



Al Mazaya Holding's operating revenues surge 24.36% to KWD 68.61 million in 2017

KWD 7.22 million in net profit for 2017; Earnings per share worth 11.60 fils

Al Nafisi says:

- **Conservative policies followed in 2017**
- **Al Mazaya maximises stockholders' rights, recommends distribution of cash dividends of 8 fils per share**

Al Mazaya Holding supports its budget for the coming years following conservative policies in 2017 and maintaining shareholder equity and recommends distributing 8% cash

Al Saq'abi says:

2018 marks fresh promising start for new five years of impressive growth

- **Operating revenues generated from sales up 27.22 % to KWD 60.83 million**
- **Operating revenues generated from rentals up 6.80% to KWD 7.60 million**
- **24.36% increase to KWD 68.61 million in total operating revenues generated by sales & rentals**
- **Total Stockholders' equity worth KWD 119.11 million by end of 2017 and the book value per share is 175 fils**

- **Total assets worth KWD 229.81 million by end of 2017**
- **Robust performance in 2017 including initial development of six new projects; completing and delivering six projects; selling 480 apartments**
- **KWD 88 million worth of new under-construction developments**
- **Impressive start of 2018 by signing new investment contract at medical sector; prequalification for six government projects**

Al Mazaya Holding has announced its financial results for the year ending December 31, 2017, posting KWD 7.22 million net profits. Earnings per share for 2017 reached 11.60 fils.

Commenting on the financial results, following the company's board meeting **on Thursday, February 1, 2018**, the Board Chairman Rashid Al Nafisi said that Al Mazaya Holding continued to boost its operating performance in 2017 thanks to an intensive focus on a robust operating plan based on a well-integrated strategy and a strict timeframe that boosted the company's total operating revenues KWD 68.61 million by the end of 2017 compared to KWD 55.17 million declared by the end of 2016.

Al Nafisi attributed the Group's operational resilience to well-thought-out marketing and sales plans as well as the company's impressive success in continuing its development drive as per its strategy aimed to maintain local and regional leadership and ensure diversified and balanced sources of income that drove operating revenues up to KWD 68.61 million in 2017, showing a growth of 24.36 % from KWD 55.17 million for the year 2016, after securing sales revenues of KWD 60.83 million for 2017 against KWD 47.81 million by the end of 2016, achieving a growth of 27.22 %. The company's rental revenues increased by 6.80% to KWD 7.60 million by the end of 2017 against KWD 7.11 million reported a year ago.

“Al Mazaya has been fully committed to enforcing modern auditing standards, adding all future allocations of costs related to previous projects to the 2017 budget in light of the company's robust operational model and its stable financial results out of its determination to maximise its shareholders' rights and protect the company's budget against any future risks,” said Al Nafisi.

“In a token of gratitude to its stockholders and out of its strong belief in the importance of recognising their contributions to the company's growth, Al Mazaya Board of Director has recommended distribution of 8% of the par value of the stock

in cash – equivalent to 8 fils per share to all shareholders,” announced Al Nafisi, noting that the encashment reflects the robust financial position of the company and its resilient balance sheet as well as its balanced future outlook. The recommendation will be referred to the company’s General Assembly meeting for approval as per the rules and regulations of the Kuwait Financial Markets Association and other state departments concerned.

Financial Statements

Al Nafisi added that the company has maintained its pioneering position across all business platforms, with the year 2017 having witnessed an accelerated pace of activity following the company’s success in reaping the fruits of the projects it developed in the new markets it tapped over the past years. “Therefore, the company’s total assets reached KWD 229.81 million by the end of the year. Total Stockholders’ equity amounted to KWD 119.11 million by the end 2017.

On his part, the Group CEO Eng. Ibrahim Abdul Rahman Al-Saq'abi said the company’s strong financial results of 2017 have been driven by positive performance throughout the year, during which, he said, Al Mazaya managed to develop and hand over six projects that started in 2016 in addition to selling 480 apartments and delivering them to their new owners.

“The company also managed to launch six new projects worth KWD 88 million,” he added, remarking that the year 2018 will signal a “fresh start for five new years to come, during which the company will experience more prosperity.”

He explained that the company, by the beginning of the new year, qualified for the execution of six government projects as part of the public-private partnership programme in addition to embarking on new investment in the medical sector, whose results will appear by the end of 2018.

Milestones

-Al Mazaya signed a new investment contract for managing its third project at the medical sector after the success it has achieved in the healthcare field. The financial results of the project will appear in the 2018 final financial statements.

- Al Mazaya Holding is pre-qualified for new five investment opportunities to develop and operate residential cities in Jaber and Sabah Al Ahmad areas as part of the public-private partnership programme for the benefit of the Public Authority for Housing Welfare with the objective of providing housing services to deserving segments of the Kuwaiti nationals. The five projects cover commercial, health, education, leisure, media, residential, investment, handicraft, and logistics services over an area of 2.4 million square metres for a period of 40 years.
- Al Mazaya is pre-qualified with five companies for Labor Camp Project in South Jahra. Kuwait Authority for Partnership Projects (KAPP) has signed a contract between public and private sectors and a group of companies in collaboration with the Kuwait Municipality. They will provide special advisory for the South Al-Jahra Labor City project, which has an area that exceeds one million square metres, with a capacity for 20,000 workers. The duration of the project is estimated to be 40 years according to BOT system, including three years for design and construction.
- Al Mazaya has completed the development of a world-class medical building to serve as an individual health clinic in Sabah Al Salem. Power supply work has been completed and the entire project has been rented out to leading doctors in Kuwait, with its rental revenues already listed by the end of the 4th quarter of 2017.
- Al Mazaya developed and delivered four projects in Dubai in 2017, hitting total sales of 480 apartments.
- Al Mazaya Holding acquired two plots of lands (MU004 – MU11) as part of the Q-Zone II project, located in the Liwan, Dubailand, with a capacity of 500 residential units for mid-income categories. Its design and execution work has already started.
- Al Mazaya Holding continued development and construction work on two plots of lands in Dubailand (MU005/6 – MU007) which are expected to be completed by early 2019.
- Completion of the 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 licencing have been entrusted to a leading local company in Kuwait, PACE, to get the construction licence from state departments concerned.
- Completing up to 50% of the construction work at Al Mazaya Residence project in Oman, which is due for handover in Q2 of 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. The 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 40% of the first phase units. Construction of the project's 132-unit 2nd phase started and will be marketed soon.

- Continued selling and renting of Ritim Istanbul Development, which consists of 6 residential towers and a mall. A large number of the project's residential units have been sold, with the mall's occupancy reaching 55 per cent so far by a number of key regional and global brands.

- Al Mazaya Logistics project in Bahrain Investment Wharf has been totally rented out at a 100% occupancy rate. It represents an audacious business platform for logistics investments with a hitherto occupancy rate of 99%.

- 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 2017 financial statements, achieving an occupancy rate of more than 71%.

- 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.

- Al Mazaya Holding has been named among the top 50 companies listed on the Kuwait 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 and the entire Arab region.

- Al Mazaya Holding has been ranked among the top 10 out of 233 listed companies in Kuwait for the second consecutive year that boasts the most robust and transparent corporate governance system for 2017. This comes in a report released by Kuwait's Capital Markets Authority (CMA), where the top 10 companies that have proved among the fastest firms in submitting their governance reports are named. Al Mazaya occupied an advanced position among 233 firms, the ranking of which is

based on corporate governance metrics that gauge compliance with accountability, transparency, disclosure and commitment to submission of governance and transparency reports within the legal grace period set by CMA.

- An agreement with Injaz-Kuwait to train 1000 high-school and college students by company's professionals during 2017 as part of its Corporate Social Responsibility obligations towards the country's youth.

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

- Applied Valued-Added Tax 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 mulling over the possibility of launching a number of 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 long experience therein, said Al Saq'abi. He added that the company is closely following up the ongoing developments at global financial markets and their impact on the realty 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 for the greater good of the company and its shareholders.