

**Kuwait: 24 April 2018**

**M/s Boursa Kuwait Company  
Chief Executive Officer**

Dear Sir,

**Subject: Full disclosure of substantial information in connection with Mushrif restructuring**

With reference to the above subject, and further to our previous disclosure on 6/2/2017 in connection with the restructuring of the Company, kindly be advised that Company financial statements are being audited, in view of the difficulties facing the Company in consolidating the financial statements for the periods ended from 30/6/2016 up to June 2018. Further, the Company expects announcement of all the balance sheets by the middle of June 2018. Please find enclosed the detailed report on all the developments and urgent developments on the Company, including the following:

1. Has the percentage of the Company losses exceeded 75% of its capital, annex No.1
2. The Company debt restructuring process, annex No.2
3. Lawsuits filed by or against the Company and their effects on it, annex No.3
4. Existing and new projects of the Company, annex No.4
5. Projects withdrawn from the Company, annex No.5
6. The Company status with the Central Agency for Public Tenders, annex No.6
7. Challenges of employment and manpower in the Company, annex No.7.
8. The Company's conformity with the requirements of the Capital Markets Authority, annex No.8
9. Future directions of the Company, annex No.9

Further, please be informed that the Company will continue coordination and notification of Kuwait Stock Exchange and the Capital Markets Authority with all the details or any developments in this respect on timely basis.

Thanking you for your cooperation.

Regards,

Mushrif Trading & Contracting Co.  
Ahmad Ali Abdulaziz Al Wazzan  
Administration Manager (signed)

Annex No.13

**Supplementary Disclosure Form**

<b>Date</b>	24/4/2018
<b>Name of listed company</b>	Mushrif Trading & Contracting Company KSCP
<b>Disclosure type</b>	Supplementary disclosure of substantial information in connection with the restructuring of Mushrif
<b>Date of previous disclosure</b>	6/2/2018
<b>Development on the disclosure</b>	<p>Further to our previous disclosure on 6/2/2017 in connection with the restructuring of the Company, kindly be advised that the Company financial statements are being audited and in view of the difficulties facing the Company in consolidating the financial statements for the periods ended from 30/6/2016 up to the first quarter ended on 31/3/2018, the Company is expecting the announcement of all the balance sheets by the middle of June 2018. Further, kindly find enclosed a detailed report on all the developments and urgent developments in the Company, including the following:</p> <ol style="list-style-type: none"> <li>1. Has the percentage of the Company losses exceeded 75% of its capital, annex No.1</li> <li>2. The Company debt restructuring process, annex No.2</li> <li>3. Lawsuits filed by or against the Company and their effects on it, annex No.3</li> <li>4. Existing and new projects of the Company, annex No.4</li> <li>5. Projects withdrawn from the Company, annex No.5</li> <li>6. The Company status with the Central Agency for Public Tenders, annex No.6</li> <li>7. Challenges of employment and manpower in the Company, annex No.7.</li> <li>8. The Company's conformity with the requirements of the Capital Markets Authority, annex No.8</li> <li>9. Future directions of the Company, annex No.9</li> </ol>
<b>Financial impact of the development (if any)</b>	Nil

*Signed/ Mushrif Company*

**Annex No. (1)**

Whereas the accounts are under preparation and require many complicated inputs in order to pass them, therefore we are unable to disclose any information on whether the losses are more than 75% of the equities or not. We have to wait for another few weeks in order to disclose any information on this matter.

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**Annex No. (2)**

Upon finalizing the preparation of the accounts, and if the Board of Directors deems necessary, the debt restructurings program shall be studied and proposed, noting that up to date, no lawsuit was filed by the banks with which the Company is dealing, except Kuwait Finance House which filed a lawsuit against the Company to collect the debts for classifying Mushrif's debts as hard debts.

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**Annex No. (3)**  
**Lawsuits Filed by the Company**

1. Case No.4054/2017 Administrative 21 (appointment of expert) versus the Ministry of Public Works and others in connection with the withdrawn project No.238. It is expected that that the judgment will be passed in favour of the Company for all the amounts due to it, in addition to the damages incurred by the Company as a result of the abusive withdrawal decision and the resulting effects.
2. Case No.4052/2017 Administrative (appointment of expert) versus the Ministry of Public Works and others in connection with the withdrawn project No.222. It is expected that that the judgment will be passed in favour of the Company for all the amounts due to it, in addition to the damages incurred by the Company as a result of the abusive withdrawal decision and the resulting effects.
3. Case No.880/2015 Administrative (appointment of expert) versus the Ministry of Public Works and others in connection with Zakat House Project. It is expected that that the judgment will be passed in favour of the Company for all the amounts due to it, in addition to the legal interests as a result of the delay in payment.
4. Case No.626/2017 Administrative Appeal versus the Ministry of Public Works and others in connection with project 96. It is expected that that the judgment will be passed in favour of the Company for all the amounts due to it, in addition to the legal interests as a result of the delay in payment.
5. Case No.6729/2015 Commercial 1<sup>st</sup> Instance (appointment of expert) versus the Saudi Pumps Factory and others. It is expected that that the judgment will be passed in favour of the Company for all the amounts due to it, in addition to the legal interests as a result of the delay in payment.
6. Case No.7560/2017 Administrative (appointment of expert) versus the Ministry of Public Works in connection with project 100. It is expected that that the judgment will be passed in favour of the Company for all the amounts due to it, in addition to the legal interests as a result of the delay in payment
7. Case No.776/2018 Administrative (appointment of expert) versus the Ministry of Public Works in connection with project 66. It is expected that that the judgment will be passed in favour of the Company for all the amounts due to it, in addition to the legal interests as a result of the delay in payment

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**Lawsuits Filed Against the Company**

1. Case No.6436/2014 Commercial 1<sup>st</sup> Instance (appointment of expert) filed by Menard Middle East Company limited versus the Company, for claiming the sum of KD 902,826.330. There is a subsidiary case in the same case by the Company versus Menard Company to claim the sum of KD 500,000/-. The case is still being deliberated in front of the Court of First Instance.
2. Case No.12138/2017 Commercial 1<sup>st</sup> Instance (appointment of expert) filed by Kuwait Finance House versus the Company to confirm the Company's debt in connection with the value of the facilities offered for project 238.
3. Case No.990/2018 Commercial Appeal/2 filed by Mushrif Trading & Contracting Company versus Kuwait Finance House to repeal the Court of First Instance judgment ruling for the sequestration of the Company's funds. The case is still being deliberated in front of the Court of Appeal.

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**Annex No. (4)**  
**Existing and New Projects**

Sr. No.	Project Number	Owner	Project Name	Completion percentage as of Feb 2018	Project dates		Value in Kuwaiti Dinar
					Start	End	
1	RA/211	Public Authority for Roads and Overland Transport	Construction, completion and maintenance of roads and intersections on the expressways to serve Sheikh Jaber Al Ahmad City	89.80%	01/09/2013	26/05/2018	28,728,592
2	13050638	Kuwait Oil Company	Installation of multipoint smokeless high pressure flare at fourteen south and east Kuwait gathering centers	86.10%	15/07/2013	30/06/2018	13,075,000
3	PAI/18/A/2011	Public Authority for Industry	Design, execution, completion and maintenance of infrastructure works for Shadadiya Industrial Area according to the (design/build) system	14.76%	01/03/2014	17/10/2019	84,880.000
4	15050923	Kuwait Oil Company	New flowlines for 5 existing injection wells, 1 new source well & replacement of 19 existing brackish water flowlines	67.50%	22/04/2015	30/06/2018	9,316.660
5	SE/S/183	Ministry of Public Works	Management, operation and maintenance of Jahra main pumping station and its sewage drainage lines	81.15%	20/11/2014	19/11/2018	3,450,400
6	SE/S/184	Ministry of Public Works	Management, operation and maintenance of Kabad Treatment Plant	81.08%	20/11/2014	19/11/2018	1,855,712
<b>Total K.D</b>							<b>1,306,364</b>

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**Annex No. (5)**  
**Projects Withdrawn from the Company**

1. Project No.238 – construction, completion and maintenance of roads, flyovers and drainage for rainwater and sewage drainage, as well as other services connecting between Mina Abdulla and Wafra.
2. Project No.222 – construction, completion and maintenance of a flyover and other services along the Arabian Gulf Road at Al Beda'a Round-About.

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**Annex No. (6)**  
**Company's Status with the Central Agency for Public Tenders**

After finalizing the withdrawal of project No. RA/238 and project No. RA/222, the Ministry of Public Works has submitted an application to the Central Agency for Public Tenders for suspending the Company's activity with it for three years. After referring to the Central Agency for Public Tenders and submitting all the pleadings which prove that the withdrawal was abusive and that the Company has time extension rights in connection with the withdrawn projects, the Central Agency for Public Tenders suspended the Company activity with it for a period of one year effective 18/10/2017.

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**Annex No. (7)**

The salaries of the head office staff were paid up to November, noting that the remaining months are pending up to date. Furthermore, the salaries of the Company personnel working in Shadadiya Project of the Public Authority for Industry are pending since December 2017. As for the other projects, the delays of the salaries range between two to three months approximately. This has cause a significant problem in the retention of staff and appointment of new staff. However, Mushrif has a committed team and all the personnel holding the key jobs are very committed and support the Company in the reform process it is undertaking.

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**Annex No. (8)**  
**Company's Conformity with the Requirements of the Capital Markets Authority**

In light of the extraordinary and critical conditions the Company is undergoing in terms of the low financial flows, the Company is striving to avoid all the violations it incurred on part of M/s Capital Markets Authority, as much as possible.

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**Annex No. (9)**

Mushrif was able to protect all its current projects and the execution of all of them is advancing in a very good manner satisfactory to the clients. For the current status, the risk of the loss of any project due to non performance is very low as Mushrif Company is one of the leaders in the construction of the infrastructure in the State of Kuwait and looks forward to be in the first rank in this field very soon, and has not lost its key personnel who are among its most significant main assets.

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