

Al Mazaya Holding endorses 8 percent of share nominal value in cash for Shareholders in 2016

Rashid Al Nafisi: “Al Mazaya Holding continues to grow and maximize Shareholders’ rights”

Ibrahim Al Soqabi: “We endeavor to tap significant investment horizons in new markets”

- 10-Goal Strategy Bears Fruit in 2016
- Al Mazaya forges ahead with mergers and integrations among its subsidiaries – locally, regionally and internationally
- Utilizing investment opportunities and securing a pioneering position
- Keen on mitigating risks
- Al Mazaya is utilizing latest state-of-the- art technologies to ensure optimum business management
- Optimistic about the company’s continual growth
- High, sound finance and strength in recurring cash flows
- Geographical diversification of Company assets
- Rich portfolio of balanced income streams
- Slight exposure to banknotes
- Capital Intelligence’s ratings (FCR) at “-BBB” and “A3”, with a “Stable” outlook
- Among top 10 companies complying with Corporate Governance

Financial Deliverables

KWD 10.25 million	2016’s net profits
16.51KWF	Earnings per share (EPS) in 2016
KWD 55.17 million	Rental and Sale-generated operating revenues
KWD 47.81 million	Sale-generated Revenues
KWD 7.11 million	Rental-generated Revenues
KWD 13.99 million	Total profits generated from operational activities in 2016
KWD 254.78 million	Company’s total asset by end of 2016
KWD 119.61million	Total ownership rights by end of 2016

Al Mazaya Holding’s Ordinary General Assembly convened on Tuesday, March 28 2017, at Al Mazaya Tower, strategically located in Al Mirqab Area in Kuwait City, one of the company’s three high-rises in the downtown capital of Kuwaiti. Up to 73.5 %percent of the members attended the GA meeting, which was opened by Rasheed

Al Nafisi, Board Chairman of Al Mazaya Holding, in presence of the company's esteemed Shareholders, Board Members and Group CEO, Engineer Ibrahim Al Soqabi. The meeting was also attended by representatives of the Ministry of Trade and Industry, auditing offices, and heads of the company's different business departments, investors and a large number of media representatives working in Kuwait and other GCC states.

Aimed at reviewing company plans and achievements across the year in a streamline, documented manner, the GA's agenda kicked off with a documentary divided into three main parts: company history since its establishment, Al Mazaya Holding's 10-Goal Strategy, and Milestones in 2016. The meeting featured footages and videos documenting all the projects executed by the company over the year.

Addressing the meeting, Board Chairman Rashid Al Nafisi said that Al Mazaya Holding has managed anew to maintain its eminent position in all its business platforms, reporting impressive growth and positive deliverables that kept its efficient and competitive edge and enviable stature among other real estate companies working in the region. He noted that company has made great strides in 2016 as reflected by the significant milestones that have been achieved thanks to the company's rich portfolio of diverse and balanced revenue streams.

He underlined the company's ability to continue to grow and develop in line with its strategy to keep its leading market position locally and regionally. Al Nafisi added that in 2016, Al Mazaya achieved a net profit of KWD 10.25 million from KWD 9.32 million, a 10.02 % increase over 2015. Earnings Per Share (EPS) reached 16.51 fils, compared to 15.04 fils in 2015.

"Al Mazaya Holding has achieved new heights with the results for 2016, proving that our prudent strategy, comprehensive vision and well-formulated targets are continuing to drive growth across all areas of the business. The company was able to follow the schedules precisely and efficiently, boosting the process of sales, leasing, delivery and increasing operating revenue to KWD55.17 million by the end of 2016," he noted.

Al Mazaya Board Chairman also credited the jump in revenues to strong marketing campaigns, with huge revenues generated from increasing sales to KWD47.81million. Revenues generated from leasing activities grew by 15.19% (KWD7.11 million) by the end of 2016, up from KWD6.17 million for the same period in 2015.

Al Nafisi underlined the company's pioneering position in all its business platforms, noting that during 2016, the company experienced considerable growth following the successful implementation of its developments in a number of new markets it has tapped over the past years. These successes have reflected positively on the

company's total assets which increased to KWD 254.78 million by the end of 2016, as opposed to KWD 251.04 in 2015, with the total ownership stakes reaching KWD 119.61 million by the end of 2016 as opposed to KWD 111.45 by the end of December 2015.

Following the positive financial results achieved for 2016, the company's board of directors recommended distribution of 8 percent of the company's share nominal value in cash for all shareholders, which is equal to 8 Kuwaiti fils per share.

"The decision to distribute the earnings in cash comes as a good sign to reflect the company's strength in recurring cash flows and its balanced future planning outlook," he said, adding that the recommendation was raised to the General Assembly and endorsed as per the requirements of all state departments concerned, including the Capital Markets Authority.

Concluding, the Board Chairman reiterated the board's commitment to spare no effort to fulfill all the expectations while following the best world standards in areas of management, planning and execution to reach further heights of distinction.

General Assembly Agenda

Al Nafisi reviewed the remainder of the meeting's agenda topics, which were all approved. The attendees listened to a report by the accounting auditor on the fiscal year ending on December 31st 2016 and hence, endorsed it. They also were informed on the financial statements of the fiscal year ending on December 31st 2016 and endorsed it. They approved a recommendation by the company's Board of Directors to distribute 8% of the company's share nominal value in cash for every shareholder, which is equal to 8 Kuwaiti fils per share.

The GA also approved that the Board Chairman or any of the board members may combine the memberships of two competing companies, work in any business platforms that may be deemed as posing a competition to the company, or trade share for himself or for any other person in an area of business which Al Mazaya Holding may hold in 2017.

The GA also removed all Board Members of any responsibility for any of their legal transactions for the fiscal year ending on December 31st 2016. The meeting also approved a deduction of 10 percent of the company's net profits in favor of its mandatory legal financial reserve and deduction of an additional 10 percent of the net profits in favor of its optional reserve – this amount will be kept to meet any future commitments, if any.

Company Milestones

Eng. Ibrahim Al Soqabi, Group CEO of Al Mazaya Holding, said the milestones reached by the company add to its track record of significant achievements and translate the well-thought out vision adopted to create innovative and balanced revenues streams in new markets. He added that the new achievements made in 2016 have bolstered the company's stature as a regional business pioneer in areas of real estate and investment.

While consistently focusing on real estate development projects in different business platforms, including health, housing, office and retail trade, the company spares no effort in launching significant investments in areas of hospitality, said Al Soqabi. He attributed the successes achieved to the company's comprehensive strategy to optimize its performance and maximize its returns in line with well-thought out plans aimed to mitigate risks and stamp out obstacles. He added that this strategy is founded on 10 primary goals that have been translated in the achievements made by the company in 2016:

1st Objective: Sidestepping Market Risks by Ensuring Geographical Diversification

Al Mazaya Holding increased its shares in its Turkish partner from 40% to 90%, a total of KWD 7.7 million. The Turkish real estate developer is the owner of Ritim Istanbul Development, where over 80% of the units have been sold, and 50% rented, a fact that has had a positive impact on the operating revenue generated from sales in the company's financial results for Q4-2016.

2nd Objective: Embarking on New Developments Every Fiscal Year

The company started execution of six new developments in 2016. Within this context, Al Mazaya has finalized the foundation work of its Queue Line Residential Project, which consists of two new buildings, in Dubai Land, Dubai. The design work of the 500-flat Queue Zone project in Dubai is progressing well and approaching completion.

Al Mazaya completed studies to develop a plot of land for investment in Al Sharq, Kuwait. A reputable engineering consultant, Gensler, has been contacted to commence the design and licensing works.

In preparation for kicking off sales by March 2017, the company has started construction work at Mazaya Residence Development in Oman, which consists of a fully serviced residential compound.

More than 70 percent has been completed of Al Mazaya Health Center in Sabah Al Salim.

3rd Objective: Periodical Selling, Execution & Delivery of Real Estate Developments

Five existing projects have already been sold and handed-over as part of the first phase of the Queue Line Residential Project, which consists of two new buildings (R 054, R064), in Dubai Land, Dubai. The 230-flat project, which is targeted to serve middle-income households, is progressing ahead of schedule and the delivery work has been completed in a record-breaking 17 months.

Completed the execution of Ritim Istanbul Development, which consists of 6 residential towers and a mall.

Completed the execution of 10 residential buildings as part of the Queue Point Residential Project, which is targeted to serve middle-income households.

4th Objective: 10 % Growth in Net Profits

Net profit of KWD 10.25 million from KWD 9.32 million in 2015

5th Objective: Sound Management of Company Debt & Securing High Credit Ranking

Getting bank facilities worth KWD 8.5 million in addition to new loans worth KWD 11 million, which reflects its strong financial position compared to its peers and its ability to get financial credit for operating activities and rich portfolio of projects. The company's liabilities-to-assets ratio is less than the required levels set for the Kuwaiti market.

Capital Intelligence Ratings (CI) affirmed the ratings of Al Mazaya Holding's long-term and short-term at "-BBB" and "A3", with a "Stable" outlook. The ratings reflect the company's financial strength and ability to meet its obligations on the long term. The agency's ratings boost investors' confidence in the company and its strong financial position. The ratings are supported by the company's diversified business model, good liquidity and its ability to fulfill its long-term obligation through its robust selling and leasing-generated operating revenues.

6th Objective: Islamic Sharia-Compliant Operations

All the company's developments, including rentals and sales, are Islamic Sharia-compliant.

7th Objective: Corporate Governance

Al Mazaya Holding is among the top ten companies in compliance with Corporate Governance Regulations by the Capital Markets Authority.

8th Objective: State-of-The-Art Technology

The company's financial transactions are electronically linked with all its subsidiaries inside and outside Kuwait via ERP & AX technology.

9th Objective: Maintaining Share Real Value

Obtained Fair Share Evaluations from the following three independent rating companies with high share buy recommendations:

Arqaam Capital has confirmed Al Mazaya Holding's share fair value at 160Fils, 45 % higher than its current trading price at the Kuwaiti Securities Market

KFH Capital affirms Al Mazaya's share fair value range of KWF 170 to KWF 175

NBK Capital affirms Al Mazaya's share fair value at KWF 165

10th Objective: Build & Protect Brand Value

The company continues to build and protect its brand value across the region's markets through well-defined marketing campaigns that include a dynamic and modernized web portal and impressive social media presence which manifested itself in its 95,000+ visitors on Facebook, 16,000 followers on Instagram, 20,000 visitors on Twitter and 5,000 subscribed LinkedIn accounts.

Al Mazaya Holding launches Mazaya IR application for investor relations

Al Mazaya Holding has launched an Investor Relations app, "Mazaya IR", that is available for download on iOS, Android tablets and smart phones. The new "Mazaya IR" application serves as a connection to the company's Shareholders, investors and analysts, providing rapid, streamlined access to an integrated database covering the company's operations, latest business developments and news. The new application reflects the company's commitment to maintaining solid channels of communication with shareholders, investors, clientele and enhances cooperation with the company's business community by providing integrated information about the company's operations and financial results.

Al Soqabi affirmed that the company has always been seeking to maximize its financial returns by adhering to a set of values and ideals that make the company a role model in its areas of expertise.

Concluding, the CEO said that due to the limitless support given by the Board Chairman, members and the tireless efforts made by different executive teams of the company, it would have been impossible to ensure the prestigious stature boasted by the company which is ultimately for the greater good of its shareholders and investors.