

Offering Circular

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United Gulf Holding Company B.S.C. (the “Company”)

A Bahraini Shareholding Company listed on the Bahrain Bourse registered with the Ministry of Industry & Commerce under Commercial Registration Number 114160.

Offering Circular

Registered on 18 November 2020 by the Central Bank of Bahrain

Issue of up to 26,593,850 new Ordinary Shares of a Nominal Value of USD 0.50 each (“**Ordinary Shares**”), at an issue price of USD 2.63 per new Ordinary Share (“**Issue Price**”) on a ‘Rights Offering’ basis to eligible subscribers being existing shareholders of the Company (“**Shareholders**”) only as on the Record Date (which amounts to proceeds of up to USD 70 million).

Nominal Value per share	USD 0.50	Opening Date	25 November 2020
Issue Price	USD 2.63 <i>Discount to Avg Market Price of ~20%</i>	Closing Date	9 December 2020
Receiving Bank:	Legal Advisor:	Issue Registrar:	Auditor:
Bahrain Islamic Bank	Al Tamimi & Co.	Bahrain Clear	Ernst and Young – Middle East
			
Lead Manager			
 بنك الخليج المتحد (مغلقة) United Gulf Bank B.S.C. (Closed)			

Important Disclaimer:

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional advisor.

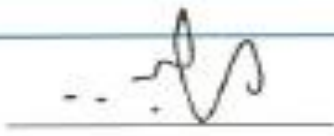







A copy of this Offering Circular has been submitted to and registered by the Central Bank of Bahrain (the “**CBB**”). Registration of the Offering Circular by the CBB does not imply that the Central Bank of Bahrain and Financial Institutions Law No. 64 of 2006, as amended, (the “**CBB Law**”), or any other legal or regulatory requirements, has been complied with. The CBB has not, in any way, considered the merits of the equity securities being offered for investment.

Following completion of the Offering, an application will be made to the Bahrain Bourse to list the Ordinary Shares being offered pursuant to this Offering Circular, subject to the prior approval of the CBB.

This Offering Circular has been registered with the Central Bank of Bahrain on 18 November 2020 and is valid for 6 months from the date of registration of the Offering Circular by the CBB.

No Ordinary Shares (equity securities) shall be allotted or allocated on the basis of this Offering Circular later than 3 months after the date of registration of the Offering Circular by the CBB.

THE DIRECTORS OF THE COMPANY, WHOSE NAMES APPEAR HEREIN, ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THE DOCUMENT.

Masaud M. J. Hayat, Chairman	
Faisal H. Mubarak Al-Ayyar, Vice Chairman	
Sadoun A. H. Ali, Executive Director	
Tariq M. Y. Abdulsalam, Executive Director	
Mazen Hawwa, Executive Director	
Mubarak Al Maskati, Independent Director	
Bader Al Awadhi, Independent Director	
Mohammed Haroon, Independent Director	

Important Notice:

This Offering Circular is delivered on behalf of United Gulf Holding Company B.S.C. (“**UGH**” or the “**Issuer**” or the “**Company**”) by United Gulf Bank B.S.C. (Closed), acting as the Lead Manager to the Offering, referred to in this Offering Circular as the “**Lead Manager**”.

This Offering Circular is being furnished by the Issuer solely for the purpose of enabling existing Shareholders to consider subscribing to the Ordinary Shares under the Offering.

No person has been authorised to make any representations or give any information with respect to UGH or the Rights Offering (the “**Offering**”) except the information contained in this Offering Circular. Any representation or information not contained in this Offering Circular with respect to UGH or the Offering must not be relied upon as having been authorised by the Directors. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy the equity securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Offering Circular includes details given in compliance with the CBB Law and the rules and regulations of the CBB, the Bahrain Bourse and Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain. The Directors, whose names appear in this Offering Circular, collectively and individually confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in this Offering Circular is accurate and complete and that there are no other facts or omissions which, if disclosed, would render any statement in this Offering Circular materially misleading. Substantial portions of the market and industry information in this Offering Circular are derived from the management analysis as well as external sources. The market and industry information contained in this Offering Circular has not been independently verified and no representation is made with respect to the accuracy or completeness of any of this information.

While UGH and the Directors have made all reasonable enquiries as to the accuracy and completeness of the information contained in this Offering Circular, such information is subject to change. In particular, the actual financial position of UGH and the value of the equity securities may be adversely affected by future developments in inflation, interest rates, taxation, or other economic, political and other factors, over which UGH and the Directors have no control. Neither the delivery of this Offering Circular, nor any oral, written, or printed communication in relation to the equity securities offered is intended to be, or should be construed as or relied upon in any way, as a promise or representation as to future earnings, results or events.

UGH has appointed United Gulf Bank B.S.C. (closed), Bahrain to act as the Lead Manager for the Offering. The Lead Manager has conducted due diligence and made all reasonable enquiries to ensure the legality, accuracy and completeness of this Offering Circular in accordance with the requirements of the Central Bank of Bahrain.

In addition to the Lead Manager, the Directors have appointed Al Tamimi & Co. as the Legal Advisor to assist them in compiling the Offering Circular in compliance with applicable laws and regulations. UGH has appointed Bahrain Islamic Bank B.S.C. to act as the Receiving Bank for the Offering.

None of the Directors, their respective officers, agents, employees, the Lead manager and other advisors assume any liability for any representation or warranty (expressed or implied) enclosed within, or omitted from this Offering Circular, or any other written or verbal information transmitted to the recipient (or any of their advisors), in the course of the recipient’s assessment of any proposed investment.

Each Applicant may, prior to the submission of its application form (“**Application Form**”), ask questions of and seek clarification from the Lead Manager concerning UGH and the Offering. Answers to such questions and clarification will be provided by the Lead Manager to the extent that it possesses or can acquire the requisite

information without unreasonable effort or expense. The contents of this Offering Circular should not be treated as investment, tax, or legal advice by an Applicant. All Applicants should make their own investigation and evaluation of the opportunity to invest in UGH and should seek to consult their own advisors concerning the evaluation of the risks of the investment and its suitability for their individual financial and risk preferences. Prior to making an investment decision, each recipient of this Offering Circular is responsible for obtaining independent professional advice in relation to the Offering and for considering the appropriateness of the information contained in this Offering Circular with regard to individual objectives, financial situations and needs.

The Offering Circular is not to be regarded as a recommendation on the part of UGH, the Directors or any of their advisors to participate in the Offering. Moreover, information provided in this Offering Circular is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs.

The Offering is only being made to, and is only capable of acceptance by, Applicants of nationalities fulfilling the subscription application requirements. The distribution of this Offering Circular and the sale of equity securities offered in a jurisdiction may be restricted by law and therefore persons into whose possession this Offering Circular comes should inform themselves about and observe all such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of that jurisdiction. This Offering Circular does not constitute an offer to sell or issue or to solicit an offer to buy or for the supply of equity securities in any jurisdiction in which such offer or solicitation is unlawful.

UGH, the Directors, the Lead Manager and other advisors require recipients of this Offering Circular to inform themselves about and observe all such restrictions. UGH and the Directors reserve the right to terminate at any time, the further participation of any party in the Offering.

Forward Looking Statements

The statements contained in this Offering Circular that are not historical facts are “forward-looking statements”. The word “plans”, “estimates”, “believes”, “expects”, “may”, “will”, “should”, “are expected”, “will be”, “anticipates” or the negative or other variation of such terms or comparable technology are intended to identify a number of these forward-looking statements.

These forward-looking statements reflect the current views of UGH and the Directors with respect to prospective events, and are not a guarantee of future performance. Many factors could cause the actual performance, achievements, or results of UGH to be significantly different from any prospective performance, achievements or results that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Offering Circular including Section 10 (Investment Considerations and Risk Factors) of this Offering Circular.

Should any one or more of the risks or uncertainties materialise or any underlying assumptions prove to be inaccurate or incorrect, actual results may vary materially from those described in this Offering Circular as anticipated, believed, estimated or expected. As a result of these and other risks, the forward looking events and circumstances discussed in this Offering Circular might not occur in the way UGH expects, or at all. Applicants should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

Copies of this Offering Circular may be obtained from the Lead Manager, the Designated Branch of the Receiving Bank and the Issue Registrar. A copy of this Offering Circular is also published on the website of the BHB.

General Risk Statement

An investment in equity securities involves risk. Prospective investors should consider carefully, together with all other information contained in this Offering Circular, the principal risk factors in the “Investment Considerations and Risk Factors” Section before deciding to invest in equity securities.

Prospective investors should not place undue reliance on any information contained in published news reports, in particular, any financial projections, valuations or other forward-looking information. Prospective investors should not only rely on the information included in this Offering Circular and the documents referred to in it or available for inspection to make their investment decision.

Prospective investors should seek professional advice from their relevant advisors regarding their prospective investment in the context of their particular circumstances.

Applicants Identification and Anti-Money Laundering Requirements

UGH, the Lead Manager and the Receiving Bank reserve the absolute right to require further verification of the identity of each Applicant, or that of the person or entity on whose behalf the Applicant is applying for the purchase of equity securities.

Each Applicant will provide satisfactory evidence of identity and, if so required, the source of its funds within a reasonable time period determined by UGH. Pending the provision of such evidence, an application to subscribe for equity securities will be postponed.

An Applicant may not need to provide documentation to the Receiving Bank or the Lead Manager if the Applicant is an existing shareholder of UGH and has already provided documentation related to his/her identity to Bahrain Clear, the Share Registrar.

If an Applicant fails to provide satisfactory evidence within the time specified, or if an Applicant provides evidence which is not to the Lead Manager’s satisfaction, the application may be rejected immediately, in which event any money received from the Applicant will be returned to the Applicant, without any addition and at the risk and expense of the Applicant.

In respect of any Bahraini potential investors, the Issuer will comply with Bahrain Legislative Decree No. (4) of 2001 with respect to Prohibition and Combating of Money Laundering and Various Ministerial Orders issued thereunder including, but not limited to, Ministerial Orders No. (7) of 2001 with respect to Institutions Obligation Concerning the Prohibition and Combating of Money Laundering, in addition to complying with Anti Money Laundering and Combating Financial Crime Module of the CBB Rulebook Volume 6.

UGH, the Receiving Bank and the Issue Registrar will also comply with international anti-money laundering requirements as existing from time-to-time. Under the above regulatory requirements, UGH, the Receiving Bank and the Issue Registrar may be obliged to report certain information to regulatory agencies if requested to do so, in the jurisdiction in which they operate.

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1. Glossary of Defined Terms and Abbreviations:

AGM	Annual General Meeting
Allotment Date	The date on which the Ordinary Shares being offered pursuant to this Offering Circular will be allotted to Applicants, and is 6 calendar days from the Closing Date
Allotment Notice	A notice informing Applicants of their respective allotment of Ordinary Shares applied pursuant to this Offering Circular
Applicant(s)	A person applying for the Ordinary Shares pursuant to this Offering Circular
Application Form	The form provided by the Issuer and available from the offices of the Issuer, the Issue Registrar, and the Designated Branch of the Receiving Bank and to be used by Applicants when applying for Ordinary Shares offered pursuant to the Offering
Authorities	Any one, or a combination of the following entities to which relevant notification must be made or from which relevant approval will be necessary in relation to the Offering: - the Capital Market Supervision Directorate – Central Bank of Bahrain, the BHB, the Ministry of Industry, Commerce and Tourism and any other relevant Governmental body
Authorized Share Capital	As of the date of this Document, USD 252,700,000 comprising 505,400,000 Ordinary Shares of USD 0.50 each as authorized to issue in accordance with the Memorandum and Articles of Association
Average Market Price	Average of the closing price of UGH shares listed on the BHB, over the period of the last six months, as at the date of this Offering Circular
Bahrain	Kingdom of Bahrain
Bahrain Clear B.S.C. (c)	The BHB's Central Depository clearance settlement system
Business Hours	The official working hours on a working day in the Kingdom of Bahrain
BD / BHD	Bahraini Dinar, the legal currency of the Kingdom of Bahrain
BHB	Bahrain Bourse
Board of UGH or UGH Board	the Board of Directors of UGH
B.S.C.	Bahrain Shareholding Company
Business Day	a day on which banks, financial institutions and the BHB are open for general business in the Kingdom of Bahrain
CBB	the Central Bank of Bahrain
Closing Date	The date on which the Offering will close for subscription, which is close of Business Hours on 9 December 2020 or such other date as may be decided by UGH, subject to the prior approval of the CBB
CEO	Chief Executive Officer
CMSD	Capital Markets Supervision Directorate, the Central Bank of Bahrain

Company, UGH or Issuer	United Gulf Holding Company B.S.C.
Companies Law	the Commercial Companies Law No. 21 of 2001 as amended
Designated Branch of the Receiving Bank	Building 722, Al Salam Tower, Diplomatic Area, Manama, Kingdom of Bahrain
Distribution Date	The date on which Applicants shall collect their Allotment Notice and the refund, if any from the office of the Issue Registrar, and is 9 calendar days from the Closing Date
Director(s)	a person holding office as a director of the UGH Board
EGM	Extraordinary General Meeting of the shareholders of the Company
FY	Fiscal Year
GCC	Gulf Cooperation Council
IFRS	International Financial Reporting Standards
Investor Number	A number granted to each Applicant for trading in any shares listed on the BHB and such number shall be used for all future trading on the exchange regardless of the entity in which the Applicant holds shares
Issued and Paid-up Share Capital	The Company's issued and paid-up Share Capital amounting to USD 206,487,325.5 comprising of 412,974,651 Ordinary Shares each at a Nominal Value of USD 0.50 per share, as at the date of this Document
Issue Registrar	Bahrain Clear; also acting as the Share Registrar
Issue Price	The price at which the new Ordinary Shares are being offered pursuant to this Offering Circular, which equals USD 2.63 per new Ordinary Share
KAMCO	KAMCO Investment Company K.S.C.P.
KIPCO	Kuwait Project Company (Holding) – K.P.S.C Kuwait
Last Practicable Date	The last practicable date prior to the publication of this Offering Circular, being 18 November 2020
Last Trading Date	Last day to trade to be eligible to qualify as an existing shareholder for the Rights Offering which is 2 Business Days prior to the Record Date, being 22 November 2020
Lead Manager	United Gulf Bank B.S.C. (Closed)
Legal Advisor	Al Tamimi & Co.
MAoA	Memorandum and Articles of Association of UGH, as amended from time to time
MENA	Middle East and North Africa region
Mn	Million
MOICT	Ministry of Industry, Commerce and Tourism, Bahrain
Nominal Value	The nominal value of each Ordinary Share being USD 0.50 per Ordinary Share

Offering or Rights Offering	The offering and issuance of up to 26,593,850 new Ordinary Shares each with a Nominal Value of USD 0.50 per Ordinary Share at an Issue Price of USD 2.63 per new Ordinary Share
Offering Circular or Document	This document which is prepared by the Issuer in relation to the Offering and in accordance with the OFS Module
OFS Module	Offering of Securities Module of Volume 6 of the CBB Rulebook
OGM	Ordinary General Meeting
Opening Date	The date on which the Offering will open for subscription, which is the opening of Business Hours on 25 November 2020
Ordinary Shares	Ordinary shares with a nominal value of USD 0.50 per share in the share capital of the Company
Ordinary Share Register	The register of holders of Ordinary Shares maintained by the Share Registrar
PPM	Policy & Procedures Manual
Receiving Bank or BiSB	Bahrain Islamic Bank B.S.C., which has been designated as the Receiving Bank in this Document
Record Date	The cut-off date as of which the Shareholders registered in UGH's Ordinary Share Register will be entitled to participate in the Offering, being 24 November 2020 as at the close of Business Hours
Renunciation	Shareholders entitled to participate in the Offering may accept all or a part of their entitlement to Ordinary Shares. Their right to the Ordinary Shares being offered pursuant to this Document is renounceable in part or whole, which enables the Shareholders who do not wish to take up some or all of the Ordinary Shares being offered to renounce those Ordinary Shares in favour of others
Shareholder or UGH Shareholder	a holder of Ordinary Shares as of the end of official working hours on the Record Date
Share Register	The register of holders of Ordinary Shares maintained by the Share Registrar
Share Registrar	Bahrain Clear; also acting as the Issue Registrar
Subscription Amount	An amount equal to the number of Ordinary Shares applied for through the Application Form multiplied by the Issue Price net of any bank or related charges which shall be borne by the
Subscription Period	The period during which Applicants may apply for Ordinary Shares offered pursuant to the Offering, commencing on the Opening Date and ending on the Closing Date or such other date as may be decided by the Issuer, subject to the prior approval of the CBB. If any, extension to the Subscription Period will be announced to Shareholders through the issuance of a supplementary prospectus
Subscription Terms and Conditions or Terms and Conditions	The terms and conditions pursuant to which Applicants apply for the Ordinary Shares under the Offering including those terms and conditions which are set out in this Offering Circular and those which are appended to the Application Form
UGB	United Gulf Bank B.S.C. (Closed)
USD, US\$ or \$	United States Dollar, the lawful currency of the United States of America

2. Resolutions and Approvals

2.1. UGH Board Recommendations to the EGM

The Directors in their meeting held on 11 October 2020 resolved to recommend the following resolutions be put to the EGM in relation to the Offering:

- recommend to the Company's shareholders, at an extraordinary general assembly, that the Company's issued and paid-up share capital be increased by up to Fifteen Million United States Dollars (USD 15,000,000) through the issue of up to Thirty Million (30,000,000) new ordinary shares in the share capital of the Company of nominal value of half a United States Dollar (USD 0.50) each (the "**New Shares**") pursuant to Article 125 of Law No. 21 of 2001 promulgating the commercial companies law (as amended) (the "**Commercial Companies Law**").
- the total value of the issue of the New Shares will be up to seventy million United States Dollars (USD 70,000,000) (the "**Right Issue**") pursuant to a proposed issue price for the subscription to the New Shares contemplated by the Rights Issue in the range of USD 2.4 to USD 2.8 per New Share representing a discount of approximately 20% to the average market price of the Company's existing ordinary shares. .
- pursuant to Article 128 of the Commercial Companies Law and Article 17 of the Company's articles of association dated 28 May 2018 (the "**Articles of Association**"), the Company's shareholders as at the designated record date shall have the preferential right to subscribe for the New Shares whereby the holder of one hundred and fifty five (155) existing ordinary shares shall entitle a shareholder to ten (10) New shares pursuant to the Rights Issue.
- the Directors be authorised to seek all necessary approvals, authorizations and consents to the Rights Issue including, but not limited to, from the shareholders of the Company (and convening an extraordinary general meeting to do so) and the Central Bank of Bahrain.
- the Chairman of the Company's board of Directors – Mr. Masaud J. Hayat (the "**Chairman**") or the Chief Executive Officer of the Company – Mr. Hussain Lalani (the "**CEO**") be authorised to agree the record date for establishing the names of the Company's shareholders that have the right to subscribe for New Shares pursuant to the Rights Issue.
- the Chairman or the CEO be authorised to agree the subscription period for the Rights Issue which shall not be less than fifteen (15) days from the date of public announcement of the opening of the subscription period for the Rights Issue.
- the Chairman or the CEO be authorized to appoint a bank, which is appropriately licensed and approved by the Central Bank of Bahrain to act in such capacity, as receiving bank and/or lead manager to the Rights Issue and the subscription for New Shares.
- the Directors shall be entitled to extend the subscription period for the Rights Issue subject to the approval of the Central Bank of Bahrain.
- the entitlement to the New Shares shall be offered for subscription to the Company's existing shareholders in accordance with Article 17 of the Articles of Association. Within 6 calendar days following the closing date of the subscription period, the New Shares shall be allotted to shareholders exercising their rights in full or any lesser number of New Shares applied for. Shareholders may renounce some or all of their rights to subscribe for New Shares in favour of other shareholders or new shareholders. Renounced New Shares will be allotted to any person /entity in whose favor the applicable shareholders have made the renunciation on the same basis. The balance of the New Shares, if any, will be allotted to those shareholders who have applied for more than their entitlement on a pro-rata basis to the number of Ordinary Shares they held on the Record Date, subject always to the maximum number of New Shares to be issued pursuant to the Rights Issue.
- the payment for the New Shares by subscribing shareholders pursuant to the Rights Issue should be made no later than five (5) business days after the issuance of confirmation of the allocation of the New Shares to the relevant shareholders.

- the memorandum of association of the Company and the Articles of Association be amended to reflect the new authorised and issued and paid up share capital of the Company as a result of the Rights Issue.
- the Chairman or the CEO or the Corporate Secretary, or any person so authorized by such persons, be authorized to sign, execute, notarise, modify, waive and/or amend, singly or jointly, all necessary documents, agreements, forms, letters, notices and applications in relation to or in connection with the proposed Rights Issue and represent the Company before any government authority in Bahrain, including, but not limited to, the Ministry of Industry, Commerce and Tourism, the Central Bank of Bahrain, Bahrain Bourse and Bahrain Clear, for and in connection with the proposed Rights Issue.

The above board resolution was also published on 25 October 2020 on the BHB website.

2.2. Extraordinary General Meeting Resolution

The Shareholders, through special resolutions adopted at the EGM held on 15 November 2020, resolved and approved the following in relation to the Offering:

- the issue of the priority rights pursuant to the Rights Issue after obtaining all the necessary regulatory approvals and authorize the Board of Directors of the Company to take all necessary measures related to the Rights Issue, including, but not limited to, deciding the final capital increase amount, the number of New Shares to be issued pursuant to the Rights Issue, the subscription price for each New Share, the ratio of New Shares to be offered per existing number of ordinary shares held and the subscription period for the Rights Issue.
- the proposal of the Board of Directors of the Company to increase the issued and paid up share capital of the Company by up to an amount of USD15,000,000 through the issue of up to 30,000,000 new ordinary shares in the share capital of the Company of a nominal value of USD0.50 each (the "New Shares") which are issued for the purpose of the Rights Issue pursuant to Article 125 of Law No. 21 of 2001 promulgating the commercial companies law (as amended) (the "Commercial Companies Law") and subsequently that the Company's issued and paid up share capital be increased from USD206,487,325.50 divided into 412,974,651 shares of a nominal value of USD0.50 each up to USD221,487,325.50 divided into 442,974,651 shares of a nominal value of USD 0.50 each, subject to receiving all necessary regulatory approvals and that the New Shares be offered to existing shareholders of the Company as at the record date pursuant to Articles 128 and 129 of the Commercial Companies Law and Volume 6 of the Central Bank of Bahrain Rulebook.
- amending the Article 6 and Article 7 of the Amended and Restated Memorandum of Association of the Company and Article 6 and Article 7 of the Amended and Restated Articles of Association of the Company, in order to reflect resolutions no. (2) and no. (3) above in accordance with the Commercial Companies Law and Volume 6 of the Central Bank of Bahrain Rulebook, subject to all necessary regulatory approvals.
- the authorization of the Chairman – Mr. Masaud J. Hayat or the Chief Executive Officer – Mr. Hussain Lalani or the Corporate Secretary – Mr. Mohammed Alqumaish, or any person so authorized by such persons, singly or jointly, to carry out all required formalities on behalf of the shareholders of the Company to execute the above resolutions with all concerned authorities and to sign all the required documents, including the Amendment to the Amended and Restated Memorandum and Articles of Association of the Company before the notary in the Kingdom of Bahrain.

The above Shareholder resolutions were published on 15 November 2020 on the BHB.

2.3. CBB – Capital Market Supervision Directorate

The Issuer has obtained a no objection letter from the CMSD dated 18 November 2020 stating that it has no objection to the use of the Offering Circular for the purpose of the Offering.

The Issuer had also obtained an in-principal approval to the Rights Offering from the CMSD pursuant to a letter dated 12 October 2020, subject to (i) UGH's submission of an application in accordance with the applicable requirements of the OFS Module, (ii) the Shareholders resolution at the EGM approving the Rights Offering, (iii) the limitation of KIPCO's subscription to its own entitlement to new Ordinary Shares under the Rights Offering and (iv) any other applicable regulatory requirements. Additionally, UGH also received the following exemptions for the Rights Offering:

- taking into consideration, the nature and complexity of the Rights Offering, as well as the nature of involvement and commitment of the appointed advisor(s), the CMSD granted an exemption from the independence and conflict of interest requirement of OFS-3.2. 19 of the OFS Module and granted its permission for the appointment of UGB as the Lead Manager for the proposed Rights Offering.
- with respect to the exemption from the underwriting requirements for an issuance of securities pursuant to OFS- 1.6.3 of the OFS Module, the CMSD advised and confirmed to the Company that considering the proposed offering price of the Rights Offering will be at a discount to the Average Market Price, OFS 2.5.5 of the OFS Module shall not apply and exempted UGH from the underwriting requirements for the issuance of securities in relation to the Rights Offering in accordance with OFS-I.6.3 of the OFS Module.
- notwithstanding the above, CMSD advised that the above exemptions were only one-off exemptions granted in light of the circumstances of the proposed Rights Offering and may not be utilized by the Company in subsequent offerings or transactions.

The Issuer will send an application to the CMSD on the allotment of new Ordinary Shares pursuant to the Rights Offering and the subsequent increase in UGH's share capital. The approval of such allotment and increase in UGH's share capital from the CMSD is expected to be received by 13 December 2020.

2.4. Ministry of Industry and Commerce and Tourism

The MOICT have been notified of the results of the EGM as required by Article 125 of the Companies Law.

2.5. Bahrain Bourse

The BHB has been notified of the results of the EGM and furnished with a copy of this Document. Following completion of the Offering, an application will be made to the BHB to list the Ordinary Shares being offered pursuant to this Document subject to the prior approval of the CBB.

3. Summary of Offering

Set out below is the summary of the principal terms of the Offering as extracted from the remaining sections of this Document. The following summary is qualified in its entirety by the detailed information included elsewhere in the Offering Circular and should be read in conjunction with the full text of this Document.

Applicants are strongly recommended to review the sections of this Document containing the terms and conditions of the Offering and the risk factors.

3.1. Issuer

United Gulf Holding Company B.S.C. is a Public Bahraini Shareholding Company registered with the MOICT on 28/6/2017 with commercial registration number 114160 as a Holding Company. UGH conducts merchant banking activities through its regional network of subsidiaries and associates. The Ordinary Shares of the company are listed on the BHB under ticker 'UGH'.

3.2. Type of Offer

Issuance of Ordinary Shares to all the existing Shareholders whose names appear in the Ordinary Share Register as on the Record Date.

3.3. Offering or Rights Offering

The Issuance of up to 26,593,850 new Ordinary Shares each with a Nominal Value of USD 0.50 per Ordinary Share to existing Shareholders of the Company as on the Record Date. The holding of one hundred and fifty five (155) existing Ordinary Shares shall entitle a shareholder to ten (10) new Ordinary Shares pursuant to the Rights Offering. Fractional Ordinary Shares will not be issued. The rights of Shareholders who hold Ordinary Shares other than in multiples of 155 will be rounded downwards – provided that (i) the total number of new Ordinary Shares so allotted to each Shareholder shall not exceed the number of new Ordinary Shares for which the application was made by such Shareholder and (ii) the total number of new Ordinary Shares so allotted shall not exceed the total number of new Ordinary Shares available for subscription.

3.4. Authorized Share Capital

As of date of this Document, the Company has an authorized share capital of USD 252.7 million comprising 505,400,000.00 Ordinary Shares of USD 0.50 each as authorized to issue in accordance with the Memorandum and Articles of Association.

3.5. Issued and Paid-up Share Capital prior to the Offering

As of date of this Document, the Company has an issued and paid up share capital amounting to USD 206.5 million comprising of 412,974,651 Ordinary Shares at a Nominal Value of USD 0.50 per Ordinary Share.

3.6. Issued and Paid-up Share Capital post the Offering

Upon full subscription under this Offering, the issued and paid up share capital of the Company will be 439,568,501 Ordinary Shares each at a Nominal Value of USD 0.50 per Ordinary Share amounting to USD 219,784,251.

3.7. Nominal Value

USD 0.50 per Ordinary Share.

3.8. Issue Price

The Board of UGH determined the Issue Price on the basis of taking the Average Market Price and applying a discount of approximately 20% in order to create an Issue Price that would be attractive to Shareholders. Accordingly, the Issue Price was set at USD 2.63 per new Ordinary Share.

3.9. Subscription Currency

United States Dollars.

3.10. Eligible Investor(s)

All existing Shareholders registered in the Company's Ordinary Share Register on the Record Date.

3.11. Record Date

The cut-off date as of which Shareholders registered in the Company's Ordinary Share Register will be entitled to participate in the Offering, being 24 November 2020.

3.12. Last Trading Date

Last day to trade to be eligible to qualify as an existing shareholder for the Rights Offering which is 2 Business Days prior to the Record Date, being 22 November 2020.

3.13. Renunciation

The Shareholders entitled to participate in the Offering may accept all or a part of their entitlement to new Ordinary Shares. Their right to the Ordinary Shares being offered pursuant to this Document is renounceable, which enables the Shareholders who do not wish to take up some or all of the Ordinary Shares being offered pursuant to this Document to renounce those in favor of either existing Shareholders or prospective new Shareholders.

3.14. Announcements

An invitation announcement including the summary of the Offering Circular will be published by UGH on 19 November 2020, on the BHB's website and in two local daily newspapers. UGH will post all further announcements related to the Rights Offering on the BHB website, as and when required. Applicants are advised to refer to the announcements for updates regarding the Rights Offering.

3.15. Opening Date

The date on which the Offering will open for subscription, which is the opening of Business Hours on 25 November 2020 or, as may be decided by the Issuer, subject to the prior approval of the CBB.

3.16. Closing Date

The date on which the Offering will close for subscription, which is the closing of Business Hours on 9 December 2020 or such other date as may be decided by the Issuer, subject to the prior approval of the CBB.

3.17. Subscription Period

The period during which Applicants may apply for the Ordinary Shares available pursuant to the Offering, commencing on the Opening Date and ending on the Closing Date or such other date as may be decided

by the Issuer, subject to the prior approval of the CBB. Any extension to the Subscription Period will be announced to Shareholders through the issuance of a supplementary prospectus.

3.18.Allotment Announcement Date

The Company will complete the allotment of the Ordinary Shares offered pursuant to the Offering on the Allotment Date which will be within 6 calendar days following the Closing Date. Subject to receiving the approval of the CMSD on the Company's proposed allotment of the new Ordinary Shares pursuant to the Offering, the Company will publish the allotment basis in a local newspaper on the Allotment Announcement Date, being 11 December 2020 or such other date as may be decided by the Issuer subject to the prior approval of the CBB.

3.19.Application Form

The form is provided by the Issuer and available from the offices of the Issuer, the Issue Registrar and the Designated Branch of the Receiving Bank and will be used by Applicants when applying for Ordinary Shares offered pursuant to the Offering. Each Applicant is required to submit to the Designated Branch of the Receiving Bank an Application Form before the Closing Date accompanied by the relevant copies of the documents stated below along with their originals (for verification purposes only) or certified true copies. The Receiving Bank has the right to request and verify the validity of copies of the identification documents. Applicants including individuals and institutions are required to submit their Application Form to the Designated Branch of the Receiving Bank. Applicants who are not able to physically submit the Application Form at the Designated Branch of the Receiving Bank, can submit the required documents through email to ughregistry@bahrainclear.com.

3.20.Method of Payment of Subscription Amount

The Subscription Amount shall be remitted in USD to the Receiving Bank. Such remittance shall be made to the designated bank account with the Receiving Bank in one of the following modes:

- By wire transfer in USD from an account of the Applicant maintained with a bank other than the Receiving Bank;
- By transferring USD from an account held by the Applicant with the Receiving Bank; or
- By Manager's Cheque in USD.

No other modes of payment shall be accepted.

All Subscription Amounts received shall be net of any bank or related charges. All charges such as wire transfer charges, subscription application processing fees, collection charges, foreign currency conversion charges, managers cheque charges, special clearing charges shall be borne by the Applicant.

3.21.Lead Manager

United Gulf Bank B.S.C.(c)
UGB Tower, Diplomatic Area
P.O Box 5964, Manama, Kingdom of Bahrain

3.22.Receiving Bank

Bahrain Islamic Bank B.S.C.
Road 1708, Block 317,
Building 722, Al Salam Tower,
Diplomatic Area, Manama, Kingdom of Bahrain

3.23. Basis of Allotment

The Applicants shall first be allotted to the extent of their entitlement or the number of Ordinary Shares applied for - whichever is lower. The remaining Ordinary Shares, if any, will be allotted to Applicants who have applied for Ordinary Shares in excess of their original entitlement. Such unsubscribed amount shall be allotted amongst such Shareholders pro-rata to their holding as on the Record Date. The Offering will not be underwritten and so, in the event that Shareholders do not subscribe for some or all of the new Ordinary Shares to which they are entitled and such unsubscribed new Ordinary Shares are not fully subscribed for by Shareholders requesting to subscribe for more new Ordinary Shares than their pro rata entitlement, not all of the new Ordinary Shares will be issued pursuant to the Offering and the proceeds of the Offering will be reduced accordingly.

3.24. Distribution and Refund

On the Distribution Date, the Applicants shall collect their Allotment Notice from the Issue Registrar. Any refunds shall be for the excess Subscription Amounts as paid by the Applicant and for which Ordinary Shares were not allotted. The refunds shall be made in USD only. The refunds will be the responsibility of the Receiving Bank and will be processed by the Receiving Bank. All refunds distributed by the Receiving Bank will be made after deduction of bank charges and other similar deductions and will not include profit accrued on such funds, if any.

3.25. Dividend Policy

The determination of the Company to pay dividends on an ongoing basis, and the amount thereof, will depend upon, among other things, the Company's earnings, financial condition, liquidity requirements, applicable requirements on the payment of dividends under the Bahrain law, the MAoA and such other factors as the Directors and the Shareholders may deem relevant.

3.26. Voting Rights

Each Shareholder will be entitled to attend and vote at the EGM. For a discussion of the Shareholder's voting rights, see the section titled 'Shareholder Rights' in this Document.

3.27. Ranking of Ordinary Shares

The Ordinary Shares issued pursuant to the Offering will rank pari passu with all other Ordinary Shares of the Company including in respect to entitlement to dividends (if any).

3.28. Listing of Ordinary Shares offered pursuant to this Document

Following completion of the Offering, an application will be made to the BHB to list the new Ordinary Shares being offered pursuant to this Document. The new Ordinary Shares will be listed on the BHB only after the approval of the CBB.

3.29. Principal Risk Factors

There can be no assurance that the Company will pay / continue to pay dividends. The Company's business could be exposed to certain risks that are beyond the control of the UGH Board or the Company's management which could potentially affect its operating and the financial performance. For details on risks affecting the Company, please see section titled 'Investment Considerations and Risk Factors'.

3.30. Use of Proceeds

The Board of UGH approved the proposed Rights Offering in a written resolution dated 11 October 2020 for the purpose of raising share capital for the Company's strategic initiatives as well as to strengthen the Company's equity base.

The proceeds from the Offering will be utilized for implementing the growth strategy of the Company and for augmenting the capital base of the Company.

For further details please refer to the section 13 titled 'Reasons for the Offering & Use of Proceeds' in this Document.

3.31. Commitment to Subscribe

KIPCO, has made a commitment to the Company to subscribe to their entire entitled portion of the Ordinary Shares made available pursuant to the Offering. KIPCO, as at the date of this Document, holds 97.80% of the Company's issued share capital.

Considering that the proposed Issue Price of the Rights Offering will be at a discount to the Average Market Price of the Ordinary Shares as quoted on the BHB, the CMSD has exempted UGH from the underwriting requirements for the issuance of new securities in relation to the Rights Offering that would have ordinarily been required in order to comply with the provisions of Rules OFS-1.6.3 and OFS-2.5.5 of the CBB's Offering of Securities Module.

4. Offering Statistics and Timelines

Offering Statistics – Rights Offer	
Total Amount of Offering	Up to USD 70,000,000
Issue Price	USD 2.63 per Ordinary Share
Number of Ordinary Shares being offered pursuant to the Offering	Up to 26,593,850 Ordinary Shares

Timelines and Summary of Application Procedure		
1	Invitation announcement date	19 November 2020
2	Last Trading Date	22 November 2020
3	Record Date	24 November 2020
4	Subscription Period	25 November 2020 to 09 December 2020
5	Opening Date of the Subscription Period	Opening of Business Hours on 25 November 2020
6	Closing Date of the Subscription Period	Close of Business Hours on 09 December 2020
7	Subscription results and allotment basis announcement date	11 December 2020
8	CBB approval on allotment statement and Shareholders list	13 December 2020
9	Allotment date	14 December 2020
10	Distribution of refunds date	15 December 2020
11	Commencement of trading of the new Ordinary Shares on the BHB	21 December 2020

4.1. Subscription Period

Applicants may apply for Ordinary Shares offered pursuant to the Offering during the Subscription Period, commencing on the Opening Date and ending on the Closing Date or such other date as may be decided by the Issuer, subject to the prior approval of the CBB. Any extension to the Subscription Period will be announced to Shareholders through the issuance of a supplementary prospectus.

4.2. Submission of Application Form

Application Forms shall be obtained from the office of the Issuer, the Issue Registrar and the Designated Branch of the Receiving Bank. Application Forms should be completed in full in the Arabic language or in the English language and in accordance with the instructions contained in this Document and the Application Form. Each Applicant is required to submit the Application Form to the Designated Branch of the Receiving Bank on or before the Closing Date accompanied by the relevant copies of the

documents as stated in this Document. Applicants who are not able to physically submit the Application Form at the Designated Branch of the Receiving Bank, can submit the required documents through email to ughregistry@bahrainclear.com.

4.3. Method of Payment of Subscription Amount

Applicants should submit to the Designated Branch of the Receiving Bank a duly signed and completed Application Form together with cleared funds in the amount of the proposed subscription for Ordinary Shares. Applicants who are not able to physically submit the Application Form at the Designated Branch of the Receiving Bank, can submit the required documents through email to ughregistry@bahrainclear.com. The subscription currency is USD.

Remittance shall be made to the designated bank account with the Receiving Bank in one of the following modes:

- By wire transfer in USD from an account maintained with another bank other than the Receiving Bank;
- By transferring USD from an account with the Receiving Bank; or
- By Manager's Cheque in USD

No other modes of payment shall be accepted.

Applicants are responsible for ensuring that the Subscription Amounts are remitted to the designated account with the Receiving Bank on or before the Closing Date. Applicants transferring money into the designated account should present a copy of the wire transfer order along with the completed Application Form.

4.4. Entitlement to the Offering and Renunciation Rights

The Offering is open to all Shareholders registered in the Company's Ordinary Share register on the Record Date. The holding of one hundred and fifty five (155) existing Ordinary Shares shall entitle a shareholder to ten (10) new Ordinary Shares pursuant to the Rights Offering. Shareholders may however make an application for Ordinary Shares in excess of or lower than their entitlement. Fractional Ordinary Shares will not be issued. The rights of Shareholders who hold Ordinary Shares other than in multiples of 155 will be rounded downwards – provided that (i) the total number of new Ordinary Shares so allotted to each Shareholder shall not exceed the number of new Ordinary Shares for which the application was made by such Shareholder and (ii) the total number of new Ordinary Shares so allotted shall not exceed the total number of new Ordinary Shares available for subscription.

The Shareholders entitled to participate in the Offering may accept all or a part of their entitlement. Their right to the Ordinary Shares being offered pursuant to this Document is renounceable, which enables the Shareholders who do not wish to take up some or all of the Ordinary Shares being offered pursuant to this Document to renounce those Ordinary Shares in favor of others. Such renunciation shall however be made during the Subscription Period only.

The Offering will not be underwritten and so, in the event that Shareholders do not subscribe for some or all of the new Ordinary Shares to which they are entitled and such unsubscribed new Ordinary Shares are not fully subscribed for by Shareholders requesting to subscribe for more new Ordinary Shares than their pro rata entitlement, not all of the new Ordinary Shares will be issued pursuant to the Offering and the proceeds of the Offering will be reduced accordingly.

4.5. Distribution and Refund

On the Distribution Date, the Applicants shall collect their Allotment Notice and the refund cheques, if any, from the Issue Registrar's office. Such refunds shall be for the excess Subscription Amounts paid by Applicants in respect of Ordinary Shares they applied for but were not allotted. The refunds shall be made in USD. All refunds distributed by the Receiving Bank will be made after a deduction of bank charges and other similar deductions and will not include any interest/profit derived from such funds.

Please refer to the sections titled "The Offering" and "Application Procedure" for further details.

5. Information on the Issuer

5.1. Background

A subsidiary of the KIPCO Group, UGH is a Public Bahraini Shareholding Company incorporated on 28 June 2017 and licensed as a Holding Company by the MOICT under commercial registration number 114160. The Company's Ordinary Shares are listed on the BHB under ticker symbol 'UGH' with an authorized share capital of US\$ 252.7 million with an issued and paid up capital of US\$ 206.5 million.

UGH is intended to operate as a non-financial holding company of the activities of KIPCO Group in Bahrain.

The Company's Head (and sole) office is located in:

Flat 12, Building 440, Road 1705, Block 317, Diplomatic Area, Kingdom of Bahrain Tel: +973- 17 533 233, Fax: +973- 17 533 137 E-mail: info@ughbah.com Website: www.ughbh.com

5.2. License and Principal Activities

UGH is licensed as a Holding Company by the MOICT.

UGH is permitted in accordance with its Memorandum of Association to undertake the following activities:

1. Activities of holding companies:
 - To manage its affiliated companies or to participate in the management of other companies in which it has shares, and to provide the necessary support for such companies;
 - To offer loans, guarantees and financings to its affiliated companies;
 - To invest its funds in shares, bonds and other securities;
 - To own real estate and other assets necessary for undertaking its activities within the limits permitted by law;
 - To own industrial property rights including patents, trade and industrial marks, concession, and other intellectual rights, and to use and lease them to its affiliated companies or to other companies.
2. The Company may undertake any acts which are considered supplementary or incidental to any of the objects set out above.
3. The Company may have an interest in or participate in any manner whatsoever in corporations which carry on similar activities or which may assist the Company in achieving its objectives through acquisition of such entities or merger therewith.
4. The above objects shall not limit the Company's ability to engage in any other lawful business activities. The Company shall obtain the required license before engaging in other activities which require such licenses.
5. Incorporation or acquisition of banks, investment companies and management of the same after obtaining necessary approvals from any competent authority to the extent required.

The Company's core subsidiaries and associates include: United Gulf Bank B.S.C. (closed), KAMCO Investment Company K.S.C.P. ("KAMCO"), FIMBank plc, United Gulf Financial Services - North Africa, Hatoon Real Estate, Syria Gulf Investment Company, United Gulf Realty International Ltd., Burgan Bank S.A.K., North Africa Holding Company, United Capital Transport Company, United Real Estate Company KSCP, Assoufid BV, Takaud Savings and Pensions B.S.C. (c)¹ and Syria Gulf Bank S.A.

5.3. Capitalization

The Company has an authorized share capital of 505,400,000 Ordinary Shares, amounting to USD 252.7 million each with a Nominal Value of USD 0.50 per Ordinary Share. The Company's issued and paid-up share capital as of 30 September 2020 amounted to US\$ 206.5 million comprising of 412,974,651 Ordinary Shares each at a Nominal Value of US\$ 0.50 per Ordinary Share. The Company holds 640,091 Ordinary Shares as treasury shares out of a total number of 412,974,651 issued Ordinary Shares.

	30th September 2020		31 st December 2019	
	Number	Amount (US\$)	Number	Amount (US\$)
Authorized				
Ordinary Shares of US\$0.50 each	505,400,000.00	252,700,000	505,400,000.00	252,700,000
Issued and fully paid				
Ordinary Shares of US\$0.50 each	412,974,651	206,487,325.5	412,974,651	206,487,325.5

5.4. Subsidiaries and Associates²

The subsidiaries and associates of the Company as of 30 September 2020 are as follows:

Name of the Company	Country of Incorporation	Nature of Business	Year Inc.	UGH Ownership
Subsidiaries				
United Gulf Bank B.S.C. (c)	Bahrain	Asset Management	1980	100%
FIMBank plc	Malta	Commercial Bank	1994	80%
KAMCO Investment Company K.S.C.P.	Kuwait	Asset Management	1998	60%
United Gulf Financial Services-North Africa	Tunisia	Investment Company	2008	84%
Hatoon Real Estate	Kuwait	Real Estate	2008	100%
Syria Gulf Investment Company	Syria	Investment Banking	2007	99%
United Gulf Realty International, Ltd.	BVI	Real Estate	2012	100%

¹ Takaud Savings and Pensions B.S.C (c) is currently under liquidation

² Takaud Savings and Pensions B.S.C (c) is currently under liquidation

<i>Associates</i>				
Syria Gulf Bank S.A.	Syria	Commercial Bank	2006	31%
Burgan Bank S.A.K.	Kuwait	Commercial Bank	1975	15%
Takaud Savings and Pensions B.S.C. (c)	Bahrain	Pensions Company	2011	36%
North Africa Holding Company K.S.C. (c)	Kuwait	Investment Company	2006	44%
United Real Estate Company S.A.K.	Kuwait	Real Estate	1973	10%
Assoufid BV	Netherlands	Real Estate	1994	40%
United Capital Transport Company	Kuwait	Transport Company	2011	40%

- As of 30 September 2020, all subsidiaries were consolidated in the Company's financial statements.

5.5. Business Overview and Strategy

UGH, a subsidiary of the KIPCO Group, a non-financial holding company and its subsidiaries and associates, conducts merchant banking through a regional network. The strategic objective of the Company is to create the MENA region's premier asset management, merchant banking and investment banking group. UGH seeks to be the preferred gateway to the region for its clients and global partners through the delivery of both conventional and Shari'ah-compliant services, backed by world-class standards of support, infrastructure and processes through network of subsidiaries and associates. UGH subsidiaries and associates engage primarily in asset and fund management, investment banking, private equity and corporate banking. Other business activities include commercial banking, proprietary investments, savings and pensions, brokerage and treasury.

During 2017, following a detailed internal review of UGB's balance sheet and capital structure (and after receiving approval from the CBB), the Shareholders approved a strategic restructuring of UGB, to separate the regulated banking activities from the portfolio of core investments managed by UGB.

Pursuant to the restructuring, UGH was incorporated as a subsidiary of KIPCO and which ultimately owned the existing UGB (regulating banking entity). UGH was listed on the BHB to ensure transparency and proper governance. All of the core assets of UGB (including, its subsidiaries, Burgan Bank and FIM Bank) and all related medium term funding, were transferred to UGH.

UGB continued to remain a wholesale conventional bank governed by the CBB and was delisted. The regulated banking activities and assets under management, including investment banking, along with related liabilities were retained by UGB.

The strategic restructuring of UGB, which was completed in 2017, set out clear goals for the two distinct business lines (UGH and UGB).

Breakdown of Revenue by Activity:

For the nine-month period ended 30 September 2020 (\$ 000's)

	Financing	Investing	Others	Total Income
Interest Income	35,544	-	-	35,544
Investment Loss (net)	-	(2,095)	-	(2,095)
Fees and Commission Income	-	-	58,051	58,051
Foreign currency gain (net)	2,345	-	-	2,345
Share of results of Associates	-	8,623	-	8,623
Total	37,889	6,528	58,051	102,468

For the year ended 31 December 2019 (\$ 000's)

	Financing	Investing	Others	Total Income
Interest Income	59,445	-	-	59,445
Investment Income (net)	-	47,696	-	47,696
Fees and Commission Income	-	-	75,423	75,423
Foreign currency gains (net)	1,098	-	-	1,098
Share of results of Associates	-	40,700	-	40,700
Total	60,543	88,396	75,423	224,362

For the year ended 31 December 2018 (\$ 000's)

	Financing	Investing	Others	Total Income
Interest Income	61,436	-	-	61,436
Investment Income (net)	-	42,514	-	42,514
Fees and Commission Income	-	-	72,478	72,478
Foreign currency gains (net)	678	-	-	678
Share of results of Associates	-	30,905	-	30,905
Total	62,114	73,419	72,478	208,011

For the period from incorporation on 28 June 2017 to 31 December 2017 (\$ 000's)

	Financing	Investing	Others	Total Income
Interest Income	13,904	-	-	13,904
Investment Income (net)	-	11,950	-	11,950
Fees and Commission Income	-	-	12,586	12,586
Foreign currency losses (net)	(555)	-	-	(555)
Share results of Associates	-	6,945	-	6,945
Total	13,349	18,895	12,586	44,830

6. Corporate Governance Practices

6.1. Introduction

As a listed company on the BHB, UGH is committed to adopting high standards of corporate governance in line with global best practice. The Company's governance framework encompasses policies, processes and people to make sure that the needs of the Shareholders and other stakeholders are protected. This is accomplished by directing, controlling and managing activities using good business practices, fairness, objectivity, accountability and integrity.

The Board of UGH are accountable to the Shareholders for sustainable financial performance and longer-term Shareholder value through strategic initiatives. The Chairman of UGH is responsible for leading the UGH Board, ensuring its effectiveness, monitoring the performance of the executive management, and maintaining a dialogue with the Shareholders. The UGH Board has appointed three Committees to assist it in carrying out its responsibilities. Each of them has well defined charters that sets out their responsibilities. The authority for day to day management of the Company has been given to the CEO.

Framework: UGH's corporate governance framework comprises a set of corporate governance policies that adhere to the requirements of Module HC (Higher Level Controls) of Volume 6 of the CBB Rulebook as follows: the Code of conduct; operational policies and procedures; internal controls and risk management systems; internal and external audit and compliance procedures; effective communications and transparent disclosure; and measurement and accountability.

Communications: UGH conducts all communications with its stakeholders in a professional, honest, transparent, understandable, accurate and timely manner. Main communications channels include an annual report, website, and regular announcements on the BHB and the media. The Company also provides Shareholders at the Annual General Meeting with a Corporate Governance Report that is based on the comply or explain philosophy set out under the Code of Corporate Governance issued by the MOICT.

During 2019, the Company strengthened its compliance and risk management frameworks in order to address the latest changes in the external regulatory environment; and to better withstand the impact of ongoing economic and market volatility.

Members of UGH's Board affirm their conduct in accordance with the laws of the Kingdom of Bahrain, the Code of Corporate Governance (Code) issued by the MOICT, the rules of the CBB and the Bahrain Bourse.

6.2. Board of Directors and Senior Management

Responsibilities of the UGH Board

The UGH Board is the apex body constituted by the Company's shareholders for the overall supervision and governance of the Company. The UGH Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the Shareholders are being served.

The UGH Board's role and responsibilities include but are not limited to:

- Adopting the commercial and financial policies associated with UGH's business performance and the achievement of its objectives.

- Drafting, overseeing and periodically reviewing UGH's plans, policies, strategies, and key objectives.
- Setting and generally supervising the regulations and systems of UGH's internal control.
- Determining UGH's optimal capital structure, strategies, financial objectives and approving annual budgets.
- Monitoring UGH's major capital expenditures, and possessing and disposing assets.
- Approving UGH's quarterly and annual financial statements and presenting them to the general assembly.
- Monitoring the senior management's activities, and ensuring that the operations run smoothly to achieve UGH's objectives.
- Forming specialized committees of the UGH Board as required by the nature of the Company's activity and applicable regulatory requirements, and issuing the terms of reference for these committees.
- Determining the types of remuneration for senior executives and directors, subject to the approval of the Shareholders' general assembly, taking into consideration the provision of Article (188) of the Companies Law.
- Setting a mechanism to regulate transactions with related parties in order to minimize conflicts of interest.
- Setting standards and values governing UGH's business.
- Ensuring the application of an appropriate control and risk management systems by setting a framework of the risks that the Company might face, creating an environment that is aware of risk management knowledge at the Company level, and transparently presenting it to Company's related parties and stakeholders.
- Assuring equitable treatment of Shareholders, including minority Shareholders.
- Setting internal regulations which determine the UGH Board's duties and responsibilities, including the obligations and responsibilities of the Directors, which the UGH Board shall not be exempt therefrom even if it forms committees or delegates certain duties to other bodies or individuals. The UGH Board shall avoid the issuance of general authorizations or authorizations with an unlimited duration.
- Ensuring compliance with the relevant rules and requirements relating to the issuing and offering of securities;
- Complying with the Company's founding documentation, including but not limited to its MAoA and other relevant by-laws and resolutions;
- Ensuring that any loans provided by the Company are approved by the UGH Board in accordance with their authority for such items, including the respective limits and other relevant terms.
- Providing approval in respect of the relevant fees, charges, subscriptions, commissions and other business and administrative sanctions, where relevant.
- Ensuring compliance with the ongoing obligations in respect of the Company's listing requirements, including, but not limited to, issues relating to disclosure, dissemination of price sensitive information and other communication, and the prevention of market abuse and insider trading.

The responsibilities assigned to the Directors are in line with the spirit of the care and loyalty expected from them vis a vis the Company and its Shareholders. The Company's governance charter was originally approved in December 2017 and was updated to incorporate changes made by the MOICT to the Corporate Governance Code. The reviewed document and the revised guidelines were approved by the UGH Board at their meeting held in February 2019.

Termination Benefits for Directors and Senior Management Team

In accordance with the restructuring agreement signed between UGH and UGB in 2017, the employees of UGB discharge their responsibilities for and on behalf of UGH, without any fixed remuneration or

benefits. The Nominating & Remuneration Committee has the authority to review any variable incentives that may be paid out to members of the senior management team of UGH for the additional responsibilities that they assume for the Company. No additional compensation or benefits is accrued or paid out to either the Directors or the senior management team of UGH, upon their resignation from the Company.

Profiles of the Board of Directors

Masaud J. Hayat – Executive Director

Chairman of the UGH Board
Chairman of the Executive Committee
Age as at the date of this Offering Circular: 67 years

Degree in Economics, Kuwait University
Diploma in Banking Studies, Institute of Banking Studies, Kuwait

Over 43 years' experience in the financial sector

Other Positions Held:

- Vice Chairman & Group Chief Executive Officer, Burgan Bank - Kuwait
- Chairman, United Gulf Bank BSC (c) - Bahrain
- Chairman, Tunis International Bank - Tunisia
- Vice Chairman, Gulf Bank Algeria - Algeria
- Vice Chairman, Bank of Bagdad - Iraq
- Vice Chairman, United Gulf Financial Services - Tunisia
- Vice Chairman, FIMBank plc - Malta
- Board Member, Jordan Kuwait Bank - Jordan
- Board Member, KAMCO Investment Company K.S.C.P. - Kuwait
- Board Member, North Africa Holding Company - Kuwait
- Board Member, Mashare'a Al Khair Est. - Kuwait

Elected on 25 March 2020 for a period of 3 years.

Faisal Al Ayyar – Executive Director

Vice Chairman of the UGH Board
Member of the Executive Committee
Member of the Board Audit Committee
Age as at the date of this Offering Circular: 66 years

Graduated as a fighter pilot with the Kuwait Air Force in the USA

Over 33 years' experience in the financial sector

Other Positions Held:

- Vice Chairman (Executive), Kuwait Projects Co. (Holding) - Kuwait
- Chairman, Panther Media Group (OSN) – United Arab Emirates
- Vice Chairman, Gulf Insurance Group - Kuwait
- Vice Chairman, Jordan Kuwait Bank - Jordan
- Vice Chairman, Mashare'a Al Khair Est. - Kuwait

- Vice Chairman, United Gulf Bank BSC (c) - Bahrain
- Vice Chairman, Saudia Dairy & Foodstuff Co. (Sadafco) – Saudi Arabia
- Board Member, Gulf Egypt for Hotels & Tourism Co. - Egypt
- Trustee, American University of Kuwait - Kuwait
- Honorary Chairman, Kuwait Association of Learning Difference – Kuwait

Elected on 25 March 2020 for a period of 3 years.

Tariq Abdulsalam – Executive Director

Member of the UGH Board

Member of the Executive Committee

Age as at the date of this Offering Circular: 55 years

BSc, Accounting, Kuwait University

Over 31 years' experience in the financial sector

Other Positions Held:

- CEO - Investments, Kuwait Projects Co. (Holding) - Kuwait
- Chairman, United Real Estate Company - Kuwait
- Vice Chairman, Kuwait Clearing Company - Kuwait
- Board Member, KAMCO Investment Co K.S.C.P. - Kuwait
- Board Member, Jordan Kuwait Bank - Jordan
- Board Member, Qurain Petrochemical Industries Company (QPIC) - Kuwait

Elected on 25 March 2020 for a period of 3 years.

Sadoun A. Ali – Executive Director

Member of the UGH Board

Member of the Executive Committee

Age as at the date of this Offering Circular: 59 years

BSc, Management of Financial & Accounting Services, Ashland University Ohio, USA

Over 30 years' experience in finance and investments

Diploma, Commercial Science for Banks, Public Authority for Applied Education & Training, Kuwait

Other Positions Held:

- Vice President & CEO, Qurain Petrochemical Industries Company (QPIC) - Kuwait
- Chairman, United Oil Projects Company - Kuwait
- Chairman, Insha'a Holding - Kuwait
- Board Member, Bank of Baghdad – Iraq
- Board Member, Burgan Bank K.P.S.C. – Kuwait
- Board Member, United Industries Company – Kuwait
- Board Member, Advanced Technology Company – Kuwait

Elected on 25 March 2020 for a period of 3 years.

Mazen Hawwa – Executive Director

Member of the UGH Board

Member of the Executive Committee

Age as at the date of this Offering Circular: 45 years

EMBA from HEC Paris; Graduate of Lebanese American University, Lebanon

Over 22 years' experience in the financial sector

Chartered Global Management Accountant, Certified Public Accountant, and Certified Management Accountant - USA

Other Positions Held:

- Head of Group Finance and Operations, Kuwait Projects Co. Holding - Kuwait
- Advisor to several KIPCO operating subsidiaries
- Chairman, Mena Homes Real Estate Company – Kuwait
- Vice Chairman, Takaud Savings & Pensions B.S.C. (c) – Bahrain
- Vice Chairman, United Networks – Kuwait
- Board Member, United Real Estate Company – Kuwait
- Board Member, Global Investment House – Kuwait
- Board Member, North Africa Holding Company K.S.C. (c) – Kuwait
- Board Member, Assoufid B.V. – Netherlands
- Board Member, SSH International Group – Kuwait
- Board Member, Fajr Al Gulf Insurance Company – Lebanon

Elected on 25 March 2020 for a period of 3 years.

Mubarak Al Maskati – Independent Director

Member of the UGH Board

Chairman of the Nominating & Remuneration Committee

Age as at the date of this Offering Circular: 70 years

Member of the Board Audit Committee

BSc, Political Studies and Economics,
Pennsylvania State University, United States of America

Over 33 years' experience in the financial sector

Other Positions Held:

- Director, Royal Aviation - Kuwait
- Consultant, Amiri Diwan / Amiri Fleet Manager - Kuwait
- Independent Director, United Gulf Holding Company BSC – Bahrain

Elected on 25 March 2020 for a period of 3 years.

Bader Al Awadhi – Independent Director

Member of the UGH Board
Member of the Nominating & Remuneration Committee
Age as at the date of this Offering Circular: 65 years

BSc, Industrial Engineering, University of Miami, United States of America
General Manager Program, Harvard Business School, United States of America
Program for Management Development, Harvard Business School, United States of America

Over 33 years' experience in the financial sector

Other Positions Held:

- Director, Member of the Board Corporate Governance Committee and Member of the Board Audit Committee, Tunis International Bank – Tunisia
- Independent Director, Assoufid BV – Netherlands
- Board Member, Manar Interholdings SL - Spain
- Independent Director – United Gulf Bank BSC (c) – Bahrain

Elected on 25 March 2020 for a period of 3 years.

Mohamed Haroon – Independent Director

Member of the UGH Board
Chairman of the Board Audit Committee
Member of the Nominating & Remuneration Committee
Age as at the date of this Offering Circular: 75 years

BSc (Hons), Peshawar University, Pakistan
Diploma in Banking, Pakistan

Over 50 years' experience in the financial sector

Other Positions Held:

- Chairman & CEO, Haroon Holding Company WLL - Bahrain
- Independent Director, United Gulf Bank BSC (c) – Bahrain

Elected on 25 March 2020 for a period of 3 years.

In accordance with the Corporate Governance Code of the Kingdom of Bahrain, the Nominating & Remuneration Committee reviews the remuneration for the Board of Directors based on their attendance and evaluation of the Committees on which they serve. Any remuneration that is paid is in line with the provisions of Article 188 of the Commercial Companies Law, 2001 which states that the aggregate remuneration shall not exceed 10% of the net profits after deducting the legal reserves and distributing a profit of not less than 5% of the company's paid-up capital. None of the Directors has entered into a service contract or letter of engagement with UGH, whereby he is entitled to any fixed remuneration or benefits either during the course of his Directorship or upon resignation.

Profiles of the Senior Management

UGH does not employ any employees as the Company's operational responsibilities are assumed by UGB employees in accordance with the terms of the service level agreement between UGH and UGB.

Hussain A. Lalani

Chief Executive Officer

Age as at the date of this Offering Circular: 45 years

Mr. Lalani joined UGB in 2002 and was appointed as the Acting CEO in September 2015, and subsequently CEO in April 2019. His career extends over 23 years. He has worked extensively with the UGH Board on advisory transactions in his previous capacity as UGH's Chief Financial Officer and partnered with business divisions to support growth and business plans. Mr. Lalani was previously employed by Ernst & Young, Bahrain and PricewaterhouseCoopers, Pakistan. He is a Board Member of Takaud Savings & Pensions BS.C (c), Bahrain; United Gulf Financial Services - North Africa, Tunisia; FIMBank plc. – Malta; Assoufid B.V.- Netherlands; and London Forfeiting Company – United Kingdom. A Chartered Accountant and a Certified Information Systems Auditor, Mr. Lalani holds a Bachelor of Commerce degree from the University of Karachi, Pakistan.

Mohammed Alqumaish

Assistant General Manager, Chief Audit Executive & Corporate Secretary

Age as at the date of this Offering Circular: 45 years

Mr. Alqumaish joined UGB in September 2001 and was appointed as Chief Audit Executive & Corporate Secretary in August 2010 and January 2013 respectively. He has more than 23 years' regional, commercial and investment banking experience in internal auditing, risk assessment, compliance, corporate governance and quality assurance services. He previously worked with Ahli United Bank and Shamil Bank in Bahrain. Mr. Alqumaish is a Director, Board Audit Committee member and Board Nominating & Remuneration Committee member of Tunis International Bank - Tunisia; Director, Board Audit Committee member and Board Nominating & Remuneration Committee member of Syria Gulf Bank - Syria; and a Director of Al Ameen Real Estate Investment Company - Iraq. He also serves as an external Board Committee member of Gulf Bank Algeria – Algeria, and Bank of Baghdad - Iraq. A Certified Internal Auditor (CIA) and Certified Information Systems Auditor (CISA), Mr. Alqumaish holds an MBA from the University of Strathclyde Business School, UK.

Deepa Chandrasekhar

Senior Vice President, Chief Compliance Officer & Money Laundering Reporting Officer

Age at the date of this Offering Circular: 55 years

Mrs. Chandrasekhar joined UGB in 2008 and was appointed as Chief Compliance Officer & Money Laundering Reporting Officer in August 2008 and April 2014 respectively. She has over 31 years' experience in the areas of compliance, risk management, treasury, operations and internal audit. She holds an MBA degree from the University of Alberta, Canada; as well as several professional certifications. Mrs. Chandrasekhar is a member of the Steering Committee of the Professional Risk Managers International Association (PRMIA), Bahrain Chapter; and the Advisory Council of the Chartered Institute of Securities and Investment (CISI), Bahrain Chapter. She also serves as an International Moderator in the field of compliance and corporate governance for the Finance Accreditation Agency, Malaysia. Mrs. Chandrasekhar is a frequent speaker at professional forums and has published several financial articles.

Syed Rehan Ashraf

Chief Financial Officer

Age at the date of this Offering Circular: 46 years

Mr. Ashraf joined UGB in 2005. He was appointed Chief Financial Officer in September 2015 after serving as Head of Credit and Risk Management since October 2007. He has more than 22 years' experience in the areas of credit, risk management, advisory, compliance and assurance services – with Islamic and conventional banks – and the big four audit firms. He previously worked with Shamil Bank - Bahrain; Deloitte & Touche - Pakistan; Faysal Bank - Pakistan; and PricewaterhouseCoopers - Pakistan. A Fellow Chartered Accountant (FCA) from the Institute of Chartered Accountants of Pakistan, Mr. Ashraf holds an MBA from DePaul University of Chicago, United States of America.

Adel Al-Arab

Senior Vice President, Head of Operations

Age at the date of this Offering Circular: 50 years

Mr. Al Arab joined UGB in 1994 and was appointed as Head of Operations in March 2014. He has over 23 years' experience in the field of operations, credit and risk management. Mr. Al Arab holds a Bachelor of Science degree in Business Administration from the University of Bahrain. He is a Chartered Risk Analyst (CRA) from the Global Academy of Finance and Management, United States of America; and was awarded the Certificate of ISMA Foundation Program from the International Securities Market Association, Zurich, Switzerland. Mr. Al Arab has attended several professional courses in banking, finance, and risk management.

Nirmal Parik

Vice President, Head of Asset Management & Investment Banking

Age at the date of this Offering Circular: 44 years

Mr. Parik joined UGB in 2007. He was appointed Head of Asset Management & Investment Banking in October 2015. He has more than 17 years' experience in the financial services industry in investment banking, asset management and corporate banking. Prior to joining UGB, Mr. Parik worked in various capacities with multinational firms including ING Investment Management (I) Pvt. Ltd., the asset management arm of ING Group NV, Netherlands. He currently serves as a Board Member of India Factoring And Finance Solutions Private Limited, India. Mr. Parik is a Chartered Financial Analyst (CFA), and holds an MBA degree with specialization in Finance.

Abbas Al Tooq

Assistant Vice President, Head of Credit & Risk Management

Age at the date of this Offering Circular: 48 years

Mr. Al Tooq joined UGB in 1999. He assumed the role of Head of Credit and Risk Management in November 2015. He has more than 23 years' experience in the areas of credit, risk management, operations and audit. He previously worked with Jawad Habib Coopers & Lybrand, Daiwa Middle East Bank, and The Arab Investment Company. Mr. Al Tooq holds an MBA degree from DePaul University, Chicago, United States of America; and is an Associate Professional Risk Manager (APRM) from the Professional Risk Managers International Association.

Hussain Khalil

Vice President, Head of Treasury

Age at the date of this Offering Circular: 36 years

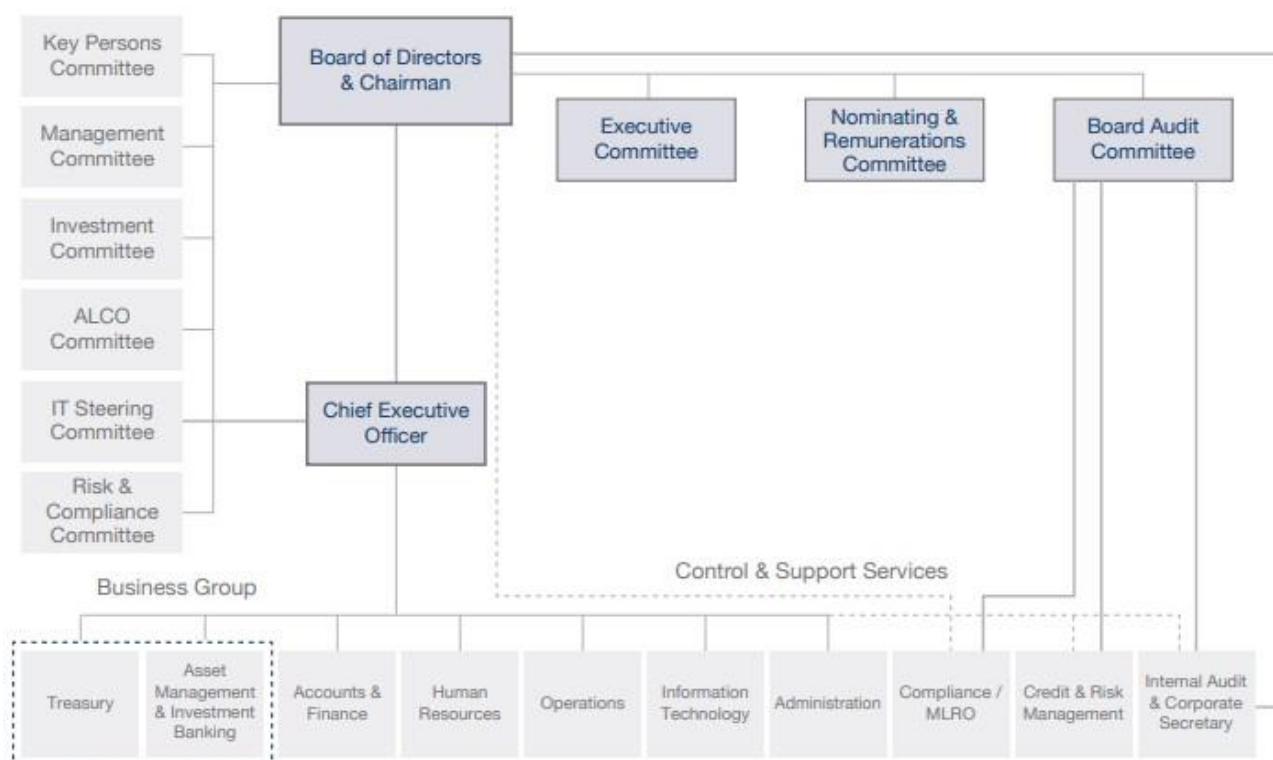
Mr. Khalil joined UGB in September 2020 and was appointed as Head of Treasury in September 2020. He is a seasoned banker with over 12 years of experience in the Treasury department, where he was

intrinsically involved in managing liquidity through Money Market, FX and Capital Markets products. He has managed Investment portfolios and dealt in Sukuk, GCC equities and structured products.

He has also worked closely with regional and multinational financial institutions in trading different financial securities and regional debt issuances. Mr. Khalil holds an MSc in Finance from Loughborough University, United Kingdom and has obtained his Series 7 certification, ACI Dealing Certificate and most recently the Certificate in Quantitative Finance from CQF institute.

6.3. Management Reporting Structure

The Company’s organizational structure as of 30 September 2020 is illustrated in the figure below:



6.4. Structure and Composition of the UGH Board

The UGH Board has approved three standing committees – namely, the Executive Committee, the Board Audit Committee and the Nominating & Remuneration Committee. Each of these has its own charter that outlines the responsibilities of its members. The UGH Board is authorised to constitute additional functional committees from time to time, depending on the business needs.

The current members of the UGH Board were re-elected for a three-year term commencing March 2020. Their applications were evaluated by the Nominating & Remuneration Committee during the committee meeting held in March 2020 using the criteria specified in the **Questionnaire for Independent Directors Policy & Procedures**. The entire list of the Directors was also reviewed based on the **Criteria for the Election / Re-election of Directors** PPM. This policy contains the questionnaire for evaluating the criteria for a person to be considered as appropriate for serving on the UGH Board.

The Chairman of the UGH Board is required to confirm to Shareholders when proposing a re-election of a Director that, following a formal performance evaluation, the person's performance continues to be effective and continues to demonstrate commitment to the role.

The UGH Board considers that there is an appropriate balance of executive and independent Directors on the UGH Board and that the current UGH Board composition is appropriate.

The roles and responsibilities of the Chairman and the CEO are separate from one another.

The Chairman's main responsibilities are:

- To lead the UGH Board and ensure the effective engagement and contribution of all of the Directors, so that the UGH Board may fully discharge its legal and regulatory responsibilities;
- To ensure effective communication with Shareholders and ensure that the UGH Board members understand the views of the major Shareholders; and
- To develop a constructive relationship with the CEO and to manage his performance.

The day-to-day management of the Company has been delegated by the UGH Board to the CEO. The CEO is responsible for the control and monitoring of the Company's business on a day-to-day basis, recommending strategy to the UGH Board, leading senior management and implementing the UGH Board's strategic and operational decisions.

The independent Directors have the flexibility to meet prior or post the UGH Board meetings and to review issues without the presence of the other Directors.

6.5. Major Shareholders (defined as those owning 5% or above of the issued share capital of UGH)

Name of Shareholder	Number of Ordinary Shares	% of Shareholding	Nationality
Kuwait Projects Company (Holding) – K.P.S.C. Kuwait (KIPCO)	322,800,805	78.16%	Kuwaiti
Overland Real Estate Co	40,211,026	9.74%	Kuwaiti
Burgan Bank K.S.C.P	40,884,490	9.90%	Kuwaiti
Total KIPCO Group	403,896,321	97.80%	Kuwaiti

On a consolidated basis, the KIPCO Group owns approximately 97.80% of the Company's outstanding Ordinary Shares. No government or sovereign funds hold any Ordinary Shares of UGH.

The share registry of UGH is maintained by Bahrain Clear (a subsidiary of the Bahrain Bourse), with whom the Company has an electronic registry agreement. They maintain the shareholders' register that records the names of Shareholders, their nationalities, the number of Ordinary Shares that they hold and any transactions that they make.

6.6. Shareholdings of Directors and Senior Management

The following table summarizes the number of Ordinary Shares and shareholding percentage owned by the Directors and senior management of the Company as of 30 September 2020:

Name of Director / Senior Management	Position	No of Ordinary Shares	% of Shares
Masaud J. Hayat	Chairman	-	-
Faisal Al Ayyar	Vice Chairman	-	-
Sadoun Ali	Executive Director	-	-
Tariq M.Y. Abdulsalam	Executive Director	-	-
Mazen Hawwa	Executive Director	-	-
Mubarak Mohamed Al Maskati	Independent Director	-	-
Bader Al Awadhi	Independent Director	-	-
Mohammed Haroon	Independent Director	5,000	0.00%
Hussain Lalani	Chief Executive Officer	67	0.00%
Mohammed Al Qumaish	Chief Audit Executive & Corporate Secretary	-	-
Deepa Chandrasekhar	Senior Vice President, Chief Compliance Officer & MLRO	-	-
Rehan Ashraf	Senior Vice President, Chief Financial Officer	-	-
Adel Al Arab	Senior Vice President, Head of Operations	-	-
Nirmal Parik	Vice President, Head of Asset Management & Investment Banking	-	-
Abbas Al Tooq	Assistant Vice President, Head of Credit & Risk Management	-	-
Hussain Khalil	Vice President, Head of Treasury	-	-

The Company does not operate any share option schemes or equivalent arrangements for the issue of equity securities to the Directors, the Company's senior management or its employees.

6.7. Material Background Information

The Company confirms that none of its major Shareholders, Directors or senior management, collectively referred to as Stakeholders, has:

- At any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against the Stakeholder, or against a partnership of which the Stakeholder was a partner at the time when the Stakeholder was a partner, or at any time within two years from the date the Stakeholder ceased to be a partner;
- At any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which the Stakeholder was a director or an equivalent person or a key executive, at the time when the Stakeholder was a director or equivalent person or a key executive of that entity, or at any time within two years from the date the Stakeholder ceased to be a director or an equivalent person or a key executive of that entity, for the winding up

or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

- Had any unsatisfied judgment against the Stakeholder;
- Ever been convicted of any offence, in Bahrain or elsewhere, involving money laundering, financial crimes, fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which the Stakeholder is aware) for such purpose;
- Ever been convicted of any offence, in Bahrain or elsewhere, involving a breach of any law or regulatory requirement that relates to the capital market in Bahrain or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which the Stakeholder is aware) for such breach;
- At any time during the last 10 years, had a judgment entered against the Stakeholder in any civil proceedings in Bahrain or elsewhere involving a breach of any law or regulatory requirement that relates to the capital market in Bahrain or elsewhere, or a finding of fraud, misrepresentation or dishonesty on the Stakeholder's part, nor has any Stakeholder been the subject of any civil proceedings (including any pending civil proceedings of which the Stakeholder is aware) involving an allegation of fraud, misrepresentation or dishonesty on the Stakeholder's part;
- Ever been convicted in Bahrain or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- Ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- Ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining the Stakeholder from engaging in any type of business practice or activity;
- Ever, to the Stakeholder's knowledge, been concerned with the management or conduct of the affairs of:
 - Any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Bahrain or elsewhere;
 - Any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Bahrain or elsewhere;
 - Any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Bahrain or elsewhere; or
 - Any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the capital market in Bahrain or elsewhere in connection with any matter occurring or arising during the period when the Stakeholder was so concerned with the entity or business trust; and
- Ever been the subject of any current or past investigation or disciplinary proceedings, or been reprimanded or issued any warning by the CBB or any other regulatory authority, exchange, professional body or government agency, whether in Bahrain or elsewhere.

6.8. Board Committees

The UGH Board has constituted the following Committees to assist it in its responsibilities.

The UGH Board has established the following three committees to ensure that it carries out its functions and provides effective supervision and leadership:

Committee Title	Members
Executive Committee	Masaud J. Hayat, Faisal Al Ayyar, Sadoun A. H. Ali, Tariq M. Y. Abdulsalam, Mazen Hawwa
Board Audit Committee	Mohammed Haroon (Chairman), Faisal Al Ayyar, Mubarak Al Maskati
Nominating & Remuneration Committee (also responsible for Corporate Governance)	Mubarak Al Maskati (Chairman), Bader Al Awadhi, Mohammed Haroon

Executive Committee

Composition: UGH's Executive Committee (EC) was constituted on 28 March 2018 and comprises five Directors as its members. Executive Committee Resolutions are passed through circulation.

Responsibilities: The EC is delegated authority by the UGH Board to take decisions in the interim periods between UGH Board Meetings, and by circulation when a full meeting of the UGH Board is not possible. The EC is also empowered by the UGH Board to act on its behalf, if an immediate decision is required on any matters falling outside the authority of the senior management of the Company. The basic responsibility of the EC is to consider and approve/amend the overall impact of the policy recommended by the CEO in the key areas of strategy planning, risk, investment and asset and liability management.

Board Audit Committee

Composition: UGH's Board Audit Committee (BAC) was constituted on 28 March 2018 after the appointment of the independent Directors. It comprises one executive Director (Mr. Faisal Al Ayyar) and two independent Directors (Mr. Mohammed Haroon - Chairman and Mr. Mubarak Al Maskati). The Chairman of the BAC is an independent Director. All members of the BAC are financially literate and have sufficient technical expertise and exposure to the financial industry that enable them to discharge their responsibilities cited below.

Responsibilities: The BAC assists the UGH Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of UGH, supervising the internal and external auditors and the Company's compliance with the legal and regulatory requirements. Its main functions as enumerated in its Charter which was approved by the UGH Board, encompasses:

- The quality and integrity of financial reporting and the audit thereof;
- The recommendation for the appointment, compensation and oversight of the Company's external auditor;
- The recommendation for the appointment of the internal auditor;
- The soundness of internal controls of the Company;
- The measurement system of risk assessment and relating these to UGH's capital;
- The methods for monitoring compliance with laws, regulations and supervisory and internal policies;

- The business practices and ethical standards of the company including the implementation of a whistleblowing policy

Nominating & Remuneration Committee

Composition: UGH’s Nominating & Remuneration Committee (NRC) was constituted on 28 March 2018 after the appointment of the independent Directors. It comprises three independent Directors - (Mr. Mubarak Al Maskati – Chairman, Mr. Bader Al Awadhi and Mr. Mohammed Haroon). The Chairman of the NRC is an independent Director.

Responsibilities: The NRC assists the UGH Board in assessing the skill sets of the UGH Board members and ensures that there is an appropriate mix of eminent persons having an independent standing in their respective field/profession and who can effectively contribute to UGH’s business and policy decisions. Its main functions as enumerated in its Charter which was approved by the UGH Board, encompasses:

- Oversee the Corporate Governance processes of the Company.
- Nominate the persons eligible for directorship or chief executive officer, chief financial officer or secretary position, except for the internal auditor who is nominated by the audit committee.
- Make recommendations to the Directors from time to time regarding changes that the committee believes are desirable to the size of the UGH Board or any committee of the UGH Board.
- Review the preparation of appropriate nomination documents and notifications of candidates for directorships. This includes ensuring that appropriate appointment documents, regulatory approvals and notifications are made on new Directors.
- Supervise the evaluation process of the UGH Board, the Directors and the committees of the UGH Board.
- Review the independence of Directors
- Recommend/review the remuneration of the Directors and certain senior executives, if it decides to compensate them for the additional responsibilities which they undertake on behalf of the Company.

Governance Committee

The NRC is responsible for the supervision of corporate governance activities and the adherence to the tenets of the MOICT’s Code of Corporate Governance. During the year ended 2019, the NRC completed the following activities related to the oversight of corporate governance:

- Review of Disclosure of Interest and other directorships held by the UGH Board.
- Review of the Directors’ annual affirmation of adherence to the Code of Conduct and Independent Directors’ annual affirmation of independence.
- Review of the annual evaluation of the UGH Board, committees and individual Directors.
- Review of membership and structure of the UGH Board committees.
- Review of Key Persons’ trading for the year 2019
- Review the implementation status of the MOICT Corporate Governance Code.
- Review of Corporate Governance Policies.
- Review of directorships representing UGH on the Boards of other companies.
- This Corporate Governance Report – for the year ended 2019.

6.9. Compensation

In accordance with the Service Level Agreement signed in August 2017 between UGH and its primary subsidiary UGB, the latter provides all staff, facilities, premises, systems, data, information and equipment to the Company. There are hence no employees in UGH. All the front office responsibilities related to Asset Management, Investment Banking and Treasury and the support lines encompassing

Accounts & Finance, Compliance, Credit & Risk Management, Human Resources, Information Technology, Internal Audit and Operations, are conducted by UGB staff.

The cumulative compensation including sitting fee and remuneration paid in the last two years for UGH Board members was USD Nil in 2019 and USD Nil; in 2018.

Certain senior executives of UGB were compensated for the additional responsibilities that they undertook for UGH. The total compensation paid to these senior executives was US\$301,074 for the year ended 31 December 2019 and US\$250,531 for the year ended 31 December 2018.

Apart from the above mentioned service level agreement, there are no existing or proposed service contracts entered or to be entered into by UGH with any of the Directors or any of its subsidiaries or subsidiary entities.

6.10. Employees

UGH does not employ any employees, as the Company's operational responsibilities are assumed by UGB employees in accordance with the terms of the service level agreement between UGH and UGB. There are consequently no benefits payable by the Company upon termination of employment.

6.11. External Auditor

The external auditors of UGH are Ernst and Young – Middle East (EY). EY is a global leader in assurance, tax, transaction and advisory services and is a member firm of Ernst & Young Global Limited, a UK company limited by guarantee (EYG). EYG member firms are grouped into three geographic areas: Americas; Asia-Pacific and Europe, Middle East, India and Africa (EMEIA).

EY Middle East is a specialised Partnership Company and is part of the MENA Region.

Following the decision of the Shareholders at the constituent general assembly of UGH held in August 2017, Ernst & Young was appointed as the Company's external auditor.

Fees and charges for the audit or services provided by the external auditor during the year 2019, are provided in the following table:

Name of the audit firm:	Ernst & Young
Years of service as the Company's external auditor:	3 years
Name of the partner in charge of the Company's audit:	Kazim Merchant
The partner's years of service as the partner in charge of the Company's audit:	1.5 years
Total audit fees for the financial statements for the year 2019 (US\$):	US\$ 197,559 (BD 74,550)
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2019 (US\$) if any	Nil

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7. Major Shareholders, Related Parties Transactions and Conflicts of Interest

7.1. Major Shareholders

The Company has only one class of Ordinary Shares. Each Shareholder holding one Share shall have the right to attend the general assembly. A Shareholder may delegate, by way of a written proxy to another Shareholder, other than a member of the UGH Board, the right to attend the general assembly on his/her behalf. The votes in the ordinary general meeting as well as the Extraordinary General Meeting shall be counted on the basis of one vote for every Ordinary Share held. For further details please refer to the section titled "Shareholder Rights".

As of 30 September 2020, the Company holds 640,091 Ordinary Shares as treasury shares. All of the Ordinary Shares carry equal voting rights pursuant to the Offering.

Details of Shareholders holding more than 5% in the issued Ordinary Share capital of the Company as at the record date of the AGM for the last three years is provided below:

Name of Shareholder holding > 5% equity stake	30 September 2020	Year End 2019	Year End 2018	Year End 2017
Kuwait Project Company (Holding) – K.P.S.C. Kuwait	Shares: 322,800,805 Percentage: 78.16%	Shares: 322,800,805 Percentage: 78.16%	Shares: 322,800,805 Percentage: 78.16%	Shares: 322,800,805 Percentage: 78.16%
Overland Real Estate Co.	Shares: 40,211,026 Percentage: 9.74%	Shares: 40,211,026 Percentage: 9.74%	Shares: 40,211,026 Percentage: 9.74%	Shares: 40,211,026 Percentage: 9.74%
Burgan Bank K.S.C.P	Shares: 40,884,490 Percentage: 9.90%	Shares: 40,884,490 Percentage: 9.90%	Shares: 40,884,490 Percentage: 9.90%	Shares: 40,884,490 Percentage: 9.90%

The distribution schedule of shareholdings in UGH as of 30 September 2020 by numbers of Ordinary Shares held is set out below:

Shareholding (share)	No. of Shareholders	No. of Shares	Shareholding %
<50,000	1,757	3,601,447	0.87%
50,000 to 500,000	22	3,152,076	0.76%
500,000 to 5,000,000	2	1,390,091	0.34%
>5,000,000	3	404,831,037	98.03%
Aggregate	1,784	412,974,651	100.00%

The following is the number of Ordinary Shares, and the percentage shareholding of Directors and the senior management of the Company. All Ordinary Shares have the same voting rights. No other employee owns any shares in UGH other than as set out below:

Category	30 September 2020	Year End 2019	Year End 2018	Year End 2017
Directors				
Masaud M.J. Hayat	Shares: - Percentage: 0.00%	Shares: - Percentage: 0.00%	Shares: - Percentage: 0.00%	Shares: 53,050 Percentage: 0.01%
Faisal Al Ayyar	Shares: - Percentage: 0.00%	Shares: - Percentage: 0.00%	Shares: - Percentage: 0.00%	Shares: 53,050 Percentage: 0.01%
Mohammed Haroon	Shares: 5,000 Percentage: 0.00%	Shares: 5,000 Percentage: 0.00%	Shares: 5,000 Percentage: 0.00%	Shares: - Percentage: 0.00%
Senior Management				
Hussain Lalani	Shares: 67 Percentage: 0.00%	Shares: 67 Percentage: 0.00%	Shares: 67 Percentage: 0.00%	Shares: 67 Percentage: 0.00%
Total	Shares: 5067 Percentage: 0.00%	Shares: 5067 Percentage: 0.00%	Shares: 5067 Percentage: 0.00%	Shares: 106,167 Percentage: 0.03%

7.2. Related Party Transactions

Related parties to the Company represent the parent, associates and joint ventures, directors and key management personnel and entities which are controlled, jointly controlled or significantly influenced by any of the above-mentioned parties.

The significant balances and transactions with related parties to the Company as of 30 September 2020, 31 December 2019, 31 December 2018 and 31 December 2017 were as follows:

RELATED PARTY TRANSACTIONS

Nine-months ended 30 September 2020

	Major Shareholder US\$ '000	Associates US\$ '000	Other related parties US\$ '000	Total US\$ '000
Investment income	55	8	723	786
Fees and commissions - net*	6,634	14,303	973	21,910
Dividend income	-	-	-	-
Rental income	1,656	(430)	-	1,226
Interest income	365	503	1,356	2,224
Interest expense	(239)	(16,032)	(4,882)	(21,153)
General and administrative expenses	-	(1)	(1,576)	(1,577)
Others	-	32	81	113

*The Company and its subsidiary, UGB, have entered into an arrangement for service sharing. In line with the arrangement, UGB will provide certain services and incur certain expenses on behalf of the Company.

Year ended 31 December 2019

	Major Shareholder US\$ '000	Associates US\$ '000	Other related parties US\$ '000	Total US\$ '000
Investment income	-	-	-	-
Fees and commissions – net	3,443	2,868	4,500	10,811
Dividend income	-	-	947	947
Rental income	2,232	43	-	2,275
Interest income	515	2,147	1,081	3,743
Interest expense	(170)	(25,435)	(5,527)	(31,132)
General and administrative expenses	-	-	-	-
Others	-	12,505	(1,211)	11,294

Year ended 31 December 2018

	Major Shareholder US\$ '000	Associates US\$ '000	Other related parties US\$ '000	Total US\$ '000
Investment income	-	15	-	15
Fees and commissions – net	3,586	33,245	2,855	39,686
Dividend income	-	-	1,359	1,359
Rental income	2,384	326	-	2,710
Foreign currency translation gains (net)	-	362	-	362
Interest income	137	2,364	782	3,283
Interest expense	(515)	(18,307)	3,852	(22,674)
Others	-	(1)	(1,325)	(1,326)

Year ended 31 December 2017

	Major Shareholder US\$ '000	Associates US\$ '000	Other related parties US\$ '000	Total US\$ '000
Investment income	-	21	(1)	20
Fees and commissions – net	2,649	3,202	(5,191)	660
Dividend income	-	-	362	362
Rental income	567	221	-	788
Foreign currency translation gains (net)	-	(13,079)	-	(13,079)
Interest income	-	906	7	913
Interest expense	(997)	(4,086)	(116)	(5,199)
Others	-	(166)	(236)	(402)

RELATED PARTY BALANCES

Nine-months ended 30 September 2020

	Major Shareholder US\$ '000	Associates US\$ '000	Other related parties US\$ '000	Total US\$ '000
Demand and call deposits with banks	-	2,801	270	3,071
Placements with banks	-	15,000	26,349	41,349
Investments carried at fair value through statement of income	-	2,557	-	2,557
Investments carried at fair value through other comprehensive income	-	6,614	90,516	97,130
Investments carried at amortised cost	9,981	-	-	9,981
Loans and receivables	-	25,967	47,546	73,513
Other assets	4,765	14,787	3,314	22,866
Due to banks and other financial institutions	-	(12,989)	(95,139)	(108,128)
Deposits from customers	(40,965)	(389)	(7,761)	(49,115)
Loans payable	-	(461,812)	(53,900)	(515,712)
Other liabilities	(42)	(3,729)	(5,331)	(9,102)
Perpetual Tier 1 Capital	-	-	(10,000)	(10,000)
<i>Commitment and Contingencies</i>				
Letters of guarantee	-	-	150	150
Investment related commitments	-	-	3,195	3,195

As of 31 December 2019

	Major Shareholder	Associates	Other related parties	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Demand and call deposits with banks	-	1,592	135	1,727
Placements with banks	-	-	25,270	25,270
Investments carried at fair value through statement of income	-	2,636	448	3,084
Investments carried at fair value through other comprehensive income	-	2,913	85,649	88,562
Investments carried at amortised cost	9,894	-	-	9,894
Loans and receivables	-	7,000	27,483	34,483
Other assets	3,928	36,334	2,169	42,431
Due to banks and other financial institutions	-	(10,164)	(214,648)	(224,812)
Deposits from customers	(87)	(1,220)	(28,479)	(29,786)
Loans payable	-	(436,812)	(35,321)	(472,133)
Other liabilities	(8)	(409)	(3,270)	(3,687)
Perpetual Tier 1 Capital	-	-	(10,000)	(10,000)
<i>Commitment and Contingencies</i>				
Letters of guarantee	-	-	150	150
Loan related commitments	-	-	3,195	3,195

As of 31 December 2018

	Major Shareholder	Associates	Other related parties	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Demand and call deposits with banks	-	20,990	146	21,136
Placements with banks	-	-	18,927	18,927
Investments carried at fair value through statement of income	-	-	111,449	111,449
Investments carried at fair value through other comprehensive income	9,847	-	-	9,847
Investments carried at amortised cost	-	-	-	-
Loans and receivables	-	8,516	29,357	37,873
Other assets	5,078	7,313	2,422	14,813
Due to banks and other financial institutions	-	(77,330)	(123,579)	(200,909)
Deposits from customers	(11,555)	(958)	(5,356)	(17,869)
Loans payable	-	(462,104)	(11,435)	(473,539)
Other liabilities	(610)	(1,245)	(3,047)	(4,902)
Perpetual Tier 1 Capital	-	-	(10,000)	(10,000)
<i>Commitment and Contingencies</i>				
Letters of guarantee	-	-	150	150
Letters of credit	-	-	14,780	14,780
Loan related commitments	-	-	3,195	3,195

As of 31 December 2017

	Major Shareholder	Associates	Other related parties	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Demand and call deposits with banks	-	2,114	43	2,157
Placements with banks	-	2,550	20,228	22,778
Investments carried at fair value through statement of income	-	-	2,209	2,209
Investments carried at fair value through other comprehensive income	-	-	-	-
Investments carried at amortised cost	-	-	-	-
Investments carried at fair value through other comprehensive income	1,584	(680)	134,027	134,931
Loans and receivables	-	12,784	8,243	21,027
Other assets	-	21,782	5,340	27,122
Due to banks and other financial institutions	-	(42,542)	(130,147)	(172,689)
Deposits from customers	(582)	(4,597)	(33,598)	(38,777)
Loans payable	-	(403,210)	-	(403,210)
Subordinated debt	-	(50,000)	-	(50,000)
Other liabilities	(636)	(2,742)	(2,531)	(5,909)
Perpetual Tier 1 Capital	-	-	(10,000)	(10,000)
<i>Commitment and Contingencies</i>				
Letters of guarantee	-	-	150	150

7.3. Insider Trading

No trading of the Company's Ordinary Shares was undertaken by its Directors or senior management during the financial year 2019.

7.4. Conflicts of Interest

No abstentions or declarations of conflicts of interest were received by the Chairman or the Corporate Secretary during the year ended 2019. Pursuant to Article 19 of the MAoA, a Director must declare any direct or indirect personal interest in any matter before the UGH Board and may not deliberate or vote on the matter. The Directors and the senior management of the Company are prohibited from having a direct or indirect personal interest in contracts or matters related to the Company unless UGH Board approval is attained.

As of the date of this Offering Circular, none of the Directors or employees of UGB who undertake the governance activities of UGH under the terms of the service level agreement between UGB and UGH or the controlling Shareholders have any personal interests in any business dealing in a similar line of business as the Company. The UGH Board has approved a Conflict of Interest policy that requires full disclosure of the nature and extent of any direct or indirect conflict of interest between them and the Company.

7.5. Borrowing Powers

As per the MAoA, the powers of the Board of Directors shall include, without limitation to the generality of the foregoing and in derogation from the limits under Article 182 of the Bahrain Commercial Companies Law:

The power to purchase, sell, mortgage, lease for a period exceeding three (3) years, or otherwise dispose of movables or immovable properties (including without limitation credit rights, trademarks, concessions and other intangible assets), open cash or securities accounts and withdraw funds and/or securities there-from, apply and obtaining financing for a tenor exceeding three (3) years, give guarantees, sureties or indemnities to third parties, give authorization to institute all actions and defend the interests of the Company before the judiciary whether as plaintiff or defendant, enter into agreements for gifts, conciliation, arbitration and receipt and release and waive the Company's priority rights whether for consideration or otherwise and to decide on the manner of utilizing Company's funds, with the only exception of those matters expressly reserved, by law and these Articles of Association, to the General Meetings.

8. Key Financial Information

8.1. Introduction

The financial statements for the Company for the years ended 31 December 2017, 2018 and 2019 respectively are prepared in accordance with IFRS and Companies Law. However, pursuant to a recent specific communication of the CMSD of CBB to the Company, the interim condensed consolidated financial statements of the Company for the nine-month period ended 30 September 2020 were prepared in accordance with IFRS (using the guidance provided by IAS 34) except for:

- recognition of modification losses on financial assets arising from payment holidays provided to customers impacted by COVID-19 without charging additional interest, in equity instead of profit or loss as required by IFRS 9 Financial Instruments. Any other modification gains or losses on financial assets are recognised in accordance with the requirements of IFRS 9; and
- recognition of financial assistance received from the government and/or regulators in response to its COVID-19 support measures that meets the government grant requirement, in equity, instead of profit or loss. This will only be to the extent of any modification loss recorded in equity as a result of (a) above, and balance of the amount to be recognized in profit or loss. Any other financial assistance is recognised in accordance with the requirements of IAS 20.

For each financial year, the Company is required to prepare and publish its financial statements within a period not exceeding 60 days from the financial year end thereof. The Company is also required to publish quarterly financial statements within a period of 45 days from the quarter end.

Pursuant to the CBB's circular dated 30 March 2020 (Ref: OG/124/2020) exempting all public shareholding companies in Bahrain from the preparation and publication of their quarterly reviewed financial results for the first quarter of 2020, UGH also availed this exemption.

8.2. Summary Historical Financial Data

The financial data summarized below is derived from the audited consolidated financial statements for the years ended 31 December 2019, 2018 and 2017 respectively in addition to the reviewed financial statements for the nine months period ended 30 September 2020.

The financial statements are presented in United States Dollars, the principal currency of operations and the reporting currency of the Company. Certain prior period figures have been regrouped to conform to the current presentation of the balance sheet and income statement. There has been no material adverse change in the prospects of the Company since 30 September 2020, nor has there been any significant change in the financial position of the Company since 30 September 2020.

For a better understanding of the financial position and performance during the historical period covered below, the summarized historical financial data should be read in conjunction with the audited financial statements.

Please refer to Appendix 1 of this document for the full set of audited consolidated financial statements of the Company for the years ended 31 December 2018, 31 December 2019, and the interim condensed consolidated financial statements for the nine-months ended 30 September 2020.

8.3. Summary Financial Statements

An independent auditor's report stating that the extracts in the summary financials are in line with the audited annual financial statements is provided below, and is followed by the summary financials:



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C.R. no. 29977-1

PRIVATE AND CONFIDENTIAL

18 November 2020

Board of Directors
United Gulf Holding Company B.S.C.
P.O Box 5565
Manama
Kingdom of Bahrain

United Gulf Holding Company B.S.C. (the “Company”) Agreed-upon procedures relating to financial information included in Section 8.3 of the draft Offering Circular for the issuance of right shares by the Company

Dear Sirs

We have performed procedures agreed with you and enumerated below with respect to financial information included in Section 8.3 of the draft copy of the Offering Circular prepared by United Gulf Holding Company B.S.C. (the “Company”), for the issuance of right shares by the Company (the “Offering Circular”), and provided to us. These procedures are being performed to facilitate the completion and submission of the Offering Circular by management to the regulatory authorities. Our engagement was undertaken in accordance with International Standard on Related Services 4400 applicable to agreed-upon procedures engagements. These procedures are summarised as follows:

1. We obtained the relevant extract of the Offering Circular i.e. Section 8.3 and agreed financial information included in Section 8.3 titled “Summary Financial Statements” to the amounts presented in the audited consolidated financial statements of the Company as at and for the years ended 31 December 2017, 31 December 2018 and 31 December 2019 and the reviewed interim condensed consolidated financial statements of the Company as at and for nine month period ended 30 September 2020 as applicable,
2. For certain financial information included in section 8.3 of the Offering Circular which cannot be traced to the audited / reviewed financial statements as mentioned in point 1 above, we traced these to a schedule prepared by the management of the Company; and:
3. We checked the arithmetical accuracy of the information included in Section 8.3 of the draft copy of the Offering Circular.

We report our findings below:

- a. With respect to item 1, no exceptions were noted, other than the following which as per management of the Company are primarily due to changes in presentation of various amounts and disclosures in the financial statements over the years:
 - i. In the consolidated statement of cash flow for the period ended 31 December 2017 and year ended 31 December 2018 as included in Section 8.3 of the Offering Circular, profit before tax has been presented while in consolidated statement of cashflows as included in the audited consolidated financial statements of the Company for the period ended 31 December 2017 and year ended 2018 profit after tax has been presented and a separate adjustment for tax has been made;

- II. In the consolidated statement of cash flow for the period ended 31 December 2017 as included in Section 8.3 of the Offering Circular, amount of "loss (gain) on investments at fair value through statement of income" and the amount of "Investments carried at fair value through statement of income" do not tie to the amounts appearing for these captions in the consolidated statement of cashflows as included in the audited consolidated financial statements of the Company for the period ended 31 December 2017. However, the sum of these two amounts as included in the Offering Circular reconcile to the sum of these two amounts included in the audited consolidated financial statements of the Company for the period ended 31 December 2017;
- III. In the consolidated statement of cash flow for the year ended 31 December 2018 as included in Section 8.3 of the Offering Circular, amount of "other non-cash items" and the amount of "Foreign currency translation adjustments" do not tie to the amounts appearing for these captions in the consolidated statement of cashflows as included in the audited consolidated financial statements of the Company for the year ended 31 December 2018. However, the sum of these two amounts as included in the Offering Circular reconcile to the sum of these two amounts included in the audited consolidated financial statements of the Company for the year ended 31 December 2018;
- IV. In the consolidated statement of cash flow for the year ended 31 December 2018 as included in Section 8.3 of the Offering Circular, amount of "Placements with banks with original maturities of more than ninety days" and the amount of "Cash and cash equivalents at end of period" do not tie to the amounts appearing for these captions in the consolidated statement of cashflows as included in the audited consolidated financial statements of the Company for the year ended 31 December 2018. . However, these two amounts as included in the Offering Circular tie to the comparative amounts appearing for these captions in the consolidated statement of cashflows as included in the audited consolidated financial statements of the Company for the year ended 31 December 2019;
- V. In the consolidated statement of cash flow for the period ended 31 December 2017 as included in Section 8.3 of the Offering Circular, the amount of net assets of disposal group classified as held for sale (USD 21,442 thousand) has been presented within investing activities while in consolidated statement of cashflows as included in the audited consolidated financial statements of the Company for the period ended 31 December 2017 this has been classified within operating activities;
- VI. In the consolidated statement of cash flow for the period ended 31 December 2017 as included in Section 8.3 of the Offering Circular, depreciation charge has been presented as USD 127 thousand which is a sum of the amount of USD 846 thousand of "depreciation" and negative USD 719 thousand of "other non-cash items" included in the consolidated statement of cashflows as included in the audited consolidated financial statements of the Company for the period ended 31 December 2017;
- VII. In the consolidated statement of cash flow for the period ended 30 September 2020 as included in Section 8.3 of the Offering Circular, the amount of "(Repayment of) proceeds from term loans" reconciles to the sum of the amount of "proceeds from new term loans obtained" and "repayment of term loans" presented in consolidated statement of cashflows as included in the audited consolidated financial statements of the Company for the period ended 30 September 2020;
- VIII. As a result of the above findings relevant totals / sub totals as included in the consolidated statement of cash flows in Section 8.3 of the Offering Circular do not reconcile to the relevant totals / sub totals included in the consolidated statement of cash flows included in the audited consolidated financial statements for the respective years; and

- IX. The number of weighted average shares included in the Consolidated Statement of Income as included in Section 8.3 of the Offering Circular cannot be traced to the consolidated statement of income but these have been traced to other notes to the consolidated financial statements for relevant years. In case of the period ended 30 September 2020, weighted average numbers of shares are not included in the interim condensed consolidated financial statements of the Company for the period ended 30 September 2020 and therefore this has been traced to the schedule prepared by management of the Company.
- b. With respect to item 2:
- I. Weighted average number of shares for the period ended 30 September 2020 as included in the consolidated statement of income as included in Section 8.3 of the Offering Circular has been traced to the schedule prepared by management; and
 - II. All the amounts / numbers included in the last three rows of the consolidated statement of income as included in Section 8.3 of the Offering Circular have been traced to the schedule prepared by management.
- c. With respect to item 3, no exceptions were noted.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the information reported in the Offering Circular. Had we performed additional procedures, or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

This report is solely for the purpose set forth in the first paragraph and is only for the information of the Company and the Central Bank of Bahrain ("CBB") and for inclusion in the Offering Circular, for the issuance of right shares by the Company, as mandated by CBB. This report should not be used for any other purpose or be distributed to any other parties. This report relates only to the financial information included in section 8.3 of the draft copy of the Offering Circular and does not extend to any financial statements of the Company, taken as a whole.

Yours faithfully



Manama, Kingdom of Bahrain

Consolidated Statement of Financial Position

	30 September (Reviewed)	31 December		
	2020	2019	2018	2017
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
ASSETS				
Demand and call deposits with banks	542,657	479,384	522,428	432,067
Placements with banks	212,197	250,871	169,736	119,853
Investments carried at fair value through statement of income	550,045	683,359	602,576	19,268
Investments carried at fair value through other comprehensive income	297,213	219,345	289,729	384,172
Investments carried at amortised cost	9,912	10,066	10,341	-
Loans and receivables	549,537	657,218	664,533	972,292
Other assets	115,221	147,880	122,689	123,318
Investments in Associates	703,462	741,915	749,727	758,381
Investment properties	119,421	119,937	124,853	105,093
Property and Equipment	82,502	85,638	70,511	47,221
Goodwill and other intangible assets	68,978	70,390	71,481	55,325
Assets held for sale	9,051	4,223	-	-
TOTAL ASSETS	3,260,196	3,470,226	3,398,604	3,016,990
LIABILITIES				
Due to banks and other financial institutions	477,572	633,030	505,149	624,422
Deposits from customers	1,150,977	1,072,209	1,041,904	878,220
Loans Payable	969,460	1,006,595	1,034,982	856,426
Subordinated debt	-	-	-	50,000
Long term bonds	130,719	131,948	131,739	-
Other liabilities	125,678	122,818	136,313	66,284
Total liabilities	2,854,406	2,966,600	2,850,087	2,475,352
	30 September (Reviewed)	31 December		

	2020	2019	2018	2017
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
EQUITY				
Share capital	206,487	206,487	206,487	206,487
Treasury shares	(320)	(320)	(56)	-
Share premium	214,477	214,477	214,477	214,477
Treasury share reserve	(1,518)	(1,518)	(39)	-
Statutory reserve	3,285	3,285	2,310	446
Fair value reserve	(102,640)	(76,150)	(54,201)	90
Foreign currency translation reserve	(3,234)	(3,093)	(2,293)	(1,517)
Accumulated deficit	(72,325)	(14,555)	(2,682)	2,264
Capital and Reserves attributable to the shareholders of the parent	244,212	328,613	364,003	422,247
Perpetual Tier-1 capital	33,000	33,000	33,000	33,000
Non-controlling interests	128,578	142,013	151,514	86,391
Total Equities	405,790	503,626	548,517	541,638
TOTAL LIABILITIES AND EQUITY	3,260,196	3,470,226	3,398,604	3,016,990

Consolidated Statement of Income

	Nine-month period ended 30 September 2020	Year ended 31 December 2019	Year ended 31 December 2018	Period from incorporation to 31 December 2017
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
OPERATING INCOME				
Interest income	35,544	59,445	61,436	13,904
Investment (loss) income - net	(2,095)	47,696	42,514	11,950
	33,449	107,141	103,950	25,854
Fees and commissions – net	58,051	75,423	72,478	12,586
Foreign currency translation gains (losses) – net	2,345	1,098	678	(555)
Share of result of associates	8,623	40,700	30,905	6,945
Total income	102,468	224,362	208,011	44,830
Interest expense	(55,084)	(82,897)	(68,563)	(15,918)
Operating income before expenses and provisions	47,384	141,465	139,448	28,912
Salaries and benefits	(43,786)	(68,530)	(53,937)	(10,855)
General and administrative expenses	(26,444)	(44,269)	(34,868)	(6,937)
Operating (loss) income before provisions and tax	(22,846)	28,666	50,643	11,120
Provision for losses against unfunded participation	-	-	(805)	-
Allowance for impairment for expected credit losses – net	(24,720)	(8,359)	(14,199)	(2,103)
Impairment (loss)/reversal on investment in associates	(3,702)	70	(9,020)	-
(Loss) profit before tax from continuing operations	(51,268)	20,377	26,619	9,017
Taxation – net	(4,462)	(4,919)	(2,616)	(906)
(Loss) profit for the period from continuing operations	(55,730)	15,458	24,003	8,111

	Nine-month period ended 30 September 2020	Year ended 31 December 2019	Year ended 31 December 2018	Period from incorporation to 31 December 2017
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Discontinued operations				
Profit (loss) for the period from discontinued operations	556	-	524	(3,025)
(Loss) profit for the period	(55,174)	15,458	24,527	5,086
Weighted Average Shares	412,334,560	412,731,306	412,864,000	209,187,500
Basic and diluted (loss) earnings per share attributable to shareholders of the parent (in US\$ cents)	(11.97)	(1.11)	2.35	2.13
Proposed issue of new Ordinary Shares pursuant to the Rights Offering	26,593,850	26,593,850	26,593,850	26,593,850
Adjusted Shares	438,928,410	439,192,906	439,457,850	235,781,350
Basic and diluted (loss) earnings per share attributable to shareholders of the parent, pursuant to the adjusted shares after Rights Offering (in US\$ cents)	(11.24)	(1.04)	2.21	1.89

Consolidated Statement of Comprehensive Income

	Nine-month period ended 30 September, 2020	2019	2018	For the period from incorporation to 31st December, 2017
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
NET (LOSS) PROFIT FOR THE PERIOD / YEAR	(55,174)	15,458	24,527	5,086
Other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation reserve	(1,642)	(921)	(776)	(1,498)
Share of other comprehensive loss of associates – net	(13,649)	(18,243)	(32,187)	(10,672)
Fair value changes of investments carried at fair value through other comprehensive income	(8,890)	(14,667)	(23,630)	15,326
Cash flow hedges	(3,997)	(4,942)	55	-
	(28,178)	(38,773)	(56,538)	(3,066)
Other comprehensive (loss) income not to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation reserve	-	-	(431)	-
Fair value changes of investments carried at fair value through other comprehensive income	(8,951)	(941)	(4,080)	-
Total other comprehensive (loss) income for the period / year	(37,129)	(39,714)	(60,618)	-
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD / YEAR	(92,303)	(24,256)	(36,091)	8,152

Consolidated Statement of Cash Flows

	Nine-month period ended	Year ended	Year ended	For the Period from incorporation to
	30 September	31 December	31 December	31 December
	2020	2019	2018	2017
	US\$ '000	US\$ 000	US\$ 000	US\$ 000
OPERATING ACTIVITIES				
(Loss) profit before tax from continuing operations	(51,268)	20,377	26,619	9,017
Profit (loss) before tax from discontinued operations	556	-	524	(3,025)
Net (loss) profit for the period / year before tax	(50,712)	20,377	27,143	5,992
Adjustments for non-cash items:				
Depreciation	5,776	5,777	4,211	127
Share of results of associates - net	(8,623)	(40,700)	(30,905)	(6,945)
Allowance for expected credit losses - net	24,720	8,359	14,199	2,103
Taxation - net	4,462	-	-	-
Impairment on investments	3,702	(70)	9,020	-
Provision for losses against unfunded participation	-	-	805	-
Change in fair values of investment properties	-	(7,294)	(1,109)	148
(Gain) loss on sale of associates and subsidiaries	(1,420)	-	523	(1,778)
Gain on sale due to reclassification of investment	-	(664)	(31)	(2,971)
Loss (gain) on investments at fair value through statement of income	10,961	(11,213)	1,260	352
Interest income	(35,544)	(59,445)	(61,436)	(13,904)
Interest expense	55,084	82,897	68,563	15,918
Dividend Income	-	(8,195)	(9,855)	(1,652)
Bargain purchase gain on acquisition of a subsidiary	-	-	(23,928)	-
Operating profit (loss) before working capital changes	8,406	(10,171)	(1,540)	(2,610)

Changes in operating assets and liabilities:				
Placements with banks with original maturities of more than ninety days	(305)	22,617	(43,780)	68,380
Investments carried at fair value through statement of income	122,353	(69,570)	(267)	5,266
Investments carried at fair value through other comprehensive income	(72,207)	55,213	81,585	19,017
Investments carried at amortised cost	154	275	(9,847)	-
Loans and receivables	83,243	(1,283)	(207,354)	78,610
Other assets	29,439	(33,540)	39,601	(5,614)
Due to banks and other financial institutions	(155,458)	127,881	(119,273)	(54,030)
Deposits from customers	78,768	30,305	163,684	25,002
Other liabilities	(2,425)	(6,345)	(7,924)	(2,342)
Interest received	30,022	58,204	58,949	9,854
Interest paid	(53,816)	(81,405)	(66,068)	(8,388)
Dividend Income	-	8,195	9,855	1,652
Directors' remuneration	(195)	(195)	-	(195)
Donations	(250)	(200)	(200)	(200)
Government grants	1,942	-	-	-
Net cash flows from (used in) operating activities	69,671	99,981	(102,579)	134,402
INVESTING ACTIVITIES				
Investment in subsidiaries - net of cash acquired	-	-	(23,568)	319,040
Acquisition of assets held for sale	(4,828)	-	-	21,442
Deferred consideration paid on acquisition of a subsidiary	-	(8,247)	-	-
Intangible assets	-	-	(2,573)	-
Investments in associates - net	1,605	26,208	(1,747)	(13,432)
Investment properties - net	-	-	-	(185)
Property and equipment - net	(1,228)	(7,050)	(5,053)	(15,940)
Net cash flows (used in) from investing activities	(4,451)	10,911	(32,941)	310,925

FINANCING ACTIVITIES				
(Repayment of) proceeds from term loans	(34,549)	(28,387)	178,556	118,030
Interest payment on Tier 1 capital	(3,784)	(14,316)	(8,949)	(1,752)
(Purchase) issue of treasury shares	-	(1,743)	(95)	5,400
Repayment of subordinated debt	-	-	(50,000)	-
Issuance of long term bonds	-	-	131,739	-
Net cash flows (used in) from financing activities	(38,333)	(44,446)	251,251	121,678
Foreign currency translation adjustments	(3,300)	(1,162)	(478)	(1,517)
Movement in non-controlling interests	538	(4,576)	(16,586)	(23,356)
NET CHANGE IN CASH AND CASH EQUIVALENTS	24,125	60,708	98,667	542,132
Cash and cash equivalents at Start of Period	701,507	640,799	542,132	-
CASH AND CASH EQUIVALENTS AT End of Period	725,632	701,507	640,799	542,132

Statement of Change in Owner's Equity

	Attributable to shareholders of the parent											
	Share capital	Treasury shares	Share premium	Treasury share reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated deficit	Total	Perpetual Tier 1 capital	Non-controlling interests	Total equity
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Balance at 1 January 2020	206,487	(320)	214,477	(1,518)	3,285	(76,150)	(3,093)	(14,555)	328,613	33,000	142,013	503,626
Loss for the period	-	-	-	-	-	-	-	(45,554)	(45,554)	-	(9,620)	(55,174)
Other comprehensive loss	-	-	-	-	-	(32,635)	(141)	-	(32,776)	-	(4,353)	(37,129)
Total comprehensive loss for the period	-	-	-	-	-	(32,635)	(141)	(45,554)	(78,330)	-	(13,973)	(92,303)
Transfer upon disposal of equity investments carried at fair value through other comprehensive income	-	-	-	-	-	6,145	-	(6,145)	-	-	-	-
Modification loss net of government assistance (note 15)	-	-	-	-	-	-	-	(2,287)	(2,287)	-	-	(2,287)
Interest payment on Tier 1 capital	-	-	-	-	-	-	-	(1,752)	(1,752)	-	-	(1,752)
Share of associate's interest payment on Tier 1 capital	-	-	-	-	-	-	-	(2,032)	(2,032)	-	-	(2,032)
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	538	538
Balance at 30 September 2020	206,487	(320)	214,477	(1,518)	3,285	(102,640)	(3,234)	(72,325)	244,212	33,000	128,578	405,790

	Attributable to shareholders of the parent											
	Share capital	Treasury shares	Share premium	Treasury share reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings / (Accumulated deficit)	Total before non-controlling interests	Perpetual Tier 1 capital	Non-controlling interests	Total equity
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Balance at 1 January 2019	206,487	(56)	214,477	(39)	2,310	(54,201)	(2,293)	(2,682)	364,003	33,000	151,514	548,517
Profit for the year	-	-	-	-	-	-	-	9,747	9,747	-	5,711	15,458
Other comprehensive loss	-	-	-	-	-	(38,160)	(800)	-	(38,960)	-	(754)	(39,714)
Total comprehensive (loss) income for the year	-	-	-	-	-	(38,160)	(800)	9,747	(29,213)	-	4,957	(24,256)
Purchase of treasury shares	-	(264)	-	(1,479)	-	-	-	-	(1,743)	-	-	(1,743)
Transfer upon disposal of investments carried at fair value through other comprehensive income	-	-	-	-	-	11,514	-	(11,514)	-	-	-	-
Transferred during the year	-	-	-	-	975	-	-	(975)	-	-	-	-
Interest payment on Tier 1 capital and other adjustments	-	-	-	-	-	-	-	(14,316)	(14,316)	-	-	(14,316)
Dilution in ownership in a subsidiary (note 5)	-	-	-	-	-	4,697	-	5,185	9,882	-	(9,882)	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,576)	(4,576)
Balance at 31 December 2019	206,487	(320)	214,477	(1,518)	3,285	(76,150)	(3,093)	(14,555)	328,613	33,000	142,013	503,626

	<i>Attributable to shareholders of the parent</i>											
	<i>Share capital US\$ 000</i>	<i>Treasury shares US\$ 000</i>	<i>Share premium US\$ 000</i>	<i>Treasury share reserve US\$ 000</i>	<i>Statutory reserve US\$ 000</i>	<i>Fair value reserve US\$ 000</i>	<i>Foreign currency translation reserve US\$ 000</i>	<i>Retained earnings / (Accumulated deficit) US\$ 000</i>	<i>Total before non-controlling interests US\$ 000</i>	<i>Perpetual Tier 1 capital US\$ 000</i>	<i>Non-controlling interests US\$ 000</i>	<i>Total equity US\$ 000</i>
Balance at 1 January 2018	206,487	-	214,477	-	446	90	(1,517)	2,264	422,247	33,000	86,391	541,638
Transition adjustment on adoption of IFRS 9 at 1 January 2018 (note 4)	-	-	-	-	-	8,067	-	(16,146)	(8,079)	-	(2,731)	(10,810)
	206,487	-	214,477	-	446	8,157	(1,517)	(13,882)	414,168	33,000	83,660	530,828
Profit for the year	-	-	-	-	-	-	-	18,644	18,644	-	5,883	24,527
Other comprehensive loss	-	-	-	-	-	(56,787)	(776)	-	(57,563)	-	(3,055)	(60,618)
Total comprehensive (loss) income for the year	-	-	-	-	-	(56,787)	(776)	18,644	(38,919)	-	2,828	(36,091)
Transfer upon disposal of non-trading investments	-	-	-	-	-	(5,571)	-	5,571	-	-	-	-
Transferred during the year	-	-	-	-	1,864	-	-	(1,864)	-	-	-	-
Purchase of treasury shares	-	(56)	-	(39)	-	-	-	-	(95)	-	-	(95)
Interest payment on Tier 1 capital	-	-	-	-	-	-	-	(3,513)	(3,513)	-	-	(3,513)
Share of associate's interest payment on Tier 1 capital	-	-	-	-	-	-	-	(5,436)	(5,436)	-	-	(5,436)
Acquisition of a subsidiary (note 5)	-	-	-	-	-	-	-	-	-	-	78,557	78,557
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(13,531)	(13,531)
Excess paid for fair value of net assets acquired (note 6)	-	-	-	-	-	-	-	(2,202)	(2,202)	-	-	(2,202)
Balance at 31 December 2018	206,487	(56)	214,477	(39)	2,310	(54,201)	(2,293)	(2,682)	364,003	33,000	151,514	548,517

	<i>Attributable to shareholders of the parent</i>									
	<i>Share capital US\$ 000</i>	<i>Share premium US\$ 000</i>	<i>Statutory reserve US\$ 000</i>	<i>Fair value reserve US\$ 000</i>	<i>Foreign currency translation reserve US\$ 000</i>	<i>Retained earnings US\$ 000</i>	<i>Total before non-controlling interests US\$ 000</i>	<i>Perpetual Tier 1 capital US\$ 000</i>	<i>Non-controlling interests US\$ 000</i>	<i>Total equity US\$ 000</i>
Capital issued during the period	206,487	214,477	-	-	-	-	420,964	-	-	420,964
Profit for the period	-	-	-	-	-	4,462	4,462	-	624	5,086
Other comprehensive income (loss)	-	-	-	90	(1,517)	-	(1,427)	-	4,493	3,066
Total comprehensive income (loss) for the period	-	-	-	90	(1,517)	4,462	3,035	-	5,117	8,152
Interest payment on Tier 1 capital	-	-	-	-	-	(1,752)	(1,752)	-	-	(1,752)
Acquisition of subsidiaries	-	-	-	-	-	-	-	33,000	109,123	142,123
Transferred during the period	-	-	446	-	-	(446)	-	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	(27,849)	(27,849)
Balance at 31 December 2017	206,487	214,477	446	90	(1,517)	2,264	422,247	33,000	86,391	541,638

8.4. Operating and Financial Review

Assets

At the end of the financial year 2019, total assets stood at US\$ 3.5 billion compared with US\$ 3.4 billion at the end of the 2018 financial year, Total assets under management held through UGH's primary subsidiary, UGB increased by 8 per cent to US\$ 13.6 billion, as a result of the successful merger between UGB's subsidiary, KAMCO, and Global Investment House.

Liabilities

During the financial year ended 31 December 2019, UGH successfully refinanced existing medium-term funding facilities of US\$ 75 million.

Equity

UGH had a total equity of US\$ 328.6 million as of 31 December 2019 versus US\$ 364.0 million as at 31 December 2018.

Operating results

UGH reported total income before interest and other expenses of US\$ 224.4 million for the year ended 31 December 2019, higher by 8 per cent from US\$ 208.0 million for the year ended 31 December 2018. Total expenses rose by 27 per cent from US\$ 88.8 million as of 31 December 2018 to US\$ 112.8 million as at 31 December 2019, which was attributable to the increase in general and administrative expenses, and interest expenses, relating to the acquisition of Global Investment House. Net profit attributable to shareholders of the parent reduced by 48 per cent to US\$ 9.7 million for the year ended 31 December 2019 compared with US\$ 18.6 million for the year ended 31 December 2018; with basic earnings per share declining from US 2.35 cents for the year ended 31 December 2018 to a loss of US 1.11 cents per share for the year ended 31 December 2019. The decrease in profitability for the year ended 31 December 2019 is a result of lower profits reported by FIMBank and Burgan Bank, and a loss incurred by United Real Estate Company.

Operating income

Revenues mainly comprise interest income and credit related fees and commissions from FIMBank and KAMCO, the share of profits from the UGH group's associates, management and advisory fees from KAMCO, and investment related income from UGB and KAMCO.

The main source of interest income for UGH was derived from interest on loans and advances at FIMBank, and interest on interbank placements at UGB, KAMCO and FIMBank. Interest income for the period ending 31 December 2019 was US\$59.4 million (31 December 2018: US\$61.5 million). Management fees from fiduciary activities were recorded at US\$ 40.8 million for the year ended 31 December 2019 (31 December 2018: US\$ 15.0 million), mainly arising from FIMBank's loans and advances portfolio, and GIH. Results from financial associates for the year ended 31 December 2019 recorded a profit of US\$ 45.5 million (31 December 2018: US\$ 43.6 million). Dividend income for 2019 and 2018 mainly comprises dividends of FIMBank's investments in trade finance funds, and from KAMCO's holding of quoted and unquoted equity investments.

Operating expenses

Operating expenses were US\$ 112.8 million for the year ended 31 December 2019 (31 December 2018: US\$ 88.8 million) arising mainly from FIMBank (US\$ 37.0 million), KAMCO (US\$ 65.0 million) and UGB (US\$ 8.2 million). KAMCO acquired GIH effective 1 September 2019. Therefore, only 4 months of expenses were consolidated in the UGH group's 2018 results, whereas full 12 months' expenses were consolidated in 2019.

Impairment provisions

During 2019, provisions of US\$ 8.3 million were booked mainly against loans and advances (2018: US\$ 24.0 million provisions of which US\$ 14.2 million were against loans and advances).

Provisions against loans and advances comprised specific provisions of US\$ 9.0 million against past due loans, whereas expected credit losses on performing loans were reversed by US\$ 0.3 million.

COVID-19 Impact

During the period ended 30 September 2020, there was an outbreak of coronavirus (COVID-19). The existing and anticipated effects of the outbreak on the global economy is expected to continue to evolve. While these developments continue to impact the Company's operations, the scale and duration of further developments remain uncertain at this stage and could potentially further impact the Company's financial position, financial performance and cash flows in the future, the extent of which is presently undeterminable. The Company is monitoring the situation closely and has undertaken various risk minimisation and management practices to limit and minimise the impact on the Company's operations, financial position and performance.

The Board of UGH and management has been monitoring the impact of COVID-19 on the Company's revenues, impact on valuations of assets and impairments, etc. The Company's contingency plans were activated including business continuity, liquidity management etc.

The Government of the Kingdom of Bahrain has announced various stimulus programmes to support businesses. The Company received financial assistance in the form of reimbursement of a portion of staff costs and a waiver of utility charges during the nine-month period to 30 September 2020 amounting to US\$ 1.924 million.

The following table summarizes the impact that COVID-19 has had on different classes of assets for the nine-month period to 30 September 2020:

	Income Statement	Statement of Financial Position	Statement of Other Comprehensive Income
	US\$ '000	US\$ 000	US\$ 000
Impact on:			
Real estate assets	(3,037)	(3,037)	-
Investments at fair value through profit or loss	(17,717)	(17,717)	-
Investments at fair value through other comprehensive income	-	(201)	(201)
Investments in associates	(28,859)	(28,859)	-
Loans, receivables, and other assets	(22,021)	(22,021)	-
Other impacts	(17,662)	-	-

Financial Information on Major Subsidiaries

The following table summarizes the financial performance of the major subsidiaries of UGH for the financial years ended 31 December 2017, 2018, 2019 and the nine-month period to 30 September 2020:

	Nine-month period ended 30 September	31 December (Audited)		
		2020	2019	2018
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
FIMBank plc				
Total Revenue	39,050	72,559	88,771	77,847
Total Operating Income	28,805	54,348	63,833	51,654
Net Profit / Loss	(29,060)	4,530	18,594	10,738
Total Assets	1,778,639	1,885,714	1,861,245	1,627,329
Total Liabilities	1,535,466	1,612,018	1,589,872	1,471,464
Total Equity	243,173	273,696	271,373	155,865
United Gulf Bank B.S.C. (closed)				
Total Revenue	5,376	28,842	24,844	45,482
Total Operating Income	(423)	18,822	17,476	17,617
Net Profit / Loss	(6,729)	11,420	10,093	7,915
Total Assets	507,077	605,676	503,369	546,186
Total Liabilities	276,423	361,730	283,377	310,221
Total Equity	230,654	243,946	219,992	235,966
KAMCO				
Total Revenue	35,428	89,529	59,201	30,740
Total Operating Income	27,649	78,029	52,414	25,801
Net Profit / Loss	(5,247)	13,886	7,109	2,222
Total Assets	450,164	426,965	464,885	239,148
Total Liabilities	268,923	226,395	269,207	104,096
Total Equity	181,241	200,570	195,678	135,052

8.5. Liquidity and Capital Resources

The UGH group's current main sources of liquidity are due to financial institutions, due to customers (external sources) and share capital and cash flows generated from operating activities (internal sources). As of 30 September 2020, the UGH group has outstanding loans payable of US\$ 969.5 million and dues to banks and financial institutions of US\$ 477.6 million. Additionally, the UGH group also has outstanding long-term bonds of US\$ 130.7 million.

Given the current net working capital position of the Company, the UGH Board is of the opinion that the Company has sufficient liquidity for its present operational requirements. The additional liquidity generated from the current Offering will be utilized to increase the loans and advances and investment in the securities portfolio of the Company.

The details of external and internal sources of liquidity available to the Company are as follows:

	Nine-month period ended 30 September	31 December (Audited)		
		2020	2019	2018
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
EXTERNAL SOURCES				
Due to from financial institutions	477,572	633,030	505,149	624,422
Due to customers	1,150,977	1,072,209	1,041,904	878,220
Loans payable	969,460	1,006,595	1,034,982	856,426
Subordinated debt	-	-	-	50,000
Long term bonds	130,719	131,948	131,739	-
INTERNAL SOURCES				
Equity due to shareholders	244,212	328,613	364,003	422,247
Cash from (used in) operating activities	69,671	99,981	(102,579)	155,844

Please refer Summary Consolidated Statement of Cash Flow (Section: 8.3) for material sources and amounts of cash flows from operating, investing and financing activities.

8.6. Capitalization and Indebtedness

The following table summarizes the capitalization of the Company as of 30 September 2020.

	30 September 2020 (US\$ '000)
Share capital	206,487
Treasury shares	(320)
Share premium	214,477
Treasury share reserve	(1,518)
Statutory reserve	3,285
Fair value reserve	(102,640)
Foreign currency translation reserve	(3,234)
Accumulated deficit	(72,325)
Capital and Reserves attributable to the shareholders of the parent	244,212
Perpetual Tier-I capital	33,000
Non-controlling interests	128,578
Total Equities	405,790

As of 30 September 2020, the UGH group has outstanding loans payable of US\$ 969.5 million and dues to banks and financial institutions of US\$ 477.6 million. Additionally, the UGH group also has outstanding long-term bonds of US\$ 130.7 million.

8.7. Dividend Policy

The Company's dividend pay-out is dependent on the financial position of the Company and the overall strategy as determined by the UGH Board. There have been no dividends paid in the last three financial years. There can be no assurance that the Company will pay dividends in the future.

8.8. Litigation

As of the date of this Offering Circular, there is no pending material litigation against the Company to the best of our knowledge and belief.

9. The Offering

9.1. Introduction

Applicants must carefully read this Offering Circular and the terms and conditions appended to the Application Form prior to submitting a completed Application Form and Subscription Amount to the Designated Branch of the Receiving Bank. A signed Application Form submitted to the Designated Branch of the Receiving Bank will represent a legally binding agreement between the Issuer and the Applicant upon acceptance of that Application Form.

The Ordinary Shares being offered pursuant to this Offering Circular are new Ordinary Shares of the Company. These new Ordinary Shares will rank pari passu with existing Ordinary Shares of the Company's issued and paid-up share capital. Applicants may obtain both the Offering Circular and the Application Form from the Designated Branch of the Receiving Bank, the registered office of the Issuer and the Issue Registrar.

The Ordinary Shares offered through this Document are available to existing Shareholders as of the Record Date for subscription under a Rights Offering to existing Shareholders. The number of Ordinary Shares issued and paid-up prior to the Offering is 412,974,651 Ordinary Shares each at a Nominal Value of USD 0.5 each.

9.2. Equity Offering

Pursuant to this Offering Circular the Company is offering up to 26,593,850 new Ordinary Shares with a Nominal Value of USD 0.50 per share and having an Issue Price of USD 2.63 per share. Upon full subscription under the Offering, the issued and paid up share capital of the Company will be 439,568,501 Ordinary Shares each at a Nominal Value of USD 0.5 per Ordinary Share amounting to USD 219.8 million.

The holding of one hundred and fifty five (155) existing Ordinary Shares shall entitle a shareholder to ten (10) new Ordinary Shares pursuant to the Rights Offering. Pursuant to Article 129 of the Companies Law, the existing Shareholders of the Company as on the Record Date have a right to subscribe for more Ordinary Shares than they are entitled to by completing the relevant section of the Application Form. Fractional Ordinary Shares will not be issued. The rights of Shareholders who hold Ordinary Shares other than in multiples of 155 will be rounded downwards – provided that (i) the total number of new Ordinary Shares so allotted to each Shareholder shall not exceed the number of new Ordinary Shares for which the application was made by such Shareholder and (ii) the total number of new Ordinary Shares so allotted shall not exceed the total number of new Ordinary Shares available for subscription.

If the new Ordinary Shares are still not fully subscribed, the Issuer, in accordance with Article 129 of the Companies Law and in consultation with the relevant Authorities, shall allot the new Ordinary Shares up to the level of Subscription Amounts received in accordance with the terms of the Offering Circular.

9.3. Entitlement to this Offering

The Offering is open to all Shareholders registered in the Company's Ordinary Share register on the Record Date. The holding of one hundred and fifty five (155) existing Ordinary Shares shall entitle a shareholder to ten (10) new Ordinary Shares pursuant to the Rights Offering, as at the Record Date (Ratio of 10:155). Shareholders may however make an application for Ordinary Shares in excess of or lower than their entitlement. Fractional Ordinary Shares will not be issued. The rights of Shareholders who hold Ordinary Shares other than in multiples of 155 will be rounded downwards – provided that (i) the total number of new Ordinary Shares so allotted to each Shareholder shall not exceed the number of new Ordinary Shares for which the application was made by such Shareholder and (ii) the total number of

new Ordinary Shares so allotted shall not exceed the total number of new Ordinary Shares available for subscription.

9.4. Subscription Restriction and Renunciation Rights

The Ordinary Shares will be registered and indivisible. The Shareholders entitled to participate in this Offering may accept all or a part of their entitlement. Their right to the Ordinary Shares being offered through this Document is renounceable, which enables the Shareholders who do not wish to take up some or all of the Ordinary Shares being offered pursuant to this Document to renounce those Ordinary Shares in favor of others. Such renunciation shall however be made during the Subscription Period only.

9.5. Record Date

Only those Shareholders whose name appears in the Company's Ordinary Share register on the Record Date, being 24 November 2020 shall be entitled to participate in the Offering.

9.6. Last Trading Date

Last day to trade to be eligible to qualify as an existing shareholder for the Rights Offering which is 2 Business Days prior to the Record Date, being 22 November 2020

9.7. Subscription Period

The Subscription Period commences on the Opening Date and closes at the Closing Date or such other dates as may be decided by the Issuer, subject to the prior approval of the CBB. Applicants may make an application for Ordinary Shares under the Offering during the Subscription Period and at the Designated Branch of the Receiving Bank. Any extension to the Subscription Period will be announced to Shareholders through the issuance of a supplementary prospectus.

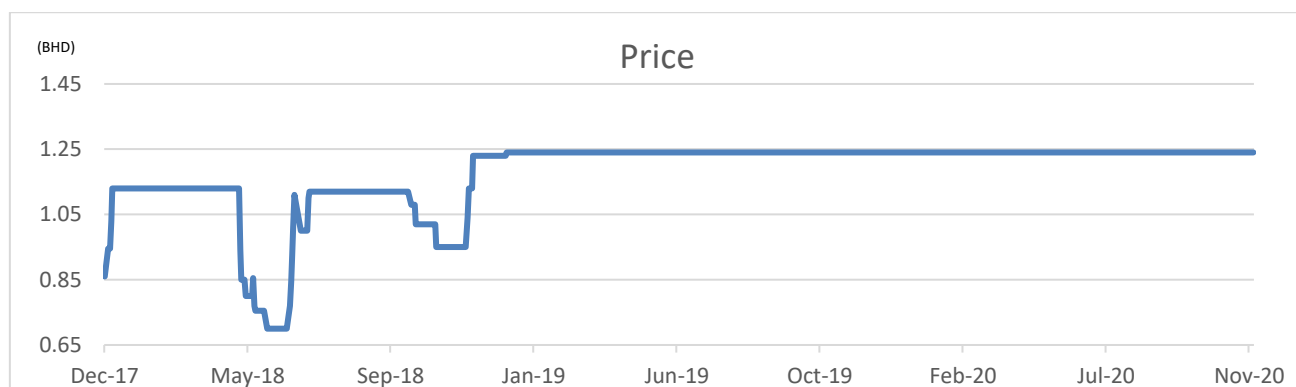
9.8. Issue Price

The Board of UGH determined the Issue Price on the basis of taking the Average Market Price and applying a discount of approximately 20% in order to create an Issue Price that would be attractive to Shareholders. Accordingly, the Issue Price was set at USD 2.63 per new Ordinary Share.

The Issue Price is net of any bank or related charges. All charges such as wire transfer charges, subscription application processing fees, collection charges, foreign currency conversion charges, managers cheque charges, special clearing charges and any other charges shall be borne by the Applicant.

9.9. Listing and Share Performance

The Company's Ordinary Shares are listed on the Bahrain Bourse since 21 December 2017, and Ordinary Shares are traded in BHD. The new Ordinary Shares that will be issued pursuant to the Rights Offering will be listed on the BHB and will be traded in BHD. The graph below shows the share price performance of the Company's Ordinary Shares on the Bahrain Bourse in the last three years:



Source: BHB

The volume traded in the Company's Ordinary Shares has been limited during the last 3-year period.

The Company's Relative Performance on the Bahrain Bourse

The price per Ordinary Share on the BHB (as of 18 November 2020): BHD 1.24

The summary of high and low price is summarized in the table below (all prices expressed in BHD):

Period	High Price	Low Price
First trading day in last 6 Months (18 May 2020)	1.24	1.24
Last Practicable Date (18 November 2020)	1.24	1.24
Last 6 months		
Month of October 2020	1.24	1.24
Month of September 2020	1.24	1.24
Month of August 2020	1.24	1.24
Month of July 2020	1.24	1.24
Month of June 2020	1.24	1.24
Month of May 2020	1.24	1.24
Last 4 quarters		
Q3 2020	1.24	1.24
Q2 2020	1.24	1.24
Q1 2020	1.24	1.24
Q4 2019	1.24	1.24
Last 3 Financial Years		
Year Ended 31 Dec 2019	1.24	1.24
Year Ended 31 Dec 2018	1.24	0.70
Year Ended 31 Dec 2017	1.13	0.86

Source: BHB

9.10.Application Form

An application to subscribe for the Ordinary Shares will only be accepted if made in the prescribed Application Form. Copies of the Offering Circular and the Application Form are available at the offices of the Company, the Issue Registrar and the Designated Branch of the Receiving Bank.

9.11. Lead Manager

United Gulf Bank B.S.C. (Closed) has been appointed as the Lead Manager for the Offering. The Lead Manager has assisted the Company in preparing this Offering Circular and the Application Form, facilitated in obtaining regulatory approvals, coordinated the subscription functions and managed the tasks and contributions of other parties involved in the Offering. The Lead Manager will not be acting as an underwriter to the Offering. The Offering is not underwritten.

9.12. Legal Advisor

Al Tamimi & Co. has been appointed as the Legal Advisor to the Company and has reviewed this Offering Circular to ensure compliance with the applicable laws and regulations in the Kingdom of Bahrain.

9.13. Issue Registrar

In connection with the Offering, the Company has entered into an Issue Registrar agreement with Bahrain Clear to act as the Issue Registrar. The Issue Registrar is mandated by the Company to manage the allotment process and refund process and update the Shareholders' Ordinary Share register post the Offering. Applicants would collect Allotment Notices from the Issue Registrar and the Issue Registrar would process any refunds. The Issue Registrar should also make available the Application Forms and the Offering Circular.

9.14. Expenses and Costs

Out of the total proceeds of the Offering, the Company will pay fees, expenses and costs associated with the Offering.

These include, among others the Lead Manager's and the Issue Registrar's fees, legal fees relating to the Offering, registration costs, expenses incurred for printing and other advertisement expenses, and any other incidental expenses associated with the Offering. Such expenses are not expected to exceed approximately 0.5% of the gross proceeds of the Offering.

9.15. Dilution of Shareholders' Interest consequent to the Offering

Since the Issue Price is higher than book value per Ordinary Share, as of 30 September 2020, there will not be any dilution in book value, as a result of the Rights Offering, if all shareholders subscribe to their full entitlement to new Ordinary Shares pursuant to the Rights Offering.

In the event that existing Shareholders as on the Record Date, who are entitled to subscribe to Ordinary Shares pursuant to the Offering, do not subscribe to their entitlement, either in full or in part, the equity stake of such Shareholders will be diluted. As there are 10 new Ordinary Shares being offered for each 155 existing Ordinary Shares, the maximum dilution in the event that a Shareholder does not subscribe to the Offering is 6.06%.

9.16. Subscription of 5% or more of the Offering

UGH's major shareholders, being KIPCO, Overland Real Estate Co and Burgan Bank K.S.C.P. (as set out in further detail in Section 6.5 of this Offering Circular) have confirmed that they intend to subscribe for their full entitlement to new Ordinary Shares pursuant to the Rights Offering.

10. Investment Considerations and Risk Factors

Before making an investment decision regarding the Ordinary Shares, an Applicant should carefully consider the specific risk factors set out below, in addition to the other information contained in the Offering Circular. Such risks are not the only ones faced by the Company. Additional risks and uncertainties that are not presently known to the Issuer, or that the Company currently believes are immaterial, may also impair its business operations. The Company's business, financial condition, results of operations or the value of its investment could be materially adversely affected by any of these risks. In such case, the price of Ordinary Shares may decline, and Applicants may lose part or all their investment.

The following list is intended as a summary of certain principal investment considerations and risk factors associated with this investment, but are only illustrative and not exhaustive and must be supplemented by the Applicant's own analysis of, among other things, such Applicants' personal or corporate financial circumstances

10.1. Inability to Raise the Required Equity through the Rights Offering

In the event the Ordinary Shares offered through the Offering are not fully subscribed, the Issuer, in accordance with Article 129 of the Companies Law and in consultation with the relevant Authorities, shall allot the Ordinary Shares up to the level of Subscription Amounts received in accordance with the terms of the Offering Circular.

10.2. Investment Return Risk

There is no assurance that the Company will be able to generate returns for Shareholders or that the returns will be commensurate with the risks of investing in the Company or the nature of the transactions described herein. It is possible that the price of the Ordinary Shares may decline, and Applicants could lose part or all of the capital they have invested.

10.3. Competition Risk

The market in which the Company operates is highly competitive. Currently, the Company has many competitors and the operations of the Company, its subsidiaries and associates may be adversely affected by the competition.

10.4. Economic Conditions

Changes in the market, business, and economic conditions, including, for example, profit rates, foreign exchange rates, oil prices, inflation rates, industry conditions, competition, technological developments, tax laws and innumerable other factors, can affect, substantially and adversely, the Company's performance.

10.5. Geopolitical Risks

The Company's business is sensitive to global political and economic conditions. A severe or prolonged downturn in the global economy could materially and adversely affect the Company's business, financial condition, and results of operations. The global macroeconomic environment is facing challenges. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States. There have been concerns over unrest and terrorist threats in MENA, Europe and Africa, which have resulted in volatility in oil and other markets, and concerns over the conflicts involving Ukraine, Syria and North Korea.

The Company is headquartered in Bahrain and has material operations in Kuwait and Malta. While Bahrain is seen to have a relatively stable political environment, certain other jurisdictions in MENA are not. In particular, since early 2011 there have been increased political risks in several countries in the region, including Algeria, Bahrain, Egypt, Libya, Morocco, Oman, Saudi Arabia, Tunisia and Syria. These risks have increased political uncertainty across the region and have a material negative impact on the regional economy. In mid-2017, Bahrain, Saudi Arabia, the UAE and certain other countries imposed sanctions on Qatar, which remain in place. In January 2020, the United States conducted a drone strike that killed the Iranian general Qasem Soleimani, which escalated tensions between the United States and Iran and heightened the risk for a military conflict between the two countries. The fluctuations in oil price and the outbreak of COVID-19 in the first quarter of 2020 may materially and adversely affect the economic conditions in MENA.

The financial, political and general economic conditions prevailing from time to time across MENA may affect clients' willingness and ability to use the Company's services and have a material adverse impact on the Company's performance and operating results. It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the Company would be able to sustain its current profit levels if adverse political events or circumstances were to occur, particularly in MENA.

A general downturn or instability in certain sectors of MENA's economies could have an adverse effect on the Company's business. In addition, the Company may be affected by unexpected changes in regulations and enforcement, nationalization of assets and other governmental actions by the host countries, government regulations that favor local competitors, changing taxation policies, most of which are beyond the Company's control. Shareholders should also note that the Company's business could be adversely affected by political, economic or related developments both within and outside MENA because of inter-relationships within the global financial markets.

Significant political, social and economic instability in one or more of the Company's markets could have a material adverse effect on the Company's business, financial condition and results of operations. Any severe or prolonged slowdown in the global economy may also materially and adversely affect the Company's business, results of operations and financial condition. In addition, continued turbulence in the international markets may adversely affect the Company's ability to access capital markets to meet liquidity needs.

10.6. Absence of Profitable Operations in Recent Periods

In the period from incorporation to 31 December 2017, and the financial years ended 31 December 2018 and 31 December 2019, the Company has made net profits of US\$ 5,086,000, US\$ 24,527,000 and US\$ 15,458,000 respectively. The decrease in net profits from 2018 to 2019 is due to several reasons but principally an increase in interest expenses, salary, administrative and general expenses and taxation. For the nine-month period ended 30 September 2020, the Company made a loss of US\$ 55,174,000, mainly on account of the impact of COVID-19 on the Company and its group of subsidiaries and associates. The Company may make a loss in the future and there is no guarantee that the Company will make a profit due to the risks that the Company faces.

10.7. Political, Economic and Regulatory Considerations

The value of the Company's assets and its business may be affected by uncertainties such as social, political and economic uncertainties, changes in policies, taxation and other developments in the laws and regulations of the MENA region. Accordingly, changes in regulations imposed by the Governments, the Central Banks or any other Authorities under whose jurisdictions the Company or its affiliate are operating in could materially affect the returns made by the Company.

10.8.Risks relating to an Inactive or Illiquid Market for the Ordinary Shares

The Company's Ordinary Shares will be subject to public demand and supply, which could materially affect the price of the Ordinary Shares. Although the Ordinary Shares are listed on the Bahrain Bourse there is no guarantee that active trading in the Ordinary Shares will continue. If no active trading in the Ordinary Shares continues after the Offering, there could be a material adverse effect on the liquidity and market price of the Ordinary Shares.

10.9.Operational Risks

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed processes, technology or human performance, or external events. Its impact can be in the form of a financial loss, loss of reputation or loss of competitive position.

10.10.Risks relating to Loss of Key Personnel

The Company's success will depend, in part, on the continued service of its key executives and employees and its ability to continue to attract, retain and motivate qualified personnel. If one or more of the Company's key personnel are unable or unwilling to continue in their present positions, or if they joined a competitor or formed a competing company, the Company may not be able to replace them easily or quickly and its business may in consequence be significantly disrupted - with an adverse effect on its financial condition and results.

10.11.Shareholder Payments

The determination to pay dividends on Ordinary Shares, on an on-going basis, and the amount thereof, will depend on, among other things, the Company's earnings, profit retention for meeting Capital Adequacy and other regulatory ratios, funding requirements for business growth, the future growth of the Company, applicable requirements on the payment of dividends under Bahrain law and such other factors as the UGH Board and the Shareholders may deem relevant. There can be no assurance that the Company will pay dividends in the future.

10.12.Risk of Dilution

Shareholders who do not acquire their full entitlement to new Ordinary Shares in the Rights Issue will experience dilution in their ownership of the Company. If Shareholders do not take up the offer of new Ordinary Shares in the Rights Issue, their proportionate ownership and voting interests in UGH will be reduced and the percentage that their Shares will represent of the total issued share capital of UGH will be reduced accordingly. If a Shareholder elects to transfer his right to subscribe for new Ordinary Shares to a third party he will experience the same dilution effect

10.13.COVID-19

The Company faces risks related to health epidemics, pandemics, natural disasters and other outbreaks, which could significantly disrupt its operations. The Company's business could be adversely affected by the effects of epidemics or pandemics. In addition, the Company's results of operations could be adversely affected to the extent that the outbreak harms the economy in the Company's target markets in general and the financial services industry in particular. In particular, COVID-19 has spread globally in the first quarter of 2020, including several countries in MENA. Government measures designed to control the spread of the virus, such as restrictions on travel and the closing-down of businesses to the public, may result in a decline of economic activities in the Company's target markets. Such decline may have a material and adverse impact on the Company's business, results of operations and financial condition. The extent of such impact will depend largely on future developments, which are highly uncertain, including the severity of the outbreak in the Company's target markets and future government measures

in response to the outbreak, among other things. The Company has been monitoring the impact of COVID-19 on the Company's revenues, impact on valuations of assets and impairments and contingency plans were activated focusing on business continuity and liquidity management. The Company has also taken advantage of various measures announced by the CBB and the Central Bank of Kuwait to combat the effects of COVID-19 to assist banks in operating with adequate liquidity and in complying with regulatory requirements. The scale and duration of further developments of the COVID-19 pandemic remain uncertain at this stage and could potentially further impact the Company's financial position, financial performance and cash flows in the future, the extent of which is presently undeterminable. Further information relating to the impact of COVID-19 on the Company is set out in section 8.4 of this Offering Circular.

10.14. Taxation

As of the date of this Offering Circular, there is no corporate income tax in Bahrain except for entities engaged in oil and gas activities in Bahrain. With regard to natural persons, presently there is no personal income tax, inheritance tax, gift tax or net wealth tax in Bahrain. In addition, there is no obligation to withhold tax in Bahrain. From an indirect tax perspective, since 1 January 2019 value added tax ("VAT") applies in Bahrain on certain imports and supplies of goods and services. VAT applies at the standard rate of 5%, unless the supply or import is subject to VAT at the zero rate or exempt from VAT. In addition, in Bahrain there are social security obligations, at a rate that varies depending on whether the employee is a Bahraini or a foreign national. There is no guarantee that the above taxes and social security obligations will not change in the future.

The foregoing does not purport to be a complete explanation and summary of all the risk factors involved in investing in the Company. It is strongly recommended that all potential investors seek independent advice from their own professional advisors.

11. Application Procedures

11.1. Application Forms

Application Forms shall be obtained from offices of the Company, the Issue Registrar or the Designated Branch of the Receiving Bank.

Application Forms should be completed in full in the Arabic or English language and in accordance with the instructions contained therein. Each Applicant is required to submit to the Designated Branch of the Receiving Bank an Application Form before the Closing Date accompanied by the relevant copies of documents stated below along with their originals (for verification purposes only) or certified true copies. The Receiving Bank has the right to request and verify the validity of copies of the identification documents. All Applicants including individuals and institutions are required to submit their Application Form to the Designated Branch of the Receiving Bank. Applicants who are not able to physically submit the Application Form at the Designated Branch of the Receiving Bank, can submit the required documents through email to ughregistry@bahrainclear.com.

Application Forms should be signed by the Applicant. In case the Applicant is a minor, the legal guardian must sign the Application Form on behalf of the minor. Applicants are required to provide the 'Investor number' in the Application Form.

For Applicants who have an Investor Number and a Securities Account with the Bahrain Bourse, documentary evidence should be included of those details. Copies or printouts are permissible.

For Applicants who DO NOT have an Investor Number and/or DO NOT have a Securities Account with the Bahrain Bourse, the ORIGINAL Share Certificate(s) must be submitted.

Applicants experiencing difficulties producing the documents should get in contact with the Bahrain Bourse for assistance.

Application by individuals - Shareholders who are individuals over the age of 21 are eligible to subscribe to the Ordinary Shares offered pursuant to the Offering. Applicants under the age of 21 should make their application through their legal guardian.

Application Forms submitted by individuals must be accompanied by copies of the following documents:

- Original or a certified copy of the individual's valid national identification card or personal identification card;
- Original or a certified copy of the individual's valid passport;
- Sufficient funds in an amount equivalent to the number of Ordinary Shares applied for multiplied by the Issue Price of USD 2.63 each;
- If the individual has an account with the Bahrain Bourse the individual shall specify the investor number by completing the relevant section in the Application Form, if an individual does not have an investor number, the original share certificate(s) must be submitted.
- Where the Application Form is signed on behalf of another person (corporate or natural) the Applicant's signatory declares, represents and warrants that he has full authority and capacity to do so on behalf of such person or corporation, and that such person or corporation is also bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and

authorities contained herein and undertake to enclose the power of attorney or appropriate authority and provide a copy thereof duly certified by a legal firm licensed in Bahrain or the Company together with the Application Form.

Application by institutions - Application Forms submitted by institutional Applicants must be accompanied with copies of the following documents:

- A copy of the institution's valid Commercial Registration certificate or a copy of certificate of incorporation;
- Original or certified copy of the valid national identification card of the person(s) signing on behalf of the institution;
- Original or a certified copy of the valid passport of the person(s) signing on behalf of the institution;
- A copy of the resolution of the board of directors or equivalent authority of the institution approving the investment in the Offering;
- A copy of the authorized signatory book of the institution validating the signature of the person(s) signing on behalf of the institution;
- Sufficient funds in an amount equivalent to the number of Ordinary Shares applied for multiplied by the Issue Price of USD 2.63 each;
- If the institution has an account with the Bahrain Bourse the institution shall specify the investor number by completing relevant section in the Application Form.
- Where the Application Form is signed on behalf of another person (corporate or natural) the Applicant's signatory declares, represents and warrants that he has full authority and capacity to do so on behalf of such person or corporation, and that such person or corporation is also bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authorities contained herein and undertake to enclose the power of attorney or appropriate authority and provide a copy thereof duly certified by a legal firm licensed in Bahrain or the Company together with the Application Form.

11.2.Receiving Bank

Bahrain Islamic Bank B.S.C. is acting as the Receiving Bank in Bahrain whose Designated Branch will receive the completed Application Forms, identification documents and the Subscription Amounts from Applicants. Applicants who are not able to physically submit the Application Form at the Designated Branch of the Receiving Bank, can submit the required documents through email to ughregistry@bahrainclear.com.

The address of the Designated Branch of the Receiving Bank is as follows:

Road 1708, Block 317,
Building 722, Al Salam Tower,
Diplomatic Area, Manama, Kingdom of Bahrain

Account Details for Subscription

Account Title: United Gulf Holding Company B.S.C.

Account Number: 100000495120

IBAN Number: BH60BIBB00100000495120

Currency: USD-CUR

SWIFT Code: BIBBBHBM

11.3.Mode of Payment

Applicants should submit to the Designated Branch of the Receiving Bank a duly signed and completed Application Form together with cleared funds in the Subscription Amount. Applicants who are not able to physically submit the Application Form at the Designated Branch of the Receiving Bank, can submit the required documents through email to ughregistry@bahrainclear.com. The subscription currency is USD.

Remittance shall be made to the designated bank account with the Receiving Bank in one of the following modes:

- By wire transfer in USD from an account maintained with another bank other than the Receiving Bank;
- By transferring USD from an account with the Receiving Bank; or
- By Manager's Cheque in USD

No other modes of payment shall be accepted.

Applicants are responsible for ensuring that the Subscription Amounts are remitted to the designated account with the Receiving Bank on or before the Closing Date. Applicants transferring money into the designated account should present a copy of the wire transfer order along with the Application Form.

All Subscription Amounts received shall be net of any bank or related charges. All charges such as wire transfer charges, subscription application processing fees, collection charges, foreign currency conversion charges and special clearing charges shall be borne by the Applicant.

Applicants will receive a receipt of acknowledgement from the Designated Branch of the Receiving Bank on submission of their Application Form. No profit shall accrue or be payable to Applicants in respect of Subscription Amounts collected by the Receiving Bank regardless of whether such amounts are returned to the Applicant in whole or in part.

11.4.Rejection of Application

Submitted Application Forms may be rejected in whole or in part by the Issuer and the following factors may be taken into account in making this decision:

- The Applicant was found to be ineligible to subscribe for the Ordinary Shares offered pursuant to the Offering Circular; or
- Whether the Subscription Amount has been paid in full before the Closing Date; or
- Whether the Application Form is incomplete or inaccurate as to any detail or the required documents are not attached to the Application Form or are not provided within the requested timeframes; or

- Where duplicate or multiple applications are made by a single Applicant, the Issuer at its sole discretion shall accept one of the Application Forms received or may reject all the Application Forms received.
- Applicants will be informed of any rejected applications on the Distribution of Refunds Date by the Issue Registrar.

11.5.Allotment of Shares

The Company will complete the allotment of the Ordinary Shares offered pursuant to the Offering on the Allotment Date which will be within 6 calendar days following the Closing Date. The Company will publish the allotment basis in two local newspapers on the Allotment Announcement Date, being 11 December 2020 or such other date as may be decided by the Issuer, subject to the prior approval of the CBB. Subject to receiving the approval of the CMSD on the Company's proposed allotment of the new Ordinary Shares pursuant to the Offering, such Ordinary Shares shall be allotted to Applicants on the Allotment Date, being 14 December 2020 or such other date as may be decided by the Issuer, subject to the prior approval of the CBB.

The Ordinary Shares offered pursuant to the Offering will be first allotted to Shareholders exercising their rights in full or any lesser number of Ordinary Shares. The holding of one hundred and fifty five (155) existing Ordinary Shares shall entitle a Shareholder to ten (10) new Ordinary Shares pursuant to the Rights Offering, as at the Record Date (a ratio of 10:155). Fractional Ordinary Shares will not be issued. The rights of Shareholders who hold Ordinary Shares other than in multiples of 155 will be rounded downwards – provided that (i) the total number of Ordinary Shares so allotted to each Shareholder shall not exceed the number of Ordinary Shares for which the application was made by such Shareholder and (ii) the total number of Ordinary Shares so allotted shall not exceed the number of Ordinary Shares available for subscription. Renounced Ordinary Shares will be allotted to any person /entity in whose favor the Shareholders have made the renunciation on the same basis. The balance Ordinary Shares, if any, will be allotted to the Shareholders who have tendered valid Application Forms for more than their entitlement on a pro-rata basis to the number of Ordinary Shares they held on the Record Date. The decision of the Issuer in this respect will be final and binding on all parties.

If the shares are still not fully subscribed, the Issuer, in accordance with Article 129 of the Companies Law and in consultation with the relevant Authorities, shall allot the Ordinary Shares up to the level of Subscription Amounts received in accordance with the terms of the Offering Circular.

11.6. Distribution and Refunds

By the Allotment Date, an amount equal to the Issue Price multiplied by the number of Ordinary Shares for all Application Forms that were received by the Designated Branch of the Receiving Bank as well as online at ughregistry@bahrainclear.com and subsequently accepted by the Issuer without any rejection, shall be transferred to the Issuer's designated bank account subject to the CBB's approval on the allotment. The Receiving Bank shall notify and provide the CBB with a bank certificate or transfer notice upon the transfer of such amount.

On the Distribution Date, the Applicants shall collect their Allotment Notice and the refund payment advice, if any, from the Issue Registrar's office. Such refunds shall be for the excess Subscription Amounts paid by Applicants in respect of new Ordinary Shares they applied for and were not allotted. The refunds shall be made in USD.

All refunds distributed by the Receiving Bank will be made after a deduction of bank charges and other similar deductions and will not include any profit derived from such funds. Receipt of the Allotment Notice is proof that the allotted Ordinary Shares have been deposited into his / her / their account with Bahrain Clear. The Allotment Notice must not be used to sell the allotted Ordinary Shares before the listing on the Bahrain Bourse.

The refunds of the excess subscription money and dispatch securities will take place within a maximum of 9 calendar days of the Closing Date.

11.7. Acknowledgements

By completing and delivering a signed Application Form, the Applicant understands and agrees as follows:

- The Applicant has carefully read and understood this Document and shall be deemed to have knowledge and understanding of all of the information contained therein.
- The Applicant is not relying on any information or representation in relation to this Document or otherwise in relation to the Company other than the information and representations contained in this Document.
- Any acceptance of the Application Form of an Applicant shall not mean that the Applicant is a customer of the Company or the advisors or any other parties involved in the Offering for any purpose.
- The Company makes no representation as to the price of the Ordinary Shares or profitability or as to the suitability of the Ordinary Shares for the Applicant.
- The Applicant understands and agrees that this Document is not intended to provide investment, tax, legal or accounting advice.
- The Applicant confirms that he has reviewed the Offering Circular and the subject matter of the investment, with such financial, business, legal and tax advisors as deemed appropriate, and has determined that the subject matter of the investment is suitable in light of the Applicant's financial condition and risk preferences.
- The issue of the Ordinary Shares may be made only to the extent permitted by the MAoA of the Company and subject to obtaining all requisite regulatory approvals.

11.8. Acceptance of Applications

By applying for the Offering, the Applicant understands and agrees as follows:

- The Application Form represents an irrevocable offer to subscribe for the number of Ordinary Shares entered on it by the Applicant. The subscription for Ordinary Shares made in the Application Form, if accepted, will constitute a binding agreement between the Applicant and the Company concerning the subject matter of the Terms and Conditions included in this Offering Circular and the MAoA of the Company.
- The Issuer reserves the right to reject in whole or part, or to scale down or limit, any application. All Subscription Amounts paid by an Applicant must be paid in cleared funds prior to the end of the Subscription Period. The Issuer may treat applications as a valid and binding even if not made in all respects in accordance with the prescribed instructions and this Offering Circular.
- In order for the Issuer to agree to process the Application, the Application Form once submitted cannot be subsequently amended or revoked.
- The Applicant is solely liable and responsible for the payment of any stamp duties, transfer and other similar taxes, fees or charges, if any, imposed in connection with the subscription of the Ordinary Shares
- The Applicant understands and agrees that the Issue Registrar, on behalf of the Company, will acknowledge and confirm the subscription of the Ordinary Shares.

11.9. Capacity and compliance with laws

The Applicant declares, represents and warrants that the Applicant has the legal capacity and authority and is permitted by any applicable law to execute and deliver the Application Form. Where the Application Form is signed on behalf of another person (corporate or natural) the Applicant's signatory declares, represents and warrants that he has full authority and capacity to do so on behalf of such person or corporation, and that such person or corporation is also bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authorities contained herein and undertake to enclose the power of attorney or appropriate authority and provide a copy thereof duly certified by a legal firm licensed in Bahrain or the Company together with the Application Form.

11.10. Continuing Obligations

- The Applicant will repeat these undertakings, representations and warranties to the Issuer, the Receiving Bank, the Issue Registrar and their respective advisors on such future occasions as the Issuer and/or the Receiving Bank and/ or the Issue Registrar and/or the Lead Manager and/or their respective advisors may request, and will provide on request such certificates, documents or other evidence as the Issuer and/ or the Receiving Bank and/or the Issue Registrar and/or their respective advisors may reasonably require to substantiate any information, undertakings, representations and warranties.
- The Applicant will notify the Issuer immediately if the Applicant becomes aware that any of the information, undertakings, representations and warranties provided by the Applicant is no longer accurate, true or complete in any respect.
- In the event that any of the information, representations, warranties, or undertakings provided by the Applicant in the Application Form or otherwise in connection with the transaction(s)

contemplated thereby was, is or becomes incomplete or untrue, the Issuer at its absolute, entire and sole discretion may deem that the transaction(s) is void and require a retroactive redemption of all or part of the Applicant's Ordinary Shares at the Issue Price, without prejudice to any of the Issuer's rights and remedies available under contract, law or otherwise.

11.11. Anti-money Laundering

- The Applicant agrees and consents to the Company, the Receiving Bank and/ or the Issue Registrar disclosing any information about the Applicant to their respective advisors and/ or to any relevant regulatory authorities.
- The Applicant agrees and understands that due to anti-money laundering requirements operating within their respective jurisdictions, the Issuer and/or the Receiving Bank and/or the Issue Registrar may require further identification of the Applicant(s) and his/her source of funds or other information before applications for the Ordinary Shares can be processed and holds the Issuer, the Receiving Bank and the Issue Registrar to the Offering harmless and indemnified against any loss arising from the failure to process the Applicant's application for the Ordinary Shares, if such information as has been required from the Applicant has not been provided within the requested timeframe and/ or to the satisfaction of the requesting party.
- The Applicant agrees and understands that any funds to be returned may be retained pending clearance of the Applicant's remittance and the completion of any verification of identity and/or source of funds required by the Issuer and/or the Receiving Bank and/or the Issue Registrar to the Offering or as may be required by the relevant authorities.

11.12. Indemnity

The Applicant indemnifies and holds harmless the Issuer, the Receiving Bank and the Issue Registrar (and their affiliates and directors, officers and employees) against any and all losses, liabilities, claims, damages and expenses whatsoever and howsoever arising (including, but not limited to, any and all expenses and costs (including attorneys' fees) in investigating, preparing or defending against any legal proceedings commenced or threatened based on:

- any incomplete or false information, representation or warranty or other breach or default by the Applicant; or
- any fraud or gross negligence by the Applicant; or
- any judgement against the Applicant or investigation or other action for violation of any applicable securities law as may be commenced against the Applicant; or
- the Applicant's failure to provide source of funds information.

11.13. Multiple Applications

The Applicant represents and warrants that only one Application Form in relation to the Offering was submitted by the Applicant or, as appropriate, was submitted on the Applicant's behalf. The Issuer shall have the right to reject all applications of any Applicant in the event of duplicate or multiple applications.

12. Shareholder Rights

12.1. Share Capital

As at the date of the Offering, the Company has an authorized share capital of USD 252,700,000 comprising 505,400,000 Ordinary Shares of USD 0.50 each. The issued and paid up share capital of the Company as of 30 June 2020 was 412,974,651 Ordinary Shares of a Nominal Value of USD 0.50 per Ordinary Share amounting to USD 206,487,325.5. The issued and paid-up share capital of the Company has not changed during the last three years. As of 30 June 2020, the Company holds 640,091 Ordinary Shares as treasury shares.

12.2. Ordinary Shares

The Ordinary Shares shall be nominal shares and may not be issued at less than their Nominal Value. However, the Ordinary Shares may be issued at a value higher than their Nominal Value, in which case the difference in value shall be added to the statutory reserve, even if the reserve has reached its maximum limit. An Ordinary share shall be indivisible. If several persons hold a single Ordinary Share, they shall designate one person to act on their behalf in exercising the rights connected with the same. In such case, they shall be jointly responsible for the obligations resulting from the share ownership. The transfer of Ordinary Shares shall comply with the MAoA.

12.3. Shareholders' Rights

Each Ordinary Share shall give its holder equal rights in the Company's assets and dividends as well as the right to attend and vote at meetings of the General Assembly.

12.4. Shareholders' Assemblies

In accordance with the Companies Law, a general assembly duly convened shall be deemed to be representative of all the Shareholders. Meetings of the general assembly may be by way of ordinary or extraordinary meetings. The AGM must be held at least once a year during the six months following the end of the fiscal year. Other ordinary assemblies may be convened as and when required. With exception for matters reserved for the EGM, the OGM shall handle all matters relating, but not limited, to:

- the election or termination of Board Members including determining the number of members;
- the determination of the Board Members' remuneration;
- the approval of the Board of Directors' report about the Company's business activities or financial position for the preceding year;
- the appointment of one or more auditors for the next fiscal year, in addition to deciding upon the auditor's fees, or delegation to the UGH Board the appointment of such auditor and the determination of such auditor's fees;
- the discussion of the auditor's report about the Company's financial statements for the preceding financial year; and
- the approval of the profit and loss statement, balance sheet, distribution of net profit and the part of net profit to be paid in respect of the Ordinary Shares. Resolutions at the ordinary general meetings shall be issued by a simple majority of the represented Ordinary Shares. In the event of a tie, the Chairman of the meeting will have a casting vote.

12.5.Extraordinary General Meetings

An EGM will not be valid unless attended by Shareholders representing at least two thirds of the Company's share capital. If such quorum is not reached a second meeting will be held within 15 days from the date of the first meeting. The second meeting will be valid if attended by Shareholders representing more than one third of the Company's issued share capital. If such quorum is not reached, a third meeting will be held within 15 days from the date of the second meeting and will be valid if attended by Shareholders representing 25 per cent of the Company's issued share capital. An EGM will be held to decide upon the following:

- amendment of the MAoA;
- increase and decrease of the Company's share capital;
- the Company's dissolution, changes in its status or merger with another institution; and
- a change to the Company's registered office if outside the Kingdom of Bahrain or to its jurisdiction of incorporation. Resolutions at the EGM shall be issued by two thirds of the represented Ordinary Shares except for resolutions with regard to the increase or the decrease of share capital, the Company's dissolution or merger with another institution, in which case the resolution shall be passed by 75 per cent of the represented Ordinary Shares in the meeting.

12.6.Voting Rights

Each Shareholder holding one Ordinary Share shall have the right to attend the general assembly. A Shareholder may delegate, by way of a written proxy to another Shareholder, other than a member of the UGH Board, the right to attend the general assembly on his/her behalf. The votes in the ordinary general meeting as well as the EGM shall be counted on the basis of one vote for every Ordinary Share held.

12.7.Transfers

The Articles of Association do not contain any restriction relating to the transfer of Ordinary Shares.

12.8.Pre-emptive Rights

If an increase of the Company's issued share capital involves the issue of new Ordinary Shares, the Company's existing Shareholders have priority to subscribe for such Ordinary Shares for the same percentage of new Ordinary Shares as the percentage of existing Ordinary Shares owned by such Shareholder on the applicable record date of the issue. This pre-emptive right must be exercised by a Shareholder within 15 days of the invitation to existing Shareholders being published in a daily local newspaper. If a Shareholder requests more Ordinary Shares than their proportional entitlement, they may receive additional new Ordinary Shares only after each Shareholder exercising its priority right has received its proportional entitlement. The Offering will not be underwritten and so, in the event that Shareholders do not subscribe for some or all of the new Ordinary Shares to which they are entitled and such unsubscribed new Ordinary Shares are not fully subscribed for by Shareholders requesting to subscribe for more new Ordinary Shares than their pro rata entitlement, not all of the new Ordinary Shares will be issued pursuant to the Offering and the proceeds of the Offering will be reduced accordingly.

12.9.Winding-up of the Company

All Ordinary Shares rank pari-passu as between themselves. In the event of a liquidation of the Company, each Ordinary Share shall give the applicable Shareholder the right to receive a proportionate part of the funds available (if any) from the liquidation distribution (as determined in accordance with the Companies Law). The Shareholders in an EGM may approve (with 75 per cent of the Ordinary Shares represented in the meeting) the Company's dissolution. In addition, the Company may be dissolved for any of the following reasons: expiration of the Company's legal period of establishment, the cessation of the Company's business activities, and dissolution by judgment of competent court in Bahrain, merger with another company where such other company is the surviving company or the destruction of substantially or all of the Company's share capital.

12.10.Redemption

Other than in the case of a Shareholder that does not pay any instalment when due in respect of their commitment towards Ordinary Shares, the Ordinary Shares in the Company's share capital are not subject to any mandatory redemption provisions.

12.11.Directors

In accordance with UGH policy, there is no minimum shareholding in the Company required for a proposed director's qualification onto the UGH Board.

12.12.Material Contracts

The Company has entered into various contracts in the normal course of business.

12.13.Exchange Controls

There are no currency or exchange control restrictions currently in force under the laws of Bahrain and the free transfer of currency into and out of the Kingdom of Bahrain is permitted, subject to any applicable anti-money laundering regulations and international regulations in force from time to time.

12.14.Taxation

Except for corporate income tax on oil and gas companies operating in Bahrain, VAT and social security obligations, as of the date of this Offering Circular Bahrain levies no taxes on income, capital gains, sales, estates, dividends, royalties or fees. In addition, there is no obligation to withhold tax in Bahrain.

12.15.Dividends

The dividend policy of the Issuer is described in Section 8.7 of this Document "Dividend Policy". There are presently no restrictions on issuing dividends. The Company may decide to retain profits in the business to meet the capital adequacy and related regulatory requirements. Shareholders are entitled to dividends, once declared and approved at its General Assembly.

Dividends arising out of the Ordinary Shares and paid to natural or legal persons, whether resident or non-resident in Bahrain, should not be subject to tax in Bahrain. Dividends paid to non-resident natural or legal persons will be remitted by wire transfer.

13. Reasons for the Offering & Use of Proceeds

The Board of Directors of UGH approved the proposed Rights Offering in a written resolution dated 11 October 2020 for the purpose of raising long-term capital for the Company's strategic initiatives as well as to strengthen the Company's equity base.

Since the Offering is not underwritten, the Board of UGH expects to raise a minimum of USD 50 million from the Rights Offering. The proceeds from the Offering will be utilized for implementing the growth strategy of the Company and for augmenting the equity base of the Company.

13.1. Allocation of Proceeds

The proceeds of the Offering will be used to

- Implement the strategic initiatives of UGH
- Improve the Company's working capital

If the Rights Offering is not fully subscribed, any partial proceeds will be allocated to the above uses with no particular order of priority given to any activity.

The Company aims to deploy the proceeds immediately to their intended use. However, any funds awaiting deployment will be placed in highly liquid money market placements.

14. Applicable Law

The Offering shall be governed by and construed in accordance with the laws of the Kingdom of Bahrain.

15. Documents Available for Inspection

During the Subscription Period, copies of the following documents may be inspected during Business Hours at the registered office of the Company at UGB Tower, Diplomatic Area, Manama, Bahrain:

- Memorandum and Articles of Association of UGH. These reports can also be found on the Company's website: <https://www.ughbh.com//>
- Audited consolidated financial statements for the years ended 31 December 2019, 2018 and 2017 along with interim reviewed financial statements as of 30 September 2020. These reports can also be found on the Company's website: <https://www.ughbh.com//>
- Board Resolution dated 11 October 2020
- EGM Resolution dated 15 November 2020
- Issue Registrar Engagement Letter dated 11 November 2020
- Receiving Bank Engagement Letter dated 16 November 2020

16. Contact List

Issuer:	Receiving Bank:	Lead Manager:
UGH	Bahrain Islamic Bank B.S.C.	UGB
PO Box 5565, Diplomatic Area	PO Box 5240, Diplomatic Area	PO Box 5964, Diplomatic Area
Manama	Manama	Manama
Kingdom of Bahrain	Kingdom of Bahrain	Kingdom of Bahrain
Tel: +973 17 533 233	Tel: +973 17 515 151	Tel: +973 17 533 233
Fax: +973 17 533 137	Fax: +973 17 535 808	Fax: +973 17 533 137

Issue Registrar:	Legal Advisor:	Auditors:	Stock Exchange:
Bahrain Clear	Al Tamimi & Co.	Ernst and Young – Middle East	Bahrain Bourse
PO Box 3203, Waterfront	PO Box 60380	PO BOX 140	PO Box 3203, Waterfront
Manama	Manama	Manama	Manama
Kingdom of Bahrain	Kingdom of Bahrain	Kingdom of Bahrain	Kingdom of Bahrain
Tel: +973 17108836	Tel: +973 17108919	Tel: +973 17 535455	Tel: +973 17261260
Fax: +973 17228061	Fax: +973 17104776	Fax: +973 17535405	Fax: +973 17256362