



## **MENA HOLDING (K.S.C)**

### **Declaration from Egypt Gulf Co. formerly Egyptian-Kuwaiti Co.**



February 9, 2017

On Thursday, 09<sup>th</sup>, Feb.2017 some newspapers published the news of the verdict on the former Minister of Irrigation Mohamed Nasr Allam and businessman Ahmed Mohamed AbdulSalam ,that they sentenced seven years' imprisonment on charge of squandering \$ 37 Billion & 136 Million Egyptian pounds of public money & enabling the Egyptian-Kuwaiti Company for the development & investment to get 26,000 acres in Al-Ayyat area . Also by convert activity from agricultural to urban, in addition sold at exorbitant prices in violation of the law.

In response to what has written in newspapers, we would like to clarify the following:

This judgment is criminal affects the person was issued against him without affecting the other, whether natural person or company that judgment will not affect the Company's rights or obligations, and will not affect the rights and obligations of the company to third parties.

Where the company has followed all the ways and followed all the legal procedures concerning the purchase of the land and since the company applied request in 1999 to buy that space in accordance with the practice in this regard and obtaining all approvals from all relevant authorities.

Hereby the contract dated 16<sup>th</sup> Feb ,2002 concluded between the company and Egyptian government, the company paid the full price, according to the highest price bracket stipulated by law at that time.

Since that date, the company has taken steps in the process of reclamation and cultivation and has spent more than 800 million pounds, until it already succeeded in Reclaiming 5000 acres 3000-planted different crops, which marketed domestically and externally according to the declaration of Reconstruction and Agricultural Development authority.

Egyptian government issued Presidential Decree No. 14 of 2004 to treat the shareholders of Arab investors in the Egyptian-Kuwaiti Company as Egyptians, the company continued in the agricultural activity despite the lack of water and Non-implementation of government's contractual obligations to provide water quota agreed upon

At 2007, National Center for State land planning submitted proposal and recommendation to the official authorities to convert land activity of reclamation & farming into urban activity to find out the land used in the activity agriculture will not be valid only in space doesn't exceed 5% of the total area ,But that can be used in the urban activity .

In addition to, the use of the land in the agricultural activity will affect the archaeological area also maybe destroyed, and that because there is a steep in the Earth towards the archaeological area, and water of Agricultural Reclamation would affect an archaeological area.

Therefore, it recommended converting land activity from an agricultural to Urban with the company's commitment to pay for transfer activity.

Whereas, the company has held many meetings and negotiations with the competent authorities until they agreed upon that the company commits to paying the amount of 47 billion pounds compared to convert land from agricultural to urban activity. According to the conditions and specifications provided by the company to the competent authorities.

On 20<sup>th</sup>, Feb 2014 the company submitted financial offer & terms of payment to the cabinet - As known that the land activity were not converted

yet, also it did not carry out any urban activity except building the administrative offices and some construction related to Livestock and Fisheries, which related to agricultural activity and not urban activity.

Accordingly, it turns out that the company had acquired the land hereby contract concluded with general authority for Rehabilitation Projects and Agricultural Development, a price paid in full and obtaining all approvals from all relevant authorities and that contrary to which published in newspapers.

When company's investors & shareholders exhausted all possible ways to convert activity land from agricultural to urban & due to stall despite the company agreed to all the competent official authorities' terms , requests and agreed to pay the cash equivalent to convert land to urban activity according to the offer made by the company to the cabinet on 20<sup>th</sup>,Feb2014

They ought to resort to International arbitration to be compensated for losses & lost profits over 14 year , where company's activity were frozen, also spent during those years more than 800 million Egyptian pounds, & depleted all resources of the company to set up the infrastructure to cultivate the land with the company continuation to take all necessary measures in order to provide a share of water for agriculture to cultivate land

It is worth mentioning that the letter was issued by the Ministry of Irrigation, which gave Ahmed Mohamed Abdel Salam to criminal prosecution has been issued on 19<sup>th</sup> Dec,2010 at later date on the report of the National Center for State land use planning - which follows the cabinet - issued within 2007

In addition to the land still agricultural and has not been converted so far and that the company agreed to pay for the conversion of agricultural activity to Urban accordance with the conditions and specifications provided by the company to the competent authorities.

We wish to emphasize the strength and durability of shareholders of the company's position on international arbitration, and the company is doing its utmost to find an amicable settlement back to the public interest on both sides.

In conclusion, the question arises Itself: How the amount and the amount of 37 billion and 116 million pounds was wasted on the state, which represents the price of the conversion of agricultural to Urban despite the now-conversion of the land so far, and the company agreed to pay the largest of this alleged amount

(This statement to illustrate and know what brought him)

On behalf of Board of Directors

Waleed Abdul-Aziz Al Abdullah Al Rowan

Vice Chairman of Board Directors

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