

Seef Properties B.S.C.

**REVIEWED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2014



Ernst & Young
P.O. Box 140
14th Floor, South Tower
Bahrain World Trade Center
Manama
Kingdom of Bahrain

Tel: +973 1753 5455
Fax: +973 1753 5405
manama@bh.ey.com
ey.com/mena
C.R. No. 6700

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 June 2014, comprising of the interim consolidated statement of financial position as at 30 June 2014 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the six-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 Accounting Standard 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

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.

23 July 2014
Manama, Kingdom of Bahrain

Seef Properties B.S.C.

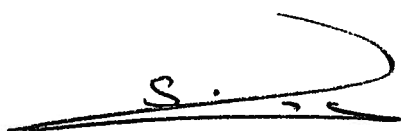
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014 (Reviewed)

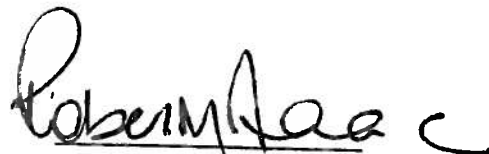
	Note	30 June 2014 Reviewed BD	31 December 2013 Audited BD
ASSETS			
Non-current assets			
Furniture, equipment and vehicles		992,243	1,212,894
Capital work-in-progress		1,939,293	425,720
Investment properties		104,359,921	104,347,000
Investment in joint venture		5,151,817	5,256,264
		<u>112,443,274</u>	<u>111,241,878</u>
Current assets			
Trade and other receivables		1,991,219	965,548
Cash and bank balances	4	15,473,033	17,985,456
		<u>17,464,252</u>	<u>18,951,004</u>
TOTAL ASSETS		<u><u>129,907,526</u></u>	<u><u>130,192,882</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		46,000,000	46,000,000
Statutory reserve		16,043,000	16,043,000
Furniture and fixtures replacement reserve		171,616	143,610
Retained earnings		60,466,291	61,675,256
Total equity		<u>122,680,907</u>	<u>123,861,866</u>
Liabilities			
Non-current liability			
Employees' end of service benefits		222,430	205,762
Current liabilities			
Unclaimed dividends		4,874,287	4,457,975
Other payables and accruals	6	2,129,902	1,667,279
		<u>7,004,189</u>	<u>6,125,254</u>
Total liabilities		<u>7,226,619</u>	<u>6,331,016</u>
TOTAL EQUITY AND LIABILITIES		<u><u>129,907,526</u></u>	<u><u>130,192,882</u></u>



Essa Mohamed Najibi
Chairman



Sager Shaheen Sager
Vice Chairman



Robert Addison
General Manager


The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

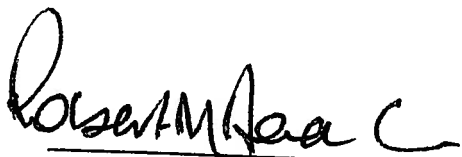
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014 (Reviewed)

	Note	Three months ended 30 June		Six months ended 30 June	
		2014	2013	2014 BD	2013 BD
Income					
Property rental income and service charges		2,321,984	2,176,048	4,628,075	4,303,601
Income from serviced apartments		594,075	507,005	1,198,795	1,059,647
Leisure and recreational income		26,375	328,180	205,275	650,873
		<u>2,942,434</u>	<u>3,011,233</u>	<u>6,032,145</u>	<u>6,014,121</u>
Less: cost of sales		515,736	607,446	1,030,364	1,183,164
Gross profit		<u>2,426,698</u>	<u>2,403,787</u>	<u>5,001,781</u>	<u>4,830,957</u>
Other operating income		275,090	266,115	522,332	501,272
Profit on term deposits		100,696	93,617	218,732	202,061
Operating profit		<u>2,802,484</u>	<u>2,763,519</u>	<u>5,742,845</u>	<u>5,534,290</u>
Expenses					
Staff costs		407,017	463,654	804,679	907,900
General, administration, marketing and advertisement		392,048	327,602	869,150	715,596
Depreciation		123,434	120,882	251,181	241,251
Directors' remuneration	10	-	-	198,000	172,500
Donations and charitable contributions		-	-	160,000	150,000
Provision for doubtful debts		13,000	13,000	26,000	26,000
		<u>935,499</u>	<u>925,138</u>	<u>2,309,010</u>	<u>2,213,247</u>
Share of loss from joint venture		(3,305)	(8,471)	(6,836)	(6,773)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,863,680</u>	<u>1,829,910</u>	<u>3,426,999</u>	<u>3,314,270</u>
Basic and diluted earnings per share	7	<u>4.05 Fils</u>	<u>3.98 Fils</u>	<u>7.45 Fils</u>	<u>7.20 Fils</u>


Essa Mohamed Najibi
Chairman


Sager Shaheen Sager
Vice Chairman


Robert Addison
General Manager

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014 (Reviewed)

	Note	Six months ended 30 June	
		2014 BD	2013 BD
OPERATING ACTIVITIES			
Profit for the period		3,426,999	3,314,270
Adjustments for:			
Depreciation		312,071	361,892
Gain on disposal of furniture, equipment and vehicles		(13,305)	-
Profit on term deposits		(218,732)	(202,061)
Provision for doubtful debts		26,000	26,000
Directors' remuneration		198,000	172,500
Donations and charitable contributions		160,000	150,000
Employees' end of service benefits		28,954	28,115
Write-back of accruals no longer payable		-	(16,564)
Elimination of intercompany charges		97,611	-
Share of loss from joint venture		6,836	6,773
Operating profit before working capital changes		4,024,434	3,840,925
Working capital changes:			
Trade and other receivables		(1,036,968)	48,333
Other payables and accruals		462,668	(56,007)
		3,450,134	3,833,251
Employees' end of service benefits paid		(12,286)	(4,103)
Directors' remuneration paid		(198,000)	(172,500)
Donations and charitable contributions paid		(160,045)	(33,710)
Net cash from operating activities		3,079,803	3,622,938
INVESTING ACTIVITIES			
Net movement in term deposits		2,472,039	1,737,185
Profit on term deposits received		204,029	266,811
Purchase of furniture, equipment and vehicles		(86,898)	(22,051)
Proceeds from disposal of furniture, equipment and vehicles		17,899	-
Expenditure incurred on capital work-in-progress		(1,531,368)	(65,521)
Additions to investment properties		(4,242)	(113,191)
Direct utilisation of furniture and fixtures replacement reserve		(7,958)	-
Net cash from investing activities		1,063,501	1,803,233
FINANCING ACTIVITIES			
Dividends paid	6	(4,183,688)	(3,688,390)
Movement in bank balances representing unclaimed dividends		1,261,770	(231,870)
Net cash used in financing activities		(2,921,918)	(3,920,260)
INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		5,282,060	2,111,809
CASH AND CASH EQUIVALENTS AT 30 JUNE	4	6,503,446	3,617,720

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2014 (Reviewed)

Non-cash items:

- 1) Movement in donations and charitable contributions settled from previous year's accrual amounting to BD 45 (30 June 2013: accrued but not yet settled amounting to BD 116,290) have been excluded from the movement of other payables and accruals.
- 2) Movement in profit on term deposits of BD 14,703 which has been accrued but not yet received (30 June 2013: received from previous year's accrual of BD 64,750) has been excluded from trade and other receivables.
- 3) During the period ended 30 June 2013, the Group has written back certain accruals no longer payable amounting to BD 16,564 which have been excluded from the movement of other payables and accruals (30 June 2014: nil).
- 4) Capital expenditures transferred from capital work-in-progress to furniture, equipment and vehicles and investment properties during the period of BD 9,116 and BD 8,679, respectively (30 June 2013: nil) have been excluded from the statement of cash flows.

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014 (Reviewed)

	Note	Share capital BD	Statutory reserve BD	Furniture and fixtures replacement reserve BD	Retained earnings* BD	Total BD
Balance at 1 January 2014		46,000,000	16,043,000	143,610	61,675,256	123,861,866
Total comprehensive income		-	-	-	3,426,999	3,426,999
Dividends declared for 2013	5	-	-	-	(4,600,000)	(4,600,000)
Transfer to furniture and fixtures replacement reserve		-	-	35,964	(35,964)	-
Direct utilisation of furniture and fixtures replacement reserve		-	-	(7,958)	-	(7,958)
Balance at 30 June 2014		46,000,000	16,043,000	171,616	60,466,291	122,680,907
Balance at 1 January 2013		46,000,000	15,040,000	111,025	56,831,191	117,982,216
Total comprehensive income		-	-	-	3,314,270	3,314,270
Dividends declared for 2012	5	-	-	-	(4,140,000)	(4,140,000)
Transfer to furniture and fixtures replacement reserve		-	-	31,789	(31,789)	-
Balance at 30 June 2013		46,000,000	15,040,000	142,814	55,973,672	117,156,486

* Retained earnings include BD 25,000 (2013: 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 June 2014 (Reviewed)

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 collectively referred to as the "Group".

The Group is primarily engaged in the real estate business and also 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 and properties in the Kingdom of Bahrain and operates the Magic Island, leisure and recreational games facilities.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 23 July 2014.

2 ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2014 have been 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 in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2013. In addition, results for the six-month period ended 30 June 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

New standards, interpretations and amendments

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

As required by IAS 34, the nature and the impact of each new standard or amendment is described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 *Consolidated Financial Statements*. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014 (Reviewed)

2 ACCOUNTING POLICIES (continued)**New standards, interpretations and amendments (continued)***Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32*

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 *Impairment of Assets*. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments have no impact on the Group.

Several other new standards and amendments apply for the first time in 2014; however, they do not impact the annual financial statements of the Group or the interim condensed consolidated financial statements of the Group.

3 FAIR VALUE MEASUREMENT

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at the date of the interim consolidated statement of financial position:

	30 June 2014 Reviewed BD	31 December 2013 Audited BD
Financial asset:		
Trade and other receivables	978,093	814,184
Financial liabilities:		
Unclaimed dividends	4,874,287	4,457,975
Other payables	673,057	576,493
Total	5,547,344	5,034,468

The carrying amounts of the Group's financial instruments such as cash and bank balances, trade and other receivables and other payables, are a reasonable approximation of their fair values, largely due to the short term maturity of these financial instruments. Thus, a fair value disclosure is not required for such financial instruments.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014 (Reviewed)

3 FAIR VALUE MEASUREMENT (continued)

The Company held the following assets measured at fair value:

30 June 2014	Date of valuation	Fair value measurement using			Total BD
		Quoted prices in active markets (Level 1) BD	Significant observable inputs (Level 2) BD	Significant unobservable inputs (Level 3) BD	
Assets measured at fair value					
Investment properties	31 December 2013	-	-	104,347,000	104,347,000
31 December 2013					
Assets measured at fair value					
Investment properties	31 December 2013	-	-	104,347,000	104,347,000

As at 30 June 2014, the management believes that the fair valuation of investment properties last carried out on 31 December 2013 are not materially different from their carrying amounts.

During the reporting periods ended 30 June 2014 and 30 June 2013 and year ended 31 December 2013, there were no transfers within the levels of fair value hierarchy.

4 CASH AND BANK BALANCES

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

	30 June 2014 Reviewed BD	31 December 2013 Audited BD	30 June 2013 Reviewed BD
Cash on hand, bank balances and term deposits	15,473,033	17,985,456	14,578,992
less: Term deposits with original maturity of more than three months	(8,743,247)	(11,215,286)	(9,251,133)
Bank balances representing unclaimed dividends *	(226,340)	(1,488,110)	(1,710,139)
	6,503,446	5,282,060	3,617,720

Bank balances are held in commercial banks in the Kingdom of Bahrain and are non-interest bearing. Term deposits are placed for varying periods ranging between one month to one year. The profit rates on term deposits as at 30 June 2014 range between 1.60% to 4.15% (30 June 2013: 1.80% to 3.60%).

* Refer to note 6 for details of unclaimed dividends.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014 (Reviewed)

5 DIVIDENDS DECLARED

At the Annual General Meeting held on 17 March 2014, the Company's shareholders approved to pay a final dividend of BD 0.010 per share totalling BD 4,600,000. Dividends paid amounting to BD 4,183,688 relate to 2013 and before.

At the Annual General Meeting held on 31 March 2013, the Company's shareholders approved to pay a final dividend of BD 0.009 per share totalling BD 4,140,000. Dividends paid amounting to BD 3,910,418 relate to 2012 and before.

6 UNCLAIMED DIVIDENDS

	30 June 2014 Reviewed BD	31 December 2013 Audited BD	30 June 2013 Reviewed BD
Balance at the beginning of the period / year	4,457,975	4,228,393	4,228,393
Dividends declared (note 5)	4,600,000	4,140,000	4,140,000
Dividends paid	(4,183,688)	(3,910,418)	(3,688,390)
Balance at the end of the period / year	<u>4,874,287</u>	<u>4,457,975</u>	<u>4,680,003</u>

7 EARNINGS PER SHARE

	<i>For the three months ended</i>		<i>For the six months ended</i>	
	30 June 2014 Reviewed	30 June 2013 Audited	30 June 2014 Reviewed	30 June 2013 Audited
Profit for the period – BD	<u>1,863,680</u>	<u>1,829,910</u>	<u>3,426,999</u>	<u>3,314,270</u>
Weighted average number of shares outstanding	<u>460,000,000</u>	<u>460,000,000</u>	<u>460,000,000</u>	<u>460,000,000</u>
Basic and diluted earnings per share	<u>4.05 Fils</u>	<u>3.98 Fils</u>	<u>7.45 Fils</u>	<u>7.20 Fils</u>

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.

8 COMMITMENTS AND CONTINGENCIES

a) *Capital commitments*

Capital expenditure commitments outstanding as at the financial position date but not yet provided for, relating to the projects in malls and properties are as follows:

	30 June 2014 Reviewed BD	31 December 2013 Audited BD
Seef Mall, Isa Town Mall and Magic Island renovation works	<u>1,605,846</u>	<u>310,823</u>

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014 (Reviewed)

8 COMMITMENTS AND CONTINGENCIES (continued)

The Group's share of capital expenditure commitments outstanding as at the financial position date but not yet provided for, relating to the development of Muharraq Seef Mall are as follows:

	30 June 2014 Reviewed BD	31 December 2013 Audited BD
Muharraq Seef Mall	962,467	2,982,866

b) Operating lease commitments

The Group has entered into leases with commercial malls in the Kingdom of Bahrain for operating its leisure and recreational facilities. The Group's share of the joint venture's operating lease relating to the land on which Muharraq Seef Mall is being developed is included in the following disclosed gross commitments.

Future minimum rentals payable under cancellable operating leases are as follows:

	30 June 2014 Reviewed BD	31 December 2013 Audited BD
Within one year	125,000	125,000
After one year but not more than five years	500,000	500,000
More than five years	4,333,333	4,395,833
	4,958,333	5,020,833

c) Other commitments

Muharraq Mall Co. W.L.L. is expected to pay a royalty charge of 2.75% of its gross rental income receivable commencing from the year 2022 until the end of the lease term in 2053.

d) Legal cases

In the ordinary course of business, the Group is subject to legal claims. The Company has provided for certain claims relating to employees.

A third party has filed a claim against the Group towards damages caused by theft. The Group lost the case, however, it has filed an appeal against the ruling. The third party is seeking damages equal to BD 202,811 (2013: BD 202,811). The case is still ongoing as of 30 June 2014. Management believes that it is possible, but not probable, that the third party will succeed. Accordingly, no provision for any liability has been made in these interim condensed consolidated financial statements.

e) Guarantee

On 1 September 2013, Muharraq Mall Co. W.L.L., the joint venture, obtained an Islamic financing facility from a financial institution amounting to BD 8.01 million (equivalent of USD 21.25 million) to finance the construction of Muharraq Seef Mall. This financing is secured by joint and several corporate guarantees undertaken by the Company and other two venturers.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014 (Reviewed)

9 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	-	Operating leisure and recreational games 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, and other properties in Hamad Town, Isa Town, Saar and Um-Al Hassam.

Serviced apartments represent Fraser Suites Seef - Bahrain, which generates income from the leasing of furnished serviced apartments and tourist restaurants.

The Group owns and operates leisure and recreational games facilities in different commercial malls in the Kingdom of Bahrain under its brand name, Magic Island.

The Group also earns income from the promotional space and car park areas in addition to other miscellaneous income.

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 interim condensed consolidated financial statements. Group financing (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 furniture, equipment and vehicles, investment properties and accounts receivable.

Segment liabilities include all operating liabilities and consist primarily of employees' end of service benefits, unclaimed dividends and other payables and accruals.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 30 June 2014 (Reviewed)

9 SEGMENT INFORMATION (continued)

Six months ended 30 June

	Malls and properties		Serviced apartments		Leisure and entertainment		Others		Elimination		Consolidated	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Income from external operations	4,628,075	4,303,601	1,198,795	1,059,647	205,275	650,873	-	-	-	-	6,032,145	6,014,121
Inter-segment income	45,370	110,370	-	-	-	-	-	-	(45,370)	(110,370)	-	-
Less: cost of sales	522,246	445,294	325,432	304,239	228,056	544,001	-	-	(45,370)	(110,370)	1,030,364	1,183,164
Gross profit	4,151,199	3,968,677	873,363	755,408	(22,781)	106,872	-	-	-	-	5,001,781	4,830,957
Other operating income	-	-	-	-	-	-	522,332	501,272	-	-	522,332	501,272
Profit on term deposits	-	-	-	-	-	-	218,732	202,061	-	-	218,732	202,061
Operating profit	4,151,199	3,968,677	873,363	755,408	(22,781)	106,872	741,064	703,333	-	-	5,742,845	5,534,290
Expenses												
Staff costs	670,244	783,884	134,435	124,016	-	-	-	-	-	-	804,679	907,900
General and administration, marketing and advertisement	642,712	531,822	216,007	164,199	10,431	19,575	-	-	-	-	869,150	715,596
Depreciation	138,349	128,755	87,022	85,221	25,810	27,275	-	-	-	-	251,181	241,251
Directors' remuneration	198,000	172,500	-	-	-	-	-	-	-	-	198,000	172,500
Donations and charitable contributions	160,000	150,000	-	-	-	-	-	-	-	-	160,000	150,000
Provision for doubtful debts	26,000	26,000	-	-	-	-	-	-	-	-	26,000	26,000
Share of loss from joint venture	2,315,894	2,175,716	435,899	381,972	(59,022)	60,022	741,064	703,333	-	-	3,433,835	3,321,043
	(6,836)	(6,773)	-	-	-	-	-	-	-	-	(6,836)	(6,773)
Segment profit (loss) for the period	2,309,058	2,168,943	435,899	381,972	(59,022)	60,022	741,064	703,333	-	-	3,426,999	3,314,270

	30 June 2014		30 June 2013		30 June 2014		30 June 2013		30 June 2014		30 June 2013	
	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Total assets	126,580,535	127,317,942	10,665,305	10,589,104	195,767	278,033	-	-	(7,534,081)	(7,992,197)	129,907,526	130,192,882
Total liabilities	6,920,638	6,131,413	7,840,062	8,191,800	-	-	-	-	(7,534,081)	(7,992,197)	7,226,619	6,331,016

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 June 2014 (Reviewed)

10 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 for the three months ended</i>		<i>Property rental income and service charges for the six months ended</i>	
	<i>30 June 2014</i>	<i>30 June 2013</i>	<i>30 June 2014</i>	<i>30 June 2013</i>
	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Directors' related entities	-	-	-	171,944
Muharraq Mall Co. W.L.L.	4,098	4,098	8,197	8,197
	<u>4,098</u>	<u>4,098</u>	<u>8,197</u>	<u>180,141</u>

During the Annual General Meeting held on 31 March 2013, a new Board of Directors has been appointed which has affected the related party balances and transactions disclosure as at the date of the interim condensed consolidated financial statements.

On 3 May 2012, the Company entered into a property services agreement with its joint venture, Muharraq Mall Co. W.L.L. During the period ended 30 June 2014, the Company charged the joint venture a development management fee of BD 15,000 (30 June 2013: BD 15,000), lease management fee of BD 50,361 (30 June 2013: BD 8,189), management set-up fee of BD 12,000 (30 June 2013: nil) and tenant coordination fee of BD 20,250 (30 June 2013: nil) which are included in other operating income in the interim consolidated statement of comprehensive income.

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

		<i>30 June 2014</i>	<i>31 December 2013</i>
		<i>Reviewed</i>	<i>Audited</i>
		<i>BD</i>	<i>BD</i>
Muharraq Mall Co. W.L.L.	Other receivables	235,628	18,260
		<u>235,628</u>	<u>18,260</u>

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014 (Reviewed)

10 RELATED PARTY TRANSACTIONS (continued)

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 six months ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Directors' remuneration	-	-	198,000	172,500
Management short-term benefits	24,300	21,900	74,600	73,000
Management end of service benefits	2,025	-	4,050	1,825
	26,325	21,900	276,650	247,325

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 that the debt will not be recovered. For the six months ended 30 June 2014, the Group has not recorded any impairment of amounts owed by related parties (30 June 2013: nil).

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:

	<i>30 June</i>	<i>31 December</i>
	<i>2014</i>	<i>2013</i>
Number of shares	1,512,680	1,512,680
Percentage of holdings	0.33%	0.33%

11 COMPARATIVE FIGURES

Certain of the prior period's figures have been reclassified to conform to the current period's presentation. Such reclassification did not affect previously reported net income or shareholders' equity.

	<i>As</i>	<i>Reclassi-</i>	<i>As</i>
	<i>previously</i>	<i>fication</i>	<i>reported</i>
	<i>reported</i>	<i>BD</i>	<i>herein</i>
	<i>BD</i>		<i>BD</i>
Consolidated statement of comprehensive income			
Cost of sales	1,016,189	166,975	1,183,164
Staff costs	1,069,139	(161,239)	907,900
General, administration, marketing and advertisement	709,832	5,764	715,596
Profit for the period	3,314,270	-	3,314,270