

Seef Properties B.S.C.

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

31 MARCH 2016



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 31 March 2016, comprising of the interim consolidated statement of financial position as at 31 March 2016 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.

9 May 2016
Manama, Kingdom of Bahrain

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016 (Reviewed)

	Note	31 March 2016 Reviewed BD	31 December 2015 Audited BD
ASSETS			
Non-current assets			
Furniture, equipment and vehicles		3,005,618	3,204,137
Capital work-in-progress		41,060	31,299
Investment properties		110,719,068	110,682,734
Investment in joint venture		5,766,590	5,589,299
		<u>119,532,336</u>	<u>119,507,469</u>
Current assets			
Trade and other receivables		1,532,672	1,375,291
Cash and bank balances	3	23,030,771	21,060,332
		<u>24,563,443</u>	<u>22,435,623</u>
TOTAL ASSETS		<u><u>144,095,779</u></u>	<u><u>141,943,092</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		46,000,000	46,000,000
Statutory reserve		18,110,000	18,110,000
Furniture and fixtures replacement reserve		173,546	153,923
Retained earnings		67,229,891	70,573,262
Total equity		<u>131,513,437</u>	<u>134,837,185</u>
Liabilities			
Non-current liability			
Employees' end of service benefits		258,199	242,118
Current liabilities			
Unclaimed dividends	5	10,368,813	4,907,856
Trade and other payables		1,955,330	1,955,933
		<u>12,324,143</u>	<u>6,863,789</u>
Total liabilities		<u>12,582,342</u>	<u>7,105,907</u>
TOTAL EQUITY AND LIABILITIES		<u><u>144,095,779</u></u>	<u><u>141,943,092</u></u>



Essa Mohamed Najibi
Chairman



Mustafa Al-Sayed
Vice Chairman



Ahmed Yusuf
Chief Executive Officer

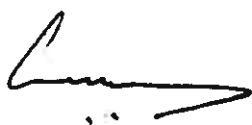
The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

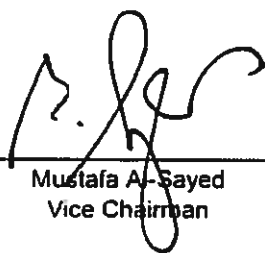
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2016 (Reviewed)

	Note	Three months ended	
		31 March	
		2016	2015
		BD	BD
Income			
Property rental income and service charges		2,535,165	2,343,268
Income from serviced apartments		654,091	637,635
Leisure and recreational income		423,232	438,561
		3,612,488	3,419,464
Less: cost of sales		600,310	560,613
Gross profit		3,012,178	2,858,851
Other operating income		316,286	303,960
Profit on term deposits		130,032	89,896
Operating profit		3,458,496	3,252,707
Expenses			
Staff costs		458,103	416,786
General, administration, marketing and advertisement		371,244	403,230
Depreciation		157,188	159,030
Directors' remuneration	9	210,500	210,500
Donations and charitable contributions		165,000	165,000
Provision for doubtful debts		77,500	13,000
		1,439,535	1,367,546
Share of profit from joint venture		177,291	99,671
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,196,252	1,984,832
Basic and diluted earnings per share	6	4.77 Fils	4.31 Fils



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 2016 (Reviewed)

	Note	Three months ended 31 March	
		2016 BD	2015 BD
OPERATING ACTIVITIES			
Profit for the period		2,196,252	1,984,832
Adjustments for:			
Depreciation		216,406	219,234
Profit on term deposits		(130,032)	(89,896)
Provision for doubtful debts		77,500	13,000
Directors' remuneration		210,500	210,500
Donations and charitable contributions		165,000	165,000
Employees' end of service benefits		16,922	17,626
Elimination of intercompany charges		-	9,141
Share of profit from joint venture		(177,291)	(99,671)
Operating profit before working capital changes		2,575,257	2,429,766
Working capital changes:			
Trade and other receivables		(199,264)	65,735
Trade and other payables		(164,552)	189,524
		2,211,441	2,685,025
Direct utilisation of furniture and fixtures replacement reserve		-	(4,849)
Employees' end of service benefits paid		(841)	(3,837)
Directors' remuneration paid		(210,500)	(210,500)
Donations and charitable contributions paid		(1,051)	(7,251)
Net cash flows from operating activities		1,999,049	2,458,588
INVESTING ACTIVITIES			
Net movement in term deposits		(519,555)	3,165,000
Profit on term deposits received		94,415	67,969
Purchase of furniture, equipment and vehicles		(27,496)	(195,083)
Expenditure incurred on capital work-in-progress		(9,761)	(3,925)
Additions to investment properties		(26,725)	-
Net cash flows (used in) from investing activities		(489,122)	3,033,961
FINANCING ACTIVITIES			
Dividends paid	5	(59,043)	(350,325)
Movement in bank balances representing unclaimed dividends		(173,204)	(2,088,928)
Net cash flows used in financing activities		(232,247)	(2,439,253)
INCREASE IN CASH AND CASH EQUIVALENTS		1,277,680	3,053,296
Cash and cash equivalents at 1 January		1,896,057	6,484,237
CASH AND CASH EQUIVALENTS AT 31 MARCH	3	3,173,737	9,537,533

Non-cash item:

During the period ended 31 March 2015, the Group transferred BD 443,603 from capital work-in-progress to furniture, equipment and vehicles. This amount has been excluded from the statement of cash flows. There were no such transactions in the current period.

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 2016 (Reviewed)

	Note	Share capital BD	Statutory reserve BD	Furniture and fixtures replacement reserve BD	Retained earnings* BD	Total BD
Balance as at 1 January 2016		46,000,000	18,110,000	153,923	70,573,262	134,837,185
Total comprehensive income		-	-	-	2,196,252	2,196,252
Dividends declared for 2015	4	-	-	-	(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
Balance as at 1 January 2015		46,000,000	17,125,000	149,963	66,783,112	130,058,075
Total comprehensive income		-	-	-	1,984,832	1,984,832
Dividends declared for 2014	4	-	-	-	(5,060,000)	(5,060,000)
Transfer to furniture and fixtures replacement reserve		-	-	19,129	(19,129)	-
Direct utilisation of furniture and fixtures replacement reserve		-	-	(4,849)	-	(4,849)
Balance as at 31 March 2015		46,000,000	17,125,000	164,243	63,688,815	126,978,058

* Retained earnings include BD 25,000 (2015: BD 25,000) relating to the statutory reserve of the subsidiary.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2016 (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, Building 2102, Road 2825, Block 428, Seef District, Kingdom of Bahrain.

The Company has 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 9 May 2016.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements of the Group for the three months ended 31 March 2016 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 2015. In addition, results for the three-month period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

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 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

Although these new standards and amendments apply for the first time in 2016, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. As required by IAS 34, the nature and the impact of each new standard or amendment is described below:

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. These amendments did not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2016 (Reviewed)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments (continued)

Amendments to IAS 27 Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in their separate financial statements, they will be required to apply this method from the date of transition to IFRS. These amendments did not have any impact on the Group's interim condensed consolidated financial statements.

Annual Improvements 2012-2014 Cycle: IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment did not have any impact on the Group's interim condensed consolidated financial statements.

The following other new standards and amendments apply for the first time in 2016. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

- IFRS 14 *Regulatory Deferral Accounts*;
- IFRS 11 *Joint Arrangements*;
- IAS 16 and IAS 41 *Property, plant and equipment and Agriculture*;
- IAS 1 *Presentation of Financial Statements*; and
- IFRS 10, IFRS 12 and IAS 28 *Consolidated Financial Statements, Disclosure of Interest in other Entities and Investments in Associates and Joint Ventures*.

Annual Improvements 2012 - 2014 Cycle

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*;
- IFRS 7 *Financial Instruments: Disclosures*; and
- IAS 19 *Employee Benefits*.

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 2016 Reviewed BD	31 December 2015 Audited BD	31 March 2015 Reviewed BD
Cash on hand, bank balances and term deposits	23,030,771	21,060,332	18,870,169
less: Term deposits with original maturity of more than three months	(14,085,730)	(13,566,175)	(5,889,645)
Bank balances representing unclaimed dividends *	(5,771,304)	(5,598,100)	(3,442,991)
	3,173,737	1,896,057	9,537,533

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2016 (Reviewed)

3 CASH AND BANK BALANCES (continued)

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 31 March 2016 range between 1.20% to 3.50% (31 March 2015: 1.00% to 4.00%).

* Refer to note 5 for details of unclaimed dividends.

4 DIVIDENDS DECLARED

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 59,043 relate to 2015 and before.

At the Annual General Meeting held on 17 March 2015, the Company's shareholders approved to pay a final dividend of BD 0.011 per share totalling BD 5,060,000. Dividends paid amounting to BD 4,810,907 relate to 2014 and before.

5 UNCLAIMED DIVIDENDS

	31 March 2016 Reviewed BD	31 December 2015 Audited BD	31 March 2015 Reviewed BD
Balance at the beginning of the period / year	4,907,856	4,658,763	4,658,763
Dividends declared (note 4)	5,520,000	5,060,000	5,060,000
Dividends paid	(59,043)	(4,810,907)	(350,325)
Balance at the end of the period / year	10,368,813	4,907,856	9,368,438

6 EARNINGS PER SHARE

	<i>For the three months ended</i>	
	31 March 2016 Reviewed	31 March 2015 Reviewed
Profit for the period – BD	2,196,252	1,984,832
Weighted average number of shares outstanding	460,000,000	460,000,000
Basic and diluted earnings per share	4.77 Fils	4.31 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.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2016 (Reviewed)

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 2016 Reviewed BD	31 December 2015 Audited BD
Seef Mall, Isa Town Mall and Magic Island renovation works	165,239	115,080

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

	31 March 2016 Reviewed BD	31 December 2015 Audited BD
Muharraq Seef Mall	28,611	27,695

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 non-cancellable operating leases are as follows:

	31 March 2016 Reviewed BD	31 December 2015 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	4,114,583	4,145,833
	4,739,583	4,770,833

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2016 (Reviewed)

7 COMMITMENTS AND CONTINGENCIES (continued)

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 two venturers, has signed a joint and several corporate guarantees towards the USD 26.25 million term loan obtained by Muharraq Mall Co. W.L.L. from a financial institution.

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 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 trade and other receivables.

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

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2016 (Reviewed)

8 SEGMENT INFORMATION (continued)

	Malls and properties			Serviced apartments			Leisure and entertainment			Others			Eliminalon			Consolidated		
	Three months ended			Three months ended			Three months ended			Three months ended			Three months ended			Three months ended		
	31 March	2015	2016	31 March	2015	2016	31 March	2015	2016	31 March	2015	2016	31 March	2015	2016	31 March	2015	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
Income from external operations	2,535,165	2,343,268	654,091	637,635	423,232	438,561	-	-	-	-	-	-	-	-	3,612,488	3,419,464	-	-
Inter-segment income	55,185	55,185	-	-	-	-	-	-	-	-	-	-	-	-	(55,185)	(55,185)	-	-
Less: cost of sales	198,467	195,698	192,017	170,667	265,011	249,433	-	-	-	-	-	-	-	-	(55,185)	(55,185)	-	-
Gross profit	2,391,883	2,202,755	462,074	466,968	158,221	189,128	-	-	-	-	-	-	-	-	3,012,178	2,858,651	-	-
Other operating income	-	-	-	-	-	1,186	316,286	302,774	-	-	-	-	-	-	316,286	303,960	-	-
Profit on term deposits	-	-	-	-	-	-	130,032	89,896	-	-	-	-	-	-	130,032	89,896	-	-
Operating profit	2,391,883	2,202,755	462,074	466,968	158,221	190,314	446,318	392,670	-	-	-	-	-	3,458,496	3,252,707	-	-	
Expenses																		
Staff costs	389,348	347,336	68,755	69,450	-	-	-	-	-	-	-	-	-	-	458,103	416,786	-	-
General and administration, marketing and advertisement	232,358	265,663	121,107	107,915	17,779	29,652	-	-	-	-	-	-	-	-	371,244	403,230	-	-
Depreciation	49,680	59,707	17,593	14,878	89,915	84,445	-	-	-	-	-	-	-	-	157,188	159,030	-	-
Directors' remuneration	210,500	210,500	-	-	-	-	-	-	-	-	-	-	-	-	210,500	210,500	-	-
Donations and charitable contributions	165,000	165,000	-	-	-	-	-	-	-	-	-	-	-	-	165,000	165,000	-	-
Provision for doubtful debts	77,500	13,000	-	-	-	-	-	-	-	-	-	-	-	-	77,500	13,000	-	-
Share of profit from joint venture	1,267,497	1,141,549	254,619	274,725	50,527	76,217	446,318	392,670	-	-	-	-	-	2,018,961	1,885,161	-	-	
	177,291	99,671	-	-	-	-	-	-	-	-	-	-	-	177,291	99,671	-	-	-
Segment profit for the period	1,444,788	1,241,220	254,619	274,725	50,527	76,217	446,318	392,670	-	-	-	-	-	2,196,252	1,984,832	-	-	
Total assets	134,822,327	132,820,428	12,650,353	12,667,400	2,493,835	2,642,120	-	-	-	-	-	(5,870,736)	(6,186,856)	144,095,779	141,943,082	-	-	
Total liabilities	12,287,297	6,855,316	6,165,781	6,437,447	-	-	-	-	-	-	-	(5,870,736)	(6,186,856)	12,582,342	7,105,907	-	-	

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 2016 (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</i>	<i>31 March</i>
	<i>2016</i>	<i>2015</i>
	<i>Reviewed</i>	<i>Reviewed</i>
	<i>BD</i>	<i>BD</i>
<i>Muharraq Mall Co. W.L.L. (a joint venture):</i>		
- Cost of sales	12,801	8,534
- Other operating income	59,096	57,111

The Company has an existing property services agreement with Muharraq Mall Co. W.L.L., a 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.

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

	<i>31 March</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>Reviewed</i>	<i>Audited</i>
	<i>BD</i>	<i>BD</i>
Muharraq Mall Co. W.L.L.	187,929	140,546

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</i>	<i>31 March</i>
	<i>2016</i>	<i>2015</i>
	<i>Reviewed</i>	<i>Reviewed</i>
	<i>BD</i>	<i>BD</i>
Directors' remuneration	210,500	210,500
Management short-term benefits	70,800	51,935
Management end of service benefits	2,025	2,025
	283,325	264,460

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 2016, the Group has not recorded any impairment of amounts owed by related parties (31 March 2015: nil).

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2016 (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 2016	31 December 2015
Number of shares	1,877,680	1,927,680
Percentage of holdings	0.41%	0.42%

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 accounts 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 2016					
Assets measured at fair value					
Investment properties	<i>31 December 2015</i>	-	-	110,682,734	110,682,734

		<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 2015					
Assets measured at fair value					
Investment properties	<i>31 December 2015</i>	-	-	110,682,734	110,682,734

As at 31 March 2016, the management believes that the fair valuation of investment properties last carried out on 31 December 2015 are not materially different from their carrying amounts.

During the reporting periods ended 31 March 2016 and 31 March 2015 and year ended 31 December 2015, there were no transfers within the levels of fair value hierarchy.