

KWD 4.17 million in net profit for H1; Earnings per share at 6.70 fils

Al Mazaya Holding's operating revenues surge 22% to KWD31.32 million

Al Saq'abi says property sales and purchases lie at heart of our business

-We consistently seek to explore new markets

- Operating revenues generated from sales up 25.46% to KWD 27.52 million
- Operating revenues generated from rentals up 3.52% to KWD 3.73 million
- 21.95% increase to KWD 7.41 million gross profits generated by sales and rentals**
- Stockholders' equity worth KWD 116.60 million by end of H1
- Total assets worth KWD 242.13 million by end of H1

Al Mazaya Holding has announced its financial statements for H1 2017, posting KWD 4.17 million in net profits, against KWD 4.14 million for the same period in 2016. Earnings per share reached 6.70 fils in 2017 against 6.66 fils for the corresponding period in 2016.

Commenting on the financial statements, following the company's recent board meeting, Al Mazaya Group CEO Engineer Ibrahim Al Saq'abi said that Al Mazaya Holding has continued to boost its operating performance for the first half of 2017 thanks to an intensive focus on a robust operating plan based on well-integrated strategy and a strict time frame that boosted the company's total operating revenues by 22.02% to KWD 31.32 million by the end of the first half of this year against KWD25.67 million for the same period last year.

Al Saq'abi attributed the significant growth in revenues to well-thought-out marketing and sales strategy that drove operating revenues up to KWD 27.52 million this year, showing a growth of 25.46% from KWD 21.93 million for the corresponding period last year, with rental revenues increasing 3.52% to KWD3.73 million by the end of the first six months of 2017 against KWD3.61 million for the same period in 2016. **The company declared KWD 7.41 million operating profits for January to June period, showing around 22% period on period growth, generated by sales and rentals.**

Elaborating on the financial revenues generated by the company's operations, Al Saq'abi said that the rental revenues were driven by increased rentals from Al Olia Tower, a project located in Riyadh, Saudi Arabia, which the company added to its income-generating streams recently. In this regard, the group chief executive also highlighted the company's success in securing high occupancy rates at its other projects, including Sky Gardens in Dubai International Financial Centre where the occupancy capacity hit 95%, and Al Mazaya Towers in the Kuwaiti capital (3 towers) where the occupancy rate recorded almost 100% along with the company's other projects executed in a number of other regional countries, such as KSA, and Dubai where the occupancy rate also surged to around 100% as well.

On a similar note, Al Saq'abi added that the company secured other sales in ready-for-sale properties, including office spaces at Al Mazaya Business Avenue in addition to selling and handing over a large number of residential units at its "Q-Point" and "Q-Line" developments and at Ritim Istanbul Development in Turkey.

Financial Statements

Al Saq'abi informed that the company has maintained progressive growth in its operating performance and significant net profits thanks to a well-calculated strategy based on smart objectives. The company's total assets reached KWD242.13 million by the end of H1 against KWD233.95 million for the same period last year, showing a growth of 3.50%. Stockholders' rights amounted to KWD 116.60 million by the end of H1 2017 from KWD114.29 million over the same period in 2016, recording a growth of 2.02%.

Milestones Achieved in H1

- Completing up to 25% of the construction work at Al Mazaya Residence project which is due for handover in 2018 in the Al Seeb Province in the heart of the Omani capital. Construction work on the project's foundation and basement, which is spread over 6,614 square metres, has been completed. It will help to start the main upper construction work and external structure. A large-scale marketing campaign has been implemented by the company for the project and resulted in selling 30% of its units.

-Al Mazaya has completed the development of a world-class medical building to serve as an individual health clinic in Sabah Al Salem. The project has totally been rented out to leading doctors in Kuwait and its rental revenues are projected to be listed by the end of the 4th quarter of the current year.

- Al Mazaya Holding has been named among the top 50 companies listed on the Kuwaiti Stock Exchange by "Forbes Middle East", a leading source for reliable business news and financial information. The announcement was made at the annual ceremony organised by the magazine under the patronage of Sheikh Mohammad Abdullah Al-Mubarak Al-Sabah, Minister of State for Cabinet Affairs, who presented the award in the presence of Dr Nasser Bin Aqeel Al Tayyar, President and Publisher of Arab Publisher House, and Publisher of Forbes Middle East. Al Mazaya Holding Group CEO Eng. Ibrahim Al Saq'abi received the prestigious award in the presence of a galaxy of key CEOs of leading public and private sector companies and diplomats in Kuwait as well as Arab region.

- Al Mazaya Logistics project in Bahrain Investment Wharf has been totally rented out at a 100% occupancy rate. Al Mazaya Logistics represents an audacious business platform for logistics investments. Its revenues have already been included in this year's H1 budget.

-An agreement with Injaz-Kuwait to train 1,000 high-school and college students by company's professionals during 2017 as part of its Corporate Social Responsibility obligations towards the country's youth.

-Completion of the initial concept design stage at its new project in Al Sharq area in Kuwait (Mazaya Downtown) through Gensler, an integrated architecture, design, planning and consulting firm. The final design and architectural licensing have been entrusted to a leading local company in Kuwait to get the construction licence from state departments concerned.

-Continuing to execute its new projects in Dubai, including completion of Phase II construction concrete and cement works of the Q-Line project, which consists of two residential buildings with 253 apartments. In addition, the company has completed design and licensing of Q-Zone Development which consists of 500 flats.

-Completing sales and delivery of Phase I units at the 121-flat Q-Line project in a record time of 17 months. The project, whose profits have been included in the Q1 budget, is located in Dubailand and addresses middle-income segments.

-Completed the execution of Ritim Istanbul Development, which consists of 6 residential towers and a mall. Up to 80 per cent of the residential units have been sold, with the mall's occupancy reaching 50 per cent so far. Work is under way to hand over sold units to its new owners and increase the mall's occupancy rate.

- Completing building work at the Q-Point final phase. The project, located in Dubailand, addresses middle-income segment, with work under way to deliver residential units to their new owners and include the project's profits within the 2017 profits. The project's marketing campaign is going on in full swing to accelerate sales.

-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 H1 budget, achieving an occupancy rate of more than 68%.

- Al Mazaya consolidated its rental revenue proceedings 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.

- Al Mazaya Holding and Boubyan Bank have signed a partnership agreement whereby the Kuwaiti bank will provide credit facilities of up to KWD70,000 for property ownership solutions outside Kuwait. Under the agreement, the bank will provide up to KWD70,000 and free debt insurance with no salary transfer required, which means that the credit is available for all, including those who don't have accounts at Boubyan Bank.

Concluding, Al Saq'abi said the company is currently mulling over the possibility of launching several investment opportunities available in the markets it is working at over the coming period, particularly GCC states, where the company boasts maximum credibility thanks to its extensive experience therein, said Al Saq'abi. He added that the company is closely following up the ongoing developments in global

financial markets and their impact on the real estate market in line with its expansion plans which are based on the development of strategic partnerships and working with leading investors to secure the highest possible returns in the greater interest of the company and its shareholders.