Dubai, UAE – 1 October 2020

The shareholders of Arabtec Holding PJSC ("Arabtec" or "Company") at a General Assembly Meeting on September 30 voted to discontinue with the Company and dissolve it due to its untenable financial situation.

The resolution was made after considering a number of strategic alternatives considered by the Arabtec's Board based on the financial analysis prepared by the specialist restructuring firm Alix Partners. The resolution of the shareholders grants the Arabtec's Board a maximum period of two months to allow for discussions with the main stakeholders before a liquidation application may be submitted to the competent courts. In the meantime, Arabtec's primary objective is to provide stability for staff, subsidiaries, sub-contractors, suppliers, and other stakeholders.

Waleed Al Mokarrab Al Muhairi, Chairman of Arabtec, said: "In recent years, limited liquidity in the construction sector has impacted the progress of Arabtec's projects and this has been exacerbated by the effects of COVID-19. Despite efforts to pursue legal and commercial entitlements and a restructuring of the Company's finances and operations, the situation in which Arabtec finds itself today is untenable.

"Shareholders have therefore voted to move forward with a plan of liquidation to maximize value for stakeholders through a controlled and efficient program. Over the coming weeks, the Company's board and management will work closely with regulators and stakeholders to maximize value for all stakeholders. Our current priority is to ensure that everyone directly affected by this decision, is treated fairly during this challenging time."

The shareholders vote follows Arabtec reporting a net loss of AED 794 million in H1 2020. The Board, having considered the current challenging business environment as well as the accumulated losses as a percentage of shareholders equity, called for the General Assembly Meeting to discuss the options available to the Company.

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