

Seef Properties B.S.C.

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

30 SEPTEMBER 2016



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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 2016, comprising of the interim consolidated statement of financial position as at 30 September 2016 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 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.

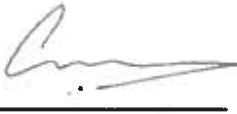
23 October 2016
Manama, Kingdom of Bahrain

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016 (Reviewed)


	Note	30 September 2016 Reviewed BD	31 December 2015 Audited BD
ASSETS			
Non-current assets			
Furniture, equipment and vehicles		2,641,397	3,204,137
Capital work-in-progress		193,612	31,299
Investment properties		110,759,274	110,682,734
Investment in joint venture		6,138,601	5,589,299
		<u>119,732,884</u>	<u>119,507,469</u>
Current assets			
Trade and other receivables		1,791,878	1,375,291
Cash and bank balances	3	22,587,856	21,060,332
		<u>24,379,734</u>	<u>22,435,623</u>
TOTAL ASSETS		<u>144,112,618</u>	<u>141,943,092</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		212,713	153,923
Retained earnings		72,124,421	70,573,262
Total equity		<u>136,447,134</u>	<u>134,837,185</u>
Liabilities			
Non-current liability			
Employees' end of service benefits		278,206	242,118
Current liabilities			
Unclaimed dividends	5	5,283,722	4,907,856
Trade and other payables		2,103,556	1,955,933
		<u>7,387,278</u>	<u>6,863,789</u>
Total liabilities		<u>7,665,484</u>	<u>7,105,907</u>
TOTAL EQUITY AND LIABILITIES		<u>144,112,618</u>	<u>141,943,092</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 nine months ended 30 September 2016 (Reviewed)

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2016	2015	2016	2015
		BD	BD	BD	BD
Income					
Property rental income and service charges		2,522,110	2,502,203	7,614,335	7,304,656
Income from serviced apartments		748,258	680,025	1,959,672	1,898,693
Leisure and recreational income		616,365	585,377	1,428,492	1,403,808
		3,886,733	3,767,605	11,002,499	10,607,157
Less: cost of sales		865,622	817,603	2,209,534	2,060,736
Gross profit		3,021,111	2,950,002	8,792,965	8,546,421
Other operating income		334,650	266,771	933,478	838,072
Profit on term deposits		105,463	108,043	335,721	293,298
Operating profit		3,461,224	3,324,816	10,062,164	9,677,791
Expenses					
Staff costs		470,749	428,155	1,416,994	1,274,107
General, administration, marketing and advertisement		297,807	342,571	998,204	1,079,739
Depreciation		158,119	164,624	471,531	490,305
Directors' remuneration	9	-	-	210,500	210,500
Donations and charitable contributions		-	-	165,000	165,000
Provision for doubtful debts		77,500	122,702	219,288	135,702
		1,004,175	1,058,052	3,481,517	3,355,353
Share of profit from joint venture		183,065	229,263	549,302	525,395
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,640,114	2,496,027	7,129,949	6,847,833
Basic and diluted earnings per share	6	5.74 Fils	5.43 Fils	15.50 Fils	14.89 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 nine months ended 30 September 2016 (Reviewed)

		<i>Nine months ended</i>	
		<i>30 September</i>	
		<u>2016</u>	<u>2015</u>
		<i>BD</i>	<i>BD</i>
	<i>Note</i>		
OPERATING ACTIVITIES			
Profit for the period		7,129,949	6,847,833
Adjustments for:			
Depreciation		638,633	669,263
Profit on term deposits		(335,721)	(293,298)
Provision for doubtful debts		219,288	135,702
Directors' remuneration		210,500	210,500
Donations and charitable contributions		165,000	165,000
Employees' end of service benefits		50,311	53,418
Elimination of intercompany charges		-	9,141
Share of profit from joint venture		(549,302)	(525,395)
Operating profit before working capital changes		<u>7,528,658</u>	<u>7,272,164</u>
Working capital changes:			
Trade and other receivables		(750,107)	154,052
Trade and other payables		162,326	230,530
		<u>6,940,877</u>	<u>7,656,746</u>
Direct utilisation of furniture and fixtures replacement reserve		-	(17,836)
Employees' end of service benefits paid		(14,223)	(16,689)
Directors' remuneration paid		(210,500)	(210,500)
Donations and charitable contributions paid		(179,703)	(178,820)
Net cash flows from operating activities		<u>6,536,451</u>	<u>7,232,901</u>
INVESTING ACTIVITIES			
Net movement in term deposits		8,861,376	(6,453,615)
Profit on term deposits received		449,953	179,585
Purchase of furniture, equipment and vehicles		(85,502)	(287,588)
Expenditure incurred on capital work-in-progress		(177,478)	(106,067)
Additions to investment properties		(51,766)	(44,939)
Net cash flows from (used in) investing activities		<u>8,996,583</u>	<u>(6,712,624)</u>
FINANCING ACTIVITIES			
Dividends paid	5	(5,144,134)	(4,706,594)
Movement in bank balances representing unclaimed dividends		5,162,325	1,187,341
Net cash flows from (used in) financing activities		<u>18,191</u>	<u>(3,519,253)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>15,551,225</u>	<u>(2,998,976)</u>
Cash and cash equivalents at 1 January		<u>1,896,057</u>	<u>6,484,237</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	3	<u><u>17,447,282</u></u>	<u><u>3,485,261</u></u>

Non-cash item:

During the period ended 30 September 2016, the Group transferred BD 15,165 from capital work-in-progress to investment properties (30 September 2015: BD 443,603 from capital work-in-progress to furniture, equipment and vehicles). This amount has been excluded from the statement of cash flows.

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 nine months ended 30 September 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		-	-	-	7,129,949	7,129,949
Dividends declared for 2015	4	-	-	-	(5,520,000)	(5,520,000)
Transfer to furniture and fixtures replacement reserve		-	-	58,790	(58,790)	-
Balance as at 30 September 2016		46,000,000	18,110,000	212,713	72,124,421	136,447,134
Balance as at 1 January 2015		46,000,000	17,125,000	149,963	66,783,112	130,058,075
Total comprehensive income		-	-	-	6,847,833	6,847,833
Dividends declared for 2014	4	-	-	-	(5,060,000)	(5,060,000)
Transfer to furniture and fixtures replacement reserve		-	-	56,961	(56,961)	-
Direct utilisation of furniture and fixtures replacement reserve		-	-	(17,836)	-	(17,836)
Balance as at 30 September 2015		46,000,000	17,125,000	189,088	68,513,984	131,828,072

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

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

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 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 23 October 2016.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements of the Group for the nine months ended 30 September 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 nine-month period ended 30 September 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 30 September 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 its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its 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.

	30 September 2016 Reviewed BD	31 December 2015 Audited BD	30 September 2015 Reviewed BD
Cash on hand, bank balances and term deposits	22,587,856	21,060,332	19,160,243
less: Term deposits with original maturity of more than three months	(4,704,799)	(13,566,175)	(15,508,260)
Bank balances representing unclaimed dividends *	(435,775)	(5,598,100)	(166,722)
	<u>17,447,282</u>	<u>1,896,057</u>	<u>3,485,261</u>

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 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 30 September 2016 range between 1.40% to 3.50% (30 September 2015: 1.80% 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 5,144,134 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

	<i>30 September 2016 Reviewed BD</i>	<i>31 December 2015 Audited BD</i>	<i>30 September 2015 Reviewed BD</i>
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	(5,144,134)	(4,810,907)	(4,706,594)
Balance at the end of the period / year	<u>5,283,722</u>	<u>4,907,856</u>	<u>5,012,169</u>

6 EARNINGS PER SHARE

	<i>For the three months ended</i>		<i>For the nine months ended</i>	
	<i>30 September 2016 Reviewed</i>	<i>30 September 2015 Reviewed</i>	<i>30 September 2016 Reviewed</i>	<i>30 September 2015 Reviewed</i>
Profit for the period – BD	<u>2,640,114</u>	<u>2,496,027</u>	<u>7,129,949</u>	<u>6,847,833</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>5.74 Fils</u>	<u>5.43 Fils</u>	<u>15.50 Fils</u>	<u>14.89 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.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 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:

	30 September 2016 Reviewed BD	31 December 2015 Audited BD
Seef Mall, Isa Town Mall and Magic Island renovation works	165,153	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:

	30 September 2016 Reviewed BD	31 December 2015 Audited BD
Muharraq Seef Mall	5,365	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 commitments relating to the land on which Muharraq Seef Mall is located is included in the following disclosed gross commitments.

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

	30 September 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	4,083,333	4,145,833
	4,708,333	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 30 September 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 guarantee 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
Others	-	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-AI 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, 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 30 September 2016 (Reviewed)

8 SEGMENT INFORMATION (continued)

	Malls and properties		Serviced apartments		Leisure and entertainment		Others		Elimination		Consolidated	
	Three months ended 30 September		Three months ended 30 September		Three months ended 30 September		Three months ended 30 September		Three months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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	2,522,110	2,502,203	748,258	680,025	616,365	585,377	-	-	-	-	3,886,733	3,767,605
Inter-segment income	55,185	55,185	-	-	-	-	-	-	(55,185)	(55,185)	-	-
Less: cost of sales	433,511	394,726	228,981	203,876	258,315	274,186	-	-	(55,185)	(55,185)	865,622	817,603
Gross profit	2,143,784	2,162,662	519,277	476,149	358,050	311,191	-	-	-	-	3,021,111	2,950,002
Other operating income	-	-	-	-	-	90	334,650	266,681	-	-	334,650	266,771
Profit on term deposits	-	-	-	-	-	-	105,463	108,043	-	-	105,463	108,043
Operating profit	2,143,784	2,162,662	519,277	476,149	358,050	311,281	440,113	374,724	-	-	3,461,224	3,324,816
Expenses												
Staff costs	409,956	361,248	60,793	66,907	-	-	-	-	-	-	470,749	428,155
General and administration, marketing and advertisement	144,851	213,784	127,674	104,816	25,282	23,971	-	-	-	-	297,807	342,571
Depreciation	50,763	57,259	17,817	16,375	89,539	90,990	-	-	-	-	158,119	164,624
Provision for doubtful debts	77,500	122,702	-	-	-	-	-	-	-	-	77,500	122,702
Share of profit from joint venture	1,460,714	1,407,669	312,993	288,051	243,229	196,320	440,113	374,724	-	-	2,457,049	2,266,764
	183,065	229,263	-	-	-	-	-	-	-	-	183,065	229,263
	1,643,779	1,636,932	312,993	288,051	243,229	196,320	440,113	374,724	-	-	2,640,114	2,496,027
Segment profit for the period	1,643,779	1,636,932	312,993	288,051	243,229	196,320	440,113	374,724	-	-	2,640,114	2,496,027

Seef Properties B.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2016 (Reviewed)

8 SEGMENT INFORMATION (continued)

	Malls and properties		Serviced apartments		Leisure and entertainment		Others		Elimination		Consolidated	
	Nine months ended 30 September 2016	2015	Nine months ended 30 September 2016	2015	Nine months ended 30 September 2016	2015	Nine months ended 30 September 2016	2015	Nine months ended 30 September 2016	2015	2016	2015
	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	7,614,335	7,304,656	1,959,672	1,898,693	1,428,492	1,403,808	-	-	-	-	11,002,499	10,607,157
Inter-segment income	165,555	165,555	-	-	-	-	-	-	(165,555)	(165,555)	-	-
Less: cost of sales	962,681	884,188	615,844	557,361	796,564	784,742	-	-	(165,555)	(165,555)	2,209,534	2,060,736
Gross profit	6,817,209	6,586,023	1,343,828	1,341,332	631,928	619,066	-	-	-	-	8,792,965	8,546,421
Other operating income	-	-	-	-	-	1,276	933,478	836,796	-	-	933,478	838,072
Profit on term deposits	-	-	-	-	-	-	335,721	293,298	-	-	335,721	293,298
Operating profit	6,817,209	6,586,023	1,343,828	1,341,332	631,928	620,342	1,269,199	1,130,094	-	-	10,062,164	9,677,791
Expenses												
Staff costs	1,217,588	1,067,337	199,426	206,770	-	-	-	-	-	-	1,416,994	1,274,107
General and administration, marketing and advertisement	595,836	693,350	348,780	308,565	53,588	77,824	-	-	-	-	998,204	1,079,739
Depreciation	149,199	176,220	53,031	45,313	289,301	268,772	-	-	-	-	471,531	490,305
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	219,288	135,702	-	-	-	-	-	-	-	-	219,288	135,702
Share of profit from joint venture	4,259,818	4,137,914	742,591	780,684	309,039	273,746	1,269,199	1,130,094	-	-	6,580,647	6,322,438
	549,302	525,395	-	-	-	-	-	-	-	-	549,302	525,395
Segment profit for the period	4,809,120	4,663,309	742,591	780,684	309,039	273,746	1,269,199	1,130,094	-	-	7,129,949	6,847,833
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	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	134,587,630	132,820,428	12,784,975	12,667,400	2,210,417	2,642,120	-	-	(5,470,404)	(6,186,856)	144,112,618	141,943,092
Total liabilities	7,323,457	6,855,316	5,812,431	6,437,447	-	-	-	-	(5,470,404)	(6,186,856)	7,685,484	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 30 September 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>For the nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</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>
<i>Muharrag Mall Co. W.L.L. (a joint venture):</i>				
- Cost of sales	12,801	12,801	38,403	34,136
- Other operating income	30,497	61,701	123,444	163,239

The Company has an existing property services agreement with Muharrag 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>Due from related party</i>	
	<i>30 September</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>
	<i>Reviewed</i>	<i>Audited</i>
	<i>BD</i>	<i>BD</i>
Muharrag Mall Co. W.L.L.	204,571	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>For the nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</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	-	-	210,500	210,500
Management short-term benefits	48,300	40,800	169,900	122,535
Management end of service benefits	2,025	2,025	6,075	6,075
	50,325	42,825	386,475	339,110

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 nine months ended 30 September 2016, the Group has not recorded any impairment of amounts owed by related parties (30 September 2015: nil).

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 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:

	30 September 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:

		Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1) BD	Significant observable inputs (Level 2) BD	Significant unobservable inputs (Level 3) BD	Total BD
30 September 2016					
Assets measured at fair value					
Investment properties	31 December 2015	-	-	110,682,734	110,682,734

		Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1) BD	Significant observable inputs (Level 2) BD	Significant unobservable inputs (Level 3) BD	Total BD
31 December 2015					
Assets measured at fair value					
Investment properties	31 December 2015	-	-	110,682,734	110,682,734

As at 30 September 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 30 September 2016 and 30 September 2015 and year ended 31 December 2015, there were no transfers within the levels of fair value hierarchy.