

Seef Properties B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
(REVIEWED)**

31 MARCH 2017

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 subsidiaries (together 'the Group') as at 31 March 2017, comprising of the interim consolidated statement of financial position as at 31 March 2017 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the three-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.



7 May 2017
Manama, Kingdom of Bahrain

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017 (Reviewed)

	Note	31 March 2017 Reviewed BD	31 December 2016 Audited BD
ASSETS			
Non-current assets			
Property, equipment and furniture		23,960,724	24,310,038
Capital work-in-progress		385,268	175,842
Investment properties		111,800,840	111,800,840
Investment in joint venture		8,675,193	8,657,356
		<u>144,822,025</u>	<u>144,944,076</u>
Current assets			
Trade and other receivables		1,367,008	1,747,553
Cash and bank balances	3	15,329,071	15,908,680
		<u>16,696,079</u>	<u>17,656,233</u>
TOTAL ASSETS		<u>161,518,104</u>	<u>162,600,309</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		46,000,000	46,000,000
Statutory reserve		19,210,000	19,210,000
Furniture and fixtures replacement reserve		233,662	218,270
Retained earnings		70,714,330	74,845,831
		<u>136,157,992</u>	<u>140,274,101</u>
Equity attributable to equity holders of the parent		<u>136,157,992</u>	<u>140,274,101</u>
Non-controlling interest		3,320,891	3,199,705
		<u>139,478,883</u>	<u>143,473,806</u>
Total equity		<u>139,478,883</u>	<u>143,473,806</u>
Liabilities			
Non-current liability			
Term loan		8,206,583	8,643,631
Employees' end of service benefits		292,856	291,485
		<u>8,499,439</u>	<u>8,935,116</u>
Current liabilities			
Unclaimed dividends	5	8,532,033	5,220,347
Trade and other payables		4,009,139	4,222,082
Term loan		998,610	748,958
		<u>13,539,782</u>	<u>10,191,387</u>
Total liabilities		<u>22,039,221</u>	<u>19,126,503</u>
TOTAL EQUITY AND LIABILITIES		<u>161,518,104</u>	<u>162,600,309</u>


Essa Mohamed Najibi
Chairman


Mostafa Al-Sayed
Vice Chairman


Ahmed Yusuf
Chief Executive Officer

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.


INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2017 (Reviewed)

	Note	Three months ended 31 March	
		2017 BD	2016 BD
INCOME			
Property rental income and service charges		3,477,537	2,535,165
Income from serviced apartments		513,060	654,091
Leisure and recreational income		401,391	423,232
		<u>4,391,988</u>	<u>3,612,488</u>
Less: cost of sales		786,284	600,310
GROSS PROFIT		<u>3,605,704</u>	<u>3,012,178</u>
Other operating income		197,645	316,286
Profit on term deposits		82,474	130,032
OPERATING PROFIT		<u>3,885,823</u>	<u>3,458,496</u>
EXPENSES			
Staff costs		455,128	458,103
General, administration, marketing and advertisement		311,955	371,244
Depreciation		161,557	157,188
Directors' remuneration	9	230,000	210,500
Donations and charitable contributions		165,000	165,000
Provision for doubtful debts		36,399	77,500
PROFIT FROM OPERATIONS		<u>2,525,784</u>	<u>2,018,961</u>
Finance costs		(98,544)	-
Share of profit from joint venture		17,837	177,291
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>2,445,077</u>	<u>2,196,252</u>
Basic and diluted earnings per share	6	<u>5.05 Fils</u>	<u>4.77 Fils</u>
Attributable to:			
Equity holders of the parent		2,323,891	2,196,252
Non-controlling interests		121,186	-
		<u>2,445,077</u>	<u>2,196,252</u>


Essa Mohamed Najibi
Chairman


Mustafa Al-Sayed
Vice Chairman


Ahmed Yusuf
Chief Executive Officer

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2017 (Reviewed)

	Note	Three months ended 31 March	
		2017 BD	2016 BD
OPERATING ACTIVITIES			
Profit for the period		2,445,077	2,196,252
Adjustments for:			
Depreciation		358,862	216,406
Profit on term deposits		(82,474)	(130,032)
Provision for doubtful debts		36,399	77,500
Finance costs		98,544	-
Directors' remuneration		230,000	210,500
Donations and charitable contributions		165,000	165,000
Employees' end of service benefits		16,118	16,922
Share of profit from joint venture		(17,837)	(177,291)
Operating profit before working capital changes		3,249,689	2,575,257
Working capital changes:			
Trade and other receivables		345,321	(199,264)
Trade and other payables		(366,955)	(164,552)
		3,228,055	2,211,441
Employees' end of service benefits paid		(14,747)	(841)
Directors' remuneration paid		(230,000)	(210,500)
Donations and charitable contributions paid		(10,988)	(1,051)
Net cash flows from operating activities		2,972,320	1,999,049
INVESTING ACTIVITIES			
Net movement in term deposits		2,781,753	(519,555)
Profit on term deposits received		81,299	94,415
Purchase of property, equipment and furniture		(9,548)	(27,496)
Expenditure incurred on capital work-in-progress		(209,426)	(9,761)
Additions to investment properties		-	(26,725)
Net cash flow from (used in) investing activities		2,644,078	(489,122)
FINANCING ACTIVITIES			
Dividends paid	5	(3,128,314)	(59,043)
Movement in bank balances representing unclaimed dividends		3,323,003	(173,204)
Term loan paid		(187,396)	-
Finance costs paid		(98,544)	-
Net cash flows used in financing activities		(91,251)	(232,247)
INCREASE IN CASH AND CASH EQUIVALENTS		5,525,147	1,277,680
Cash and cash equivalents at 1 January		5,903,092	1,896,057
CASH AND CASH EQUIVALENTS AT 31 MARCH	3	11,428,239	3,173,737

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2017 (Reviewed)

	Note	Equity attributable to equity holders of the parent							Total equity BD
		Share capital BD	Statutory reserve BD	Furniture and fixtures replacement reserve BD	Retained earnings* BD	Total BD	Non-controlling interest BD		
Balance as at 1 January 2017		46,000,000	19,210,000	218,270	74,845,831	140,274,101	3,199,705	143,473,806	
Total comprehensive income		-	-	-	2,323,891	2,323,891	121,186	2,445,077	
Dividends declared for 2016	4	-	-	-	(6,440,000)	(6,440,000)	-	(6,440,000)	
Transfer to furniture and fixtures replacement reserve		-	-	15,392	(15,392)	-	-	-	
Balance as at 31 March 2017		46,000,000	19,210,000	233,662	70,714,330	136,157,992	3,320,891	139,478,883	
Balance as at 1 January 2016		46,000,000	18,110,000	153,923	70,573,262	134,837,185	-	134,837,185	
Total comprehensive income		-	-	-	2,196,252	2,196,252	-	2,196,252	
Dividends declared for 2015	4	-	-	-	(5,520,000)	(5,520,000)	-	(5,520,000)	
Transfer to furniture and fixtures replacement reserve		-	-	19,623	(19,623)	-	-	-	
Balance as at 31 March 2016		46,000,000	18,110,000	173,546	67,229,891	131,513,437	-	131,513,437	

* Retained earnings include BD 228,529 (2016: BD 25,000) relating to the statutory reserve of the subsidiaries.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017 (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, Commerce and Tourism under commercial registration (CR) number 44344. The postal address of the Company's registered head office is at P O Box 20084, Building 2102, Road 2825, Block 428, Seef District, Kingdom of Bahrain.

The Company, its subsidiaries and joint venture are collectively referred to as the "Group".

<i>Name</i>	<i>Ownership interest</i>	<i>Country of incorporation</i>	<i>Principal activities</i>
Subsidiaries			
Fraser Suites Seef - Bahrain S.P.C	100.0%	Kingdom of Bahrain	Hotel, tourist furnished flats and restaurants for tourist services management.
Muharraq Mall Co. W.L.L.	72.5%	Kingdom of Bahrain	Management of real estate including malls. Until 9 October 2016, Muharraq Mall Co. W.L.L. was a joint venture.
Joint venture			
Lama Real Estate W.L.L.	50.0%	Kingdom of Bahrain	Real estate business.

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, Isa Town Mall, Muharraq Seef 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 7 May 2017.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements of the Group for the three months ended 31 March 2017 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 2016. In addition, results for the three-month period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

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 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017 (Reviewed)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

IAS 7 Statement of Cash Flows

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its interim condensed consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ending 31 December 2017.

Other amendments resulting from new standards and interpretations and amendments to standards and interpretations did not have any impact on the accounting policies, consolidated financial position or consolidated financial performance of the Group.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single statement of financial position model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017 (Reviewed)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)

IFRS 16 Leases (continued)

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

Other amendments resulting from new standards and interpretations and amendments to standards and interpretations will not have any impact on the accounting policies, consolidated financial position or consolidated financial performance of the Group.

3 CASH AND BANK BALANCES

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

	31 March 2017 Reviewed BD	31 December 2016 Audited BD	31 March 2016 Reviewed BD
Cash on hand, bank balances and term deposits	15,329,071	15,908,680	23,030,771
less: Term deposits with original maturity of more than three months	(616,246)	(3,397,999)	(14,085,730)
Bank balances representing unclaimed dividends *	(3,284,586)	(6,607,589)	(5,771,304)
	11,428,239	5,903,092	3,173,737

Bank balances are held in commercial banks in the Kingdom of Bahrain and are non-profit bearing. Term deposits are placed for varying periods ranging between one month to one year. The profit rates on term deposits as at 31 March 2017 range between 1.95% to 3.00% (31 March 2016: 1.20% to 3.50%).

* Refer to note 5 for details of unclaimed dividends.

4 DIVIDENDS DECLARED

At the Annual General Meeting held on 14 March 2017, the Company's shareholders approved to pay a final dividend of BD 0.014 per share totalling BD 6,440,000. Dividends paid amounting to BD 3,128,314 relate to 2016 and before.

At the Annual General Meeting held on 16 March 2016, the Company's shareholders approved to pay a final dividend of BD 0.012 per share totalling BD 5,520,000. Dividends paid amounting to BD 5,207,509 relate to 2015 and before.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017 (Reviewed)

5 UNCLAIMED DIVIDENDS

	31 March 2017 Reviewed BD	31 December 2016 Audited BD	31 March 2016 Reviewed BD
Balance at the beginning of the period / year	5,220,347	4,907,856	4,907,856
Dividends declared (note 4)	6,440,000	5,520,000	5,520,000
Dividends paid	(3,128,314)	(5,207,509)	(59,043)
Balance at the end of the period / year	8,532,033	5,220,347	10,368,813

6 EARNINGS PER SHARE

	<i>For the three months ended</i>	
	31 March 2017 Reviewed	31 March 2016 Reviewed
Profit attributable to equity holders of the parent for the period – BD	2,323,891	2,196,252
Weighted average number of shares outstanding	460,000,000	460,000,000
Basic and diluted earnings per share	5.05 Fils	4.77 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.

7 COMMITMENTS AND CONTINGENCIES

a) Capital commitments

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

	31 March 2017 Reviewed BD	31 December 2016 Audited BD
Seef Mall, Isa Town Mall and Magic Island renovation works	502,002	304,835
Muharraq Seef Mall	7,715	7,715
	509,717	312,550

The Company's share in respect of capital commitments of joint venture amounted to BD 124,223 (31 December 2016: BD 129,169).

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017 (Reviewed)

7 COMMITMENTS AND CONTINGENCIES (continued)

b) *Operating lease commitments*

The future minimum rental payable under non-cancellable operating leases relating to the land on which Muharraq Seef Mall is located are as follows:

	31 March 2017 Reviewed BD	31 December 2016 Audited BD
Within one year	250,000	250,000
After one year but not more than five years	1,000,000	1,000,000
More than five years	7,979,167	8,041,667
	9,229,167	9,291,667

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 Group has provided for certain claims relating to employees.

e) *Guarantee*

The Company, along with the other shareholder, has signed a joint and several corporate guarantees towards term loan obtained by Muharraq Mall Co W.L.L. from a commercial bank.

8 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, Isa Town Mall, Muharraq Seef 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017 (Reviewed)

8 SEGMENT INFORMATION (continued)

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 trade and other receivables.

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

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017 (Reviewed)

8 SEGMENT INFORMATION (continued)

	Malls and properties			Serviced apartments			Leisure and entertainment			Others			Elimination			Consolidated		
	Three months ended			Three months ended			Three months ended			Three months ended			Three months ended			Three months ended		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Income from external operations	3,477,537	2,535,165	513,060	654,091	401,391	423,232	-	-	-	-	-	-	-	-	-	-	4,391,988	3,612,488
Inter-segment income	61,551	55,185	-	-	-	-	-	-	-	-	-	-	(61,551)	(55,185)	-	-	-	-
Less: cost of sales	446,853	198,467	161,556	192,017	239,426	265,011	-	-	-	-	-	-	(61,551)	(55,185)	-	-	786,294	600,310
Gross profit	3,092,235	2,391,883	351,504	462,074	161,965	158,221	-	-	-	-	-	-	-	-	-	-	3,605,704	3,012,176
Other operating income	-	-	-	-	2,830	2,509	194,815	313,777	-	-	-	-	-	-	-	-	197,645	316,286
Profit on term deposits	-	-	-	-	-	-	82,474	130,032	-	-	-	-	-	-	-	-	82,474	130,032
Operating profit	3,092,235	2,391,883	351,504	462,074	164,795	160,730	277,289	443,809	-	-	-	-	-	-	-	-	3,885,823	3,458,496
Expenses																		
Staff costs	403,447	369,348	51,681	68,755	-	-	-	-	-	-	-	-	-	-	-	-	455,128	458,103
General and administration, marketing and advertisement	206,969	232,358	93,124	121,107	11,862	17,779	-	-	-	-	-	-	-	-	-	-	311,955	371,244
Depreciation	54,849	49,680	17,692	17,593	89,018	89,915	-	-	-	-	-	-	-	-	-	-	161,557	157,188
Directors' remuneration	230,000	210,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230,000	210,500
Donations and charitable contributions	165,000	165,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	165,000	165,000
Provision for doubtful debts	36,399	77,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,399	77,500
Profit from operations	1,995,571	1,267,487	189,007	254,619	63,917	53,036	277,289	443,809	-	-	-	-	-	-	-	-	2,525,784	2,018,961
Finance cost	(98,544)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(98,544)	-
Share of profit from joint venture	17,837	177,291	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,837	177,291
Segment profit for the period	1,914,864	1,444,768	189,007	254,619	63,917	53,036	277,289	443,809	-	-	-	-	-	-	-	-	2,445,077	2,196,252
31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017
Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Reviewed	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Reviewed	Audited
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
151,869,884	153,038,194	12,660,409	12,702,593	1,927,723	2,068,867	-	-	-	(4,939,912)	(5,209,345)	161,518,104	162,600,309						
21,713,087	18,838,611	5,268,046	5,487,237	-	-	-	-	-	(4,939,912)	(5,209,345)	22,039,221	19,128,503						

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

As at 31 March 2017 (Reviewed)

9 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>For the three months ended</i>	
	<i>31 March 2017 Reviewed BD</i>	<i>31 March 2016 Reviewed BD</i>
Muharraq Mall Co. W.L.L. *		
- Cost of sales	-	12,801
- Other operating income	-	59,096

The Company had an existing property services agreement with Muharraq Mall Co. W.L.L., previously joint venture, to provide property development and management, lease management, tenant coordination, management set-up and mall marketing management. The fees for these services were included in other operating income in the interim consolidated statement of comprehensive income.

Muharraq Mall Co W.L.L. ceased to be a joint venture on 10 October 2016, when it became a 72.5% subsidiary.

* This includes transactions up to 31 March 2016 (prior to acquisition of subsidiary).

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

	<i>31 March 2017 Reviewed BD</i>	<i>31 December 2016 Audited BD</i>
Lama Real Estate W.L.L.	<u>195</u>	<u>252,421</u>

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>31 March 2017 Reviewed BD</i>	<i>31 March 2016 Reviewed BD</i>
Directors' remuneration	230,000	210,500
Management short-term benefits	89,300	70,800
Management end of service benefits	2,526	2,025
	<u>321,826</u>	<u>283,325</u>

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 three months ended 31 March 2017, the Group has not recorded any impairment of amounts owed by related parties (31 March 2016: nil).

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017 (Reviewed)

9 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:

	31 March 2017	31 December 2016
Number of shares	1,877,680	1,877,680
Percentage of holdings	0.41%	0.41%

10 FAIR VALUE MEASUREMENT

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of trade and other receivables and bank balances. Financial liabilities consist of trade and other payables and unclaimed dividends payable which are carried at amortised cost.

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

The following table provides the fair value measurement hierarchy of the Group's assets measured at fair value as at the reporting date:

		<i>Fair value measurement using</i>			
	<i>Date of valuation</i>	<i>Quoted prices in active markets (Level 1) BD</i>	<i>Significant observable inputs (Level 2) BD</i>	<i>Significant unobservable inputs (Level 3) BD</i>	<i>Total BD</i>
31 March 2017					
Assets measured at fair value					
Investment properties	31 December 2016	-	-	111,800,840	111,800,840

		<i>Fair value measurement using</i>			
	<i>Date of valuation</i>	<i>Quoted prices in active markets (Level 1) BD</i>	<i>Significant observable inputs (Level 2) BD</i>	<i>Significant unobservable inputs (Level 3) BD</i>	<i>Total BD</i>
31 December 2016					
Assets measured at fair value					
Investment properties	31 December 2016	-	-	111,800,840	111,800,840

As at 31 March 2017, the management believes that the fair valuation of investment properties last carried out on 31 December 2016 are not materially different from their carrying amounts.

During the reporting periods ended 31 March 2017 and 31 March 2016 and year ended 31 December 2016, there were no transfers within the levels of fair value hierarchy.