

Seef Properties B.S.C.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2011

REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SEEF PROPERTIES B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Seef Properties B.S.C. ('the Company') and its subsidiary (together 'the Group') as at 30 September 2011, comprising of the interim consolidated statement of financial position as at 30 September 2011 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the nine-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ('IAS 34'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

The corresponding amounts presented have been reviewed or audited, as applicable, by other auditors whose review opinion dated 10 November 2010 and audit opinion dated 22 February 2011 have expressed unqualified opinions on those amounts.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



13 November 2011
Manama, Kingdom of Bahrain

Seef Properties B.S.C.

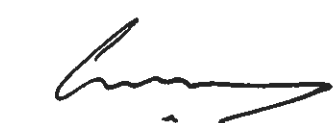
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2011 (Unaudited)


	Note	30 September 2011 Unaudited BD	31 December 2010 Audited BD
ASSETS			
Non-current assets			
Property and equipment	3	1,833,365	1,443,851
Capital work-in-progress	4	1,796,378	1,733,123
Investment properties	5	96,044,775	94,803,998
Investment in a joint venture	6	11,000	11,000
		<u>99,685,518</u>	<u>97,991,972</u>
Current assets			
Available-for-sale investments	7	-	263,900
Trade and other receivables		1,673,460	2,261,265
Cash and bank balances	8	13,869,443	13,567,025
		<u>15,542,903</u>	<u>16,092,190</u>
TOTAL ASSETS		<u><u>115,228,421</u></u>	<u><u>114,084,162</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	46,000,000	46,000,000
Statutory reserve	10	13,350,000	13,350,000
Furniture and fixtures reserve	13	50,490	28,171
Retained earnings		48,988,276	48,634,397
Total equity		<u>108,388,766</u>	<u>108,012,568</u>
Non-current liability			
Employees' end of service benefits		144,598	105,637
Current liabilities			
Unclaimed dividends	15	4,050,079	3,700,781
Trade and other payables		2,644,978	2,265,176
		<u>6,695,057</u>	<u>5,965,957</u>
Total liabilities		<u>6,839,655</u>	<u>6,071,594</u>
TOTAL EQUITY AND LIABILITIES		<u><u>115,228,421</u></u>	<u><u>114,084,162</u></u>



Abdulla bin Khalifa Al-Khalifa
Chairman



Essa Mohamed Najibi
Vice-chairman



Robert Addison
General Manager

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine-month period ended 30 September 2011 (Unaudited)

	Note	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
		<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
		<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Income					
Property rental income and service charges		2,075,751	1,852,038	6,146,191	5,734,371
Less: rent relief	11	148,965	-	568,080	-
Net property rental income and service charges		1,926,786	1,852,038	5,578,111	5,734,371
Income from serviced apartments		452,938	499,912	1,115,964	1,564,293
Leisure and recreational income		274,485	308,441	629,204	777,334
		2,654,209	2,660,391	7,323,279	8,075,998
Less: cost of sales		456,344	600,515	1,329,138	1,403,714
Gross profit		2,197,865	2,059,876	5,994,141	6,672,284
Other operating income		142,254	225,680	502,326	815,339
Profit on term deposits		100,689	88,678	304,132	233,884
Operating profit		2,440,808	2,374,234	6,800,599	7,721,507
Expenses					
Staff costs		407,832	429,976	1,235,835	1,262,794
General and administration expenses		379,348	580,614	1,283,249	1,500,018
Depreciation	3	78,465	36,058	220,317	164,701
Directors' remuneration		-	-	115,000	80,000
Donations and charitable contributions		-	-	120,000	100,000
		865,645	1,046,648	2,974,401	3,107,513
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME		1,575,163	1,327,586	3,826,198	4,613,994
Basic and diluted earnings per share (fils)	12	3.42 Fils	2.89 Fils	8.32 Fils	10.03 Fils

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2011 (Unaudited)

		<i>Nine-month period ended 30 September</i>	
		2011	2010
		BD	BD
	<i>Note</i>		
OPERATING ACTIVITIES			
Profit for the period		3,826,198	4,613,994
Adjustments for:			
Depreciation	3	418,542	319,818
Profit on term deposits		(304,132)	(233,884)
Provision for doubtful debts (net)		12,663	-
Profit on disposal of equipment		(670)	-
Donations and charitable contributions		120,000	100,000
Operating profit before working capital changes		4,072,601	4,799,928
Working capital changes:			
Trade and other receivables		620,131	(1,459,357)
Trade and other payables		410,483	(96,289)
Net cash from operations		5,103,215	3,244,282
Employees' end of service benefits (net)		38,961	37,026
Directors' remuneration paid		(115,000)	(80,000)
Donations and charitable contributions paid		(35,681)	(87,590)
Net cash from operating activities		4,991,495	3,113,718
INVESTING ACTIVITIES			
Net movements in term deposits		4,740,403	(12,736,662)
Proceeds from redemption of available-for-sale investments	7	263,900	-
Proceeds from disposal of equipment		800	-
Expenditure incurred on capital work-in-progress	4	(1,947,370)	(688,890)
Purchase of property and equipment	3	(135,407)	(174,281)
Profit on term deposits received		259,143	233,884
Additions to investment properties	5	(29,441)	(29,400)
Net cash from (used in) investing activities		3,152,028	(13,395,349)
FINANCING ACTIVITIES			
Dividend paid	15	(3,100,702)	(3,395,823)
Movement in bank balances representing unclaimed dividends		(349,038)	843,694
Net cash used in financing activities		(3,449,740)	(2,552,129)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,693,783	(12,833,760)
Cash and cash equivalents at 1 January		2,102,899	13,113,825
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	8	6,796,682	280,065

Non-cash items:

1) Movement in donations and charitable contributions accrued but not yet settled amounting to BD 84,319 (30 September 2010: BD 80,000) have been excluded from the movement of trade and other payables.

2) Movement in profit on term deposits of BD 44,989 (30 September 2010: nil) which has been accrued but is not yet received has been excluded from trade and other receivables.

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2011 (Unaudited)

	Note	Share capital BD	Statutory reserve BD	Furniture and fixture reserve BD	Retained earnings* BD	Total BD
Balance at 1 January 2011		46,000,000	13,350,000	28,171	48,634,397	108,012,568
Total comprehensive income		-	-	-	3,826,198	3,826,198
Dividends declared for 2010	14	-	-	-	(3,450,000)	(3,450,000)
Transfer to furniture and fixture reserve	13	-	-	22,319	(22,319)	-
Balance at 30 September 2011		46,000,000	13,350,000	50,490	48,988,276	108,388,766
Balance at 1 January 2010		46,000,000	12,400,000	6,815	42,533,777	100,940,592
Total comprehensive income		-	-	-	4,613,994	4,613,994
Dividends declared for 2009	14	-	-	-	(2,300,000)	(2,300,000)
Transfer to furniture and fixture reserve	13	-	-	15,643	(15,643)	-
Balance at 30 September 2010		46,000,000	12,400,000	22,458	44,832,128	103,254,586

* Retained earnings include BD 25,000 relating to the statutory reserve of the subsidiary.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

1 ACTIVITIES

Seef Properties B.S.C. ('the Company') is a public joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 44344. The postal address of the Company's registered head office is at P O Box 20084, Manama, Kingdom of Bahrain.

The Company had the following wholly owned subsidiary at the date of the interim consolidated statement of financial position.

<i>Name</i>	<i>Ownership interest</i>	<i>Country of incorporation</i>	<i>Principal activities</i>
Fraser Suites Seef - Bahrain S.P.C.	100%	Kingdom of Bahrain	Hotel, tourist furnished flats and restaurants for tourist services management.

The Company and its wholly owned subsidiary are referred to collectively as the Group.

The Group is primarily engaged in the real estate business and provides leisure and recreational game facilities. The Group owns and manages the Seef Mall, the Isa Town Mall, Fraser Suites - Seef and other commercial facilities in the Kingdom of Bahrain and operates Magic Island, leisure and recreational game facilities.

The interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 13 November 2011.

2 ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2010. In addition, results for the nine-month period ended 30 September 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2010 except for the adoption of new Standards and Interpretations, noted below:

- *IAS 24 Related Party Disclosures (Amendment) effective for annual periods beginning on or after 1 January 2011;*
- *IAS 32 Financial Instruments: Presentation (Amendment) effective for annual periods beginning on or after 1 January 2011;*
- *IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment) effective for annual periods beginning on or after 1 January 2011;*
- *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments effective for annual beginning on or after 1 July 2010; and*
- *Improvements to IFRSs (issued in May 2010) effective for annual periods on or after either 1 July 2010 or 1 January 2011.*

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

3 PROPERTY AND EQUIPMENT

	<i>Plant and equipment BD</i>	<i>Furniture and fixtures BD</i>	<i>Motor vehicles BD</i>	<i>Total BD</i>
Cost				
At 1 January 2011	2,861,042	2,467,111	37,514	5,365,667
Additions	78,993	36,471	19,943	135,407
Transfers from capital-work-in progress (note 4)	464,989	207,790	-	672,779
Disposals	(40,268)	-	-	(40,268)
Write-offs	(11,523)	-	-	(11,523)
At 30 September 2011	3,353,233	2,711,372	57,457	6,122,062
Depreciation:				
At 1 January 2011	2,377,628	1,534,180	10,008	3,921,816
Charge for the period	316,522	90,925	11,095	418,542
Relating to disposals	(40,138)	-	-	(40,138)
Relating to write-offs	(11,523)	-	-	(11,523)
At 30 September 2011	2,642,489	1,625,105	21,103	4,288,697
Net carrying values:				
At 30 September 2011 (unaudited)	710,744	1,086,267	36,354	1,833,365
	<i>Plant and equipment BD</i>	<i>Furniture and fixtures BD</i>	<i>Motor vehicles BD</i>	<i>Total BD</i>
Cost				
At 1 January 2010	2,704,212	2,377,162	37,514	5,118,888
Additions	138,516	108,263	-	246,779
Reclassifications	18,314	(18,314)	-	-
At 31 December 2010	2,861,042	2,467,111	37,514	5,365,667
Depreciation:				
At 1 January 2010	2,040,402	1,443,022	2,501	3,485,925
Charge for the year	336,616	91,768	7,507	435,891
Reclassifications	610	(610)	-	-
At 31 December 2010	2,377,628	1,534,180	10,008	3,921,816
Net carrying values:				
At 31 December 2010 (audited)	483,414	932,931	27,506	1,443,851

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

3 PROPERTY AND EQUIPMENT (continued)

Depreciation charges have been allocated in the consolidated statement of comprehensive income as follows:

	<i>For the nine-months ended</i>	
	30 September 2011 Unaudited BD	30 September 2010 Unaudited BD
Cost of sales	198,225	155,117
Expenses	220,317	164,701
	418,542	319,818

4 CAPITAL WORK-IN-PROGRESS

	30 September 2011 Unaudited BD	31 December 2010 Audited BD
Balance at the beginning of the period / year	1,733,123	364,119
Capital expenditure incurred during the period / year	1,947,370	1,949,195
Transfers to investment properties (note 5)	(1,211,336)	(580,191)
Transfers to property and equipment (note 3)	(672,779)	-
Balance at the end of the period / year	1,796,378	1,733,123

5 INVESTMENT PROPERTIES

	30 September 2011 Unaudited BD	31 December 2010 Audited BD
Balance at the beginning of the period / year	94,803,998	91,400,648
Expenditure incurred during the period / year	29,441	-
Transferred from capital work-in-progress (note 4)	1,211,336	580,191
Unrealised fair value gain	-	2,823,159
Balance at the end of the period / year	96,044,775	94,803,998

Investment properties are stated at fair value, which was based on the valuations performed by independent surveyors. The surveyors are industry specialists in valuing these types of investment properties. The valuations undertaken are based on the income yield capitalisation method and were last carried out at 31 December 2010.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

6 INVESTMENT IN A JOINT VENTURE

The Company's investment in a joint venture consists of the following joint venture at the date of the consolidated statement of financial position:

<i>Name of the joint venture company</i>	<i>Principal activities</i>	<i>Percentage of ownership</i>	<i>Cost of investment BD</i>
Saar Complex Company	Development of Saar shopping complex	55%	11,000

The joint venture commenced its commercial operations during the year 2010 and in the opinion of the management, there is no significant difference in the value of the Group's investment given the current operational stage of the joint venture.

7 AVAILABLE-FOR-SALE INVESTMENTS

	<i>30 September 2011 Unaudited BD</i>	<i>31 December 2010 Audited BD</i>
Equity investments:		
Unquoted investments (at cost) *	-	263,900

The movement in the unquoted available-for-sale investments is as follows:

	<i>For the nine-months ended</i>	
	<i>30 September 2011 Unaudited BD</i>	<i>30 September 2010 Unaudited BD</i>
Opening balance	263,900	263,900
Redemptions **	(263,900)	-
Closing balance	-	263,900

* The unquoted investments were carried at cost less impairment, as fair values could not be reliably determined due to the unpredictable nature of the future cash flows.

** The investments in National Bank of Bahrain - Capital Guaranteed Tranche II had matured during the three month period ended 31 March 2011 and cash proceeds of BD 188,500 were received. The investments in Ahli United Bank - Capital Protected MSCI Hedge had matured during the three month period ended 30 June 2011 and cash proceeds of BD 75,400 were received.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

8 CASH AND BANK BALANCES

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the date of the consolidated statement of financial position.

	30 September 2011 Unaudited BD	31 December 2010 Audited BD	30 September 2010 Unaudited BD
Cash on hand, bank balances and term deposits	13,869,443	13,567,025	11,190,809
less: Term deposits with an original maturity of more than three months	(5,773,607)	(10,514,010)	(9,928,520)
Bank balances representing unclaimed dividends *	(1,299,154)	(950,116)	(982,224)
	<u>6,796,682</u>	<u>2,102,899</u>	<u>280,065</u>

Cash and cash equivalents

Bank balances are non-interest bearing. Term deposits are placed for varying periods ranging between six months to one year. The profit rates on term deposits as at 30 September 2011 range between 3.35% to 4% (30 September 2010: 2.5% - 3.75%).

* Refer note 15 for details of unclaimed dividends.

9 SHARE CAPITAL

	30 September 2011 Unaudited BD	31 December 2010 Audited BD
Authorised: 1,000,000,000 shares of BD 0.100 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and fully paid-up: 460,000,000 shares (31 December 2010: 460,000,000 shares) of BD 0.100 each	<u>46,000,000</u>	<u>46,000,000</u>

10 STATUTORY RESERVE

Bahrain Commercial Companies Law and the Company's articles of association require 10% of the profit for the year to be transferred to a statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the paid-up share capital. The reserve is not distributable except in such circumstances as stipulated in the Bahrain Commercial Companies Law. No transfers were made during the nine-month period ended 30 September 2011 (30 September 2010: nil) to statutory reserve.

11 RENT RELIEF

During April 2011, the Company offered a rent incentive to the tenants of Seef Mall whose outstanding rent receivables were less than six months past due as of 30 April 2011. The incentive comprises a concession from the rental charge to the tenant for one month over the period from 1 April 2011 to 31 July 2011. This incentive has been recognised as a discount on a straight line-basis over the incentive period in the consolidated financial statements.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

12 EARNINGS PER SHARE

	<i>For the three - month ended</i>		<i>For the nine - month ended</i>	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Profit for the period – BD	1,575,163	1,327,586	3,826,198	4,613,994
Weighted average number of shares outstanding	460,000,000	460,000,000	460,000,000	460,000,000
Basic and diluted earnings per share	3.42 Fils	2.89 Fils	8.32 Fils	10.03 Fils

No separate figure for diluted earnings per share has been presented as the Company has not issued any financial instruments which may have a dilutive effect.

13 FURNITURE AND FIXTURES RESERVE

In accordance with the management agreement entered into between the Company and Fraser Serviced Residences Pte Ltd., a company incorporated in Singapore and involved in the operation of hotels, apartments and tourist restaurants, an amount equivalent to 1% of the total revenue for the first year, 2% of the total revenue for the second year and 3% of the total revenue for the third year and thereafter of the subsidiary, is to be set aside as furniture and fixtures replacement reserve which is to be utilised for the purchase and replacement of the subsidiary's furniture and fixtures.

14 DIVIDENDS

At the annual general meeting of the shareholders held on 30 March 2011, a cash dividend of 7.5 fils per share for the year 2010 (2010: 5 fils per share for the year 2009) amounting to BD 3,450,000 (2009: BD 2,300,000) was declared.

15 UNCLAIMED DIVIDENDS

	30 September 2011	31 December 2010
	Unaudited	Audited
	BD	BD
Balance at the beginning of the period / year	3,700,781	4,828,711
Dividend declared (note 14)	3,450,000	2,300,000
Dividend paid	(3,100,702)	(3,427,930)
Balance at the end of the period / year	4,050,079	3,700,781

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

16 COMMITMENTS

Capital expenditure commitments outstanding as at the financial position date but not yet provided for, relating to the re-theming of Seef Mall and expansion in Isa Town Mall is as follows:

	30 September 2011 Unaudited BD	31 December 2010 Audited BD
Seef Mall re-theming	1,033,761	2,284,709
Expansion of Isa Town Mall	221,185	382,248
	<u>1,254,946</u>	<u>2,666,957</u>

17 SEGMENT INFORMATION

For management purposes, the Group is organised into four main business segments:

Malls and properties	-	Management of real estate including malls
Serviced apartments	-	Management of apartments
Leisure and entertainment	-	Leisure and recreational game facilities
Other	-	All activities other than property management and leisure activities

The operations of malls and properties include the management of Seef Mall and Isa Town Mall.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and finance revenue) is managed on a group basis and is not allocated to operating segments.

Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

Segment assets include all operating assets used by a segment and consist primarily of property and equipment, investment properties and accounts receivable.

Segment liabilities include all operating liabilities and consist primarily of trade and other payables.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

17 SEGMENT INFORMATION (continued)

	Malls and properties		Serviced apartments		Leisure and entertainment		Other segments		Elimination		Consolidated	
	Three - month ended		Three - month ended		Three - month ended		Three - month ended		Three - month ended		Three - month ended	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Income from external operations	2,075,751	1,852,038	452,938	499,912	274,485	308,441	-	-	-	-	2,803,174	2,660,391
Inter-segment income	48,750	48,750	-	-	-	-	-	-	(48,750)	(48,750)	-	-
Rent relief	148,965	-	-	-	-	-	-	-	-	-	148,965	-
Cost of sales	269,352	402,064	71,675	101,846	164,067	145,355	-	-	48,750	48,750	456,344	600,515
Gross profit	1,706,184	1,498,724	381,263	398,066	110,418	163,086	-	-	-	-	2,197,865	2,059,876
Other operating income	-	-	-	-	-	-	142,254	225,680	-	-	142,254	225,680
Profit on term deposits	-	-	-	-	-	-	100,689	88,678	-	-	100,689	88,678
Operating profit	1,706,184	1,498,724	381,263	398,066	110,418	163,086	242,943	314,358	-	-	2,440,808	2,374,234
Expenses												
Staff costs	288,995	277,860	58,110	61,983	60,727	90,133	-	-	-	-	407,832	429,976
General and administration expenses	222,626	377,860	124,356	160,358	32,366	42,396	-	-	-	-	379,348	580,614
Depreciation	23,873	16,926	41,773	17,182	12,819	1,950	-	-	-	-	78,465	36,058
Segment profit for the period	1,170,690	826,078	157,024	158,543	4,506	28,607	242,943	314,358	-	-	1,575,163	1,327,586

All of the sales and profit of the Group are earned in the Kingdom of Bahrain from the above business segments.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

17 SEGMENT INFORMATION (continued)

Nine months ended 30 September	Malls and properties		Serviced apartments		Leisure and entertainment		Other segments		Elimination		Consolidated	
	Nine - month ended 30 September 2011	2010	Nine - month ended 30 September 2011	2010	Nine - month ended 30 September 2011	2010	Nine - month ended 30 September 2011	2010	Nine - month ended 30 September 2011	2010	2011	2010
Income from external operations	6,146,191	5,734,371	1,115,964	1,564,293	629,204	777,334	-	-	-	-	7,891,359	8,075,998
Inter-segment income	146,250	146,250	-	-	-	-	-	-	(146,250)	(146,250)	-	-
Rent relief	568,080	-	-	-	-	-	-	-	-	-	568,080	-
Cost of sales	832,828	855,552	248,296	313,211	394,264	381,201	-	-	146,250	146,250	1,329,138	1,403,714
Gross profit	4,891,533	5,025,069	867,668	1,251,082	234,940	396,133	-	-	-	-	5,994,141	6,672,284
Other operating income	-	-	-	-	-	-	502,326	815,339	-	-	502,326	815,339
Profit on term deposits	-	-	-	-	-	-	304,132	233,884	-	-	304,132	233,884
Operating profit	4,891,533	5,025,069	867,668	1,251,082	234,940	396,133	806,458	1,049,223	-	-	6,800,599	7,721,507
Expenses												
Staff costs	829,425	775,424	184,411	183,974	221,999	303,396	-	-	-	-	1,235,835	1,262,794
General and administration expenses	881,425	956,503	345,413	474,903	56,411	68,612	-	-	-	-	1,283,249	1,500,018
Depreciation	71,236	44,971	124,618	113,443	24,463	6,287	-	-	-	-	220,317	164,701
Directors' remuneration	115,000	80,000	-	-	-	-	-	-	-	-	115,000	80,000
Donations and charitable contributions	120,000	100,000	-	-	-	-	-	-	-	-	120,000	100,000
Segment profit (loss) for the period	2,874,447	3,068,171	213,226	478,762	(67,933)	17,838	806,458	1,049,223	-	-	3,826,198	4,613,994
Total assets	113,565,155	113,145,438	10,560,384	10,742,390	912,920	424,207	-	-	(9,810,038)	(10,227,873)	115,228,421	114,084,162
Total liabilities	6,656,797	5,911,339	9,992,896	10,388,128	-	-	-	-	(9,810,038)	(10,227,873)	6,839,655	6,071,594
Capital expenditure	2,029,140	1,350,792	14,705	192,460	68,373	72,531	-	-	-	-	2,112,218	1,615,783

All of the sales and profit of the Group are earned in the Kingdom of Bahrain from the above business segments.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2011 (Unaudited)

18 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

Transactions with related parties during the period are as follows:

	<i>Property rental income and service charges</i>		<i>Property rental income and service charges</i>	
	<i>For the three - months ended</i>		<i>For the nine - months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Other related parties - Directors' related entities*	171,240	192,466	513,722	577,398

* Rent relief of BD 50,463 (2010: nil) was granted to related parties during the nine-month period ended 30 September 2011.

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<i>Trade receivables</i>	
	<i>30 September</i>	<i>31 December</i>
	<i>2011</i>	<i>2010</i>
	<i>BD</i>	<i>BD</i>
Other related parties - Directors' related entities	84,799	214,611

Compensation of key management personnel

The remuneration of directors and members of key management during the period was as follows:

	<i>For the three-months ended</i>		<i>For the nine-months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Directors' remuneration	-	-	115,000	80,000
Board sitting fees	8,334	10,410	25,576	21,860
Management short-term benefits	31,900	-	85,700	54,000
	40,234	10,410	226,276	155,860

Outstanding balances at the period end arise in the normal course of business and are interest free and unsecured. The Group only creates an impairment provision for related party balances where it is virtually certain the debt will not be recovered. For the nine month period ended 30 September 2011, the Group has not recorded any impairment of amounts owed by related parties (30 September 2010: nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS

At 30 September 2011 (Unaudited)

18 RELATED PARTY TRANSACTIONS (continued)

The details of total ownership interest held by the directors along with the entities controlled, jointly controlled or significantly influenced by them are as follows:

	30 September 2011	31 December 2010
	No. of shares	No. of shares
No of shares	1,385,500	1,385,500
Percentage of holdings	0.3%	0.3%