



Date: 21/03/2019

Ref.: MHC/Disclosure/2019/018

**Boursa Kuwait Company**

Mubarak Al Kabeer St.

AlSharq, Kuwait

P.O.Box 22235 Safat, 13083 Kuwait

**Subject: Disclosure on Financial Results of Mezzan Holding Company on Fiscal year ended on 31/12/2018**

Reference to the above subject and pursuant to the provisions of Clause 24 of Article (4-1-1), Chapter 4 of Module 10 (Disclosure and Transparency) of the Executive Bylaws of Law No. 7 of 2010 concerning establishment of the Capital Markets Authority.

Mezzan Holding Company KSCP would like to disclose that its Board of Directors convened today, 21<sup>st</sup> March 2019 at 01:00 PM and ratified the financial statements for fiscal year ended 31 December 2018.

Furthermore; in compliance of Premier Market Companies obligations as per Requirement of Resolution No. (1) for the year 2018 issued by Kuwait Boursa, we would like remind the general public that the Earnings Call for Investors and Shareholders will be held through Live Webcast session today Thursday, 21<sup>st</sup> March 2019 at 03:30 pm Kuwait Local Time.

Interested analyst and shareholders may attend the earnings call through the link on Investors Relations Page on Company website below:

Link: <http://www.mezzan.com/investor-relations/investor-overview/>

For inquiries, please email us at: [ir@mezzan.com](mailto:ir@mezzan.com)

Attached:

- Disclosure of Material Information Form
- Annual Financial Statement Results form for Kuwaiti Companies.

**Mezzan Holding Company KSCP**  
**Vice Chairman**  
**Mohamed Jassim AlWazzan**

التاريخ: 2019/03/21

مرجع رقم MHC/Disclosure/2019/018

**عناية السادة / شركة بورصة الكويت**

**الموضوع: إفصاح بشأن البيانات المالية السنوية لشركة ميزان القابضة (ش.م.ك.ع) عن الفترة المالية المنتهية في 2018/12/31**

بالإشارة إلى الموضوع أعلاه ؛ و إلى الفقرة رقم (24) من المادة (1-1-4) من الفصل الرابع من الكتاب العاشر (الإفصاح والشفافية) من اللائحة التنفيذية للقانون رقم 7 لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية ؛

يرجى التكرم بالعلم أن مجلس الإدارة قد قرر في اجتماعه اليوم الخميس الموافق 21 مارس 2019 بمقر الشركة اعتماد البيانات المالية للشركة عن السنة المالية المنتهية في 2018/12/31 .

والتزاما منا بقواعد بورصة الكويت الصادرة بموجب القرار رقم 1 لسنة 2018؛ بشأن التزامات شركات "السوق الأول" فإنه يسرنا التذكير بموعد عقد مؤتمر المحللين والمستثمرين لمناقشة النتائج المالية حيث تقرر انعقاده عن طريق شبكة الانترنت (Live Webcast) اليوم في تمام الساعة 03:30 من بعد الظهر بتوقيت دولة الكويت .

ويمكن للسادة المساهمين والمحللين حضور الاجتماع عن طريق رابط المشاركة الخاص بالمؤتمر الموجود على صفحة علاقات المستثمرين على موقع الشركة الإلكتروني أدناه.  
الرابط:

<http://www.mezzan.com/investor-relations/investor-overview/>

وللاستفسار التواصل عبر البريد الإلكتروني:

[ir@mezzan.com](mailto:ir@mezzan.com)

مرفق :

- نموذج الإفصاح عن المعلومات الجوهرية
- نموذج البيانات المالية السنوي للشركات الكويتية

**شركة ميزان القابضة ش.م.ك.ع**  
**نائب رئيس مجلس الإدارة**  
**محمد جاسم الوزان**





**Disclosure of Material Information Form**

<b>Date</b>	21/03/2019
<b>Name of the Listed Company</b>	Mezzan Holding Company KSCP
<b>Material Information</b>	<p>Reference to the above subject and pursuant to the provisions of Clause 24 of Article (4-1-1), Chapter 4 of Module 10 (Disclosure and Transparency) of the Executive Bylaws of Law No. 7 of 2010 concerning establishment of the Capital Markets Authority.</p> <p>Mezzan Holding Company KSC would like to disclose that its Board of Directors met today at 01:00 PM and ratified the financial statements for fiscal year ended 31 December 2018.</p> <p>Attached is the Annual Financial Statements Results form for Kuwaiti Companies.</p> <p>Furthermore; in compliance of Premier Market Companies obligations as per Requirement of Resolution No. (1) for the year 2018 issued by Kuwait Bourse, we would like remind the general public that the Earnings Call for Investors and Shareholders will be held through Live Webcast session today Thursday, 21st March 2019 at 03:30 pm Kuwait Local Time.</p> <p>Interested analyst and shareholders may attend the earnings call through the link on Investors Relations Page on Company website below: Link: <a href="http://www.mezzan.com/investor-relations/investor-overview/">http://www.mezzan.com/investor-relations/investor-overview/</a> For inquiries, please email us at: <a href="mailto:ir@mezzan.com">ir@mezzan.com</a></p>
<b>Significant Effect of the material information on the financial position of the company</b>	No material effect on financial position of the Company.

**Mezzan Holding Company KSCP**

**Vice Chairman**

**Mohamed Jassim AlWazzan**



Annual Financial Statement Results Form  
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية السنوية  
الشركات الكويتية (د.ك.)

Financial Year Ended on	31 December 2018 31 ديسمبر 2018	السنة المالية المنتهية في
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Company Name	اسم الشركة
Mezzan Holding Co. K.S.C.P.	شركة ميزان القابضة
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
21 March 2019	21 مارس 2019

التغيير (%) Change (%)	السنة المقارنة Comparative Year	السنة الحالية Current Year	البيان Statement
	31/12/2017	31/12/2018	
-40.7%	12,939,671	<b>7,673,379</b>	صافي الربح/الخسارة الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-40.2%	41.56 Fils	<b>24.87 Fils</b>	ربحية/خسارة السهم الأساسية والمخفضة (فلس) Basic & Diluted Earnings per Share (fils)
2.7%	113,445,239	<b>116,546,636</b>	الموجودات المتداولة Current Assets
3.3%	210,886,892	<b>217,899,549</b>	إجمالي الموجودات Total Assets
13.3%	87,360,952	<b>98,951,590</b>	المطلوبات المتداولة Current Liabilities
12.1%	95,801,274	<b>107,349,851</b>	إجمالي المطلوبات Total Liabilities
-3.7%	110,085,589	<b>106,059,760</b>	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
1.4%	204,548,025	<b>207,471,048</b>	إجمالي الإيرادات التشغيلية Total Operating Revenue
-34.0%	15,922,480	<b>10,511,020</b>	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
1.3%	148.7%	<b>150.6%</b>	أرباح (خسائر) مرحلة / رأس المال المدفوع Retained Profit (Loss) / Paid-Up Share Capital





التغيير (%)	الربع الرابع المقارن	الربع الرابع الحالي	البيان Statement
	Fourth Quarter	Fourth Quarter	
Change (%)	Comparative Period	Current Period	
	31/12/2017	31/12/2018	
-113.4%	2,817,832	(376,565)	صافي الربح/الخسارة الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-113.6%	9.05 Fils	(1.23 Fils)	ربحية/خسارة السهم الأساسية والمخفضة (فلس) Basic & Diluted Earnings per Share (fils)
-2.0%	46,927,096	45,988,318	إجمالي الإيرادات التشغيلية Total Operating Revenue
-95.0%	3,419,419	170,910	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

Increase/Decrease in Net Profit/(Loss) is due to	سبب ارتفاع/انخفاض صافي الربح/الخسارة
<p>In 2018, the company recorded revenue of KD 207.5million, up 1.4% from 2017. Revenues in 2018 were driven by revenues from the strong performance from food catering, food services and non-food fast moving consumer goods sectors, but were undermined by the results of the food manufacturing and distribution sector and the industrial sector.</p> <p>Despite the same, profits have been affected by a number of major challenges in a number of the main geographical areas of the group in light of regional and tax variables, most notably the impact of excise duty on energy drinks in the United Arab Emirates. The year 2018 is the first full year after its application, which commenced on 1 October 2017. The Company's operations in Saudi Arabia faced challenges during 2018, resulting in continued losses for our employees in that market.</p> <p>In addition, profits were affected by higher operating costs and prices of raw materials. Finally, profits were reduced as a result of higher financing costs driven by higher indebtedness and interest rate environment.</p>	<p>حققت الشركة في عام 2018 إيرادات بقيمة 207.5 مليون دينار كويتي بارتفاع 1.4٪ عن عام 2017. وقد تحققت الإيرادات خلال عام 2018 مدفوعة بإيرادات قطاع التجهيزات الغذائية وقطاع الخدمات الغذائية وقطاع المنتجات الاستهلاكية سريعة الدوران غير الغذائية و ولكن تم تقويضها بنتائج قطاع التصنيع والتوزيع الغذائي والقطاع الصناعي.</p> <p>وبالرغم من ارتفاع إيرادات المجموعة لقد تأثرت أرباح العام بعدد من التحديات الكبيرة في عدد من المناطق الجغرافية الرئيسية للمجموعة في ظل متغيرات اقليمية وضريبية ابرزها اثر الضريبة الانتقائية على مشروبات الطاقة في دولة الامارات العربية المتحدة حيث يعتبر عام 2018 اول عام كامل بعد التطبيق والذي بدأ في 1 اكتوبر 2017. كما واجهت عمليات الشركة في المملكة العربية السعودية تحديات خلال عام 2018 الامر الذي ادى الى استمرارية الخسائر في عمالنا في ذلك السوق.</p> <p>اضافة الى ذلك تأثرت الأرباح مع ارتفاع تكاليف تشغيلية واسعار مواد خام، واخيراً انخفضت الأرباح جراء ارتفاع التكاليف التمويلية بمدفوعة بارتفاع المديونية واسعار الفائدة</p>



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Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KWD 187,994	187,994 دينار كويتي
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KWD 4,761,625	4,761,625 دينار كويتي



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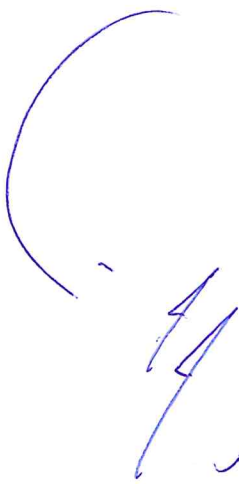
Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
16 %	16 فلس / سهم 16 Fils / share		توزيعات نقدية Cash Dividend
	No / لا يوجد		توزيعات أسهم منحة مجانية Stock Dividend
	No / لا يوجد		توزيعات أخرى Other Dividend
	-		عدم توزيع أرباح No Dividends
	علاوة الإصدار Issue Premium		زيادة رأس المال Capital Increase
			تخفيض رأس المال Capital Decrease

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		نائب رئيس مجلس الإدارة Vice Chairman of Board of Directors	محمد جاسم الوزان Mohammad Jassim Al-Wazzan

- Auditor Report Attached

- مرفق تقرير مراقب الحسابات









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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MEZZAN HOLDING COMPANY K.S.C.P.

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of Mezzan Holding Company K.S.C.P. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

**EY ERNST & YOUNG**  
AL AIBAN, AL OSAIMI & PARTNERS  
See Our Report Dated

21 MAR 2019

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MEZZAN HOLDING COMPANY K.S.C.P. (continued)

### Report on the Audit of the Consolidated Financial Statements (continued)

#### *Key Audit Matters (continued)*

##### *Impairment of goodwill*

As at 31 December 2018, the carrying value of goodwill amounted to KD 11.46 million (2017: KD 11.39 million), representing 5.25% (2017: 5.40%) of the total assets of the Group. The majority of goodwill has been allocated to cash-generating units (CGUs) acquired in a business combination as disclosed in Note 4 to the consolidated financial statements.

The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgment required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less cost to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes, and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate).

The Group engaged an external expert to assist with the impairment testing.

Our audit procedures included, among others, the following:

- ▶ We have involved our internal valuation specialists to assist us in challenging the methodology used in the impairment assessment and evaluating the appropriateness of key assumptions applied in the impairment analysis, such as the discount rate and terminal growth rate.
- ▶ We have evaluated whether the management's external expert has the necessary competence, capabilities and objectivity for audit purposes.
- ▶ We validated the cash flow projections used in the valuation and whether these are consistent with management's approved business plan. We have also compared the estimates of cash flow projections of previous periods with actual corresponding results, to assess the reasonableness of the cash flow forecasts.
- ▶ We evaluated the adequacy of the Group's disclosures concerning goodwill in Note 4 to the consolidated financial statements, including disclosures of key assumptions, judgements and sensitivities.

**EY ERNST & YOUNG**  
AL AIBAN, AL OSAIMI & PARTNERS  
See Our Report Dated

21 MAR 2019 *ey*

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MEZZAN HOLDING COMPANY K.S.C.P. (continued)

### Report on the Audit of the Consolidated Financial Statements (continued)

#### *Key Audit Matters (continued)*

##### *Expected credit losses (ECL) for trade receivables*

As at 31 December 2018, trade receivables amounted to KD 42.13 million (2017: KD 41.1 million), representing 19.33% (2017: 19.5%) of total assets of the Group. Effective from 1 January 2018, the Group has applied the simplified approach under IFRS 9: 'Financial Instruments' ("IFRS 9") to measure ECL on trade receivables, which allows for lifetime ECL to be recognised from initial recognition of the trade receivables. The Group determines the ECL on trade receivables by using a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the individual trade receivables and the economic environment. Due to the significance of trade receivables and the complexity involved in the ECL calculation, this was considered as a key audit matter.

Our audit procedures included, among others, the following:

- ▶ We have assessed the reasonableness of the assumptions used in the ECL calculation by comparing them with historical data adjusted for current market conditions and forward-looking information.
- ▶ We have also tested the application controls associated with the completeness and accuracy of the information included in the debtors' ageing report. Further, in order to evaluate the appropriateness of management judgements, we verified, on a sample basis, the customers' historical payment patterns and whether any post year-end payments had been received up to the date of completing our audit procedures.
- ▶ We also considered the adequacy of the Group's disclosures relating to ECL, management's assessment of the credit risk and their responses to such risks in Note 7 and Note 21.1 to the consolidated financial statements.

##### *Allowances against inventories*

The Group is in the business of manufacturing, trading and distribution of various products relating to food industry, fast moving consumer goods, catering and other industrial products and is subject to changing consumer demands and market trends, increasing the level of judgment involved in estimating allowances for obsolete and slow moving inventories. Judgment is required to assess the appropriate level of allowance for items, which may be ultimately destroyed or sold below cost as a result of a reduction in consumer demand. Such judgments include management's expectations for future sales and inventory liquidation plans. Estimation process of the allowance is disclosed in Note 2.5 to the consolidated financial statements.

**EY ERNST & YOUNG**  
AL AIBAN, AL OSAIMI & PARTNERS  
See Our Report Dated

21 MAR 2019

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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MEZZAN HOLDING COMPANY K.S.C.P. (continued)**

### **Report on the Audit of the Consolidated Financial Statements (continued)**

#### *Key Audit Matters (continued)*

##### *Allowances against inventories (continued)*

Our audit procedures included, among others, the following:

- ▶ We reviewed the basis for the allowance by understanding and challenging the key assumptions used. In doing so, we understood the aging profile of the inventory, identification of obsolete and damaged inventories and the process for identifying specific problem inventory. Furthermore, we recalculated the inventory allowance based on the above key assumptions to assess the mathematical accuracy of the calculation.
- ▶ We also considered the adequacy of the Group's disclosures relating to inventory and related allowances in Note 8 to the consolidated financial statements.

##### *Other information included in the Group's 2018 Annual Report*

Management is responsible for the other information. Other information consists of the information included in the Group's 2018 Annual Report, other than the consolidated financial statements and our auditor's report thereon. We obtained the report of the Parent Company's Board of Directors, prior to the date of our auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

21 MAR 2019

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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MEZZAN HOLDING COMPANY K.S.C.P. (continued)**

### **Report on the Audit of the Consolidated Financial Statements (continued)**

#### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MEZZAN HOLDING COMPANY K.S.C.P. (continued)**

### **Report on the Audit of the Consolidated Financial Statements (continued)**

#### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**


Furthermore, in our opinion proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that, we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No.1 of 2016, as amended, and its executive regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No.1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association have occurred during the year ended 31 December 2018 that might have had a material effect on the business of the Parent Company or on its financial position.

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BADER A. AL-ABDULJADER  
LICENCE NO. 207 A  
EY  
(AL-AIBAN, AL-OSAIMI & PARTNERS)

-- March 2019  
Kuwait

**EY ERNST & YOUNG**  
AL AIBAN, AL OSAIMI & PARTNERS  
See Our Report Dated

21 MAR 2019   
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