

التاريخ : 2017/02/05
المرجع: MAZ-CS-02-2017-0044

المحترمين
المحترم

السادة/ سوق دبي المالي
عناية السيد/ حسن عبدالرحمن السركال
نائب رئيس أول - رئيس تنفيذي العمليات - رئيس قطاع العمليات

تحية طيبة وبعد،،،

الموضوع : البيانات المالية المجمعة للسنة المالية المنتهية في 2016/12/31 لشركة المزاي القابضة

نود إفادتكم بأن مجلس إدارة الشركة قد اجتمع اليوم الأحد الموافق 2017/02/05، واعتمد البيانات المالية المجمعة للسنة المالية المنتهية في 2016/12/31 وفقا لما يلي :-

We would like to inform you that Al Mazaya Holding Co. K.S.C.P board of directors has met today Sunday 05/02/2017, and approved the Annual Consolidated Financial Statements for the year ended 31/12/2016 according to the following:

السنة المالية المنتهية في Year ended 2015/12/31	السنة المالية المنتهية في Year ended 2016/12/31	البند Item
30,654,947	33,501,830	الربح - (دولار أمريكي) Net Profit - USD
4.95	5.39	ربح السهم - (سنت أمريكي) EPS - Cent
308,057,615	315,831,165	إجمالي الموجودات المتداولة Total Current Assets
825,795,023	832,491,243	إجمالي الموجودات Total Assets
219,954,711	197,052,021	إجمالي المطلوبات المتداولة Total Current Liabilities
459,168,895	441,678,379	إجمالي المطلوبات Total Liabilities
342,587,418	359,865,016	إجمالي حقوق مساهمي الشركة الأم Total Equity Attributable to Equity Holders of Parents Company

Knowing that the net profit includes:

USD دولار أمريكي	3,871,848
	3,871,848
USD دولار أمريكي	صفر
	Nil

علماً بأن صافي الربح يتضمن:
بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة مبلغ
Revenues from related parties' transactions.
بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة مبلغ
Expenses resulted from related parties' transactions.

1. التوزيعات المقترحة:

أوصى مجلس إدارة الشركة بإجراء التوزيعات التالية عن السنة المالية المنتهية في 2016/12/31 للمساهمين المسجلين بسجلات الشركة بتاريخ انعقاد الجمعية العمومية.

1. The Proposed distributions

The Board of Directors recommended the following distributions for the financial year ended 31/12/2016 to shareholders registered company records on the general assembly date.

8 فلس كويتي لكل سهم 8 Kuwaiti fils for every share	8% من رأس المال المدفوع 8% of the paid-up capital	توزيع أرباح نقدية Distribution of cash dividends
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علماً بأن هذه التوصية تخضع لموافقة الجمعية العمومية والجهات المختصة.

Note that this recommendation is subject to the approval of the General Assembly and the concerned authorities.

2. مصادر التوزيعات:

الأرباح المرحلة والنقد المتاح لدى الشركة

2. Sources of distributions:

Retained earnings and cash available with the company

3. تفاصيل التحفظات أو أي فقرة توضيحية والواردة في تقرير مراقبي الحسابات:

لا يوجد أي تحفظات أو فقرات توضيحية واردة في التقرير.

3. Qualification or emphasis of matter in auditors' report:

No qualifications or emphasis of matter were mentioned in the auditors' report

رشيد يعقوب النفيسي
رئيس مجلس الإدارة

Annual Financial Statements for the Year Ended 31/12/2016 Form in KD			نموذج نتائج البيانات المالية السنوية المنتهية في 2016/12/31 (د.ك)
شركة المزاي القابضة			اسم الشركة
AL Mazaya Holding Co.			Company's Name
05/02/2017			تاريخ اجتماع مجلس الإدارة The Date of Board of Directors Meeting
نسبة التغير Change Percentage	السنة المقارنة Comparative Year 2015/12/31	السنة الحالية Current Year 2016/12/31	البيان Statement
% 10.02	9,319,104	10,253,235	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
% 9.77	15.04	16.51	ربحية / (خسارة) السهم الأساسية – فلس Basic Earnings per share– Fils
% 8.98	15.04	16.39	ربحية / (خسارة) السهم المخففة – فلس Diluted Earnings per share– Fils
% 3.21	93,649,515	96,660,128	الموجودات المتداولة Current Assets
% 1.49	251,041,687	254,783,945	إجمالي الموجودات Total Assets
% (9.81)	66,866,232	60,307,771	المطلوبات المتداولة Current Liabilities
% (3.61)	139,587,344	135,175,668	إجمالي المطلوبات Total Liabilities
% 5.75	104,146,575	110,136,688	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
% (7.77)	59,818,359	55,172,225	إجمالي الإيرادات التشغيلية Total Operating Revenue
% (13.35)	16,142,094	13,986,751	صافي الربح / (الخسارة) التشغيلي Net Operating Profit (Loss)
% 10.04	% 13.54	% 14.90	صافي الربح (الخسارة) / رأس المال المدفوع Net Profit (Loss)/ Paid-up Share Capital

- يعود سبب الارتفاع في صافي الربح بشكل رئيسي إلى:
❖ الزيادة في الأرباح التشغيلية الناجمة عن زيادة إيرادات الإيجارات والأرباح التشغيلية الأخرى.

- The increase in the net profit is mainly due to the followings:
❖ Increase in the operating income that resulted from increase in rental income & other operating profits.

- بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة مبلغ 1,184,979 دينار كويتي.
- Total revenues realized from dealing with related parties amounting to KD 1,184,979.

- بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة مبلغ صفر دينار كويتي.
- Total expenditures incurred from dealing with related parties amounting to KD Nil.

النسبة	البيان	Dividend	توزيعات الأرباح
% 8	8 فلس كويتي	cash dividend	توزيعات نقدية
N/A	N/A	stock dividend	أسهم منحة
N/A	N/A	Other dividend	توزيعات أخرى
N/A	N/A	No dividend	عدم توزيع أرباح

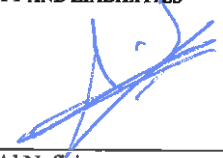
N/A		Capital Increase	زيادة رأس المال
N/A	مبلغ العلاوة: N/A	Capital Decrease	تخفيض رأس المال
N/A			

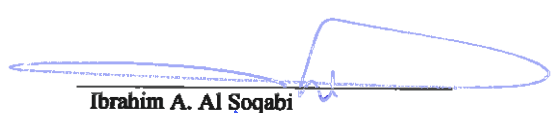
ختم الشركة	التوقيع	المسمى الوظيفي	الاسم
		رئيس مجلس الإدارة	رشيد يعقوب النفيسي

K.S.C.P. HOLDING CO. K.S.C.P. HOLDING CO.
شركة ك.س.ك.ب. هولدنج

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Notes	2016 KD	2015 KD
ASSETS			
Non-current assets			
Goodwill	8	2,266,732	2,266,732
Property and equipment		595,221	665,393
Investment properties	9	129,286,975	115,006,585
Investment in joint venture and associate	10,11	9,352,843	12,174,873
Financial assets available-for-sale	12	9,126,960	11,121,542
Advances for purchase of properties		7,495,086	16,157,047
		<u>158,123,817</u>	<u>157,392,172</u>
Current assets			
Properties held for trading	13	69,036,258	71,653,133
Accounts receivable and other debit balances	14	17,438,418	10,023,184
Cash and bank balances	15	10,185,452	11,973,198
		<u>96,660,128</u>	<u>93,649,515</u>
Total assets		<u>254,783,945</u>	<u>251,041,687</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	68,827,896	68,827,896
Share premium	16	21,655,393	21,655,393
Statutory reserve	17	13,195,539	12,123,874
Voluntary reserve	17	10,260,619	9,188,954
Fair value reserve		549,283	465,563
Treasury shares	18	(21,310,897)	(21,788,181)
Employee stock option plan	24	360,360	268,693
Other reserves		845,160	845,160
Foreign currency translation reserve		364,977	636,832
Retained earnings		15,388,358	11,922,391
Equity attributable to equity holders of the Parent Company		<u>110,136,688</u>	<u>104,146,575</u>
Non-controlling interests		<u>9,471,589</u>	<u>7,307,768</u>
Total equity		<u>119,608,277</u>	<u>111,454,343</u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits		873,797	734,210
Tawarruq and ijara payable	19	66,522,971	71,986,902
Term Loans	20	7,471,129	-
		<u>74,867,897</u>	<u>72,721,112</u>
Current liabilities			
Tawarruq and ijara payable	19	10,319,641	8,379,544
Term Loans	20	2,322,458	-
Advances from customers		27,789,257	42,586,452
Accounts payable and other credit balances	21	19,876,415	15,900,236
		<u>60,307,771</u>	<u>66,866,232</u>
Total liabilities		<u>135,175,668</u>	<u>139,587,344</u>
TOTAL EQUITY AND LIABILITIES		<u>254,783,945</u>	<u>251,041,687</u>


Rasheed Y. Al Nafisi
Chairman


Ibrahim A. Al Soqabi
Chief Executive Officer

The attached notes 1 to 32 form part of these consolidated financial information.

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2016

	Notes	2016 KD	2015 KD
Revenue from sale of properties held for trading		47,814,320	53,265,302
Rental income		7,112,362	6,174,227
Net management fees and commission income	22	245,543	378,830
REVENUE		55,172,225	59,818,359
Cost of sale of properties held for trading		(39,741,345)	(42,375,649)
Cost of rental		(1,444,129)	(1,300,616)
COST OF REVENUE		(41,185,474)	(43,676,265)
GROSS PROFIT		13,986,751	16,142,094
Net change in fair value of investment properties	9	(965,641)	817,386
Loss on disposal of investment properties		(303,633)	(12,293)
Net gain from business combination	6	2,425,221	-
Share of results from joint venture and associate	10,11	1,055,072	128,125
Net gain on sale of a subsidiary	32	1,184,979	-
Gain on disposal of joint venture and an associate		-	883,165
(Provision for) write back of impairment loss on properties held for trading	13	(296,282)	1,411,010
General and administrative expenses		(4,634,002)	(4,274,123)
Net investment income	23	741,826	11,413
Other income (expenses)	25	2,422,863	(1,641,567)
Finance costs		(4,062,517)	(3,450,440)
Foreign exchange gain		230,680	6,540
Profit for the year before contribution for Board of Directors' remuneration, Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		11,785,317	10,021,310
Board of Directors' remuneration	16	(185,000)	(160,000)
KFAS		(70,713)	(88,583)
Zakat		(48,192)	(63,326)
NLST		(159,507)	(241,518)
PROFIT FOR THE YEAR		11,321,905	9,467,883
Attributable to:			
Equity holders of the Parent Company		10,253,235	9,319,104
Non-controlling interests		1,068,670	148,779
		11,321,905	9,467,883
BASIC EARNING PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	7	16.51 fils	15.04 fils
DILUTED EARNING PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	7	16.39 fils	15.04 fils

The attached notes 1 to 32 form part of these consolidated financial information.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
AL MAZAYA HOLDING COMPANY K.S.C.P.**

Report on the Audit of Consolidated financial Statements

Opinion

We have audited the consolidated financial statements of the Al Mazaya Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statement of income, 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 the summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2016, 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 year. 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 identified the following key audit matters:

a) *Valuation and impairment of investment securities*

Investment securities primarily consist of available for sale investments. These instruments are measured at fair value with the corresponding fair value change recognised in other comprehensive income. The valuation is performed by the Group using a fair value hierarchy.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
AL MAZAYA HOLDING COMPANY K.S.C.P. (continued)**

Report on the Audit of Consolidated financial Statements (continued)

Key Audit Matters (continued)

a) Valuation and impairment of investment securities (continued)

The valuation of investment securities is inherently subjective, most predominantly for the instruments classified under level 3 as these are valued using inputs other than quoted prices in an active market. Key inputs used in the valuation of individual level 3 investments are expected cash flows, risk free rates and credit spreads. In addition, the Group determines whether objective evidence of impairment exists for individual investments, whether it represents a significant or prolonged decline. In these cases, the difference between carrying value and fair value is transferred from other comprehensive income to the consolidated statement of income. Given the inherent subjectivity in the valuation of the investment securities classified under level 3, we determined this to be a key audit matter.

Our audit procedures comprised, amongst others, assessment of the methodology and the appropriateness of the valuation models and inputs used for valuation of financial assets available for sale. As part of these audit procedures we assessed the accuracy of key inputs used in the valuation such as the expected cash flows, risk free rates and credit spreads by benchmarking them with external data. We also evaluated the Group's assessment whether objective evidence of impairment exists for individual investments, whether it represents significant or prolonged decline. Finally, we assessed the appropriateness of disclosures relating to investment securities, as shown in Note 12 of the consolidated financial statements.

b) Valuation of investment properties

Investment properties of the Group represent a significant part of the total assets and is carried at fair value as at 31 December 2016.

The management is determining the fair value of its investment properties and uses external appraisers to support the valuation. The valuation of the investment properties at fair value is highly dependent on estimates and assumptions such as rental value, occupancy rates, discount rates, financial stability of tenants, market knowledge and historical transactions. Further, the disclosures relating to the assumptions are relevant, given the estimation uncertainty and sensitivity of the valuations. Given the size and complexity of the valuation of investment properties and the importance of the disclosures relating to the assumptions used in the valuation, we considered this as a key audit matter.

We have evaluated the assumptions and estimates made by the management and the external appraisers in the valuation to assess the appropriateness of the data supporting the fair value. Our real estate specialists were part of our audit team for evaluating the external valuation, including the assumptions and estimates used. Amongst others, we have considered the objectivity, independence and expertise of the external appraisers. Furthermore, we assessed the appropriateness of the disclosures relating to the sensitivity of the assumptions as shown in Note 9 of the consolidated financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
AL MAZAYA HOLDING COMPANY K.S.C.P. (continued)**

Report on the Audit of Consolidated financial Statements (continued)

Key Audit Matters (continued)

c) Properties held for trading

Properties held for trading represent a significant part of total assets and is carried at the lower of cost or net realisable value, which requires management's judgement in determining the appropriate costing basis and provision for write down of properties held for trading since they are based on forecast of estimated selling price less costs to sell and assessing whether the provision is adequate. Given the size and complexity of the valuation of properties held for trading, we addressed this as a key audit matter.

We have tested a sample of properties held for trading to assess the cost basis and challenged the estimates made by management by assessing whether the estimates regarding sales forecasts and sales prices are based on the existing contracts and whether these are in line with historical revenues to date. Further, we have assessed the determination of the net realisable value by verifying recent sales transactions and the related costs necessary to make the sale. Further, we compared the properties held for trading provision to the Group's policy and evaluated management's judgement on the adequacy of this by performing a review of the overall level of provisions on an aggregate as well as understanding the levels of demand for properties. Finally, we assessed the appropriateness of disclosures relating to properties held for trading, as shown in Note 14 of the consolidated financial statements.

d) Acquisition of a subsidiary

During the year ended 31 December 2016, The Parent Company has acquired an additional 50% equity interest in its existing joint venture i.e. Ritim Istanbul ("Ritim") – an entity incorporated in Turkey.

The Group completed the purchase price allocation (in which identifiable assets and liabilities assumed were recognised at fair value) including the Group's previously held equity interest. The fair value of the identifiable assets acquired and liabilities assumed in a business combination is different from their carrying amounts in the acquired statement of financial position, which gave rise to fair value adjustments. Management, assisted by its external valuation specialists, determined the fair value of Ritim's identifiable assets and liabilities. Since the majority of the identifiable assets acquired comprises of real estate properties, thus the fair value of assets acquired is mainly dependent on the valuations of these properties. Furthermore, the acquisition involve certain pre-existing relationships between the Parent Company and Ritim. As, the determination of fair value of assets acquired and liabilities assumed requires significant judgement and due to the complexity involved in accounting for business combination, we have considered this as a key audit matter.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
AL MAZAYA HOLDING COMPANY K.S.C.P. (continued)**

Report on the Audit of Consolidated financial Statements (continued)

Key Audit Matters (continued)

d) Acquisition of a subsidiary (continued)

As part of our audit procedures, amongst other procedures, we performed an analysis of the fair value of the identifiable assets acquired and liabilities assumed supporting the purchase price allocation. We considered the objectivity, independence and expertise of the external appraisers. Our internal valuation specialists were part of our audit team to assist us in auditing the external valuation, including the assumptions and estimates used. Furthermore, we assessed the impact of the accounting for acquisition of a subsidiary on the consolidated financial statements of the Group for the year ended 31 December 2016.

The disclosures relating to the acquisition of Ritim are detailed in Note 6 of the consolidated financial statements.

Other information included in the Group's 2016 Annual report

Management is responsible for the other information. Other information consists of the information included in the Group's 2016 Annual Report, other than the consolidated financial statements and our auditors' 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 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 during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information we obtained prior to the date of the auditors report, we conclude that there is a material misstatement of other information; we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
AL MAZAYA HOLDING COMPANY K.S.C.P. (continued)**

Report on the Audit of Consolidated financial Statements (continued)

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 the 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.

Auditors' 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 auditors' 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 skepticism 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL MAZAYA HOLDING COMPANY K.S.C.P. (continued)

Report on the Audit of Consolidated financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 auditors' 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 auditors' 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.

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 period 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL MAZAYA HOLDING COMPANY K.S.C.P. (continued)

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, and its executive regulations 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 and its executive regulations nor of the Parent Company's Memorandum of Incorporation and Articles of Association have occurred during the year ended 31 December 2016 that might have had a material effect on the business of the Parent Company or on its financial position.

WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

DR. SAUD HAMAD AL-HUMAI
LICENSE NO. 51 A OF DR. SAUD
HAMAD AL-HUMAI & PARTNERS
MEMBER OF BAKER TILLY
INTERNATIONAL

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Kuwait