



This Document has been issued by Qassim Cement Company ("QCC") and addressed to the shareholders of Hail Cement Company ("HCC") regarding the Offer made by QCC to HCC's shareholders for the purpose of QCC's acquisition of all of HCC's shares through a securities exchange offer pursuant to Article (26) of the Merger and Acquisition Regulations.

This Document includes important information about the Transaction. Thus, this Document should be read thoroughly, and all the Document's sections must be reviewed carefully, particularly the "Important Notice" Section, before voting on the Transaction Resolutions. In case of any doubt regarding the decision that should be made by the Transaction EGM or regarding the Offer, a CMA licensed independent financial advisor should be consulted.

QCC entered into a binding implementation agreement with HCC on 08/06/1445H (corresponding to 21/12/2023G) ("**Implementation Agreement**") for the purpose of QCC's acquisition of all HCC's shares, being ninety seven million nine hundred thousand (97,900,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, through a securities exchange offer in accordance with the provisions of Article (26) of the Merger and Acquisition Regulations in consideration for QCC's issuance of twenty million five hundred fifty nine thousand (20,559,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share for HCC's shareholders (the "**Consideration Shares**") by increasing the capital of QCC from nine hundred million (900,000,000) Saudi Riyals to one billion one hundred five million five hundred ninety thousand (1,105,590,000) Saudi Riyals and increasing the number of QCC's shares from ninety million (90,000,000) shares to one hundred ten million five hundred fifty nine thousand (110,559,000) shares, which represents an increase of (22.8%) in the current capital of QCC (the "**Transaction**"). The Transaction will subject to satisfying the conditions set out in the Implementation Agreement as summarized under Section (2-3-1) ("**Implementation Agreement**"), noting that such conditions may not be amended or waived without the written consent of both Companies. QCC made an announcement on 11/06/1445H (corresponding to 24/12/2023G) regarding the execution of the Implementation Agreement and made its firm intention to make an offer in relation to the Transaction on 05/07/1445H (corresponding to 17/01/2024G).

Pursuant to the Transaction, all of HCC's shares will be acquired in consideration for QCC's issuance of the Consideration Shares to HCC's shareholders. Pursuant to the Implementation Agreement, after QCC and HCC Transaction EGMs approve the Transaction ("**Transaction Completion**"), HCC's shareholders, who are registered in the shareholders' register of HCC at the end of the second trading period following the date of the Transaction Completion, will receive **(0.21) shares** in QCC in consideration of each share owned in HCC ("**Exchange Ratio**"). At the Transaction Completion, HCC will become an unlisted joint stock company wholly owned by QCC (for more details about the Transaction conditions, please refer to Section (2-4) ("**Approvals Required for Transaction Completion**").

If the offer is fully accepted by HCC's shareholders (through HCC's EGM approval of the Transaction Resolutions) and all other Transaction conditions summarized in Section (2-3-1-1) ("**Implementation Agreement Conditions**") are satisfied, then QCC's capital will increase from nine hundred million (900,000,000) Saudi Riyals to one billion one hundred five million five hundred ninety thousand (1,105,590,000) Saudi Riyals and HCC's shareholders will come to hold (18.6%) from QCC's capital (on the basis of the total number of

shares, with no regard to their ownership in QCC, if any, before the Transaction Completion and with no regard to the treasury shares as well as the shares QCC will indirectly own). For more details about the impacts of the Transaction on QCC and HCC and the rationale behind it, please refer to Section (2-2) ("**Transaction Rationale**").

All QCC's shares are of one class and no share gives its shareholders preferred rights. The Consideration Shares that will be issued will be of the same class of the current QCC's shares with the same rights including voting rights and rights to receive dividends. The holders of Consideration Shares have the right to receive the distributed dividends announced by QCC after the date of Transaction Completion according to the eligibility date for each declared dividend. HCC's shares to be acquired, if the Transaction is approved, will be transferred to QCC after the Transaction Completion without any accumulated dividends.

The total value of the Transaction will be determined based on the total value of the Consideration Shares. The total nominal value of the Consideration Shares is two hundred five million five hundred ninety thousand (205,590,000) Saudi Riyals. The total market value of the Consideration Shares is one billion two hundred ninety nine million three hundred twenty eight thousand eight hundred (1,299,328,800) Saudi Riyals based on a closing price of (63.20) Saudi Riyals for QCC's share as on 08/06/1445H (corresponding to 21/12/2023G) (which is the last trading day prior to the signing of the Implementation Agreement). The total value of the Consideration Shares, as will be recorded on the financial statements of QCC, will be determined at a later stage on the basis of the closing price of QCC share on the last trading day prior to the date of the Transaction Completion.

The Transaction Completion is conditional upon obtaining the approval of QCC's Transaction EGM and HCC's Transaction EGM. For more details about the Transaction conditions and the Transaction Completion procedures, please refer to Section (2-3-1) ("**Implementation Agreement**") and Section (2-4) ("**Approvals Required for Transaction Completion**") of this Document. For the avoidance of doubt, if the required quorum – which is at least three quarters of the voting rights represented in the meeting – of HCC's shareholders (who have the right to vote in HCC's Transaction EGM) and QCC's shareholders (who have the right to vote in QCC's Transaction EGM) approves the Transaction Resolutions and all the other Transaction conditions are met (including no Material Adverse Event occurs or continues and no breach of guarantees provided by both Companies) as summarized under Section (2-3-1-1) ("**Implementation Agreement Conditions**"), HCC's shares will be delisted from the Saudi Exchange (Tadawul) and HCC will become an unlisted joint stock company wholly owned by QCC, and all shareholders of HCC (including those who voted no or did not vote) will receive the Consideration Shares in QCC according to the Exchange Ratio. Under Article (3)(n) of the Merger and Acquisition Regulations, a shareholder who owns shares in QCC and HCC will have the right to vote on the Transaction Resolutions in one of the EGMs only. If the shareholder votes in both EGMs, the shareholder's vote in one EGM will be excluded by QCC and HCC as they may deem appropriate.

QCC was established pursuant to Royal Decree No. (M/62) dated 15/08/1396H (corresponding to 11/08/1976G) as a joint stock company registered in the commercial register under No. 1131001224 dated 28/08/1398H (corresponding to 03/08/1978G) having its head office in Buraidah City. QCC's current capital is nine hundred million (900,000,000) Saudi Riyals divided into ninety million (90,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share fully paid and listed on the Saudi Exchange (Tadawul).

The following table shows details of ownership of the Substantial Shareholders in QCC prior to and following the Transaction Completion pursuant to the shareholders' register dated Sunday 21/09/1445H (corresponding to 31/03/2024G)

Shareholder	Pre-Transaction Completion		Post-Transaction Completion	
	No. of Shares in QCC	Shareholding % in QCC	No. of Shares in QCC	Shareholding % in QCC
Public Investment Fund	21,019,080	23.355%	21,019,080	19.012%
General Organization for Social Insurance (GOSI)*	17,769,783	19.744%	17,769,783	16.073%

*Note: GOSI is not a Substantial Shareholder in QCC, as it does not directly own (5%) or more of QCC's capital. However, based on information available to QCC, GOSI directly owns (4,455,000) shares, representing (4.950%) of QCC's capital and indirectly owns (13,314,783) shares, representing (14.794%) of QCC's capital prior to the Transaction Completion. This ownership has been included in this table for disclosure purposes.

On the date of this Document, HCC has no Substantial Shareholders, and it will become wholly owned by QCC after the Transaction Completion. None QCC's board members has an interest in the Transaction. As confirmed by HCC, none of HCC's board members has an interest in the Transaction.

If the calculation of the number of shares any HCC shareholder is entitled to, based on the Exchange Ratio, results in fractions of shares, the number will be rounded to the lowest integer number. For example, if a shareholder in HCC holds (110) shares in HCC, the Consideration Shares to be allocated to such shareholder will be (23) not (23.1) shares. The fractional shares will be aggregated and sold in the market on behalf of the entitled HCC shareholders, and the proceeds will be distributed to the entitled shareholders each per its shareholding, after deduction of costs.

After issuance of the Consideration Shares, the ownership of the current QCC shareholders will constitute (81.4%) of QCC capital while the ownership of HCC's shareholders will be (18.6%) of QCC capital after the Capital Increase (on the basis of the total number of shares, with no regard to their ownership in QCC and HCC (as the case may be) before the Transaction Completion and with no regard to the treasury shares as well as the shares QCC will indirectly own).

QCC has submitted an application to the CMA to list and offer the Consideration Shares and to the Saudi Exchange (Tadawul) to list the Consideration Shares. This Document has been submitted to the CMA and has been approved for publication. All of the CMA's requirements were met and, subject to obtaining approvals from QCC's Transaction EGM and HCC's Transaction EGM, all the regulatory approvals related to the Transaction and the Capital Increase were obtained. For more information in this regard, please refer to Section (2-4-1) ("**Governmental Approvals**").

This Document is issued by QCC and addressed to HCC's shareholders. This Document has been prepared in accordance with the requirements of Article (38) of the Merger and Acquisition Regulations. Neither QCC, its board members, executives, nor employees accept any responsibility for the correctness, accuracy, and completeness of the information related to HCC, its shareholders, or board members contained in this Document. All such information was obtained from HCC in the context of the Transaction and when QCC was conducting the necessary professional due diligence studies on HCC, with its advisors' assistance. HCC is obligated under the Implementation Agreement to provide QCC with all information regarding HCC required for preparing this Document. HCC also warranted to QCC in the Implementation Agreement (as is usual in such agreements) that the information provided to QCC in connection with the Transaction (including during the course of the due diligence process) about HCC was as at the date as to which it speaks true and accurate in all material respects and not misleading in any material respect HCC

also warranted under the Implementation Agreement that it did not withhold any information that is material in the context of the Transaction from QCC.

This Document has been published around the same time as HCC's board of directors published its board circular on the Transaction. HCC Board Circular includes information related to the Transaction and the opinion of HCC's board on the Transaction. QCC board members, whether collectively or individually, accept no responsibility towards HCC's shareholders in relation to the information contained in the HCC Board Circular. Thus, QCC's board members, whether collectively or individually, make no warranties or representations, explicitly or implicitly, in relation to the correctness, accuracy or completeness of the information contained in the HCC Board Circular.

The shareholders should read this Document fully and review all its sections carefully; particularly the "**Important Notice**" section and should read the HCC Board Circular thoroughly and carefully before voting on the Transaction Resolutions.

QCC appointed HSBC Saudi Arabia as a financial advisor in relation to the Transaction.

Financial Advisor



The Capital Market Authority and the Saudi Stock Exchange Company do not assume any responsibility for the contents of this Offer Document and make no assurances as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from this document or reliance on any part thereof.

This Offer Document was published on: 12/11/1445H (corresponding to 20/05/2024G). It was published in both Arabic and English. Arabic shall be the official language of the Document. In case of any discrepancy between the Arabic and English texts, the Arabic text shall prevail.

أسمنت القصيم
Qassim Cement



Offer

Document



IMPORTANT NOTICE

This Document contains detailed information about the Transaction. The Document is aimed at providing HCC's shareholders with information about the Transaction and the offer made by QCC to HCC's shareholders. One of the conditions for the Transaction Completion is to obtain an approval of the Transaction from HCC's shareholders and QCC's shareholders. HCC's shareholders will vote on the Transaction based only on the information contained in this Document and HCC Board Circular.

The Capital Market Authority and the Saudi Exchange (Tadawul) do not assume any responsibility for the contents of this Offer Document and make no assurances as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from this Document or reliance on any part thereof.

The information and statements contained in this Document are presented as they are on the date of the issuance of this Document, unless other date is specified. Consequently, the information contained in this Document is subject to change after the date of the Document. Accordingly, publication of this Document does not necessarily mean that facts or information contained in this Document about QCC or HCC have not changed. Any information contained in this Document should not be considered expectations or projections on the future financial performance of QCC or HCC. No statement in this Document is to be construed as a profit forecast that future earnings per QCC share will match or exceed the historical earnings per QCC share.

It should also be noted that no person was authorized to provide any information or statements on behalf of QCC's board except as stated in this Document. Thus, information or representations made by any third party must not be relied on as having been issued by QCC, or HSBC Saudi Arabia or any of the other QCC advisers in connection with the Transaction.

This Document should not be considered as a recommendation from QCC or its board members or advisors in relation to the Transaction or the way to vote on it. This Document does not include all the information related to QCC and does not include all the information to be taken into account in an investment decision related to the Transaction. Moreover, all the information contained in this Document is of general nature and has been prepared without considering the individual investment objectives, the financial situation or the investment needs of any specific recipient of the Document. Each recipient of this Document will be responsible for obtaining an independent professional advice from a CMA-licensed financial advisor in relation to the Transaction.

Copies of this Document may be obtained from the headquarters of QCC or through QCC's website (www.qcc.com.sa), CMA website (cma.org.sa), or Saudi Exchange (Tadawul) website (www.saudiexchange.sa). Except for the Offer Document, any contents of the abovementioned websites will not be construed as part of this Document and QCC does not assume any responsibility for the content of the websites.

QCC appointed HSBC Saudi Arabia as a financial advisor in relation to the Transaction. HSBC Saudi Arabia – a capital market institution licensed in the KSA by the CMA – serves as an exclusive financial advisor of QCC in relation to the Transaction, and is not liable towards any party except QCC for giving advice on the Transaction or any other matter referred to in this Document.

HSBC Saudi Arabia and other advisors referred to in Section ("**Corporate Directory**") did not independently verify the correctness and accuracy of the information contained in the Document. Accordingly, those advisors, and their affiliates, managers and employees are not liable for any direct or indirect loss or damage that any person may incur due to their reliance on any information included in this Document, or due to incorrect, inaccurate or incomplete information contained in this Document.

This Document shall not be construed as legal, financial, Zakat or tax advice. In case there is any doubt regarding the legal, financial, Zakat, or tax implications and effects, it is necessary to seek specialized advice from licensed legal, financial and tax advisors in relation to such topics. In case of any doubt regarding the decision that should be made by any of the shareholders in HCC's Transaction EGM, QCC recommends seeking independent financial advice from a CMA- licensed independent financial advisor.

The Transaction is related to securities of Saudi companies listed on the Saudi Exchange (Tadawul) and the Consideration Shares are securities of a Saudi Arabian company. Thus, this Document and any other documents or disclosures relating to the Transaction have been or will be prepared in accordance with disclosure requirements applicable in the KSA only. Content or style of such disclosures may differ from those applicable in other jurisdictions. QCC does not intend to take any action to publish or register this Document or the Consideration Shares in any other jurisdictions outside the KSA.

FORWARD-LOOKING STATEMENTS

This Document contains certain forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “will”, “believe”, “aim”, “may”, “would”, “could” or “should” or other words of similar meaning or the negative thereof. Forward-looking statements in this Document include but are not limited to, statements relating to the following: (i) benefits expected from the Transaction, the forecast of the financial performance and conditions and other future events; (ii) business and management strategies and the expansion and growth of the operations of QCC and HCC following the Transaction; and (iii) the Transaction and the dates on which events are expected to occur.

The forward-looking statements appearing in this Document reflect the current point of view of QCC and its current management. They are based on numerous assumptions, including assumptions regarding the present and future business strategies of QCC and the environment in which it will operate in the future. Forward-looking statements are not a promise or a guarantee of future events given several, known and unknown, factors that may affect future conditions, causing it to be materially different from the expectations, expressed or implied by this Document. The risks and uncertainties relating to forward-looking statements are beyond QCC’s control and cannot be estimated precisely, such as future market conditions and the behaviors of other market participants. Therefore, the recipient of this Document should read these forward-looking statements based on this notice, but may not rely on such statements.

All oral or written forward-looking statements made by QCC or any person acting on its behalf are expressly qualified in their entirety by the Important Notice contained in this Section.

QCC does not intend to amend or update any forward-looking statements contained in this Document, except as required pursuant to applicable laws and regulations.

PUBLICATION AND DISTRIBUTION RESTRICTIONS

This Document is addressed to HCC’s shareholders subject to any restriction in the rules of any Restricted Jurisdiction. This Document shall not constitute an offer to sell or a request to buy any securities for any person in any jurisdiction where the law does not permit such offer or request.

A NOTICE TO HCC’S SHAREHOLDERS OUTSIDE THE KSA

Whilst all HCC’s shareholders have the right to attend and vote on the resolutions proposed at HCC’s Transaction EGM (unless they are restricted due to a conflict of interest or any other restriction imposed by the relevant Saudi laws and regulations), HCC shareholders residing outside of the KSA are hereby made aware that this Document was not filed or registered with any regulatory authority outside the KSA. Therefore, if an HCC shareholder is based in a jurisdiction where any steps are required to be taken by QCC to lawfully enable such shareholder to vote on the Transaction Resolutions, it should be known that QCC had not taken such steps, and therefore, such shareholder should not vote on the resolutions to be proposed at HCC’s Transaction EGM. If such shareholder has nevertheless voted on the Transaction Resolutions, then QCC reserves the right, after agreeing with HCC, not to proceed with the Transaction unless the relevant resolutions are approved by the requisite majority of HCC’s shareholders without counting the votes of that shareholder.

FINANCIAL AND OTHER INFORMATION

QCC and HCC financial statements for the fiscal years ended on 31 December 2020G, 2021G and 2022G and for the six month period ending on 30 June 2023G are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the KSA and other standards and versions issued by Saudi Organization for Chartered and Professional Accountants (SOCPA). Save as disclosed otherwise, all financial information is set out in SAR.

Figures may differ, if aggregated, from the relevant totals contained in this Document as a result of rounding. This Document contains percentages which are approximate numbers and percentages for the purpose of presentation.

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Note: The above advisors and auditor have given and, as at the date of this Offer Document, have not withdrawn their written consent to the publication of their names, addresses, logos and the statements attributed to each of them in the context in which they appear in this Offer Document (as applicable).

KEY DATES AND MILESTONES

The table below includes the expected timeline of the key events related to the Transaction. The dates below are approximate and QCC (or HCC or the Saudi Exchange (Tadawul), as the case may be) will announce the actual events that must be announced on the Saudi Exchange (Tadawul) website according to the relevant laws and regulations including any changes that may be introduced to the timetable.

Event	Timeline/ Date
1- Actions required in relation to the EGM	
Submission of the final draft of the Offer Document to the CMA.	The final draft of the Offer Document was submitted to the CMA on 21/10/1445H (30/04/2024G).
The CMA's approval on the Capital Increase application and on the publication of the Offer Document.	07/11/1445H (corresponding to 15/05/2024G).
The CMA's approval to convene QCC's Transaction EGM and HCC's Transaction EGM.	11/11/1445H (corresponding to 19/05/2024G).
Publication of the invitation to QCC's Transaction EGM on the Saudi Exchange (Tadawul) website (with a reference to the possibility of holding a second meeting within an hour after the end of the time of the first meeting if the first meeting was not quorate).	12/11/1445H (corresponding to 20/05/2024G).
Publication of the invitation to HCC's Transaction EGM on Saudi Exchange (Tadawul) website (with a reference to the possibility of holding a second meeting within an hour after the end of the time of the first meeting if the first meeting was not quorate).	12/11/1445H (corresponding to 20/05/2024G).
Publication of the Offer Document, the Shareholders Circular, and the HCC Board Circular.	12/11/1445H (corresponding to 20/05/2024G).
Making documents available for inspection.	12/11/1445H (corresponding to 20/05/2024G).
The start of the electronic voting for shareholders on the agenda items in QCC's Transaction EGM.	29/11/1445H (corresponding to 06/06/2024G).
The start of the electronic voting for shareholders on the agenda items in HCC's Transaction EGM.	29/11/1445H (corresponding to 06/06/2024G).
QCC's Transaction EGM (first meeting) – quorum required is shareholders representing at least 50% of the share capital.	04/12/1445H (corresponding to 10/06/2024G).
QCC's Transaction EGM (second meeting) – if the quorum for the first meeting is not met. The quorum required for the second meeting is shareholders representing at least 25% of the share capital.	One hour after the time of the first inquorate meeting.
HCC's Transaction EGM (first meeting) – quorum required is shareholders representing at least 50% of the share capital.	04/12/1445H (corresponding to 10/06/2024G).
HCC's Transaction EGM (second meeting) if the first meeting was not quorate – quorum required for the second meeting is shareholders representing at least 25% of the share capital.	One hour after the time of the first inquorate meeting.
Announcing the Transaction Resolutions made at QCC's Transaction EGM (first or second meeting) on the Saudi Exchange (Tadawul) website (or, if the EGM was inquorate, the announcement of such fact).	05/12/1445H (corresponding to 11/06/2024G).
Announcing the Transaction Resolutions made at HCC's Transaction EGM (first or second meeting) on the Saudi Exchange (Tadawul) website (or, if the EGM was inquorate, the announcement of such fact).	05/12/1445H (corresponding to 11/06/2024G).

Event	Timeline/ Date
2- Actions Required in the event that the first and second EGMs are inquorate	
The CMA's approval to convene QCC's Transaction EGM (third meeting) or HCC's Transaction EGM (third meeting).	06/12/1445H (corresponding to 12/06/2024G).
Publication of the invitation to QCC's Transaction EGM (third meeting) or HCC's Transaction EGM (third meeting) on the Saudi Exchange (Tadawul) website.	06/12/1445H (corresponding to 12/06/2024G).
Electronic voting commences for QCC's Transaction EGM (third meeting) or HCC's Transaction EGM (third meeting).	23/12/1445H (corresponding to 29/06/2024G).
QCC's Transaction EGM (third meeting) or HCC's Transaction EGM (third meeting) – which will be valid irrespective of the number of shares represented in the meeting.	27/12/1445H (corresponding to 03/07/2024G).
Publication of the Transaction Resolutions made at the third meeting of QCC's EGM or HCC's EGM (as applicable) on the Saudi Exchange (Tadawul) website.	28/12/1445H (corresponding to 04/07/2024G).
3- Transaction Completion and complementary steps	
Transaction Completion.	04/12/1445H (corresponding to 10/06/2024G) (In the event that the approval of the Transaction EGM is issued for both QCC and HCC in the first or second meeting). 27/12/1445H (corresponding to 03/07/2024G) (if approval is obtained in the third meeting of QCC's Transaction EGM and/or HCC's Transaction EGM, as the case may be).
Suspension of the trading of HCC's shares.	The first trading session following the Transaction Completion, which is expected to occur on: 05/12/1445H (corresponding to 11/06/2024G) (In the event that the approval of the Transaction EGM is issued for both QCC and HCC in the first or second meeting). 28/12/1445H (corresponding to 04/07/2024G) (if approval is obtained in the third meeting of QCC's Transaction EGM and/or HCC's Transaction EGM, as the case may be).
Delisting HCC's shares from the Saudi Exchange (Tadawul).	Within a period of not less than the second trading session and not exceeding the sixth trading session after the date of Transaction Completion.
Listing the Consideration Shares on the Saudi Exchange (Tadawul) and allocating such shares to HCC's shareholders registered in HCC's shareholders' register at the end of the second trading session following the date of Transaction Completion.	Within a period of not less than the second trading session and not exceeding the sixth trading session after the date of Transaction Completion.
Amendment to QCC's commercial register and depositing the amended bylaws with the Ministry of Commerce.	Within thirty (30) days from the date of Transaction Completion, which is expected to occur before: 04/01/1446H (corresponding to 10/07/2024G) (In the event that the approval of the Transaction EGM is issued for both QCC and HCC in the first or second meeting). 29/01/1446H (corresponding to 04/08/2024G) (if approval is obtained in the third meeting of QCC's Transaction EGM and/or HCC's Transaction EGM, as the case may be).
The deadline to distribute the proceeds of fractional shares sold.	Within thirty (30) days from the date of Transaction Completion, which is expected to occur before: 04/01/1446H (corresponding to 10/07/2024G) (In the event that the approval of the Transaction EGM is issued for both QCC and HCC in the first or second meeting). 29/01/1446H (corresponding to 04/08/2024G) (if approval is obtained in the third meeting of QCC's Transaction EGM and/or HCC's Transaction EGM, as the case may be).

Table of Contents

IMPORTANT NOTICE	i
FORWARD-LOOKING STATEMENTS	ii
PUBLICATION AND DISTRIBUTION RESTRICTIONS	ii
A NOTICE TO HCC'S SHAREHOLDERS OUTSIDE THE KSA	ii
FINANCIAL AND OTHER INFORMATION	ii
CORPORATE DIRECTORY	iii
KEY DATES AND MILESTONES	v
1. TERMS AND DEFINITIONS	01
2. OVERVIEW OF THE TRANSACTION	04
2-1 Valuation of HCC.....	06
2-2 Transaction Rationale.....	07
2-3 Agreements related to the Transaction	08
2-3-1 Implementation Agreement	08
2-3-1-1 Implementation Agreement Conditions	08
2-3-1-2 Restrictions on Business Conduct	09
2-3-1-3 Exceptions	10
2-3-1-4 Warranties	10
2-3-1-5 Termination of the Implementation Agreement	10
2-3-2 Other Agreements.....	10
2-4 Approvals Required for Transaction Completion	11
2-4-1 Government Approvals	11
2-4-2 EGM Approval	11
2-4-3 Transaction Completion	12
2-4-4 Related Parties.....	12

3.	SHAREHOLDING AND TRANSACTIONS	13
3-1	HCC's Treasury Shares	13
3-2	QCC's Shareholding and Transactions	13
3-3	Shareholding of Persons who Act in Concert with QCC	13
3-4	Shareholding of QCC's Directors	13
3-5	Transactions of QCC's Directors.....	14
4.	ARRANGEMENTS, CONDITIONS AND TRANSACTIONS	15
5.	ULTIMATE OWNERS OF HCC'S SHARES AND CONTROLLERS IN QCC	16
5-1	Substantial Shareholders	16
5-2	The Ultimate Owner of the Acquired Shares and the Controlling Shareholder	16
6.	FINANCIAL INFORMATION	18
6-1	Closing Price of QCC's Share	18
6-2	Closing Price of HCC's Share	18
6-3	Distributions and Dividend Distribution Policy.....	19
7.	TRANSACTION FINANCING	20
8.	TERMINATION EFFECT	21
9.	QCC DESCRIPTION	22
9-1	Overview	22
9-2	Subsidiaries and Geographic Scope of Assets	22
9-3	Vision.....	22
9-4	Mission.....	22
9-5	Products.....	23
10.	WAIVERS	24
11.	DOCUMENTS AVAILABLE FOR INSPECTION	25
	Annex (1) The proposed amendments to QCC's bylaws	26

1. TERMS AND DEFINITIONS

The following terms shall have the meaning ascribed to them whenever used in this Document, unless the context requires otherwise:

Acting in Concert	Means, at CMA's discretion, the actual cooperation under agreement (whether binding or non-binding) or understanding (whether official or non-official) between persons to control (whether directly or indirectly, excluding indirect ownership of shares through swap arrangements or through an investment fund whose unit owner have no discretion in its investment decisions) a company through acquiring (directly or indirectly) shares that have voting rights in such company. The term " persons acting in concert " shall be interpreted accordingly. Notwithstanding the application of this definition, the persons mentioned below shall, by way of example, be deemed to be acting in concert with other persons in the same category unless proven otherwise: (1) members of the same group; (2) relatives of the person; (3) person(s) who has provided financial assistance (other than a bank in the ordinary course of business) to the offeror (QCC) or the members of the same group with that person for the purpose of buying shares that have voting rights or convertible debt instruments.
Affiliate	A person who controls another person or is controlled by such other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Business Day	Any day, other than a Friday, Saturday or a public holiday in the KSA.
Capital Increase	The proposed increase in QCC's share capital from nine hundred million (900,000,000) Saudi Riyals to one billion one hundred five million five hundred ninety thousand (1,105,590,000) Saudi Riyals and increasing its shares from ninety million (90,000,000) ordinary shares to one hundred ten million five hundred fifty nine thousand (110,559,000) ordinary shares, which represents an increase of 22.8% of the current QCC share capital.
Closing Price	Last trading price for the shares on the relevant trading day, according to the mechanism set by the Saudi Exchange (Tadawul).
CMA	The Capital Market Authority in the KSA.
Companies	QCC and HCC.
Companies Law	The Companies Law issued pursuant to Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G).
Consideration Shares	The new QCC shares to be issued to HCC shareholders pursuant to the Transaction, with a total number of twenty million five hundred fifty nine thousand (20,559,000) ordinary shares with a nominal value of (10) Saudi Riyals per share.
Control	The ability to influence the actions or decisions of another person, whether directly or indirectly (excluding indirect ownership of shares through swap arrangements or through an investment fund whose unit owner have no discretion in its investment decisions), individually or collectively with a person or persons acting in concert, through holding (directly or indirectly) 30% or more of the voting rights in a company. Moreover, " controller " shall be construed accordingly.
EGM	Extraordinary general assembly meeting of the shareholders of the relevant company convened in accordance with the provisions of the bylaws of the relevant company.
Exchange Ratio	The basis on which the number of Consideration Shares to which HCC shareholders are entitled to in relation to the Transaction will be determined, which is 0.21 QCC share for every HCC share.
Financial Advisor	HSBC Saudi Arabia.
Firm Intention Announcement	The announcement published by QCC on the Saudi Exchange (Tadawul) website on 05/07/1444H (corresponding to 17/01/2024G) with regards to its firm intention to make an offer to acquire all HCC's shares through a securities exchange transaction, according to Article (17)(e) of the Merger and Acquisition Regulations.
GAC	The General Authority of Competition in the KSA.
HCC Board Circular	The circular prepared by HCC's board according to Article (39) of the Merger and Acquisition Regulations in response to QCC's offer relating to the Transaction which provides the view of HCC's board on the offer to HCC shareholders and QCC's plans for HCC and its employees.
HCC's Transaction EGM	The extraordinary general assembly meeting of HCC convened for the purpose of voting on the Transaction Resolutions.
"HCC" or "Offeree"	Hail Cement Company, a listed Saudi joint stock company with head office in Hail registered with the commercial register under No. (3350026399) dated 24/12/1431H (30/11/2010G) with capital of nine hundred seventy nine million (979,000,000) Saudi Riyals.
Implementation Agreement	The implementation agreement entered into between QCC and HCC on 08/06/1445H (21/12/2023G) setting out the terms and conditions of, and the parties' rights and obligations in connection with, the Transaction.

Investment Fund 17	GiB Capital Investment Fund 17, a private open-ended investment fund managed and operated by GiB Capital, a licensed capital market institution for the purpose of investment in shares and securities. The fund was established, its units were offered and the CMA was notified on 15/05/1442H (corresponding to 30/12/2020G) and the terms and conditions of the fund were issued on 26/06/1442H (corresponding to 10/01/2021), and which units are wholly owned by QCC. For more details on this fund and its relation to the Transaction, please refer to Section (2-4-4) (" Related Parties ").
KSA	The Kingdom of Saudi Arabia
Material Adverse Event	<p>Means, pursuant to the definition agreed upon in the Implementation Agreement, any event, occurrence or change in circumstances which individually, or when aggregated with all such other events, occurrences or changes, has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, financial position, profitability or prospects of either of QCC or HCC or on the Transaction or its implementation, provided that the following shall not be considered in determining whether a Material Adverse Event has occurred:</p> <ul style="list-style-type: none"> a- any deterioration of the economic, political or market conditions or securities, credit, financial or other capital market conditions in the financial services industry globally, in the Middle East, in the KSA or in general except to the extent that such effect has a materially disproportionate adverse effect compared to other businesses or participants in the industry in which HCC and QCC operate; b- any change, event or development to the extent solely resulting from the execution and delivery of this Agreement or the public announcement, pendency or consummation of the Transaction or any of the other transactions contemplated by this Agreement, including the impact of such changes or developments on the relationships, contractual or otherwise, of QCC or HCC (as the case may be) with employees, clients, customers, suppliers or partners; c- any change, event or development to the extent resulting from any failure of QCC or HCC (as the case may be) to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the facts and circumstances giving rise to such failure may be deemed to constitute, and may be taken into account in determining whether there has been, a Material Adverse Event if such facts and circumstances are not otherwise described in paragraph (a) or from (d) through the end of this definition); d- any change or proposed change, after the date of this Agreement, in Applicable Law, except where the change in Applicable Law has a reasonably adverse effect on QCC or HCC (as the case may be) in a materially disproportionate manner compared to each other or other businesses or participants in the industry in which QCC and HCC operate; e- geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of this Agreement, except to the extent that such change, event or development affects QCC or HCC (as the case may be) in a materially disproportionate manner compared to each other or other businesses or participants in the industry in which QCC and HCC operate; f- any flood, earthquake, the outbreak or escalation of pandemics, or other natural disaster, except to the extent that such change, event or development affects QCC or HCC (as the case may be) in a materially disproportionate manner compared to each other or to other businesses or participants in the industry in which QCC and HCC operate; or g- any change, event or development to the extent resulting from any action that is expressly required to be taken in connection with the Transaction.
Merger and Acquisition Regulations	The Merger and Acquisition Regulations issued by the board of CMA pursuant to its resolution No. (1-50-2007) dated 21/09/1428H (corresponding to 03/10/2007G), as amended.
Non-Binding MoU	The non-binding memorandum of understanding entered into between QCC and HCC dated 28/05/1444 H (corresponding to 24/09/2022G) in relation to the Transaction.
Offer	The offer made by QCC to HCC shareholders for the purpose of acquiring all HCC shares in consideration for QCC issuing Consideration Shares to HCC shareholders pursuant to Article (26) of the Merger and Acquisition Regulations.
"Offer Document" or "Document"	This document prepared by QCC pursuant to Article (38) of the Merger and Acquisition Regulations in relation to the Offer made by QCC to HCC shareholders.
Offer Period	The period from QCC's Firm Intention Announcement until the resolutions of both QCC and HCC's Transaction EGMs or until the Implementation Agreement is terminated in accordance with its provisions (whichever comes first) (for more details on the termination of the Implementation Agreement, please refer to Section (2-3-1-5) (" Termination of Implementation Agreement ").
QCC's Transaction EGM	The extraordinary general assembly meeting of QCC convened for the purpose of voting on the Transaction Resolutions.
"QCC" or "Offeror"	Qassim Cement Company, a listed Saudi joint stock company with head office in Buraidah and registered with the commercial register under No. (1131001224) dated 28/08/1398H (corresponding to 03/08/1987G) with capital of nine hundred million (900,000,000) Saudi Riyals.

Related Party	<p>Means a person who (whether acting in concert with QCC or HCC or not) owns or deals directly or indirectly with shares of QCC or HCC either through a private sale or purchase transaction or offer, or any person who (in addition to its interest as a shareholder) has interest or potential interest - whether personal, financial or commercial - arising from the acquisition or a related party with both QCC and HCC. The definition includes, without limiting the generality of the application of this definition, but is not limited to, the following:</p> <ol style="list-style-type: none"> 1- Any person who has provided financial assistance (other than a bank in the ordinary course of business) to QCC or HCC; 2- a board member of QCC and HCC (or any of their affiliates); 3- any person owning 20% or more of QCC and HCC (whether individually or acting in concert with other(s)); and 4- a Substantial Shareholder in QCC who is, at the same time, a board member in HCC, or vice versa
Relative	Means spouse, parents and offsprings.
Restricted Jurisdiction	Any country or jurisdiction where the offer of the Consideration Shares, or distribution or publication of this Document or any other documents related to the Consideration Shares would violate the laws of that country or jurisdiction.
ROSCOs	The Rules on the Offer of Securities and Continuing Obligations issued by the board of CMA pursuant to its resolution No. (3- 123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), as amended.
SAR	Saudi Arabian Riyals, the official currency of the KSA.
Saudi Exchange (Tadawul)	The Saudi Exchange Company (Tadawul) is the market where securities are traded, operated by the Saudi Exchange Company and supervised by the CMA. It also means – depending on the context – the Saudi Exchange Company, a company that is fully owned by Tadawul Group and is the entity responsible to operate the market.
Shareholders' Circular	The shareholders' circular issued by QCC in line with the requirements of Article (75) of the ROSCOs.
Subsidiary	In relation to a company, another company which it controls.
Substantial Shareholder	A shareholder owning five percent (5%) or more of the shares in QCC or HCC, as the case may be.
Transaction	QCC's acquisition of all HCC shares according to Article (26) of the Merger and Acquisition Regulations in consideration for QCC issuing the Consideration Shares to HCC shareholders by increasing QCC's capital from nine hundred million (900,000,000) Saudi Riyals to one billion one hundred five million five hundred ninety thousand (1,105,590,000) Saudi Riyals.
Transaction Completion	After the approvals of QCC's Transaction EGM and HCC's Transaction EGM are issued.
Transaction Resolutions	<p>The resolutions that will be presented to the shareholders of both QCC and HCC regarding the Transaction, or any amendments to them made based on the request of the CMA or the agreement of the parties before inviting the relevant assemblies:</p> <p>In relation to QCC: Approving the increase of QCC's capital from nine hundred million (900,000,000) Saudi Riyals to one billion one hundred five million five hundred ninety thousand (1,105,590,000) Saudi Riyals; which represents a (22.8%) increase in the current capital, by issuing twenty million five hundred fifty nine thousand (20,559,000) ordinary shares with a nominal value of (10) Saudi Riyals per share for the purpose of acquiring all HCC shares according to Article (26) of the Merger and Acquisition Regulations issued by CMA, which represent (0.21) share in QCC per each HCC shares, according to the terms and conditions of the Implementation Agreement related to the Transaction entered into between QCC and HCC on 08/06/1445H (corresponding to 21/12/2023G), including the approval of the following matters related to the Transaction as of the date of the Transaction Completion:</p> <ol style="list-style-type: none"> a- The terms of the Implementation Agreement. b- The increase of QCC's capital from nine hundred million (900,000,000) Saudi Riyals to one billion one hundred five million five hundred ninety thousand (1,105,590,000) Saudi Riyals for the purpose of acquiring all HCC shares which are (97,900,000) shares according to the terms and conditions of the Implementation Agreement. c- The proposed amendments to QCC's Bylaws in the form set out in Annex (1) of this Document. d- According to the Implementation Agreement, appointing HCC candidates, namely: Mr. Abdulmalik Khaled Suleiman AlRajhi and Mr. Abdulaziz Majed Al-Kassabi in the new seats of QCC board of directors. e- The authorization of QCC's board of directors, or any person authorized by the board, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions. <p>In relation to HCC: Approval of the offer presented by QCC to HCC's shareholders to acquire all HCC's shares in consideration of the issuance of (0.21) shares in QCC for HCC's shareholders, and as a result, HCC will become an unlisted joint stock company wholly owned by QCC according to the relevant legal requirements and the terms and conditions of the Implementation Agreement, including the approval of the following matters related to the Transaction:</p> <ol style="list-style-type: none"> a- The terms of the Implementation Agreement Terms and Conditions b- The authorization of HCC's board of directors, or any person authorized by the board, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions.

2. OVERVIEW OF THE TRANSACTION

On 29/02/1444H (corresponding to 25/09/2022G), QCC and HCC announced signing a non-binding memorandum of understanding on a potential securities exchange transaction. Under the Non-Binding MoU, both Companies agreed that the implementation structure of the potential transaction will be through a share exchange offer to be made by QCC (as the offeror) to HCC's shareholders (as the offeree) for the acquisition of all HCC's shares, and a non-binding exchange ratio was agreed upon subject to the findings of the due diligence exercises to be carried out by both Companies.

On 11/06/1445H (corresponding to 24/12/2023G), QCC announced the entry into the Implementation Agreement which includes an agreement on the final Exchange Ratio of **(0.21) shares** in QCC per each HCC share in addition to all the provisions and steps necessary to implement and complete the Transaction between both Companies in accordance with the provisions of Article (26) of the Merger and Acquisition Regulations, the Capital Market Law, the Companies Law and their regulations, and other relevant laws and regulations in force in the KSA. (For more information on the provisions of the Implementation Agreement, please refer to Section (2-3-1) "**Implementation Agreement**"). On 05/07/1445H (corresponding to 17/01/2024G), QCC made its Firm Intention Announcement to make an offer with regard to the Transaction, and then published an addendum announcement in this regard on 06/07/1445H (corresponding to 18/01/2024G).

Pursuant to the Implementation Agreement, QCC will acquire all HCC's shares in consideration for issuing the Consideration Shares to HCC's shareholders by increasing QCC's capital according to Article (75) of the ROSCOs and based on the Exchange Ratio whereby HCC's shareholders will receive (0.21) share in QCC in consideration for each HCC share they hold. The total Consideration Shares will be twenty million five hundred fifty nine thousand (20,559,000) shares fully paid with a nominal value of (10) Saudi Riyals per share, so that the total nominal value of the Consideration Shares will be two hundred five million five hundred ninety thousand (205,590,000) Saudi Riyals. These shares will be issued by way of increasing the share capital of QCC by (22.8%) from nine hundred million (900,000,000) Saudi Riyals to one billion one hundred five million five hundred ninety thousand (1,105,590,000) Saudi Riyals and increasing its shares from ninety million (90,000,000) ordinary shares to one hundred ten million five hundred fifty nine thousand (110,559,000) ordinary shares. After the Transaction Completion, the ownership of the current QCC shareholders will be (81.4%) of QCC's capital while the ownership of HCC's shareholders will be (18.6%) of QCC's capital (on the basis of the total number of shares, with no regard to their ownership in QCC and HCC (as the case may be) before the Transaction Completion and with no regard to the treasury shares as well as the shares QCC will indirectly own).

The total value of the Transaction will be determined based on the value of the Consideration Shares. The total nominal value of the Consideration Shares is two hundred five million five hundred ninety thousand (205,590,000) Saudi Riyals. The total market value of the Consideration Shares is one billion two hundred ninety nine million three hundred twenty eight thousand eight hundred (1,299,328,800) Saudi Riyals based on a closing price of (63.20) Saudi Riyals for QCC's share on 08/06/1445H (corresponding to 21/12/2023G) (which is the last trading day prior to the signing of the Implementation Agreement). The total value of the Consideration Shares, as will be recorded on the financial statements of QCC, will be determined at a later stage on the basis of the closing price of QCC share on the last trading day prior to the date of the Transaction Completion.

If the calculation of the number of shares any HCC shareholder is entitled to, based on the Exchange Ratio, results in fractions of shares, the number will be rounded to the lowest integer number. For example, if a shareholder in HCC holds (110) shares in HCC, the Consideration Shares to be allocated to such shareholder will be (23) not (23.1) shares. The fractional shares will be aggregated and sold in the market on behalf of the entitled HCC shareholders, and the proceeds will be distributed to the entitled shareholders each per its shareholding, after deduction of costs.

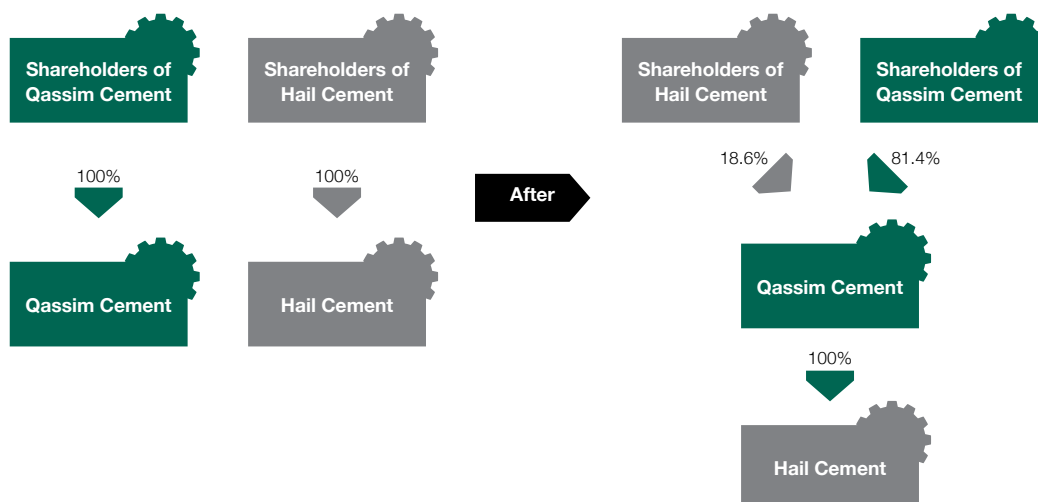
It should be noted that the Transaction Completion is not expected to result in forced layoff of employees. QCC intends to leverage the valuable experience and skills of HCC employees.

The following table shows details of ownership in QCC prior to and following the Transaction Completion pursuant to the shareholders' register dated Sunday 21/09/1445H (corresponding to 31/03/2024G):

Shareholder	Pre-Transaction Completion		Post-Transaction Completion	
	No. of Shares in QCC	Shareholding % in QCC	No. of Shares in QCC	Shareholding % in QCC
Public Investment Fund	21,019,080	23.355%	21,019,080	19.012%
Members of QCC's Board of Directors ⁽¹⁾	1,110	0.001%	1,110	0.001%
QCC's Senior Executives ⁽²⁾	2,000	0.002%	3,690 ⁽³⁾	0.003%
General Organization for Social Insurance (GOSI) ⁽⁴⁾	17,769,783	19.744%	17,769,783	16.073%
HCC ⁽⁵⁾	N/A	N/A	313,630	0.284%
Investment Fund 17 ⁽⁶⁾	N/A	N/A	484,723	0.438%
Public	51,208,027	56.898%	70,966,984	64.189%
Total	90,000,000	100%	110,559,000	100%

- (1) Based only on the shares owned directly by board members. For further information about interest in shares, please refer to Section (3-4) ("**Shareholding of QCC's Directors**").
- (2) Based on the shares owned directly by senior executives in QCC and HCC. It should be noted that the shares owned by the CEO of QCC were not included, as they are counted among the shares of the board members of QCC in the above row.
- (3) The increase in ownership of senior executives of QCC after the Transaction Completion is due to their ownership of shares in HCC before the Transaction Completion. These shares will be exchanged with the Consideration Shares in QCC after Transaction Completion.
- (4) GOSI is not a Substantial Shareholder in QCC, as it does not directly own (5%) or more of QCC's capital. However, based on information available to QCC, GOSI directly owns (4,455,000) shares, representing (4.950%) of QCC's capital and indirectly owns (13,314,783) shares, representing (14.794%) of QCC's capital prior to the Transaction Completion. This ownership has been included in this table for disclosure purposes.
- (5) The ownership stated represents the Consideration Shares that will be exchanged for the treasury shares currently owned by HCC, amounting to (1,493,478) shares representing (1.53%) of HCC's capital before Transaction Completion. QCC intends to transfer these shares after the Transaction Completion to be treasury shares directly held by QCC.
- (6) The ownership stated represents the Consideration Shares that will be exchanged for the HCC shares currently owned by Investment Fund. 17 (which QCC owns all its units), accounting to (2,308,206) shares representing (2.36%) of HCC's capital before Transaction Completion. QCC intends to liquidate the fund and transfer these shares to QCC after Transaction Completion, so they become treasury shares directly held by QCC.

The diagram below is a simplified description of the structure of the Transaction:*



*Note: On the basis of the total number of shares, with no regards to their ownership in QCC and HCC (as the case may be) before the Transaction Completion, and with no regards to the treasury shares as well as the shares the QCC will indirectly own.

2-1 Valuation of HCC

QCC and HCC agreed on the Exchange Ratio that determines the number of Consideration Shares that HCC's shareholders will receive in QCC as a result of the Transaction, after negotiation and discussion between both Companies and professional, legal and financial due diligence studies. The following table summarizes the results of the agreed valuation:

Agreed Exchange Ratio	(0.21) share in QCC for each share of HCC.
Total number of the Consideration Shares	Twenty million five hundred fifty nine thousand (20,559,000) ordinary shares fully paid, with a nominal value of ten (10) Saudi Riyals per share.
Total nominal value of the Consideration Shares	The total nominal value of the Consideration Shares is two hundred five million five hundred ninety thousand (205,590,000) Saudi Riyals.
The total market value of the Consideration Shares (at the end of the last trading day prior to the signing of the Implementation Agreement dated 08/06/1445H (corresponding to 21/12/2023G))	The total market value of the Consideration Shares is one billion two hundred ninety nine million three hundred twenty eight thousand eight hundred (1,299,328,800) Saudi Riyals based on a closing price of (63.20) Saudi Riyals for QCC's share on 08/06/1445H (corresponding to 21/12/2023G) (which is the last trading day prior to the signing of the Implementation Agreement).
The total market value of the HCC shares subject of the Transaction (at the end of the last trading day prior to the signing of the Implementation Agreement dated 08/06/1445H (corresponding to 21/12/2023G))	One billion one hundred forty seven million three hundred eighty eight thousand (1,147,388,000) Saudi Riyals
The difference between total market value of the Consideration Shares and the HCC shares subject of the Transaction (at the end of the last trading day prior to the signing of the Implementation Agreement dated 08/06/1445H (corresponding to 21/12/2023G))	13.24%.
QCC share price (at the end of the last trading day prior to the signing of the Implementation Agreement dated 08/06/1445H (corresponding to 21/12/2023G))	SAR 63.20
HCC share price (at the end of the last trading day prior to the signing of the Implementation Agreement dated 08/06/1445H (corresponding to 21/12/2023G))	SAR 11.72
The implied valuation of HCC share (at the end of the last trading day prior to the signing of the Implementation Agreement dated 08/06/1445H (corresponding to 21/12/2023G))	SAR 13.27

2-2 Transaction Rationale

This section contains the views of QCC on the expected benefits resulting from the Transaction. It also contains forward-looking statements, which are subject to risks and uncertainties, and hence reliance should not be placed on such statements. For further information on such risks, please refer to the (“**Important Notice**”) section of this Document. It is worth noting that the expectations included in this section are initial expectations, and QCC has no intention to update them other than what is required by relevant laws and regulations.

Nothing contained in this section is intended to be or shall be deemed to be a forecast, projection or estimate of the future financial or operational performance of QCC, HCC or the market, and no statement in this Document should be interpreted to mean that earnings per share for current or future financial periods of QCC post-Transaction would necessarily match or exceed historical earnings per share of HCC or QCC shares.

The Transaction is expected to create a leading cement company in Saudi Arabia, where jointly, QCC and HCC are expected to generate significant synergies by increasing scope, scale, investments, and combining expertise in the local market.

The combination of QCC and HCC is expected to result in an increased scale of operations, improved access to raw materials, shared benefit of know-hows and expertise in the cement sector. In addition, QCC post-Transaction is expected to be well positioned to support the Saudi economy and play a proactive role in contributing to achieve Saudi Vision 2030 as well as being a key stakeholder in supporting and delivering Saudi’s megaprojects.

Set out below are the main motives and expected benefits of the Transaction:

- **Scale, coverage, and profile:** The two companies will have a combined portfolio of 4 kilns and 7 cement mills with approximately 9.3mt cement capacity, 5.6mt clinker capacity with a total proforma revenue of approximately SAR 922.3 million and net income of approximately SAR 133.4 million (14.4% net profit margin) based on financials for the year ended 31 December 2022. This will result in QCC becoming one of the leading players in the cement business in the Kingdom.
- **Resilient and reliable partner for megaprojects:** QCC is expected to have a significant footprint in KSA and will be well positioned to serve the increase in demand driven from megaprojects, specifically in the Central and Northern regions. Together QCC and HCC will be best placed to win contracts on the back of multiple success factors (i) the availability of production facilities at two locations, better equipped to face demand peaks and therefore de-risking any future supply concerns, (ii) a reduced cost base (synergies) and increased operational efficiency (mutualized expertise & knowledge) and (iii) a larger scale to invest in product range extension (high quality-cement) and develop sustainable solutions.
- **Capabilities:** Post-Transaction, QCC plans to leverage HCC and QCC’s existing and supplementary capabilities and resources to achieve new competitive advantages through rolling-out the below activities:
 - **Cement R&D expertise:** mutualizing both teams to share know-how and best practices, and discontinue any overlapping projects to invest freed-up resources.
 - **Build technical expertise:** modernizing QCC and HCC operational processes across the value chain.
 - **Increase bargaining power:** stronger relationship with suppliers given the larger size, as well as becoming more resilient to customers pressure through diversifying the customer base.
 - **Boost employee capital:** attracting best talents and experts both locally & internationally driven by a leading “multi-plant player” brand proposition.

- **Revenue Synergy:** Post-Transaction, QCC will be able to leverage geographical complementarity of HCC and QCC's asset portfolio to expand across Saudi Arabia. The combined know-how of local markets across several different cities in Saudi Arabia (especially in Central and Northern region) is expected to drive growth in near term through product mix optimization. Revenue synergies in medium – long term can be expected by increase in market share due to product capacity expansion and increased utilization factor.
- **Cost Synergy:** The Transaction is expected to unlock cost synergies after completion of integration, with significant potential value creation, driven by increased scope, scale, sharing of best practices and annual efficiency gains. Post Completion, QCC is expected to leverage best practices from QCC and HCC to reduce OpEx and optimize transportation and logistics costs (shortening distance in raw materials logistics as well as customer logistics) along with centralizing the admin function in short to medium term.
- **Balance Sheet Synergy:** Combining CapEx spend of two companies is expected to streamline procurement (bundle raw material purchase, leverage quarries etc.). Further, QCC is expected to gain from optimizing inventory post Transaction (through, for example, a joint program to reduce clinker and spare parts inventory levels).

2-3 Agreements related to the Transaction

2-3-1 Implementation Agreement

On 08/06/1445H (corresponding to 21/12/2023G), QCC and HCC entered into an Implementation Agreement whereby they agreed to the terms and conditions of the Transaction and obligations of both Companies in relation to implementation of the Transaction. The Implementation Agreement contains warranties given by each company to the other on a reciprocal basis as well as restrictions on the conduct of business.

The Transaction is subject to the approvals of QCC and HCC shareholders. According to Article (3) (n) of the Merger and Acquisition Regulations, a shareholder that holds shares in both QCC and HCC can only vote on the Transaction Resolutions in the EGM of one of the Companies (for further details about voting in the EGM, see Section (2-4) "**Transaction Completion Procedures**").

2-3-1-1 Implementation Agreement Conditions

The Implementation Agreement includes a number of conditions that must be met to complete the Transaction. The Companies have committed to seeking to fulfill the conditions as soon as possible before their EMGs' approvals and to coordinate with each other in this regard. The Companies have also agreed that none of these conditions may be amended or waived without a written consent from both Companies. The following is a summary of those conditions:

- 1- Obtaining all required approvals of the CMA with respect to the Transaction.
- 2- Obtaining the approval of the Saudi Exchange (Tadawul) on the listing of the Consideration Shares and obtaining any other approvals which the Saudi Exchange (Tadawul) may require with respect to the Transaction.
- 3- The delivery of any required notification to Securities Depository Center Company (Edaa) with respect to the Transaction.
- 4- Obtaining a non-objection from the GAC with respect to the Transaction, or the expiration of the applicable waiting periods under the Competition Law.
- 5- Obtaining a non-objection from the Ministry of Commerce in respect of the amendments to the bylaws of QCC.
- 6- Obtaining the approval of the requisite majority of QCC's shareholders on the Transaction Resolutions at QCC's Transaction EGM.
- 7- Obtaining the approval of the requisite majority of HCC's shareholders on the Transaction Resolutions at HCC's Transaction EGM.
- 8- No Material Adverse Event having occurred and being continuing.

- 9- No breach of the warranties given by QCC and HCC under the Implementation Agreement as clarified in Section (2-3-1-4) ("**Warranties**"), having occurred, unless such breach is capable of remedy and has been remedied to the reasonable satisfaction of the non-breaching party.
- 10- No governmental body of competent jurisdiction in the KSA having enacted, issued, promulgated, enforced or entered any order, injunction, judgment, decree or other action which is in effect and which prohibits or makes illegal the consummation of the Transaction in accordance with the Implementation Agreement.
- 11- Obtaining the approval of a number of contractual counterparties of both Companies as outlined in the Implementation Agreement.

2-3-1-2 Restrictions on Business Conduct

The Implementation Agreement imposes an obligation on both QCC and HCC to refrain from taking any act that may violate certain restrictions stipulated in the Implementation Agreement (which are subject to certain exceptions and limitations) that relate to the conduct of business for the period between signing of the Implementation Agreement and until Transaction Completion or the termination of the Implementation Agreement according to the terms and conditions thereof (whichever occurs first) except with the approval of the other party, which may not be unreasonably withheld.

If either party breaches any of these restrictions, then the other party has the right to consider the breach a Material Adverse Event (in the reasonable assessment of the non-breaching party) and terminate the Implementation Agreement based on a notice in writing to the breaching party. For further details on the provisions of the Termination of the Implementation Agreement, please refer to Section (2-3-1-5) ("**Termination of the Implementation Agreement**").

The restrictions related to the conduct of business stipulated in the Implementation Agreement require that none of the Companies act, or agree to act, in a way that would violate any of these restrictions, unless this is legally required. The following is a summary of the conduct of business requirements:

- 1- Limiting the business that the company carries out to its ordinary course of business that is substantially consistent with its previous practices, provided that the relevant regulations are not violated in all cases.
- 2- Refrain from making any material amendments or alterations to the general nature or scope of the business of the company or conducting any new material activities.
- 3- Not to declare, make, set aside or pay any dividend or other distributions whether in cash or in kind or any other form for any period (except the fourth quarter of 2023G, which cannot differ from the former practice in this regard).
- 4- Refraining from entering into or amending an agreement or assuming any related obligation if such action would result in incurring compensation, expenses or obligations exceeding the following percentages:
 - a- (10%) of the total company assets, in case of acquisition of assets.
 - b- (1%) of the total company assets, in case of disposal of assets.
 - c- (5%) of the net company assets, in case of disposal or any other agreement.
- 5- Refraining from concluding any financing or borrowing agreement by more than (10%) of the total company's liabilities.
- 6- Making any change in the human resources policies or any promotion or grant any reward or other bonuses that are not in line with the current policies and the former practices of the company.
- 7- Refraining from any action that leads to liquidation, merger, dissolution or transformation of the legal structure of the company.
- 8- Refraining from approval of, recommendation or execution of purchase of shares, sale of treasury shares, split or merger of shares, change of par value or cancellation of shares for any reason.
- 9- Refrain from any change in capital or amendment in its constitutional documents.

2-3-1-3 Exceptions

Subject to the above restrictions on business conduct, both Companies agreed to several exceptions to the restrictions on business conduct that allow both Companies to carry out certain activities which will not be considered a breach of the restrictions on business conduct, which are:

- 1- Taking any action disclosed to the public or specifically disclosed in writing to the other party before the date of the Implementation Agreement.
- 2- Taking any action included in the Agreement.

2-3-1-4 Warranties

Both companies warranted the following under the Implementation Agreement:

- 1- QCC and HCC have the authority to conclude the Implementation Agreement and fulfill their obligations arising from it.
- 2- The obligations arising from the Implementation Agreement are binding obligations for both parties.
- 3- The conclusion of the Implementation Agreement and fulfillment of the obligations thereunder shall not lead to:
 - a- A material breach of the bylaws of either party; and/or
 - b- A material breach or violation or giving any other party the right to terminate any material agreement (as defined in the Implementation Agreement) to which either company is a party or the right to amend that agreement materially.
- 4- All the information related to the party and provided by each party to the other party in relation to the Transaction or any of them (including the information provided during the course of the due diligence process or for the purpose of preparing documents of the Transaction) are correct and complete in every material aspect and are not materially misleading as of date.
- 5- No material information or any other information requested by the other party during the due diligence has been withheld in the context of the Transaction.

2-3-1-5 Termination of the Implementation Agreement

The Implementation Agreement terminates with immediate effect, and the rights and obligations of both parties under it will cease (with the exception of some rights and obligations that will survive even after termination of the Implementation Agreement, such as confidentiality and dispute resolution) in any of the following cases:

- 1- A written notice to terminate is given by either party to the other party following breach of the Implementation Agreement, where such breach constitutes a Material Adverse Event including the following:
 - a- Breach of the obligations specified in the Implementation Agreement regarding providing and submitting the documents required under relevant regulations and providing the information required to allow the other party to prepare such documents;
 - b- Breach of the abovementioned business conduct restrictions (as defined in Section (2-3-1-2) ("**Restrictions on Business Conduct**") without obtaining the express or implicit approval from the other party according to the Agreement.
 - c- Breach of any warranties submitted under the Implementation Agreement as defined in Section (2-3-1-4) ("**Warranties**").
- 2- If the Transaction Completion conditions are not satisfied or waived by a written agreement between the two parties before the end of one year from the date of the Implementation Agreement, or any date agreed otherwise in writing.
- 3- If the Parties agreed to terminate the Implementation Agreement in writing.

2-3-2 Other Agreements

Except for the non-binding MoU and the Implementation Agreement, no other material agreements are concluded between the two Companies in relation to the Transaction.

2-4 Approvals Required for Transaction Completion

Subject to satisfying all of the conditions set out in the Implementation Agreement, there are certain procedures required to be completed for the Transaction Completion, which are as follows:

2-4-1 Government Approvals

Transaction Completion requires a number of regulatory approvals, as follows:

- a- A non-objection from the GAC with respect to the economic concentration arising from the Transaction.
- b- Approval of the Saudi Exchange (Tadawul) on the listing of the Consideration Shares.
- c- Approval from CMA on QCC's Capital Increase application and on the publication of the Offer Document.
- d- A non-objection certificate from the Ministry of Commerce in respect of the amendments to the bylaws of QCC (as defined in Annex (1) of this Document).
- e- Approval from the CMA on the invitation to convene QCC's Transaction EGM and HCC's Transaction EGM.

Government approvals mentioned above have been obtained.

2-4-2 EGM Approval

The Transaction Completion is conditional upon obtaining approvals at EGMs of QCC and HCC as follows:

- a- Approval of Transaction Resolutions by the required majority representing at least three quarters of voting rights represented at the QCC EGM.
- b- Approval of Transaction Resolutions by the required majority representing at least three quarters of voting rights represented at the HCC EGM.

QCC and HCC have published the invitation for the respective Transaction EGMs, which shall be convened within a maximum period of twenty-eight (28) days as of the date of publishing this Document (or any other date as may be approved by the CMA).

All shareholders who are registered in the shareholders register of QCC and HCC - as the case may be - by the end of trading on the same day of the relevant EGM will be eligible to attend the EGM. The shareholders may attend in person and vote on the EGM agenda or may authorise another person, either from the shareholders or others, pursuant to the relevant procedures (provided that such person is not a board member of QCC or HCC, as the case may be) to attend the EGM and vote on its agenda items on his/her behalf, or to vote on the EGM agenda items via electronic voting, pursuant to the relevant procedures. According to Article (3) (n) of the Merger and Acquisition Regulations, a shareholder that holds shares in both QCC and HCC can only vote on the Transaction Resolutions in the EGM of one of the two Companies. If the shareholder votes in both EGMs, the shareholder's vote in one EGM will be excluded by a decision of QCC and HCC as they may deem appropriate.

Whilst all HCC's shareholders have the right to attend and vote on the resolutions proposed at HCC's Transaction EGM (unless they are restricted due to a conflict of interest or any other restriction imposed by the relevant Saudi laws and regulations), shareholders residing outside of the KSA are hereby made aware that this Document was not filed or registered with any regulatory authority outside the KSA. Therefore, if an HCC shareholder is based in a jurisdiction where any steps are required to be taken by QCC to lawfully enable such shareholder to vote on the Transaction Resolutions, it should be known that QCC had not taken such steps, and therefore, shareholder should not vote on the resolutions to be proposed at HCC's Transaction EGM. If such shareholder has nevertheless voted on the Transaction Resolutions, then QCC reserves the right, after agreeing with HCC, not to proceed with the Transaction unless the relevant resolutions are approved by the requisite majority of HCC's shareholders without counting the votes of that shareholder.

If the requisite percentage – at least three quarters of the shares represented in the meeting – of HCC’s shareholders approve the Transaction in HCC’s Transaction EGM and all other conditions of the Transaction are met, all HCC shareholders (including those who voted to reject the Transaction or did not vote) will no longer own any of HCC’s shares because HCC’s shares will be delisted and HCC will be fully owned by QCC. They will receive, in return, Consideration Shares in QCC according to the terms and conditions of the Implementation Agreement upon the Transaction Completion.

2-4-3 Transaction Completion

Following both Companies’ shareholders’ approval of the Transaction Resolutions, the Transaction Resolutions will be effective. As a result, the ownership of all the shares of HCC will transfer to QCC, HCC’s shares will delist so HCC become wholly owned by QCC, and QCC will issue Consideration Shares to HCC’s shareholders listed in HCC’s shareholder register by the end of the second trading period following the date of Transaction Completion.

2-4-4 Related Parties

The Transaction involves Related Parties. Investment Fund 17 is a related party according to the Merger and Acquisition Regulations. For more details on the ownership of Investment Fund 17, see Section (3-2) (“**QCC Shareholding and Transactions**”).

As a Related Party, Investment Fund 17 will not have the right to vote on the Transaction Resolutions in HCC’s EGM, according to Article (48) (B) (1) of the Merger and Acquisition Regulations.

3. SHAREHOLDING AND TRANSACTIONS

3-1 HCC's Treasury Shares

HCC holds (1,493,478) treasury shares representing (1.53%) in HCC capital before the Transaction Completion. These treasury shares will be part of the Offer and will be exchanged with QCC shares based on the Exchange Ratio. QCC intends to transfer these shares to QCC after the Transaction Completion, so they become treasury shares directly held by QCC.

3-2 QCC's Shareholding and Transactions

QCC does not directly hold any shares in HCC and has not traded in HCC's shares during the past 12 months.

QCC owns all units of Investment Fund 17, a private investment fund managed by a CMA-licensed capital market instruction for the purpose of investment in shares and securities. Investment Fund 17 holds (2,308,206) shares of HCC, representing (2.36%) of HCC's capital, before the Transaction Completion. Investment Fund 17 is a Related Party according to Merger and Acquisition Regulations.

HCC shares owned by Investment Fund 17 will be part of the Transaction, QCC intends to transfer these shares after the Transaction Completion to be treasury shares directly held by QCC.

The Fund did not trade in any of HCC shares during the year prior to publication of this Document.

3-3 Shareholding of Persons who Act in Concert with QCC

Except as disclosed in the above subsection, there are no shares in QCC or HCC currently owned or controlled by a person Acting in Concert with QCC as of the date of publication of this Document. No person Acting in Concert with QCC has traded in shares of QCC or HCC during the twelve months preceding the Offer Period until the day prior to the publication of this Document.

3-4 Shareholding of QCC's Directors

The table below shows the shareholding of QCC's directors and the size of their controlling shares, if any, in QCC and HCC pursuant to the shareholder register dated Sunday 21/09/1445H (corresponding to 31/03/2024G):

Name	Title	Capacity	Representation	Shareholding in QCC				Shareholding in HCC			
				Direct	Indirect Interest ⁽¹⁾	Total	%	Direct	Indirect Interest ⁽¹⁾	Total	%
Dr. Mohammed bin Nasser Al Dawood	Chairman	Non-executive	Public Investment Fund	N/A	21,019,080 ⁽²⁾	21,019,080	23.3545%	N/A	N/A	N/A	N/A
Eng. Muteb bin Mohammed Al Shathri	Vice Chairman	Non-executive	Public Investment Fund	N/A	21,019,080 ⁽²⁾	21,019,080	23.3545%	N/A	N/A	N/A	N/A
Eng. Omar Bin Abdullah Al Omar	Board Member	Executive	N/A	1,000	N/A	1,000	0.0011%	N/A	N/A	N/A	N/A
Mr. Saad bin Ibrahim Al Mushawah	Board Member	Independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Abdulrahman bin Mohammed Al Rawaf	Board Member	Independent	N/A	100	N/A	100	0.0001%	N/A	N/A	N/A	N/A

Name	Title	Capacity	Representation	Shareholding in QCC				Shareholding in HCC			
				Direct	Indirect Interest ⁽¹⁾	Total	%	Direct	Indirect Interest ⁽¹⁾	Total	%
Eng. Ahmed bin Saleh Al Sultan	Board Member	Independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Tariq bin Khalid Al Marshoud	Board Member	Non-executive	GOSI	N/A	17,769,783 ⁽³⁾	17,769,783	19.7442%	N/A	N/A	N/A	N/A
Mr. Osamah bin Nasser Al Saif	Board Member	Non-executive	GOSI	N/A	17,769,783 ⁽³⁾	17,769,783	19.7442%	N/A	N/A	N/A	N/A
Dr. Ghazi bin Abdulrahim Al Rawi	Board Member	Independent	N/A	10	N/A	10	0.00001%	N/A	N/A	N/A	N/A

(1) The indirect interest includes the shares directly owned by: (1) companies Controlled by the board member, (2) the board member's relatives: spouse, parents and children, or (3) the entity represented by the board member.

(2) Represents the shareholding of the Public Investment Fund, the entity represented by the board member.

(3) Represents the direct and indirect shareholding of GOSI, the entity represented by the board member.

3-5 Transactions of QCC's Directors

Except for the transaction below, HCC's board members did not trade in any of their shares in QCC or HCC indicated in the above table during the twelve month period prior to the Offer Period and until the day prior to the publication of this Document.

Board Member's Name	Company of Shares Traded	Date of Trading	Type of Trading	Qty	Price (SAR)
Saad bin Ibrahim Al Mushawah	HCC	19/07/2023G	Sale	356	12.74

4. ARRANGEMENTS, CONDITIONS AND TRANSACTIONS

There is no agreement, arrangement or understanding in relation to the Transaction (including any compensation arrangement) between QCC (or any other person acting in concert with it) or any of the current HCC's board members or shareholders or any person who was a board member or shareholder in HCC during the twelve months prior to the date of publication of this Document.

5. ULTIMATE OWNERS OF HCC'S SHARES AND CONTROLLERS IN QCC

5-1 Substantial Shareholders

The following table shows details of ownership of the Substantial Shareholders in QCC prior to and following the Transaction Completion pursuant to the shareholders' register dated Sunday 21/09/1445H (corresponding to 31/03/2024G):

Shareholder	Pre-Transaction Completion		Post-Transaction Completion	
	No. of Shares in QCC	Shareholding % in QCC	No. of Shares in QCC	Shareholding % in QCC
Public Investment Fund	21,019,080	23.355%	21,019,080	19.012%
General Organization for Social Insurance (GOSI)*	17,769,783	19.744%	17,769,783	16.073%

*Note: GOSI is not a Substantial Shareholder in QCC, as it does not directly own (5%) or more of QCC's capital. However, based on information available to QCC, GOSI directly owns (4,455,000) shares, representing (4.950%) of QCC's capital and indirectly owns (13,314,783) shares, representing (14.794%) of QCC's capital prior to the Transaction Completion. This ownership has been included in this table for disclosure purposes.

5-2 The Ultimate Owner of the Acquired Shares and the Controlling Shareholder

Based on the information provided by HCC, no person(s) own or control (30%) or more of HCC's capital or able to direct its management or decisions; and no securities acquired under the Offer will be transferred to other persons.

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Qassim Cement



6. FINANCIAL INFORMATION

6-1 Closing Price of QCC's Share

The table below shows the closing price of QCC's share for the first day of each month of the six months directly preceding the date of publication of the Offer Document, for the last day preceding the commencement of the Offer Period and for the last day available before publication of the Offer Document.

Date	Closing Price of QCC's Share (SAR)
03/12/2023G	63.30
01/01/2024G	63.80
01/02/2024G	58.80
03/03/2024G	59.20
01/04/2024G	58.50
01/05/2024G	58.50
The last trading day before commencement of the Offer Period	
16/01/2024G	61.10
The last trading day before the publication of this Document	
19/05/2024G	58.90

Source: Saudi Exchange (Tadawul) website

6-2 Closing Price of HCC's Share

The table below shows the closing price of HCC's share for the first day of each month of the six months directly preceding the date of publication of the Offer Document, for the last day preceding the commencement of the Offer Period and for the last day available before publication of the Offer Document.

Date	Closing Price of HCC's Share (SAR)
03/12/2023G	11.74
01/01/2024G	12.10
01/02/2024G	11.40
03/03/2024G	11.64
01/04/2024	11.34
01/05/2024	11.48
The last trading day before commencement of the Offer Period	
16/01/2024G	11.60
The last trading day before the publication of this Document	
19/05/2024G	11.44

Source: Saudi Exchange (Tadawul) Website

6-3 Distributions and Dividend Distribution Policy

Based on the Exchange Ratio represented in HCC shareholders obtaining **(0.21) shares** in QCC per each share they own in HCC, the Consideration Shares will be twenty million five hundred fifty nine thousand (20,559,000) ordinary shares with a nominal value of (10) riyals per share. These shares will be issued by increasing QCC's share capital by (22.8%) and increasing its shares from ninety million (90,000,000) ordinary shares to one hundred ten million five hundred fifty nine thousand (110,559,000) ordinary shares. Upon Transaction Completion, the current QCC's Shareholders will own (81.4%) of the QCC capital after the capital increase and HCC's Shareholders will own (18.6%) of QCC's capital after the increase (on the basis of the total number of shares, with no regards to their ownership in HCC or QCC (as the case may be) before the Transaction Completion and with no regards to the treasury shares as well as the shares QCC will indirectly own).

All QCC's shares are of one class and no share gives its shareholders preferred rights. The Consideration Shares will be issued of the same class of the current QCC's shares with the same rights they enjoy. The Consideration Shares will not be issued with accumulated dividends. After the Transaction Completion, if QCC declares any dividend for any particular period, all QCC shareholders (including those who own the Consideration Shares) will have the right to receive these dividends according to the number of shares they own with no discrimination according to the eligibility date for such declared dividends.

QCC is not obliged to announce or distribute any dividends. Any dividend distribution resolution relies on a number of factors including the previous and expected profitability and cash flows, financing and capital requirements, market and economic factors in general, Zakat and tax, in addition to other legal and regulatory considerations including any commitments of QCC in the commercial contracts. Therefore, no warranties of actual dividend distribution are granted and no guarantee is given as to the amounts to be paid in any year or period.

The table below shows the details of the dividend distributions of QCC for the previous fiscal years which ended on 31 December 2021G, 2022G and 2023G:

	2021G					2022G					2023G				
	Q1	Q2	Q3	Q4	Year Total	Q1	Q2	Q3	Q4	Year Total	Q1	Q2	Q3	Q4	Year Total
Amount of distributed dividends per share (SAR)	1.1	1	0.8	0.6	3.5	0.5	0.5	0.6	0.6	2.20	0.65	0.65	0.65	0.65	2.6%
Distributed dividends% of the share nominal value	11%	10%	8%	6%	35%	5%	5%	6%	6%	22%	6.5%	6.5%	6.5%	6.5%	26%

7. TRANSACTION FINANCING

The total value of the Transaction will be paid through issuing Consideration Shares to HCC's Shareholders. Therefore, no loans or funding will be obtained for the Transaction Completion.

8. TERMINATION EFFECT

The Offer made by QCC to HCC shareholders for the purpose of the Transaction will end if the Implementation Agreement is terminated according to its provisions before the convening of HCC's and QCC's Transaction EGMs. (For more details on the termination provisions of the Implementation Agreement, please refer to Section (2-3-1-5) ("**Termination of the Implementation Agreement**"). The Offer will also terminate when a resolution from QCC EGM and/or HCC EGM not to approve the Transaction Resolutions is issued. In such case, HCC's Shareholders will not have the right to accept the Offer and QCC will not be bound by any earlier acceptance relating to the Offer.

9. QCC DESCRIPTION

9-1 Overview

QCC was incorporated pursuant to Royal Decree No. (M/62) dated 15/08/1396H (corresponding to 11/08/1976G) as a joint stock company registered with the commercial register under No. (1131001224) dated 28/08/1398H (corresponding to 03/08/1978G) with its head office in Buraidah. QCC's current capital is nine hundred million (900,000,000) Saudi Riyals divided into ninety million (90,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share fully paid and listed on the Saudi Exchange (Tadawul).

QCC is committed to its vision, mission and values focuses on building local and regional partnerships to create long-term relationships with customers, investors, suppliers and employees and to take care of the environment in accordance with established foundations and standards through fair competition to be the best choice in the construction sector and the industrial sector in general. Further, QCC contributes to the building of the future of the cement industry as a model by keeping pace with the development agenda so that it maintains its leadership in the region and contributes to building a promising, more diversified and developed infrastructure economy while safeguarding and sustaining the environment.

QCC's activity is focused on the manufacture and production of cement of different types, derivatives, components, accessories and trade in accordance with the highest Saudi and international standards and work to provide the needs of the markets, namely: (Ordinary Portland Cement, Sulphur Resistant Portland Cement, Finishing Portland Cement) which relies mainly on locally available natural resources and mineral resources as well as the company's direct and indirect activities such as marketing, sales, investment and other business activities that support the company's activity in the domestic market and contributing to development projects.

According to its bylaws, QCC's objectives is "to manufacture, produce and trade cement, its derivatives, components and accessories, as well as to carry out all works related directly or indirectly to this objective."

According to its commercial register, QCC objectives are to manufacture Portland cement, Sulfate-Resistant Cement, Clinker, producing ready-mix concrete, ready-mix and dry multipurpose concrete and wholesale of cement, gypsum, etc.

9-2 Subsidiaries and Geographic Scope of Assets

QCC has no subsidiaries and all its material assets are in Al Qassim.

9-3 Vision

To be the distinguished industry champion enabling the economic growth of the KSA.

9-4 Mission

To Support the infrastructure ambition and de-carbonization effort of Saudi Arabia by providing advanced cement products and sophisticated building material solutions through sustainable growth and value for all stakeholders while ensuring a safe and engaging work environment.

9-5 Products

(1) Ordinary Portland Cement

This type of Cement is produced according to the Saudi standard No. SASO-GSO1914/2019 Type I, and of quality that suit different concrete applications.



(2) Sulfate-resisting Portland Cement

This type of Cement is produced according to the Saudi standard No. SASO-GSO 1914/2009 Type V. This product is different from the other types of cement in that it is sulfate-resisting.



(3) Finishing Cement

A QCC innovation produced after several studies and experiments that proved that it is the best choice for finishing (masonry – plastering – tiling – floor casting). This type of cement is produced according to Saudi Standard No. SASO-ASTM C91M/2018.



(4) Portland Pozzolana Cement

A new QCC product that reduces permeability of concrete, making it denser, and increasing resistance to salts. This type is produced according to the Saudi Standard No. SASO-ASTM-C595M and can be used instead of sulfate-resisting cement in subsurface, subsea and marine structures.



10. WAIVERS

No waivers were sought from the CMA.

11. DOCUMENTS AVAILABLE FOR INSPECTION

QCC will make the following documentation available for inspection at its headquarters from 9:00 a.m. to 3 p.m. during the working hours from the date of publication of this Document until the end of the Offer Period:

- 1- QCC's Bylaws.
- 2- HCC's Bylaws.
- 3- QCC's audited financial statements for the fiscal years ended on 31 December 2021G, 2022G and 2023G.
- 4- HCC's audited financial statements for the fiscal years ended on 31 December 2021G, 2022G and 2023G.
- 5- The Non-Binding MoU.
- 6- The Implementation Agreement.
- 7- The valuation report issued by the Financial Advisor.
- 8- Unaudited pro forma financial information for QCC for the fiscal year ended on 31 December 2022 and for the six months ended on 30 June 2023.
- 9- Advisors' and auditor's consent letter for the use of their names, logos and affidavits (as the case may be) in this Document.

Annex (1) The proposed amendments to QCC's bylaws

Article No.	The Article as it is in the current Bylaws	The proposed amendment to the Article
Article (7) Capital	The company's capital was set at (900,000,000) nine hundred million Saudi riyals, divided into (90,000,000) ninety million shares of equal value. The nominal value of the share is (10) ten Saudi riyals and all of these shares are ordinary and cash.	The company's capital was set at (900,000,000) nine hundred million <u>one billion one hundred five million five hundred ninety thousand (1,105,590,000)</u> Saudi riyals, divided into (90,000,000) ninety million shares of equal value <u>one hundred ten million five hundred fifty nine thousand (110,559,000)</u> . The nominal value of the share is (10) ten Saudi riyals and all of these shares are ordinary and cash .
Article (8) Subscription to Shares	Shareholders subscribed for the full capital shares amounting to (90,000,000) Ninety million shares representing 100% of the shares fully paid to the company.	Shareholders subscribed for the full capital shares amounting to (90,000,000) Ninety million <u>one hundred ten million, five hundred fifty-nine thousand (110,559,000)</u> shares representing 100% of the shares fully paid to the company.
Article (19) Company Management	The company is managed by a board of directors consisting of nine members of natural character; the Ordinary General Assembly elects them for a period not exceeding four years.	The company is managed by a board of directors consisting of nine <u>eleven</u> members of natural character; the Ordinary General Assembly elects them for a period not exceeding four years.



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