

Al Mazaya Holding posts KWD 2.25 million
operating profits for Q1 2018

Total operating revenues hit KWD 5.62 million

Al Saq'abi says:

- KWD 1.35 million net profit in Q1 2018.
- Earnings per share worth 2.16 fils for Q1 2018.
- Operating revenues generated from sales hit KWD 3.58 million.
- Operating revenues generated from rentals worth KWD 1.98 million.
- Total operating revenues stand at KWD 5.62 million
- Total shareholders' equity worth KWD 108.40 million by end of Q1 2018
- Total assets worth KWD 225.10 million by end of Q1 2018

Al Mazaya Holding has announced its financial results for the first quarter of 2018 declaring KWD 1.35 million net profits , Earnings per share reached 2.16 fils.

Commenting on the financial results, following the company's board meeting held on Thursday, May 10, 2018, Group Chief Executive Officer Eng. Ibrahim Abdul Rahman Al Saq'abi said that Al Mazaya Holding was able to complete the sales, leasing and operating revenues amounted to KWD 5.62 million by the end of the March quarter of 2018.

Al Saq'abi attributed the total revenues achieved by the company to the cost-optimisation plan adopted as per the new strategy announced by Al Mazaya Holding recently that drove operating revenues up to **KWD 5.62** million, after securing sales revenues of **KWD 3.58**, with rental revenues increasing **5.88%** to **KWD1.98** million by the end of Q1 2018 against **KWD 1.87** million for the same period last year.

Commenting on the company's operations, the chief executive said Al Mazaya continued to secure high occupancy rates in its income streams, like Sky Gardens at Dubai International Financial Centre and Al Mazaya Towers in the heart of the Kuwaiti Capital in addition to its projects in a number of Gulf countries including Saudi Arabia and the UAE. The company made sale profits from its units set for sale, including the Phase II in Q-Line Project and completed apartment sales in Q-Point Project in Dubai as well as its Mazaya Residence Project in Oman.

Financial Statements

Talking about the Company's Q1 financial results, Al Saq'abi said Al Mazaya Holding has managed to maintain a balanced operating performance and net profits. Therefore, the company's total assets reached **KWD 225.10** million by the end Q1, with shareholders' equity amounting to **KWD 108.40** million during the same period.

Q1 Milestones

-Al Mazaya signed a new investment contract for managing its third project at the medical sector, "Mazaya Clinic III" which consists of 25 floors and a total area of around 4,000 square metres in Bneid A Qar area. Rental operations have already started at the project.

-Design and licensing works have already completed at the Q-Zone II project, located in the Liwan, Dubailand, with a capacity of over 500 residential units for mid-income categories.

-Construction work has already started at Q-Zone I project located in Liwan-Dubailand with a capacity of over 500 residential units for mid-income categories. The project is set for completion by early 2019.

-Completion of the schematic design stage at its new project in Al Sharq area in Kuwait (Mazaya Downtown) through PACE, an integrated architecture, design, planning and consulting firm based in Kuwait in preparation for getting the construction licence from state departments concerned. This followed the completion of the concept design stage through Gensler, a leading architecture, design, planning and consulting firm based in London.

-Completing the construction work at Al Mazaya Residence Phase I in Oman, thus finishing more than 95% of the project which is due for handover in Q2 of 2018 in the Al Seeb Province in the heart of the Omani capital. The integrated residential project's first phase consists of 120 apartments and 28 shops. A large-scale marketing campaign has been implemented by the company for the project and resulted in selling 50% of the first phase units.

-Construction work started at the Al Mazaya Residence Phase II in Oman which consists of 132 residential and retail units, thus completing more than 35% of this phase, which is expected to be marketed soon.

-Continued selling and renting of Ritim Istanbul Development, which consists of six residential towers and a mall. A large number of the project's residential units have been sold, with the mall's occupancy reaching 55 % so far by a number of key regional and global brands.

-Al Mazaya Holding continued its rental operations at its commercial tower in Al Olia area, Riyadh, through one of its subordinates. The project achieved rental returns, included in the Q1 2018 financial statements, achieving an occupancy rate of more than 72%.

-A Mazaya consolidated its rental revenues proceeding from its existing and fully-occupied projects by renewing leasing contracts with its clients at an increased rate commensurate to current market prices and matching the services the company is rendering at its property, which resulted in increased operational revenues during Q1 2018.

-Signed an agreement with Proteges in 2018 as part of its CSR commitment towards the youth.

-Applied VAT laws on its projects in the UAE and Saudi Arabia, by regulating its internal operations and dedicating a unit manned by qualified cadres in preparation for the application of the tax across all Gulf markets over the coming period.

Concluding, Al Saq'abi said the company is currently considering a number of investment opportunities available in the markets it is working at, in addition to those available on global markets specially in Europe which suit the company's expansion plans.

He added that the company is closely following up the ongoing developments on global financial markets and their impact on the real estate sector in line with its expansion plans that are based on the development of strategic partnerships and working with leading investors to secure the highest possible returns for the company and its shareholders.