

Reef Real Estate Finance Co. B.S.C. (c)

Consolidated condensed interim
financial information for the three
months ended 31 March 2015
(Unaudited)

Reef Real Estate Finance Co. B.S.C. (c)
Financial information for the three months ended 31 March 2015

Index	Page
1. Administration and contact details	2
2. Review report by the independent auditor	3
3. Consolidated condensed interim statement of financial position	4
4. Consolidated condensed interim statement of income	5
5. Consolidated condensed interim statement of changes in Owners' equity	6
6. Consolidated condensed interim statement of cash flows	7
7. Selected explanatory notes to the condensed interim financial information	8 - 14

Reef Real Estate Finance Co. B.S.C. (c)
Administration and contact details as at 31 March 2015

Commercial registration no.	58073 obtained on 10 September 2005	
CBB license	FC/001 obtained on 3 May 2005	
Board of Directors	Mr Ali Ahmed Al Baghli Mr Saud Kanoo Mr Faisal Al Matrook Mr Nasser Abdulhadi Al Gharibah Mr Samer Abbouchi Mr Mohammed Abdulla Isa Mr Waleed Al Kaja Mr Mohamed A.Khaliq (Till 26 March 2015)	(Chairman) (Vice-Chairman)
Chief Executive Officer	Mr Mahmood Al Koofi	
Executive Committee	Mr Faisal Al Matrook Mr Samer Abbouchi Mr Nasser Abdulhadi Al Gharibah	(Chairman)
Nomination and remuneration committee	Mr Ali Ahmed Al Baghli Mr Faisal Al Matrook Mr Samer Abbouchi	(Chairman)
Audit Committee	Mr Saud Kanoo Mr Mohammed Abdulla Isa Mr Waleed Al Kaja Mr Mohamed A.Khaliq (Till 26 March 2015)	(Chairman)
Sharia'a Supervisory Advisor	Shaikh Dr. Osama Bahar	
Registered office	YBA Kanoo Tower Flat 114, Building 155 Road 1703, Block 317 PO Box 18599 Diplomatic Area, Manama Kingdom of Bahrain	
Bankers	Ithmaar Bank Ahli United Bank Kuwait Finance House Al Baraka Islamic Bank Khaleeji Commercial Bank BMI Bank Al Salam Bank Citi Bank	
Auditors	BDO 17 th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain	

Review report by the independent auditor to the Board of Directors of Reef Real Estate Finance B.S.C. (c)

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Reef Real Estate Finance B.S.C. (c) ("the Company") and its subsidiaries ("the Group") as at 31 March 2015, the consolidated condensed interim statement of income, the consolidated condensed interim statement of changes in Owners' equity, the consolidated condensed interim statement of cash flows for the three months then ended, and selected explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and the Sharia'a Rules and Principles as determined by the Sharia'a Supervisory Advisor of the Company. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410- "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated condensed 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 and consequently 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 consolidated condensed interim financial information does not present fairly, in all material respects, the financial position of the Group as at 31 March 2015, and of its financial performance and its cash flows for the three months then ended in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions and the Sharia'a Rules and Principles as determined by the Sharia'a Supervisory Advisor of the Company.



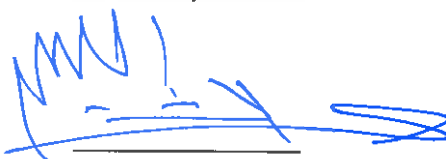
Manama, Kingdom of Bahrain
7 May 2015

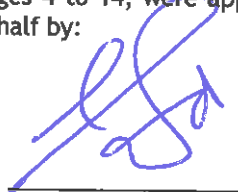


Reef Real Estate Finance Co. B.S.C. (c)
 Consolidated condensed interim statement of financial position as at 31 March 2015
 (Unaudited)
 (Expressed in Bahraini Dinars)

	Notes	31 March 2015 (Unaudited)	31 December 2014 (Audited)
ASSETS			
Cash and bank balances		1,523,674	1,693,092
Investment securities	3	7,501,057	6,001,439
Mudaraba investments	4	4,065,980	4,568,812
Murabaha financing	5	5,726,115	5,976,938
Ijarah Muntahia Bittamleek and Musharaka	6	2,843,863	3,645,072
Properties-under-development		1,558,270	1,529,920
Investment in real estate	7	3,000,017	3,214,889
Receivables and prepayments	8	2,529,447	2,367,025
Property and equipment		<u>58,352</u>	<u>66,802</u>
Total assets		<u>28,806,775</u>	<u>29,063,989</u>
LIABILITIES AND OWNERS' EQUITY			
Liabilities			
Other liabilities		<u>1,347,591</u>	<u>501,215</u>
Owners' Equity			
Share capital	9	24,042,900	24,042,900
Statutory reserve		1,150,154	1,150,154
Properties fair value reserve		1,078,825	1,078,825
Charity reserve		2,586	2,294
Retained earnings		2,386,864	2,288,601
Treasury shares	9	<u>(1,202,145)</u>	<u> </u>
		<u>27,459,184</u>	<u>28,562,774</u>
Total liabilities and Owners' equity		<u>28,806,775</u>	<u>29,063,989</u>

The unaudited condensed interim financial information, set out on pages 4 to 14, were approved for issue by the Board of Directors on 7 May 2015 and signed on their behalf by:


 Ali Ahmed Al Baghli
 Chairman


 Saud Kanoo
 Vice Chairman

Reef Real Estate Finance Co. B.S.C. (c)
 Consolidated condensed interim statement of income for the three months ended 31 March 2015
 (Unaudited)
 (Expressed in Bahraini Dinars)

	Notes	Three months ended 31 March <u>2015</u> (Unaudited)	Three months ended 31 March <u>2014</u> (Unaudited)
Income			
Gross Ijarah and Musharaka income		303,890	397,342
Less: Depreciation on Ijarah Muntahia Bittamleek	6	<u>122,862</u>	<u>172,558</u>
		181,028	224,784
Profit from Mudaraba investments		22,475	43,956
Profit from Murabaha financing		209,245	213,744
Fees from financing activities		12,571	6,293
Rental income from investment in real estate		40,505	35,400
Income from investment securities		59,490	10,371
Unrealised fair value gain on investment securities		9,434	4,827
Net foreign exchange gains		-	73,300
Profit on sale of investment in real estate		71,821	-
Profit on sale of property and equipment		-	9,500
Allowance no longer required for ijarah Muntahia Bittamleek		<u>35,876</u>	<u>-</u>
		<u>642,445</u>	<u>622,175</u>
Expenses			
Staff costs		104,253	96,553
General and administrative expenses		82,916	70,433
Depreciation of property and equipment		8,450	5,125
Depreciation on investment in real estate	7	1,693	14,757
Allowances and provisions		4,502	30,064
Net foreign exchange losses		<u>342,368</u>	<u>-</u>
		<u>544,182</u>	<u>216,932</u>
Net profit for the period		<u>98,263</u>	<u>405,243</u>
Basic and diluted earnings per share	10	<u>Fils0.4</u>	<u>fils1.7</u>

Reef Real Estate Finance Co. B.S.C. (c)
 Consolidated condensed interim statement of changes in Owners' equity for the three months ended 31 March 2015
 (Unaudited)
 (Expressed in Bahraini Dinars)

	Share capital	Treasury shares	Statutory reserve	Properties fair value reserve	Charity reserve	Retained earnings	Total
At 31 December 2013 (Audited)	24,042,900	-	1,039,512	1,078,825	2,770	1,292,822	27,456,829
Charity reserve movement	-	-	-	-	3	-	3
Net profit for the period	-	-	-	-	-	405,243	405,243
At 31 March 2014 (Unaudited)	<u>24,042,900</u>	-	<u>1,039,512</u>	<u>1,078,825</u>	<u>2,773</u>	<u>1,698,065</u>	<u>27,862,075</u>
At 31 December 2014 (Audited)	24,042,900	-	1,150,154	1,078,825	2,294	2,288,601	28,562,774
Treasury shares purchased	-	(1,202,145)	-	-	-	-	(1,202,145)
Charity reserve movement	-	-	-	-	292	-	292
Total net profit for the period	-	-	-	-	-	98,263	98,263
At 31 March 2015 (Unaudited)	<u>24,042,900</u>	<u>(1,202,145)</u>	<u>1,150,154</u>	<u>1,078,825</u>	<u>2,586</u>	<u>2,386,864</u>	<u>27,459,184</u>

Reef Real Estate Finance Co. B.S.C. (c)
Consolidated condensed interim statement of cash flows
for the three months ended 31 March 2015
(Unaudited)
(Expressed in Bahraini Dinars)

	Notes	Three months ended 31 March 2015 (Unaudited)	Three months ended 31 March 2014 (Unaudited)
Operating activities			
Net profit for the period		98,263	405,243
Adjustments for:			
Depreciation on property and equipment		8,450	5,125
Depreciation on Ijarah Muntahia Bittamleek	6	122,862	172,558
Depreciation on investment in real estate	7	1,693	14,757
Unrealised fair value gain on investment securities	3	(9,434)	(4,827)
Profit on sale of property and equipment		-	(9,500)
Foreign exchange losses on translation of investment in Securities	3	17,869	-
Realised gain on sale of investment in real estate		(71,821)	-
Changes in operating assets and liabilities:			
Receivables and prepayments		(162,422)	(186,799)
Other liabilities		<u>846,376</u>	<u>(11,352)</u>
Net cash provided by operating activities		<u>851,836</u>	<u>385,205</u>
Investing activities			
Net movement in Murabaha financing		250,823	(1,305,467)
Net movement in properties-under-development		(28,350)	(62,600)
Purchase of property and equipment		-	(44,000)
Additions in investment securities	3	(1,508,053)	-
Addition in investment in real estate		-	(216,402)
Net Movement in Mudaraba investments		502,832	(1,744,343)
Net movement in Ijarah Muntahia Bittamleek and Musharaka		678,347	2,698,221
Proceeds from sale of property and equipment		-	9,500
Proceeds from sale of investment in real estate		<u>285,000</u>	<u>-</u>
Net provided by/(used in) investing activities		<u>180,599</u>	<u>(665,091)</u>
Financing activities			
Purchase of treasury shares		(1,202,145)	-
Charity reserve movement		<u>292</u>	<u>3</u>
Net cash (used in)/provided by financing activities		<u>(1,202,853)</u>	<u>3</u>
Net decrease in cash and cash equivalents		(169,418)	(279,883)
Cash and cash equivalents, beginning of the period		<u>1,693,092</u>	<u>1,368,833</u>
Cash and cash equivalents, end of the period		<u>1,523,674</u>	<u>1,088,950</u>

1 Organisation and principal activities

Reef Real Estate Finance Co. B.S.C. (c) (“the Company”) is a closed shareholding company and operates as an Islamic financing company under license number 58073 granted by the Ministry of Commerce and Central Bank of Bahrain (“CBB”) license number FC/001 obtained on 5 May 2005. The Company commenced commercial operations on 10 September 2005.

The principal activities of the Company include:

- granting short and long-term financing facilities to consumers to finance the purchase and construction of real estate;
- providing leasing facilities with an option to buy;
- investing in real estate, industrial, agricultural and other economic sectors and dealing in shares of established companies;
- buying and selling of properties, developing residential and commercial land, building residential and commercial units with the intent of their subsequent sale or lease

The Company’s activities are regulated by the CBB and supervised by a Shari’a Supervisory Advisor whose role has been defined by the Board of Directors.

The registered office of the Company is in the Kingdom of Bahrain.

2 Basis of preparation

The condensed interim financial information have been prepared in accordance with the Financial Accounting Standards (“FAS”) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”). However, in accordance with the requirements of AAOIFI, for matters for which no AAOIFI standards exist, the Company uses the relevant International Financial Reporting Standards (“IFRS”).

Therefore, in the absence of relevant standards in AAOIFI relating interim financial statements, the guidance from International Accounting Standard 34 - “Interim Financial Reporting” is used in preparation of these interim condensed consolidated financial information for quarter ended 31 March 2015. The condensed interim financial information should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2014.

These financial statements have been prepared using going concern assumption under the historical cost convention, modified by the valuation of investment in real estate and investment securities which are measured at their fair values.

The functional and presentation currency of the Company is Bahrain Dinars (BD).

The structure of the Group is as follows:

Subsidiaries

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Effective ownership interest 2015</u>	<u>Effective ownership interest 2014</u>
First Reef B.S.C. (c)	Kingdom of Bahrain	Buying and selling of properties	99.9%	99.9%
Reef Investment UK B.S.C (c)	Kingdom of Bahrain	To Issue Funds	99.9%	99.9%

Reef Real Estate Finance Co. B.S.C. (c)
 Selected explanatory notes to the consolidated condensed interim financial information
 for the three months ended 31 March 2015
 (Unaudited)
 (Expressed in Bahraini Dinars)

3 Investment securities

	31 March 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
Opening balance	6,001,439	2,111,508
Additions	1,508,053	3,935,665
Foreign exchange losses on translation of investment securities	(17,869)	(2,040)
Unrealised fair value gains/(losses) for the period	<u>9,434</u>	<u>(43,694)</u>
	<u>7,501,057</u>	<u>6,001,439</u>

	31 March 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
Investment in equity-type instruments - Unquoted		
<i>Equity investments</i>	334,391	352,260
<i>Private investments</i>	2,516,766	2,508,713
Investment in debt-type instruments- Quoted	<u>4,649,900</u>	<u>3,140,466</u>
	<u>7,501,057</u>	<u>6,001,439</u>

Investment - securities-wise analysis:

		31 March 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
<i>Equity-type instruments</i>			
Amwaj Property Limited		334,391	352,260
Manazel Qurtoba 2 fund	(a)	1,008,713	1,008,713
Jenina Real Estate Development Co. Ltd	(b)	<u>1,508,053</u>	<u>1,500,000</u>
		2,851,157	2,860,973
<i>Debt-type instruments</i>			
CBB sukuk	(c)	<u>4,649,900</u>	<u>3,140,466</u>
		<u>7,501,057</u>	<u>6,001,439</u>

- (a) During the year 2013, the Group has invested BD1,008,713 in acquiring shares in Manazel Qurtoba 2 fund, floated by MEFIC Capital in Kingdom of Saudi Arabia. The main objective of Fund is to develop a property in Northern Riyadh, Kingdom of Saudi Arabia.
- (b) During the year 2014, the Group has invested BD1,508,053 in Sky palaces project, Business Bay Dubai through an SPV "Jenina Real Estate Development Co. Ltd".
- (c) During the period 2015, the Group has invested BD1,500,000 in acquiring units Government Islamic Leasing Sukuk-Issue 22 (GILS22.SUK) due in 2025. The Group total investment in Sukuk "CBB international Sukuk" floated by the Central Bank of Bahrain amounting to BD4,646,400 (2013: BD3,140,466). These units are listed. The Group has valued the Sukuk at 31 March 2015 and the resulted net gain of BD9,434 reported on the fair value recorded in the consolidated statement of income.

Reef Real Estate Finance Co. B.S.C. (c)
 Selected explanatory notes to the consolidated condensed interim financial information
 for the three months ended 31 March 2015
 (Unaudited)
 (Expressed in Bahraini Dinars)

3 Investment securities (continued)

Investment securities are denominated in the following currencies:

Currency	<u>2015</u> (Unaudited)	<u>2014</u> (Audited)
Great Britain Pounds	334,391	352,260
United States Dollars	3,082,400	3,140,466
Saudi Riyals	1,008,713	1,008,713
Arab Emirates Dirhams	1,508,053	1,500,000
Bahraini Dinars	1,567,500	-
	<u>7,501,057</u>	<u>6,001,439</u>

4 Mudaraba investments

	<u>31 March</u> <u>2015</u> (Unaudited)	<u>31 December</u> <u>2014</u> (Audited)
Ithmaar Bank	3,000,000	2,500,000
Al Salam Bank	1,000,000	2,000,000
Khaleeji Commercial Bank	65,980	68,812
	<u>4,065,980</u>	<u>4,568,812</u>

Mudaraba investments represent amounts placed with financial institutions, which have maturity periods ranging between 90 days to 150 days, and earn market rates of profit per annum receivable on maturity.

5 Murabaha financing

		<u>31 March</u> <u>2015</u> (Unaudited)	<u>31 December</u> <u>2014</u> (Audited)
Amwaj Property Limited (APL)	(a)	3,009,523	3,170,340
Amwaj Property Limited (APL) - Mezzanine 2	(b)	1,688,517	1,778,523
Omniyat Properties Six Limited	(c)	1,028,075	1,028,075
		<u>5,726,115</u>	<u>5,976,938</u>

- a) The Murabaha financing with Amwaj Property Limited (APL) is unsecured, bears a compounded quarterly profit of 12.5% per annum and an arrangement fee of 1% and is expected to be received on 15 March 2016. The accrued profit on murabaha financing with Amwaj Property Limited (APL) for the three months period amounting to BD110,852 (2014: 130,148).
- b) The Murabaha financing Mezzanine 2 with Amwaj Property Limited (APL) is unsecured, bears a compounded quarterly profit of 12.5% per annum and is expected to be received in April 2015. The accrued profit on murabaha financing with Amwaj Property Limited (APL) for the three months period amounting to BD60,368 (2014: 39,825).
- c) The Omniyat Properties Six Limited (OPUS Project) is secured, bears a profit of 15% per annum and is expected to be received at the end of two and half years from the date of investment i.e. 16 June 2013. This project is based in Dubai, UAE. The accrued profit on murabaha financing with Omniyat Properties Six Limited for the three months period amounting to BD38,025 (2014: BD38,025).

Reef Real Estate Finance Co. B.S.C. (c)
 Selected explanatory notes to the consolidated condensed interim financial information
 for the three months ended 31 March 2015
 (Unaudited)
 (Expressed in Bahraini Dinars)

6 Ijarah Muntahia Bittamleek

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost			
At 31 December 2013	3,074,269	11,063,638	14,137,907
Additions*	44,975	-	44,975
Payment received/disposals	<u>(2,698,270)</u>	<u>(1,778,894)</u>	<u>(4,477,164)</u>
At 31 December 2014 (Audited)	420,974	9,284,744	9,705,718
Payment received/disposals during the period	<u>(262,109)</u>	<u>(854,358)</u>	<u>(1,116,467)</u>
At 31 March 2015 (Unaudited)	<u>158,865</u>	<u>8,430,386</u>	<u>8,589,251</u>
Depreciation			
At 31 December 2013	-	(5,821,202)	(5,821,202)
Charged for the year	-	(641,628)	(641,628)
Disposals	<u>-</u>	<u>840,456</u>	<u>840,456</u>
At 31 December 2014 (Audited)	-	(5,622,374)	(5,622,374)
Charged for the period	-	(122,862)	(122,862)
Disposals during the period	<u>-</u>	<u>423,120</u>	<u>423,120</u>
At 31 March 2015 (Unaudited)	<u>-</u>	<u>(5,322,116)</u>	<u>(5,322,116)</u>
Impairment provision			
At 31 December 2014 (Audited)	(5,071)	(433,201)	(438,272)
Provision no longer required	<u>-</u>	<u>15,000</u>	<u>15,000</u>
At 31 March 2015 (Unaudited)	<u>(5,071)</u>	<u>(418,201)</u>	<u>(423,272)</u>
Net book value			
At 31 March 2015 (unaudited)	<u>153,794</u>	<u>2,690,069</u>	<u>2,843,863</u>
At 31 December 2014 (Audited)	<u>415,903</u>	<u>3,229,169</u>	<u>3,645,072</u>

*Assets acquired for leasing (Ijarah Muntahia Bittamleek) are leased under contracts that conclude with the transfer of the legal title (ownership) in the leased asset to the lessee at the end of the lease period for a token consideration.

The Ijarah Muntahia Bittamleek contracts outstanding at 31 March 2015 have lease terms of up to 19 years.

Reef Real Estate Finance Co. B.S.C. (c)
 Selected explanatory notes to the consolidated condensed interim financial information
 for the three months ended 31 March 2015
 (Unaudited)
 (Expressed in Bahraini Dinars)

7 Investment in real estate

	Investment properties for capital appreciation	Investment properties for periodical consideration	Total
Cost/Revalued			
As at 31 December 2013	376,208	2,858,195	3,234,403
Additions during the year	420,402	1,447	421,849
Disposals	<u>(420,402)</u>	<u>-</u>	<u>(420,402)</u>
As at 31 December 2014	376,208	2,859,642	3,235,850
Disposals	<u>(213,179)</u>	<u>-</u>	<u>(213,179)</u>
As at 31 March 2015	<u>163,029</u>	<u>2,859,642</u>	<u>3,022,671</u>
Depreciation			
As at 31 December 2013	-	1,194	1,194
Charge for the year	<u>-</u>	<u>19,767</u>	<u>19,767</u>
As at 31 December 2014	-	20,961	20,961
Charge for the period	<u>-</u>	<u>1,693</u>	<u>1,693</u>
As at 31 March 2015	<u>-</u>	<u>22,654</u>	<u>22,654</u>
Net book value			
At 31 March 2015 (Unaudited)	<u>163,029</u>	<u>2,836,988</u>	<u>3,000,017</u>
At 31 December 2014 (Audited)	<u>376,208</u>	<u>2,838,681</u>	<u>3,214,889</u>

Although the investments in real estate carried at their fair values for periodical consideration include net book value of furniture & fixtures of BD11,177 (2014: BD12,870) which have been depreciated over their useful life.

Reef Real Estate Finance Co. B.S.C. (c)
 Selected explanatory notes to the consolidated condensed interim financial information
 for the three months ended 31 March 2015
 (Unaudited)
 (Expressed in Bahraini Dinars)

8 Receivables and prepayments

	31 March 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
Ijarah Muntahia Bittamleek rental receivables	345,402	372,684
Allowance for doubtful Ijarah Muntahia Bittamleek rental receivables	<u>(269,419)</u>	<u>(286,693)</u>
	75,983	85,991
Other receivables	831,284	837,343
Allowance for other receivables	<u>(390,773)</u>	<u>(389,873)</u>
	440,511	447,470
Prepayments	18,578	24,753
Accrued arrangement fee on Murabaha financing	31,699	31,699
Accrued profit on investment in sukuk	78,218	18,728
Accrued profit on Murabaha financing	1,870,748	1,742,980
Accrued profit on Mudaraba investments	<u>13,710</u>	<u>15,404</u>
	<u><u>2,529,447</u></u>	<u><u>2,367,025</u></u>

9 Share capital

	31 March 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
Authorised		
400,000,000 (2014: 400,000,000) ordinary shares of 100 Fils each	<u>40,000,000</u>	<u>40,000,000</u>
Issued and fully paid-up		
240,429,000 (2014: 240,429,000) ordinary shares of 100 Fils each	<u>24,042,900</u>	<u>24,042,900</u>

The Company has only one class of equity shares and the holders of the shares have equal voting rights.

Treasury Shares:

The Owners had decided in the Annual General Meeting held on 24 April 2014 to purchase 12,021,450 shares of 100 Fils each, amounting to BD1,202,145, which represents 5% of the share capital. The Group had obtained the approval from the Ministry of Industry and Commerce on 28 May 2014 and from the Central Bank of Bahrain on 2 July 2014. During the period, the Group transferred the treasury shares amounting to BD365,578 and is still in the process of transferring the remaining shares.

Reef Real Estate Finance Co. B.S.C. (c)
 Selected explanatory notes to the consolidated condensed interim financial information
 for the three months ended 31 March 2015
 (Unaudited)
 (Expressed in Bahraini Dinars)

10 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares during the period.

	Three months ended 31 March 2015 <u>(Unaudited)</u>	Three months ended 31 March 2014 <u>(Unaudited)</u>
Net profit attributable to the shareholders	<u>BD98,263</u>	<u>BD405,243</u>
Weighted average number of ordinary shares	<u>240,429,000</u>	<u>240,429,000</u>
Basic and diluted earnings per share	<u>Fils0.4</u>	<u>Fils1.7</u>

The Group does not have any potentially dilutive ordinary shares hence the diluted earnings and basic earnings per share are identical.

11 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties consist of the shareholders and directors and their close family members, and businesses under their control. The Group's transactions with related parties are at arm's length and are authorised by the management.

A summary of the transaction and amounts due from related parties is as follows:

Related party relationship	Transaction type	For the period ended transaction amount		Amounts due from related parties	
		31 March 2015 <u>(Unaudited)</u>	31 March 2014 <u>(Unaudited)</u>	31 March 2015 <u>(Unaudited)</u>	31 December 2014 <u>(Audited)</u>
Shareholders and their immediate family members	Ijarah Muntahia Bittamleek	<u>182,540</u>	<u>301,826</u>	<u>29,374</u>	<u>35,669</u>

12 Interim financial information

The interim net profit for the three months ended 31 March 2015 may not represent a proportionate share of the annual net income due to the variability in the receipt of income.

13 Subsequent events

There were no significant events subsequent to 31 March 2015 and occurring before the date of the report that has a significant impact on these financial statements.