembly during the period between the publication of the announcement referred to in Paragraph D of Article (13) and the date of the Assembly meeting;
- Paragraph (C) of Article (14), which stipulates that Shareholders shall be allowed, through the websites of UIHC and Saudi Exchange, when the invitation to convene the General Assembly is published, to obtain information related to the items of the General Assembly agenda, particularly the reports of the Board of Directors and the Auditor, the consolidated financial statements and the Audit Committee's report;

- Paragraph (D) of Article (15), related to the obligation to provide the CMA with a copy of the minutes of the General Assembly meeting;
- Paragraph (E) of Article (15), which stipulates that UIHC shall announce to the public and notify the CMA of the results of the General Assembly immediately after its conclusion and deliberate on the same;
- Paragraph (D) of Article (17), related to notifying the CMA of the names of the Directors and their membership descriptions and any changes that occur to their membership within five working days from the date of the said changes;
- Article (54), related to the meetings of the Audit Committee, which convenes periodically, provided that at least four meetings are held during UIHC's financial year;
- Article (60), related to the meetings of the Remuneration Committee, which convenes periodically, at least once per year, and as may be necessary;
- Article (64), related to the meetings of the Nomination Committee, which convenes periodically, at least once per year, and as may be necessary;
- Article (65), related to publishing the nomination announcement on the websites of UIHC and Saudi Exchange, in order to invite persons wishing to be nominated to the Board of Directors, provided that the nomination period shall remain open for at least one month from the date of the announcement;
- Article (87), related to mandatory contents of the Board of Directors' report; and
- Paragraph (B) of Article (88), related to the publication of the Audit Committee's report on the website of Saudi Exchange.

UIHC does not currently comply with the above-mentioned provisions of the CGRs due to the fact that it is a closed joint stock company and the shares of UIHC are not yet listed on Saudi Exchange. The Directors undertake to abide by these provisions immediately upon the listing of the shares on Saudi Exchange. The Directors declare that UIHC is currently committed to all other provisions contained in the CGRs and the Companies Law.

UIHC has two committees (the Audit Committee and the Nomination and Remuneration Committee). These committees are responsible for reviewing the operations of UIHC within its areas of expertise and submitting reports on its results and recommendations to UIHC's Board of Directors.

UIHC's Board consists of five (5) Directors. On 15/06/1445H (corresponding to 29/11/2023G), UIHC amended its Bylaws to increase the number of its Directors to five before its expected listing in order to appoint independent Directors. This is in compliance with the requirements of the CGRs issued by the CMA Board pursuant to Resolution No. 8-16-2017, dated 16/05/1437H (corresponding to 13/02/2017G), as amended by Resolution No. 08-05-20223, dated 25/06/1444H (corresponding to 18/01/2023G).

The Board of Directors shall ensure, among others, the following:

- a. All committees should have clear competencies, and the roles and responsibilities of each shall be defined.
- b. Preparation, revision and signature of all meeting minutes by the Board of Directors in accordance with UIHC's Bylaws.

In accordance with Paragraph (1) of Article (95) of the Companies Law and Paragraph (B) of Article (8) of the CGRs, the Shareholders of UIHC adopted the cumulative voting mechanism with respect to the election of Directors as set forth in UIHC's Bylaws. This voting mechanism grants each Shareholder voting rights commensurate with the number of shares they own in UIHC. Each Shareholder has the right to use all of their rights to vote for one candidate or to divide their voting rights between specific candidates, provided that there is no duplication of votes. This mechanism increases the chances of minority Shareholders being represented in the Board of Directors through their right to vote cumulatively for one candidate.

6.3 UIHC Dividend Distribution Policy

Pursuant to Article (107) of the Companies Law, Shareholders shall have all rights related to shares, including, in particular, the right to obtain a share of the dividends to be distributed. UIHC's Board of Directors is generally responsible for recommending the distribution of any dividends before they are approved by Shareholders at the General Assembly meeting. UIHC shall not be obligated to announce any dividends, and any decision to distribute profits shall depend on a number of factors, including UIHC's previous and expected profits, cash flows, financing and capital requirements, market data and economic factors in general and Zakat, as well as other legal and regulatory considerations. The distribution of dividends is subject to the restrictions contained in the financing agreements concluded with financing entities. Dividend distributions are also subject to the restrictions contained in UIHC's Bylaws. Dividends shall be distributed in Saudi riyals.

The distribution of dividends is subject to certain restrictions in accordance with UIHC's Bylaws, whereby Article (42) of the UIHC's Bylaws stipulates as follows:

- a. The General Assembly shall define the percentage of net profits to be distributed to the Shareholders after the deduction of the reserves, if any.
- b. The Ordinary General Assembly may set aside a percentage of the net profits to form reserves, provided that the use of these reserves is based on a proposal from the Board of Directors and such reserves are used in ways that benefit UIHC or the Shareholders, to the extent that this achieves the interests of UIHC or ensures the distribution of fixed dividends as much as possible to the Shareholders. The aforementioned Assembly may also deduct amounts from the net profits to serve social purposes for UIHC's employees.

UIHC has not announced or distributed any dividends since its establishment.

6.4 The Impact of the Significant Transaction on eXtra's Listing Rating

The Significant Transaction will not affect the direction of eXtra's business or the nature of its strategic work, and eXtra will remain listed on Saudi Exchange.



TAXATION AND ZAKAT

7- Taxation and Zakat

This section provides a general overview of certain KSA tax and Zakat considerations in relation to eXtra's Significant Transaction as of the date of the Circular. This overview should not be considered an exhaustive analysis of all tax and Zakat implications of the Significant Transaction for any specific party. Shareholders of eXtra must rely on their own analysis of the tax and Zakat implications of the Significant Transaction and should not consider the contents of this summary as tax advice. All tax and Zakat related comments are based on an understanding of the relevant KSA Tax Regulations (i.e., Income Tax Law issued as per Royal Decree No. M/1 and its Bylaws issued under Ministerial Resolution No. 1535 dated 30 July 2004), the Zakat Regulations (i.e., Zakat Regulations issued by Ministerial Resolutions No. (2216) dated 13 March 2019 and amended by Ministerial Resolution No. (5123) dated 14 August 2020), and interpretation and application thereof, in practice by the ZATCA as at the date of this Circular and any amendments to the current tax laws, practice and regulations could impact the tax and Zakat considerations of the Significant Transaction as outlined in this section.

7.1 Overview of Saudi Arabian Zakat

Based on the Zakat Regulations, KSA resident companies are subject to Zakat in proportion to the direct shareholding of KSA or Gulf Cooperation Council ("GCC") nationals or indirect shareholdings of such shareholders via GCC incorporated entities (Please note there are certain exceptions for companies engaged in the production of oil and hydrocarbons which will not be further touched upon). However, in case of subscription in a KSA resident listed company (regardless of whether subscribed by a GCC or non-GCC resident), the tax or Zakat profile of the KSA resident entity to the extent of listed shares should be considered as subject to Zakat.

In determining the tax or Zakat profile of a legal entity resident in KSA, the ZATCA applies a "look-through" approach to determine the percentage of the share capital that is ultimately owned by non-GCC shareholders. The look-through approach only applies to GCC corporate shareholders. Therefore, the percentage of share capital owned by a corporate shareholder incorporated outside of the GCC is subject to Corporate Income Tax ("CIT") regardless of the nationalities of the ultimate investors.

Zakat is a religious levy on the higher of KSA/GCC shareholders' share of (i) the Zakatpayer's "net assessable funds", which includes their share of adjusted profit/loss for the year or (ii) the adjusted profit/loss for the year ("Zakat Base"). The net assessable funds generally comprise of capital employed, provisions and long-term financing (subject to certain conditions), less fixed assets, long-term deductible investments and deferred costs, plus/minus adjusted profit for the year. To allow deduction from the Zakat Base of foreign investments, Zakat on such investments has to be computed in accordance with the Zakat Regulations and it should be certified by a licensed accountant in KSA.

The net assessable funds are subject to Zakat at a rate of 2.578% if a Zakatpayer is following Gregorian year as fiscal year, or 2.5% in case of a Hijri year. The net adjusted profit included in the Zakat Base is subject to 2.5% Zakat regardless of the fiscal year followed by a Zakatpayer.

Capital companies will be subjected to Zakat from the date of capital deposit. ZATCA has been empowered to initiate arbitrary assessment of a company which fails to file Zakat declarations within the statutory deadline (120 days from the end of the fiscal year).

7.2 UIHC's post-Significant Transaction Tax/Zakat profile

As mentioned in Paragraph 2.1, under the KSA Income Tax Law and Zakat Regulations, the applicability of CIT and Zakat to a KSA resident company is determined based on the nationalities of its ultimate shareholders. Generally, KSA and other GCC nationals' participation in a KSA resident company is subject to Zakat, while non-GCC residents' participation is subject to CIT. In case of subscription in a KSA resident listed company (regardless of whether subscribed by a GCC or non-GCC resident), the tax or Zakat profile of the KSA resident entity to the extent of listed shares should be considered as subject to Zakat.

UIHC, is currently solely subject to Zakat as it is fully owned by eXtra, a wholly listed KSA resident company.. UCFS and Procco, as 100% subsidiaries of UIHC are also solely subject to Zakat. As mentioned above, the participation of public shareholders remains subject to Zakat. Therefore, the Zakat profile of UIHC will remain unchanged post Significant Transaction. For completeness' sake, the Significant Transaction should also not have any impact on the Zakat profile of eXtra.

7.3 Tax/Zakat Implications for eXtra upon Its Sale of UIHC Shares

Any gain arising for eXtra as a result of a disposal of shares in UIHC through the Significant Transaction, should be included in its ordinary income subject to Zakat. The proceeds of the Significant Transaction will form part of the Zakat base of eXtra going forward unless these are reinvested in Zakat deductible assets or distributed to the shareholders of eXtra as a dividend.

7.4 Zakat implications of the Significant Transaction

7.4.1 Consolidated Zakat declaration

Holding Companies and their direct or indirectly fully owned subsidiaries, whether registered inside or outside KSA, may submit a consolidated Zakat declaration and Zakat will be calculated according to the result of the consolidated Zakat Base. Companies owned by the same shareholders may also submit a consolidated Zakat declaration. As a result of filing a consolidated Zakat declaration i) profits and losses of the consolidated group can be offset and ii) intercompany balances within the consolidated group will be eliminated, which may reduce the Zakat base.

In line with the Zakat regulations applicable in KSA, eXtra has filed a consolidated Zakat return for the Financial Year ended 31 December 2022 encompassing its KSA subsidiaries in addition to Procco, but upon the ZATCA's request excluding UIHC for the period 21 October 2021 to 31 December 2022 (its first long fiscal period). The results of UIHC were reported on a standalone basis for this period, but it is intended that eXtra will file a consolidated Zakat return including the results of both UIHC and Procco for the Financial year ended 31 December 2023.

For completeness, it is important to note that UCFS is filing a standalone Zakat return and is not part of the consolidated Zakat return of eXtra or UIHC. This is because UCFS falls under the Zakat regulations outlined in Ministerial Resolution 2215, which specifically apply to financial institutions regulated by the Saudi Central Bank. As a result, a different Zakat regime applies to UCFS and therefore UCFS cannot be included in the Zakat consolidation with eXtra or post-Significant Transaction with UIHC.

No tax sharing agreements have been concluded between eXtra and its subsidiaries. eXtra will remain liable for any additional assessed Zakat relating to the consolidated Zakat filing including the results of UIHC and Procco post completion of the Significant Transaction.

7.4.2 Zakat consolidation post Significant Transaction

Post Significant Transaction, the prerequisites for Zakat consolidation will no longer apply to UIHC Procco and eXtra. UIHC and Procco should file separate Zakat declarations and should be able to obtain separate tax certificates from the ZATCA as of the fiscal year in which the Significant Transaction takes place. Please note that UIHC can consider filing a consolidated Zakat declaration with Procco.

UIHC will be required to notify the ZATCA to update its shareholders' details and its deconsolidation from eXtra.

7.4.3. Zakat implication holding the investment in UIHC post Significant Transaction

7.4.4 Investment Value of UIHC in eXtra's books

eXtra should be able to claim a deduction for either the opening balance or closing balance of the investment value of UIHC from its Zakat Base. To the extent eXtra will continue to account for its investment in UIHC under the equity method an adjustment for its share of UIHC's profit or loss will need to be considered, as outlined below.

7.5 Share of profit or loss from UIHC

eXtra's share of UIHC's profit (or loss) should be added to (or deducted from) the value of investment value of UIHC as reflected in eXtra's financial statements. From a Zakat perspective, the treatment will depend on which value of the investment (i.e., opening balance or closing balance) in UIHC is deducted by eXtra from its Zakat base. In practice, most companies deduct the ending balances of their investment in subsidiaries and adjust their share of profit or loss in the calculation of their Zakatable net adjusted profit/loss.

However, in November 2021, the ZATCA issued the guidelines for "Zakat Handling of Investments in Equity of Taxpayers who Maintain Statutory Accounts". This guideline has outlined the Zakat treatment of investments accounted for under the equity method. Based on the guideline, the investment value (i.e., closing balance) in the subsidiary company as shown in the audited financial statements may be deducted from the Zakat base without any modification. The guideline also notes that no adjustment should be made in relation to its share of profit or loss in its subsidiary in calculating the Zakatable net profit or loss.

Please note, the above treatment would effectively subject the same profit to Zakat twice, once at the level of the subsidiary and again at the level of the parent company (i.e., if the minimum Zakat be imposed on the net adjusted profit). On this basis the guidance may contradict the Sharia principles of Zakat. As the guideline is an official clarification by the ZATCA, it is not binding on Zakatpayers. It is a common practice to deduct the ending balances and adjust the share of profit or loss which is a deviation from the guidance. However, it cannot be excluded that the ZATCA would challenge such position in light of the guidelines.

7.6 Dividends

Any dividends received by eXtra from UIHC should effectively be subject to Zakat in the hands of eXtra since the dividends would reduce the Zakat deductible investment value of UIHC. However, the Zakat impact can be mitigated if the dividends received are redistributed by eXtra to its shareholders as dividend or if the dividend proceeds are reinvested in other Zakat deductible assets/investments, during the same Hijri year in which the dividend is received. In principle any dividends distributed by UIHC should reduce UIHC's Zakat Base.

7.7 Other considerations

7.7.1 Value added tax

Overview of VAT

The standard rate of value added tax ("VAT") in KSA is 15%. This rate is effective from 1 July 2020. The standard rate of VAT increased from 5% to 15%. Transitional provisions to apply 5% VAT on qualifying contracts and invoices were available until 30 June 2021.

The supplies of certain financial services, lease of residential real estate and life insurance are treated as exempt for VAT resulting in restriction on recovery of VAT on costs. A zero rate of VAT can be applied to certain supplies (e.g., export of goods, sale of qualifying medicines and medical equipment) as per the KSA VAT Implementing Regulations.

Registration is mandatory for taxable person engaged in economic activity with taxable supplies of SAR 375,000 (computed for a 12-month prior or succeeding periods) and voluntary registration is also available to taxable person with taxable supplies or expenses of SAR 187,500 or above.

VAT registered persons are required to file monthly or quarterly VAT returns. The filing of VAT return and payment of VAT due needs to be completed before the last day of the month following the VAT return period. Businesses are required to comply with the record keeping and invoicing requirements under the KSA VAT Law and Implementing Regulations.

7.7.2 VAT grouping

In accordance with the VAT Regulations¹, an investment holding company that actively engages in economic activity is eligible to form or become a member of a VAT group. The conditions for VAT grouping as per the VAT Regulations are as follows:

1. Each legal entity must be a resident of the Kingdom and involved in an economic activity.
 2. The same entity or group must hold 50% or more of the capital, ownership, or control of the voting rights or value in both or all of the legal entities, whether directly or indirectly.
 3. At least one of the legal entities within the group must be a taxable person.
- Dormant entities (i.e., entities without economic activity) are not qualified to join a tax group. Investment holding companies, on the other hand, may only join a VAT group if they actively engage in economic activity in their own right.

UIHC did not register for VAT in KSA on the basis of being a passive investment holding company. However, UIHC will monitor and reassess if there is a need to comply with the VAT Regulations should circumstance change.

UCFS is registered for KSA VAT and is part of the eXtra VAT group. Please note that each member of the VAT group is jointly and severally liable for any VAT obligations with the ZATCA.

Post Significant Transaction the shareholding and control criteria should still be met and as such UCFS should be able to remain part of the eXtra VAT group.

7.7.3 Intercompany Transactions

From a Zakat perspective, intercompany transactions between Zakat consolidated group entities should be Zakat neutral as a result of the elimination during the consolidation process. Losses of a consolidated subsidiary will reduce the overall profit of the Zakat consolidated group, decreasing the overall Zakat Base.

Post Significant Transaction, the Zakat consolidation for UIHC, Procco and eXtra would no longer be available. As such, the elimination of intercompany balances (if any) would not be possible and would effectively be separately subjected to Zakat at the level of eXtra, UIHC and Procco.

7.7.4 Transfer Pricing

The final KSA Transfer Pricing ("TP") By-laws² were released on 15 February 2019 after the draft By-laws published on 10 December 2018. The TP By-laws broadly follow international standards, including the arm's length principle and documentation standards as set out in the Organization for Economic Co-operation and Development ("OECD") TP Guidelines. The TP By-laws are applicable to persons considered taxpayers and mixed entities (tax and Zakat payers) in KSA under ITL. Generally, this includes - without limitation - multinational enterprise groups ("MNE Groups"), one or more members of which are deemed to be a taxable person in KSA. Please note that this was initially aimed to introduce compliance requirements for tax only or tax and Zakat paying entities for fiscal years ending on or after 31 December 2018. Thus, pure Zakat-paying companies were initially excluded from the application of the TP provisions.

However, on 7 April 2023, the Board of Directors of ZATCA approved proposed amendments to the TP Bylaws to extend applicability of the TP provisions to Zakat payers and introduced Advance Pricing Agreement provisions for tax and Zakat payers. These amendments will be applicable for financial years starting on or after 1 January 2024.

7.7.5 TP and ZAKAT

Zakat payers will need to ensure that their transactions with related parties are priced at arm's length and must submit a Transfer Pricing Disclosure Form and TP Affidavit with their Zakat returns. Zakat payers will have to prepare a Local File ("LF") and Master File ("MF") depending on the following conditions, to be implemented in two phases:

- **Phase 1 (2024 to 2027):** Zakat payers with aggregated related party transactions amounting more than SAR 100 million will have to comply with MF / LF requirements. For entities with related party transactions between SAR 48m and SAR 100m the preparation of MF and LF is optional.
- **Phase 2 (2027 onwards):** Zakat payers with aggregated related party transactions exceeding SAR 48 million must prepare MF and LF.

Regarding the above, please consider the following relevant notes:

- Consolidated zakat filers are exempt from related party transactions made between one another.
- Wholly state-owned companies excluded from Zakat collection are exempted from the MF and LF requirements.
- Investment funds are exempted for the Phase 1 period and required to comply from Phase 2.

It is expected for eXtra and UIHC (and its subsidiaries) to comply with the TP provisions going forward. The Significant Transaction does not have a direct TP implication to both entities' TP requirements. The requirements will have to be considered under the provisions of the current regulations and taking into account both companies' related party transactions (using the related party definition provided by the law, including the existence of effective control).

7.8 Withholding tax

7.8.1 Overview of withholding tax

Under the KSA Income Tax Law, payments made to non-residents from any in-Kingdom source should be subject to withholding tax ("WHT"). The WHT rate ranges from 5% to 20% depending on the nature of the payments being made.

WHT, as per the rates specified above, is imposed on the entire amount paid to a non-resident regardless of any cost incurred in generating this income and the validity of its full or partial acceptance thereof as a deductible expense even if the amount paid relates to contracts concluded prior to the effective date of the law.

WHT has to be settled within the first 10 days of the month following the month in which the taxable payment was made. The WHT is required to be deducted from the gross amount payable to a non-resident at the time of payment, and not at the time of accruing the charge in the company's books of account. WHT cost borne by a KSA company is disallowed as a deduction from taxable income.

As eXtra, UIHC, UCFS and Procco are KSA tax resident companies, any transactions between them should not be subject to WHT. This also includes any dividend distributions.

8- Procedures to be Followed

8.1 Procedures Related to the EGM that shall be Followed for Approval of the Significant Transaction

- Providing the CMA with a copy of the invitation to the EGM meeting and the agenda for the EGM meeting.
- Shareholders' voting on the Significant Transaction at the EGM, based on the recommendation of the Board of Directors and the Specialised Committee. The necessary threshold for the validity of the EGM is the presence of Shareholders who own no less than fifty per cent (50%) of eXtra's shares, either in person or by proxy at the EGM, or via remote voting channels. The resolutions to be proposed at the EGM, including the resolution approving the Significant Transaction, will be passed by voting in favour thereof by Shareholders who are entitled to attend and vote at the EGM, either in person or by proxy, or through remote voting channels. Such Shareholders must own more than two-thirds (2/3) of eXtra's shares represented in the EGM.

In the event that the threshold requirements for the EGM are not met, a second EGM (the "**Second EGM**") will be convened within one hour of the end of the first EGM in which the necessary threshold was not met. The necessary threshold for the Second EGM is the presence of Shareholders who own no less than 25% of eXtra's shares, either in person or by proxy, or through remote voting channels. The resolutions to be proposed at the Second EGM, including the resolution approving the Significant Transaction, shall be passed by voting in favour thereof by Shareholders who are entitled to attend and vote at the Second EGM, either in person or by proxy, or through remote voting channels, and who own more than two-thirds (2/3) of eXtra's shares represented in the Second EGM.

In the event that the threshold requirements for the Second EGM are not met, a third EGM shall be convened (the "**Third EGM**"). The necessary threshold for the Third EGM is the presence of Shareholders who own any number of eXtra's shares, either in person or by proxy, or through remote voting channels. The resolutions to be proposed at the Third EGM, including the resolution approving the Significant Transaction, shall be passed by voting in favour thereof by Shareholders who are entitled to attend and vote at the Third EGM, either in person or by proxy, or through remote voting channels, and who own more than two-thirds (2/3) of eXtra's shares represented in the Third EGM.

Shareholders who are unable to attend the first EGM, Second EGM or Third EGM in person will be able to nominate a proxy and direct them to vote for (or against) the resolutions to be proposed at the said extraordinary general assemblies or vote through remote voting channels in accordance with the instructions contained in **Annex D: Notice of the EGM**.

8.2 Procedures to be Followed to Execute the Significant Transaction Following the Approval of the EGM

- UIHC's submission of an application to the CMA approval for the registration and offer of its shares, and submission of an application to Saudi Exchange and the CMA for approval of the listing of its shares on Saudi Exchange.
- Completion of the IPO.
- Any other regulatory requirements, if applicable.

9- Responsibility for the Circular

eXtra Board of Directors, jointly and severally, are responsible for the accuracy of all information contained herein, including the Annexes hereof, with the exception of the Financial Advisor's letter contained in **Annex B: Letter from the Financial Advisor**, for which the Board will only be responsible for the correct presentation thereof. Subject to this limitation and the knowledge of the Board of Directors, all of the information contained in this Circular as of the date hereof is correct, and the Board of Directors is not aware of any facts or circumstances that affect the validity of this Circular.

Statement of the Board of Directors:

This Circular has been prepared in accordance with Article (123) of the OSCOs in relation to the Significant Transaction.

The Directors named below acknowledge that they have complied with their statutory duty to conduct due diligence and confirm that the information contained herein is correct to the best of their knowledge:

Table 9.1: eXtra Directors:

Name	Position	Nationality	Membership/ Independence Status	Appointment Date
Abduljabbar AbdulRahman Mohamed AlAbduljabbar	Chairman	Saudi	Independent	01/10/1442H (corresponding to 13/05/2021G)
Abdullah Ali Ibrahim Al-Majdouie	Vice Chairman	Saudi	Independent	01/10/1442H (corresponding to 13/05/2021G)
Mansour AbdulAziz Rashid AlBosaily	Member	Saudi	Independent	01/10/1442H (corresponding to 13/05/2021G)
Mohamed Galal Ali Fahmy	Member	Egyptian	Executive	01/10/1442H (corresponding to 13/05/2021G)
Ali Mohammed Ali Faramawi	Member	Canadian	Independent	01/10/1442H (corresponding to 13/05/2021G)
Fozan Mohammed Ahmed AlFozan	Member	Saudi	Non-executive	01/10/1442H (corresponding to 13/05/2021G)
Adel Omar Al Farouq Merheb	Member	Lebanese	Non-executive	01/10/1442H (corresponding to 13/05/2021G)
Abdullatif Ali Abdullatif Alfozan	Member	Saudi	Non-executive	07/07/1444H (corresponding to 29/01/2023G)

Source: UIHC

10- Documents Available for Perusal

The following documents will be available for perusal at eXtra's headquarters, located at King Faisal Bin Abdulaziz Street, Al Rawabi District, Al Rakah Area, P.O. Box 76688, Al Khobar 31952, KSA, between 9:00 a.m. and 4:00 p.m., Starting from 17 Sha'ban 1445 H (corresponding to 27 February 2024G), until Tuesday, 9 Ramadan 1445 H (corresponding to 19 March 2024G), provided that this period is not less than 14 working days before the EGM is convened to vote on the Significant Transaction.

- The special-purpose consolidated financial statements for the year ended 31 December 2020G.
- The special-purpose consolidated financial statements for the year ended 31 December 2021G.
- The consolidated financial statements for the year ended 31 December 2022G.
- The (unaudited) interim condensed consolidated financial information for the nine-month period ended 30 September 2023G.
- UIHC's Bylaws.
- UIHC's Article of Association, as amended.
- UIHC's commercial registration certificate issued by the Ministry of Commerce.
- Significant TransactionThe letter of the Financial Advisor, submitted in accordance with Paragraph B of Article (122) of the OSCOs.
- A letter from the Specialised Committee.

Annex A: Glossary and Definitions

Senior Management	The Senior Management of eXtra.
Director(s)	The directors of eXtra, who were appointed by the General Assembly and whose names appear in Table 9.1 of this Circular.
EGM	An EGM of eXtra's Shareholders, convened in accordance with its Bylaws. The Significant Transaction will be presented and voted upon at the EGM.
Saudi riyals or SAR	The Saudi riyal is the official currency of the Kingdom.
Financial Year	The financial year of eXtra, which begins on 1 January and ends on 31 December of each Gregorian year.
Exchange or Saudi Exchange	The Saudi Stock Exchange (Saudi Exchange) or the main market of the Saudi Stock Exchange.
eXtra	United Electronics Company.
OSCOs	The Rules on the Offering of Securities and Continuing Obligations issued by the CMA Board pursuant to Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), pursuant to the Capital Market Law promulgated by Royal Decree No. M/30, dated 02/06/1424H (corresponding to 31/07/2003G), as amended by CMA Board Resolution No. 8-5-2023, dated 25/06/1444H (corresponding to 18/01/2023G).
G	Refers to the Gregorian calendar.
Board of Directors or Board	The board of directors of eXtra.
Shareholder	Any Shareholder of eXtra as of the date of the EGM.
Substantial Shareholder	Persons owning 5% or more of eXtra's share capital.
Financial Advisor	HSBC Saudi Arabia
SOCPA	The Saudi Organization for Chartered and Professional Accountants.
Subsidiaries	Tasheel and Procco.
International Financial Reporting Standards (IFRS)	The International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed in the Kingdom and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), including the standards and pronouncements approved by SOCPA, which include technical standards and issuances related to matters not covered by international standards, such as Zakat.

Value Added Tax (VAT)

On 02/05/1438H (corresponding to 30/01/2017G), the Council of Ministers issued a resolution approving the Unified Agreement for VAT of the Cooperation Council for the Arab States of the Gulf, effective as of 01/01/2018G. This was added as a new tax to the system of taxes and fees applicable to specific sectors in the Kingdom and GCC countries. The amount of this tax is 5%, and a number of products (such as staple foodstuffs and services related to health care and education) are exempt from VAT. As of 01/07/2020G, the Ministry of Finance announced a further increase in VAT to 15%.

GCC	The Gulf Cooperation Council, which consists of: the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar, the Kingdom of Saudi Arabia and the United Arab Emirates.
The Kingdom	The Kingdom of Saudi Arabia.
AH	The Hijri calendar.
CMA	The Capital Market Authority of the Kingdom.
Ministry of Commerce	Ministry of Commerce of the Kingdom.
Glossary	The Glossary of Terms used in the CMA rules and regulations as issued by the CMA Board, pursuant to Resolution No. 4-11-2004, dated 20/08/1425H (corresponding to 04/10/2004G), based on the Capital Market Law promulgated by Royal Decree No. M/30, dated 02/06/1424H (corresponding to 31/07/2003G), as amended by CMA Board Resolution No. 8-5-2023, dated 25/06/1444H (corresponding to 18/01/2023G).
Specialised Committee	The Specialised Committee was formed by the Board of Directors on 23/05/1445H (corresponding to 07/12/2023G) in accordance with Article 122 of the OSCOs. The Specialised Committee is made up of independent Directors only, or other independent persons, or both, all of whom have no material interest in the Significant Transaction. The purpose of the Specialised Committee is to provide advice to the Shareholders on whether the conditions of the Significant Transaction are fair and reasonable and whether the Significant Transaction serves the interests of eXtra and all its Shareholders.
Zakat Regulations	The Implementing Regulations for Zakat Collection issued pursuant to Ministerial Resolution No. 2216, dated 07/07/1440H (corresponding to 14/03/2019G).
Ministry of Industry and Commerce	The Ministry of Industry, Commerce and Tourism in Bahrain.

Annex B: Letter from the Financial Advisor



30 December, 2023

Shareholders and Specialised Committee of the Board of Directors
 United Electronics Company
 PO Box 76688
 Al Khobar 31952
 Kingdom of Saudi Arabia

Dear [Madams and Sirs]

We understand that United Electronics Company ("eXtra") is proposing to sell seven million five hundred thousand (7,500,000) ordinary shares representing thirty percent (30%) of the share capital of eXtra's wholly owned subsidiary, United International Holding Company ("UIHC") through an initial public offering and listing of UIHC's ordinary shares on the Main Market of the Saudi Exchange ("Tadawul") (the "**Transaction**"). The share price for the initial public offering will be determined in accordance with the Instructions for Book-Building Process and Allocation Method in Initial Public Offerings, issued pursuant to CMA Board Resolution No. 2-94-2016, dated 15 Shawwal 1437H (corresponding to 20/07/2016G), as amended.

Pursuant to Article 122(b) of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("CMA") Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) in accordance with the Capital Market Law promulgated by Royal Decree No. M/30 dated 2/6/1424H (corresponding to 31/07/2003G), and amended by CMA Board Resolution No. 8-5-2023 dated 25/6/1444H (corresponding to 18/01/2023G) ("**OSCOs**"), on 09/06/1445H (corresponding to 22/12/2023G), the Board of Directors (the "**Board**") of eXtra has appointed HSBC Saudi Arabia ("HSBC SA" or "**We**") as financial advisor (the "**Financial Advisor**") to provide this letter to the specialised committee of eXtra (the "**Specialised Committee**") and the shareholders of eXtra (the "**Shareholders**") to advise, in our opinion, whether the terms of the Transaction are fair and reasonable and whether the Transaction is in the interest of eXtra and its Shareholders taken as a whole (the "**Opinion**").

The Transaction will become effective if the general assembly of eXtra approve the Transaction in accordance with Article 121 of the OSCOs and Article 75 of the Companies Law promulgated by Royal Decree No. M/132 dated 01/12/1443H (the "**Companies Law**"), if eXtra obtains all of the requisite regulatory approvals in connection with the Transaction and UIHC's ordinary shares (the "**Shares**") are registered and listed on Tadawul.

This Opinion is provided to the Specialised Committee appointed by the Board of eXtra on 23/05/1445H (corresponding to 07/12/2023G) and the Shareholders pursuant to Article 122(b) and Article 123(a)(3) of the OSCOs).

In arriving at the Opinion, HSBC SA has undertaken such reviews, analyses and inquiries as it deemed necessary and appropriate under the circumstances. For the purposes of giving the Opinion, HSBC SA has:

- met with certain members of the management of eXtra and of UIHC to discuss the operations, financial condition and prospects of UIHC, as well as the rationale and certain terms for the Transaction, including information related to certain strategic, financial and operational outcomes anticipated from the completion of the Transaction and certain risks

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 Capital SAR 500 Million (Fully Paid)
 Authorized and regulated by the Capital Market Authority, License No. 05008-37

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 سوق المالية، رخصة رقم 05008-37



associated with, eXtra and UIHC's existing and future operations, infrastructure, services or business models;

- b) reviewed [United Company for Financial Services ("UCFS")] business plan and assumptions prepared by the management of UIHC dated 7 August 2023;
- c) reviewed the draft Shareholders' Circular dated 13/06/1445H (corresponding to 26/12/2023G) prepared by eXtra pursuant to Article 121 of the OSCOs (the "Shareholders' Circular");
- d) reviewed eXtra's audited consolidated financial statements for the fiscal years ended 31 December 2020G, 31 December 2021G, 31 December 2022G and unaudited financial statements for the nine months ended 30 September 2023G;
- e) reviewed UIHC's audited consolidated financial statements for the fiscal years ended 31 December 2022G, and the unaudited financial statements for the nine months ended 30 September 2023G, and the special purpose financial statements for the year ended 31 December 2021G including the 2020G comparative figures;
- f) reviewed financial forecasts and projections with respect to eXtra contained in publicly available research reports prepared by third parties;
- g) reviewed certain publicly available information relating to eXtra, UIHC and UCFS that we deemed to be relevant;
- h) reviewed historical market prices and trading volume for eXtra's Shares;
- i) reviewed certain publicly available financial data for certain comparable companies that we deemed relevant; and
- j) conducted such other inquiries, reviewed such other information and considered such other factors as we have deemed appropriate.

In particular, HSBC SA has discussed with the management of UIHC and eXtra the following potential outcomes for UIHC and eXtra and the Shareholders:

- **Unlocking value for eXtra:** By offering 30% of UIHC's shares through an initial public offering, eXtra will receive the net proceeds from the Transaction and can seek to unlock further value through:
 - better price discovery of UIHC's operations in public markets (as of 9M23, UIHC contributes approximately 8% of eXtra Group's revenues and 59% of eXtra Group's net profit), which will potentially have a positive impact on eXtra's market value, reflected by a potential increase in eXtra's share price which would be in the benefit of eXtra's shareholders; and
 - allowing public markets investors to have direct exposure to UIHC's business through direct ownership of equity shares in UIHC, offering a potential upside opportunity in a high growth company operating in a fast-growing market and expected to offer outsized returns;
- **Greater brand awareness:** Allows UIHC to benefit from a public platform with a strong brand association with eXtra and its wide network in KSA. The public nature of UIHC's



listing would increase its brand awareness both locally and globally, given it involves regular public outreach / communication in the form of marketing & advertisements and investor engagement, which should increase its profile. This could potentially help UIHC to attract and retain talent, attract more customers, expand its partnerships with retailers and other third parties and increase its cross selling opportunities which in return creates value for eXtra and its Shareholders if the value of UIHC increases;

- **Access to public markets for liquidity:** Allows UIHC to accelerate the execution of its growth strategies by providing it with access to additional liquidity/ funding diversity from the public equity markets, in addition to its existing funding facilities. This could be value accretive to all of UIHC's shareholders, including eXtra, in the medium to long-term;
- **Enhanced monetization option for the remaining stake:** UIHC by virtue of being a publicly listed entity, allows eXtra to retain flexibility on the ability to monetise its remaining shareholding in due course, should it decide that it would be in the interests of eXtra and its Shareholders;
- **Proceeds from the Transaction to support investment for growth / dividends:** It is expected that post completion, the Transaction will generate secondary net proceeds payable to eXtra, which eXtra may choose to reinvest to support its growth, whether organically or inorganically and may also look to distribute as dividends to its Shareholders (*any recommendation from the Board of Directors of eXtra to distribute any dividends will depend on a number of factors, including eXtra's previous and expected profits, and cash flows, financing and capital requirements, market environment, economic factors in general, and the status of zakat as well as legal and regulatory considerations, including the obligations contained in the financing agreements and any restrictions contained in its bylaws, and eXtra shareholders will have to approve such distributions at the general assembly meeting*);
- **Adherence to robust corporate governance standards:** UIHC would be required to adopt higher standards of corporate governance as a public entity in compliance with the Corporate Governance Regulations issued by the CMA to ensure compliance with the best corporate governance practices which provide protection to the rights of its shareholders and other stakeholders. This should also benefit eXtra as one of the core shareholders of UIHC will have a highly experienced, dedicated, and independent management team and board of directors; this independent governance structure should help guide UIHC in achieving long-term shareholder value.

In giving the Opinion, we have relied on the following assumptions and been subject to the following limitations:

We have relied upon and assumed, without independent verification:

- (i) the accuracy and completeness of all data and information and all other material provided to or discussed with us or publicly available and have not assumed any responsibility with respect to such data, information and other material nor for verification of the same;
- (ii) the accuracy or reasonableness of any forecasts and projections with respect

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 Capital SAR 500 Million (Fully Paid)
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to the future financial results and condition of UCFS, or the assumptions on which they are based and have assumed that such projections, forecasts and analyses were prepared with due care and skill, in good faith and on bases reflecting the best currently available estimates and judgments. We express no opinion with respect to such projections, forecasts and analyses or the assumptions upon which they are based;

- (iii) that there has been no material change in the assets, liabilities, financial condition, results of operations, business or prospects of eXtra or UIHC since the date of the most recently published available audited financial statements, and that there is no information or any facts that would make any of the information reviewed by us incomplete or misleading; and
- (iv) that the Transaction will be consummated as described in the Shareholders' Circular without waiver or modification thereto. We have further assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on eXtra or UIHC or on the contemplated outcomes of the Transaction; and
- (v) the assessment by the management of eXtra and of UIHC of the rationale for the Transaction and information related to certain strategic, financial and operational outcomes anticipated from completion of the Transaction and of the validity of, and risks associated with eXtra and UIHC's existing and future operations, infrastructure, services or business models.

We have not prepared or been furnished with any independent valuation or appraisal of the assets or of the liabilities of eXtra or UIHC. Furthermore, in connection with this Opinion, we have not been requested to make, and have not made, nor have we commissioned any physical inspection or independent appraisal of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance-sheet or otherwise) of eXtra, UIHC or any other party. We express no opinion regarding the value of any entity.

We have not been asked to, nor do we, express any opinion as to the commercial assessments of the Board to effect the Transaction. We have not been asked to, nor do we, express any opinion as to the validity of any legal agreements relating to the Transaction.

This Opinion is necessarily based on financial, economic, market and other conditions as in effect on, and publicly available information as it exists and as disclosed to us as at the date hereof. We shall not and are under no obligation, to update, revise, reaffirm or withdraw this Opinion, or otherwise comment on or consider events occurring after the date hereof. In particular, we note that the share price for the initial public offering, which forms part of the Transaction, is not known at the date hereof but will be determined in accordance with the Instructions for Book-Building Process and Allocation Method in Initial Public Offerings, issued pursuant to CMA Board Resolution No. 2-94-2016, dated 15 Shawwal 1437H (corresponding to 20 July 2016G), as amended.

In addition to HSBC SA acting as financial adviser to eXtra, we are also acting as financial adviser to UIHC in relation to the Transaction and expect to receive a fee for our services, which is contingent



upon completion of the Transaction. In addition, both UIHC and eXtra have agreed to indemnify us in relation to certain liabilities incurred within the scope of our engagement on this Transaction.

This Opinion is furnished solely for the use and benefit of the Specialised Committee and the Shareholders in connection with the Transaction and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, for any other purpose or relied upon or used by any other person, without our prior written consent. Without prejudice to the generality of the foregoing, as this Opinion is required to be published in the Shareholders' Circular in accordance with Article 123(a)(3) of the OSCOs, we consent to its inclusion therein.

This Opinion should not be construed as creating any fiduciary duty on the part of the Financial Advisor to any party. This Opinion is not intended to be, and does not constitute, a recommendation to any security holder or any other person as to how such person should act or vote with respect to the Transaction. The decision to approve the Transaction in accordance with Article 121 of the OSCOs and Article 75 of the Companies Law rests with the Shareholders in general assembly.

The Opinion is issued in the Arabic language and reliance may only be placed on this Opinion as issued in the Arabic language. If any translations of this Opinion are delivered, they are provided only for ease of reference, have no legal effect and the Financial Advisor makes no representation as to (and accepts no liability in respect of) the accuracy nor completeness of any such translations.

On the basis of the work set out above and subject to the various assumptions and limitations set forth herein, and in reliance thereon, it is our opinion that, as at the date hereof, the terms of the Transaction are fair and reasonable and the Transaction is in the interest of eXtra and its Shareholders taken as a whole.

Yours faithfully,



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Annex C: Letter from the Specialised Committee

Dear Madams and Sirs,

This letter is being provided to the shareholders (the "Shareholders") of the United Electronics Company ("Extra") in connection with the offer of 7,500,000 ordinary shares of the United International Holding Company ("UIHC") representing 30 per cent of UIHC's for the purposes of listing UIHC's shares on the Main Market of the Saudi Exchange (the "Exchange") through an initial public offering (the "Significant Transaction"). UIHC is a joint stock company that is wholly owned subsidiary of Extra. The Significant Transaction will become effective if UIHC receives all regulatory approvals in connection with the initial public offering and if UIHC's shares are registered and listed on the Exchange.

This letter is prepared on the basis of the requirements set out in the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority (the "CMA") in the Kingdom of Saudi Arabia (the "KSA") pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) in accordance with the Capital Market Law promulgated by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G) and amended by CMA Board Resolution No. 8-5-2023 dated 25/06/144H (corresponding to 18/01/2023G) (the "Regulations"). Extra's board of directors has requested that the specialized committee (the "Specialized Committee") composed of the members listed below provide this letter to the shareholders (the "Specialized Committee Letter")

In connection with this Specialized Committee Letter, the members of the Specialized Committee have undertaken such reviews, analyses, and inquiries that the deemed necessary and appropriate under the circumstances. For the purposes of providing the Specialized Committee Letter, each member of the specialized committee:

- met with certain members of the management of UIHC and Extra to discuss the operations, financial condition and future prospectus of the companies, as well as, the rational for the Specialized Transaction, including information related to certain strategic, financial and operational benefits anticipated from the completion of the Significant Transaction and the risks associated with UIHC and Extra's existing and future operations, business strategies and prospects;
- considered the business plan and assumptions that are prepared by UIHC's management
- considered the draft shareholder circular dated 23/12/2023G prepared by UIHC pursuant to Article 123 of the Regulations (the "Shareholder Circular");
- considered and took into account the recommendations to the Specialized Committee by the financial advisor appointed in connection with the Significant Transaction as contained in the Letter from the Financial Advisor attached as Annex B to the Shareholders' Circular;
- considered the audited financial statements for UIHC for the year ended in 2022;
- considered the audited consolidated financial statements for Extra for the years ended in 2020G, 2021G, and 2023G;
- considered historical market prices and trading volume for Extra's shares;
- considered certain publicly available financial data for certain peer companies that we deemed relevant or comparable for companies in related industries to UIHC; and
- conducted such other inquiries, reviewed such other information and considered such other factors as we deemed appropriate.

We have relied upon and assumed, without independent verification, the accuracy and completeness of all data and information and all other material provided to or discussed with us or publicly available and have not assumed any responsibility with respect to such data, information and other material or for verification of the same. In addition, we have assumed and relied upon and express no views with respect to the accuracy or reasonableness of any forecasts and projections with respect to the future financial results and condition of UIHC and Extra, or the assumptions on which they are based and have assumed that such projections, forecasts and analyses were prepared with due care and skill, in good faith and on bases reflecting the best currently available estimates and judgments. We express no views with respect to such projections, forecasts and analyses or the assumptions upon which they are based.

We have relied upon and assumed, without independent verification, that there has been no material change in the assets, liabilities, financial condition, results of operations, business or prospects of Extra

since the date of the most recently published publicly available interim financial statements, and that there is no information or any facts that would make any of the information reviewed by us incomplete or misleading.

We have also assumed that the Significant Transaction will be consummated as described in the Shareholders' Circular without waiver or modification thereto and that the completion of the Significant Transaction is targeted in the first half of 2024G. We have further assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Significant Transaction will be obtained without any adverse effect on Extra or UIHC or on the contemplated benefits of the Significant Transaction.

We have not been furnished with any independent valuation or appraisal of the assets or liabilities of UIHC. Furthermore, in connection with this Specialised Committee Letter, we have not been requested to make, and have not made, nor have we commissioned any physical inspection or independent appraisal of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance-sheet or otherwise) of UIHC, Extra or any other party. In addition, we have not reviewed any of the books and records of UIHC, Extra or any other party. We express no views regarding the value of any entity.

This Specialised Committee Letter is necessarily based on financial, economic, market and other conditions in effect on, and publicly available information as they exist and are disclosed to us as of the date hereof. We have not undertaken, and are under no obligation, to update, revise, reaffirm or withdraw this Specialised Committee Letter, or otherwise comment on or consider events occurring after the date hereof.

This Specialised Committee Letter is furnished solely for the use and benefit of the Shareholders in connection with its consideration of the Significant Transaction and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, for any other purpose or relied upon or used by any other person, without our prior written consent. Without prejudice to the generality of the foregoing, we consent to the inclusion of this Specialised Committee Letter in the Shareholders' Circular. This Specialised Committee Letter is not intended to be, and does not constitute, a recommendation to any security holder or any other person as to how such person should act or vote with respect to the Significant Transaction.

The Specialised Committee Letter is issued in the Arabic language and reliance may only be placed on this Specialised Committee Letter as issued in the Arabic language. If any translations of this Specialised Committee Letter are delivered, they are provided only for ease of reference, have no legal effect and the Specialised Committee members make no representation as to (and accept no liability in respect of) the accuracy nor completeness of any such translations.

Based upon and subject to the foregoing, including the various assumptions and limitations set forth herein, and in reliance thereon, it is our view that, as of the date hereof, the terms of the Significant Transaction are fair and reasonable and the Significant Transaction is in the interests of Extra and all of its Shareholders.

Very truly yours,

Specialised Committee

By:/S/ Mohamed Abdulmalik

Mohamed Ahmed Abdulmalik

By:/S/ Ali Faramawy

Ali Mohamed Faramawy

By:/S/ Abdulaziz Al Bassam

Abdulaziz Abdulhamid Al Bassam

Annex D: Notice of the EGM

eXtra's Announcement Inviting its Shareholders to Attend an EGM Meeting (the First Meeting)

Introduction:

The Board of Directors of United Electronics Company (eXtra) invites its shareholders to attend The Extraordinary General Assembly Meeting (First Meeting) by Means of Modern Technology

Topic	Explanation
Introduction	The Board of Directors of United Electronics Company (eXtra), a Listed Joint Stock Company (Company), are pleased to invite the shareholders to Attend & vote in the Extraordinary General Assembly Meeting – First meeting, scheduled to be held on Tuesday 19 March 2024 (09 Ramadan 1445H) at 09:30 PM, through modern technology means.
City and location of the meeting	By Means of Modern Technology - Khobar - United Electronics Company (eXtra) Head Office
URL for the meeting location	https://www.tadawulaty.com.sa
Date of meeting	Tuesday 19 March 2024 (09 Ramadan 1445H)
Time for the meeting	09.30 PM
Attendance eligibility	Each shareholder who is registered in the Company's shareholders book with Edaa at the end of the trading session prior to the Assembly meeting shall be entitled to attend the Assembly and vote at the Assembly meeting according to the rules and regulations
Meeting quorum	As per Article (30) of the company bylaws, the quorum for holding the Extraordinary General Assembly meeting is the presence of shareholders representing at least half (50%) of the share capital. If such quorum is not met, a second meeting shall be held within an hour following the time set for the first meeting, the second meeting shall be valid if attended by shareholders representing at least 25% of the share capital.
Meeting agenda	1. Voting on the material transaction of United International Holding Company by offering 7,500,000 shares, representing 30% of the capital of United International Holdings Company, for public subscription on the main market. (Attached is the shareholders' circular)
Proxy form	The power of attorney form is not available. The extraordinary general assembly meeting will be conducted remotely through modern technology using the Tadawulaty system (www.tadawulaty.com.sa).
E voting	Shareholders registered in Tadawulaty system will be able to vote remotely via Tadawulaty Platform, which will start on Friday, 15 March 2024, 01:00 am. Until the end of the time of the Extraordinary general assembly, Registration in the Tadawulaty is free. (www.tadawulaty.com.sa)
Attendance and registration	Eligibility for Registering the Attendance of the General Assembly's Meeting Ends upon the Convenience of the General Assembly's Meeting. Eligibility for Voting on the topics of the Meeting Agenda Ends upon the Counting Committee Concludes Counting the Votes
Methods of communication	The questions and inquiries of the shareholders will be received by directing them to the Company's Compliance Department through (00966-13-8299600), Ext. (3997), and by e-mail: Compliance@extra.com
Other information	The attending shareholders are entitled to discuss the agenda items and ask questions



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extra