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REPORT OF FACTUAL FINDING
TO THE SHAREHOLDERS OF GALFAR ENGINEERING & CONTRACTING SAOG

We have performed the procedures agreed with you and enumerated below, pursuant to the Capital Market Authority's (CMA) circular no. E/4/2015, dated 22 July 2015, with respect to the Board of Directors' corporate governance report of Galfar Engineering & Contracting SAOG (the "Company") as at and for the year ended 31 December 2019 and its application of the corporate governance practices in accordance with amendments to CMA's Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 (collectively the "Code"), set forth in the accompanying Annexure. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the extent of the Company's compliance with the Code as issued by the CMA and are summarised as follows:

1) We obtained the corporate governance report (the "report") issued by the Board of Directors and checked that the report of the Company includes as a minimum, all items suggested by the CMA to be covered by the report as detailed in the Annexure 3 of the Code by comparing the report with such suggested content in Annexure 3; and

2) We obtained the details regarding areas of non-compliance with the Code, identified by the Company's Board of Directors, for the year ended 31 December 2019. The Company's Board of Directors has identified areas of non-compliance with the Code.

We report our findings below:

a) With respect to item 1 we found the report includes all the minimum items suggested by CMA in Annexure 3 of the Code.

b) With respect to item 2 we found that the Company has reported non-compliance with Company's policies and procedures with respect to related parties' procurement process and key management transactions and remuneration in note 33 to the financial statements for the year ended 31 December 2019.

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 report.

Had we performed additional procedures or had we performed an audit or review of the corporate governance report 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.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of Galfar Engineering & Contracting SAOG to be included in its annual report for the year ended 31 December 2019 and does not extend to any financial statements of Galfar Engineering & Contracting SAOG, taken as a whole.

Ernst & Young LLC

Muscat
7 June 2020