

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

Consolidated condensed interim
financial information for the three
months ended 31 March 2018
(Unaudited)

Reef Real Estate Finance Co. B.S.C. (c)
Financial information for the three months ended 31 March 2018

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Reef Real Estate Finance Co. B.S.C. (c)
Administration and contact details as at 31 March 2018

Commercial registration no.	58073 obtained on 10 September 2005	
CBB license	FC/001 obtained on 5 May 2005	
Board of Directors	Mr Ali Ahmed Al Baghli Mr Saud A.Aziz Kanoo Mr Faisal Al Matrook Mr Nasser Abdulhadi Al Gharibah Mr Abdulhamid Mehriz (2 November 2017 onwards) Mr Yaser Al Jar Mr Waleed Al Khaja Mr Samer Abbouchi (Till May 2017)	- (Chairman) - (Vice-Chairman)
Chief Executive Officer	Mr Hasan Dhaif	
Executive Committee	Mr Faisal Al Matrook Mr Nasser Abdulhadi Al Gharibah Mr Abdulhamid Mehriz (2 November 2017 onwards) Mr Samer Abbouchi (Till May 2017)	- (Chairman)
Nomination and Remuneration Committee	Mr Ali Ahmed Al Baghli Mr Saud A.Aziz Kanoo Mr Faisal Al Matrook	- (Chairman)
Audit and Corporate Governance Committee	Mr Saud A.Aziz Kanoo Mr Yaser Al Jar Mr Waleed Al Khaja	- (Chairman)
Sharia'a Supervisory Advisor	Shaikh Dr. Osama Bahar	
Registered office	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 Khaleeji Commercial Bank BMI Bank Al Salam Bank Bahrain Islamic Bank Al Baraka Islamic 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 (collectively referred as “the Group”), as at 31 March 2018, 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 2018, 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
2 May 2018

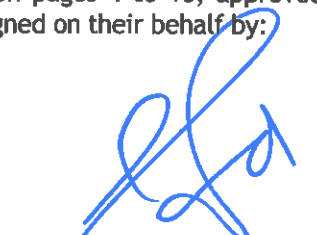


Reef Real Estate Finance Co. B.S.C. (c)
 Consolidated condensed interim statement of financial position as at 31 March 2018
 (Unaudited)
 (Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>31 March 2018</u> (Unaudited)	<u>31 December 2017</u> (Audited)
ASSETS			
Cash and bank balances	3	8,671,388	7,788,532
Investment securities	4	15,887,380	16,107,392
Ijarah Muntahia Bittamleek	5	1,099,034	1,107,349
Properties-under-development		-	444,628
Investment in real estate	6	2,548,970	2,132,662
Receivables and prepayments	7	233,577	212,784
Property and equipment		<u>6,914</u>	<u>8,240</u>
Total assets		<u>28,447,263</u>	<u>27,801,587</u>
LIABILITIES AND OWNERS' EQUITY			
Liabilities			
Murabaha financing		507,178	507,178
Other liabilities		<u>432,116</u>	<u>372,468</u>
		<u>939,294</u>	<u>879,646</u>
Owners' Equity			
Share capital	8	24,042,900	24,042,900
Treasury shares	8	(1,202,145)	(1,202,145)
Statutory reserve		1,466,427	1,466,427
Properties fair value reserve		741,392	813,840
Foreign currency translation reserve		(104,719)	(438,135)
Investment fair value reserve		(98,001)	(98,001)
Retained earnings		<u>2,662,115</u>	<u>2,337,055</u>
		<u>27,507,969</u>	<u>26,921,941</u>
Total liabilities and Owners' equity		<u>28,447,263</u>	<u>27,801,587</u>

The unaudited condensed interim financial information, set out on pages 4 to 15, approved and authorised for issue by the Board of Directors on 2 May 2018 and signed on their behalf by:


 Ali Ahmed Al Baghli
 Chairman


 Saud A. Aziz 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 2018
 (Unaudited)
 (Expressed in Bahrain Dinars)

	<u>Notes</u>	Three months ended 31 March 2018 (Unaudited)	Three months ended 31 March 2017 (Unaudited)
Income			
Gross Ijarah income		14,630	118,258
Less: Depreciation on Ijarah Muntahia Bittamleek	5	<u>(8,315)</u>	<u>(69,441)</u>
		6,315	48,817
Profit from investment securities		156,750	106,849
Net rental income from investment in real estate		14,712	19,533
Profit from Mudaraba investments		42,920	25,491
Fees from financing activities		-	3,193
Gain/(loss) on sale of investment securities		3,432	(5,853)
Net gain on sale of investment in real estate		36,904	102,453
Foreign exchange gain		59,504	51,777
Reversal of provision of Ijarah Muntahia Bittamleek		<u>151,301</u>	<u>-</u>
		<u>471,838</u>	<u>352,260</u>
Expenses			
Staff costs		50,007	58,107
General and administrative expenses		52,491	65,419
Finance costs		4,555	-
Depreciation of property and equipment		1,326	3,239
Investment fees and charges		1,323	1,178
Depreciation on investment in real estate	6	147	403
Unrealised fair value losses on revaluation of investment in securities, net		<u>36,929</u>	<u>7,575</u>
		<u>146,778</u>	<u>135,921</u>
Net profit for the period		<u>325,060</u>	<u>216,339</u>
Basic and diluted earnings per share	9	<u>Fils 1.42</u>	<u>Fils 0.95</u>

The unaudited condensed interim financial information, set out on pages 4 to 15, approved and authorised for issue by the Board of Directors on 2 May 2018 and signed on their behalf by:



Ali Ahmed Al Baghli
 Chairman



Saud A. Aziz Kanoo
 Vice Chairman

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 2018
 (Unaudited)
 (Expressed in Bahrain Dinars)

	Share capital	Treasury shares	Statutory reserve	Properties fair value reserve	Foreign currency translation reserve	Investment fair value reserve	Retained earnings	Total
At 31 December 2016 (Audited)	24,042,900	(1,202,145)	1,332,524	989,463	(1,127,635)	-	2,273,968	26,309,075
Net movement in properties fair value reserve on the sale of investment in real estate	-	-	-	(175,623)	-	-	-	(175,623)
Net profit for the period	-	-	-	-	-	-	216,339	216,339
Foreign currency translation gain	-	-	-	-	100,930	-	-	100,930
At 31 March 2017 (Unaudited)	<u>24,042,900</u>	<u>(1,202,145)</u>	<u>1,332,524</u>	<u>813,840</u>	<u>(1,026,705)</u>	<u>-</u>	<u>2,490,307</u>	<u>26,450,721</u>
At 31 December 2017 (Audited)	24,042,900	(1,202,145)	1,466,427	813,840	(438,135)	(98,001)	2,337,055	26,921,941
Net movement in properties fair value reserve on the sale of investment in real estate	-	-	-	(72,448)	-	-	-	(72,448)
Net profit for the period	-	-	-	-	-	-	325,060	325,060
Foreign currency translation gain (Note 4)	-	-	-	-	333,416	-	-	333,416
At 31 March 2018 (Unaudited)	<u>24,042,900</u>	<u>(1,202,145)</u>	<u>1,466,427</u>	<u>741,392</u>	<u>(104,719)</u>	<u>(98,001)</u>	<u>2,662,115</u>	<u>27,507,969</u>

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

Consolidated condensed interim statement of cash flows for the three months ended
31 March 2018 (Unaudited)
(Expressed in Bahrain Dinars)

	Notes	Three months ended 31 March 2018 (Unaudited)	Three months ended 31 March 2017 (Unaudited)
Operating activities			
Net profit for the period		325,060	216,339
Adjustments for:			
Depreciation on property and equipment		1,326	3,239
Depreciation on Ijarah Muntahia Bittamleek	5	8,315	69,441
Depreciation on investment in real estate	6	147	403
Unrealised fair value loss on investment securities	4	36,929	7,575
(Gain)/loss on sale of investment securities		(3,432)	5,853
Foreign exchange gain on translation of investment in securities		(345,951)	(108,809)
Realised (loss)/gain on sale of investment in real estate		35,544	(102,453)
Changes in operating assets and liabilities:			
Receivables and prepayments		(20,793)	4,093
Other liabilities		59,648	(81,669)
Net cash provided by operating activities		<u>96,793</u>	<u>14,012</u>
Investing activities			
Net movement in Mudaraba investments		540,214	-
Net movement in properties-under-development		444,628	(5,676)
Purchase of property and equipment		-	(1,400)
Additions in investment in real estate		(606,499)	-
Net movement in Ijarah Muntahia Bittamleek		-	(58,018)
Net movement in the foreign currency translation reserve		333,416	100,930
Net movement in the investment properties fair value reserve		(72,448)	-
Proceeds from sale of investment securities		532,466	206,210
Proceeds from sale of investment in real estate		<u>154,500</u>	<u>386,781</u>
Net cash provided by investing activities		<u>1,326,277</u>	<u>628,827</u>
Net increase in cash and cash equivalents		1,423,070	642,839
Cash and cash equivalents, beginning of the period		<u>4,758,218</u>	<u>7,430,437</u>
Cash and cash equivalents, end of the period	3	<u>6,181,288</u>	<u>8,073,276</u>

1 Organisation and principal activities

Reef Real Estate Finance Co. B.S.C. (c) (“the Company”) and its subsidiaries (collectively referred as “the Group”). The Company is a closed Bahraini shareholding company and operates as an Islamic financing company under license number 58073 granted by the Ministry of Industry Commerce and Central Bank of Bahrain (“CBB”) license number FC/001 obtained on 3 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 shareholders of the Company have decided in their last Extraordinary General Meeting held on 18 May 2017 to de-license its financing activities under Central Bank of Bahrain regulations. In order to facilitate the de-regulating process, the Company had to either run off the Ijara book or sell it off. The board has decided to opt for the latter and identified a local bank who has agreed to take over majority of the Ijara book of the Company (agreement dated 24 September 2017), whereas a relatively smaller remaining portfolio will be settled with the counterparties themselves. This sale agreement does not impact the book value of the recorded Ijara assets. The Central Bank of Bahrain has appointed an expert to ensure that the Company is not carrying out any regulated financing services. The Company is expecting to complete the formalities of de-licensing of during 2018.

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 issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (‘AAOIFI’), the Shari’a Rules and Principles as determined by the Shari’a Supervisory Advisor of the Group, the Bahrain Commercial Companies Law, the Central Bank of Bahrain, Financial Institutions Law and the CBB Rule Book (Volume 5 and applicable provision of Volume 2) and CBB directives, regulations and associated resolutions, rules and procedures of the Company’s memorandum and articles of association in accordance with the requirements of AAOIFI. For matters for which no AAOIFI standard exists, the Group uses the relevant International Financial Reporting Standards (‘the IFRS’) issued by International Accounting Standards Board.

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 three months ended 31 March 2018. The condensed interim financial information should therefore be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2017.

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).

Reef Real Estate Finance Co. B.S.C. (c)
 Selected explanatory notes to the consolidated condensed interim financial information
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2 Basis of preparation (continued)

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 2018</u>	<u>Effective ownership interest 2017</u>
First Reef B.S.C. (c)	Kingdom of Bahrain	Real estate activities with own or leased property	99.9%	99.9%
Reef Investment UK B.S.C (c)	Kingdom of Bahrain	Trust, funds and similar financial entities - Special Purpose Vehicle (SPV), selling and buying of securities	99.9%	99.9%

3 Cash and bank balances

	<u>31 March 2018</u> (Unaudited)	<u>31 December 2017</u> (Audited)
Current account balances with banks*	949,559	2,706,419
Mudaraba investments with maturity period of less than three months	5,231,229	2,051,299
Cash on hand	<u>500</u>	<u>500</u>
Cash and cash equivalents	6,181,288	4,758,218
Mudaraba investments with maturity period of more than three months	<u>2,490,100</u>	<u>3,030,314</u>
	<u>8,671,388</u>	<u>7,788,532</u>

* The current account balances with banks are non-profit bearing.

** Mudaraba investments represent amounts placed with financial institutions and earn market rates of profit receivable on maturity.

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4 Investment securities

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Opening balance	16,107,392	14,635,962
Additions	-	2,426,183
Disposals	(529,034)	(1,215,769)
Foreign exchange gains on translation of investment securities through profit or loss	12,535	40,176
Foreign exchange gains on translation of investment securities through equity	333,416	689,500
Net unrealised fair value loss for the year through equity	-	(98,001)
Net unrealised fair value losses for the year through profit or loss	<u>(36,929)</u>	<u>(370,659)</u>
	<u>15,887,380</u>	<u>16,107,392</u>

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Investment in equity-type instruments - Unquoted <i>Private equity</i>	11,525,153	11,708,236
Investment in debt-type instruments- Quoted	<u>4,362,227</u>	<u>4,399,156</u>
	<u>15,887,380</u>	<u>16,107,392</u>

Investment - securities-wise analysis:

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Equity type instruments carried at fair value through consolidated statement of income	2,216,766	2,733,265
Equity type instruments carried at fair value through equity	9,308,387	8,974,971
Debt-type instruments carried at fair value through consolidated statement of income	<u>4,362,227</u>	<u>4,399,156</u>
	<u>15,887,380</u>	<u>16,107,392</u>

Investment securities are denominated in the following currencies:

Currency	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Great Britain Pounds	9,308,387	9,491,470
United States Dollars	2,794,727	2,831,656
Saudi Riyals	708,713	708,713
Arab Emirates Dirhams	1,508,053	1,508,053
Bahrain Dinars	<u>1,567,500</u>	<u>1,567,500</u>
	<u>15,887,380</u>	<u>16,107,392</u>

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5 Ijarah Muntahia Bittamleek

	<u>Lands</u>	<u>Buildings</u>	<u>Total</u>
Cost			
At 31 December 2015 (Audited)	618,210	7,180,361	7,798,571
Additions*	-	6,930	6,930
Payment received/disposals	<u>(210,643)</u>	<u>(510,487)</u>	<u>(721,130)</u>
At December 2016 (Audited)	407,567	6,676,804	7,084,371
Additions*	-	258,443	258,443
Transferred to receivables and prepayments	(219,200)	-	(219,200)
Payment received/disposals	<u>(21,610)</u>	<u>(467,994)</u>	<u>(489,604)</u>
At December 2017 (Audited)	166,757	6,467,253	6,634,010
Payment received/disposals	<u>-</u>	<u>(77,962)</u>	<u>(77,962)</u>
At March 2018 (Unaudited)	<u>166,757</u>	<u>6,389,291</u>	<u>6,556,048</u>
Depreciation			
At 31 December 2016	-	(5,408,791)	(5,408,791)
Charged for the year	-	(207,831)	(207,831)
On disposals	<u>-</u>	<u>162,110</u>	<u>162,110</u>
At 31 December 2017	-	(5,454,512)	(5,454,512)
Charged for the period	-	(8,315)	(8,315)
On payment received/disposals	<u>-</u>	<u>77,962</u>	<u>77,962</u>
At 31 March 2018	<u>-</u>	<u>(5,384,865)</u>	<u>(5,384,865)</u>
General provision**			
At 31 December 2015	-	119,620	119,620
General provision transferred from Murabaha financing	<u>-</u>	<u>108,652</u>	<u>108,652</u>
At 31 December 2016	-	228,272	228,272
Provision transferred to receivables and prepayments	<u>-</u>	<u>(156,123)</u>	<u>(156,123)</u>
At 31 December 2017 & 31 March 2018	<u>-</u>	<u>72,149</u>	<u>72,149</u>
Net book value			
At 31 March 2018 (Unaudited)	<u>166,757</u>	<u>932,277</u>	<u>1,099,034</u>
At 31 December 2017 (Audited)	<u>166,757</u>	<u>940,592</u>	<u>1,107,349</u>

* During 2018, one deal was matured and there were no additions or rescheduling (2017: two new financing deals, two financing deals were rescheduled and four deals were early settled).

** General provision represents the 6.16% of total Ijarah Muntahia Bittamleek portfolio (2017: 4.8%).

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.

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 Selected explanatory notes to the consolidated condensed interim financial information
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6 Investment in real estate

	<u>Investment properties for capital appreciation</u>	<u>Investment properties for periodical consideration</u>	<u>Total</u>
Cost/Revaluation			
As at 31 December 2016 (Audited)	-	2,623,076	2,623,076
Disposals	-	<u>(464,204)</u>	<u>(464,204)</u>
As at 31 December 2017 (Audited)	-	2,158,872	2,158,872
Additions	-	152,681	152,681
Transferred from properties-under-development	-	453,818	453,818
Disposals	-	<u>(190,044)</u>	<u>(190,044)</u>
As at 31 March 2018 (Unaudited)	-	<u>2,575,327</u>	<u>2,575,327</u>
Depreciation			
As at 31 December 2016 (Audited)	-	29,608	29,608
Charge for the year	-	855	855
On disposals	-	<u>(4,253)</u>	<u>(4,253)</u>
As at 31 December 2017 (Audited)	-	26,210	26,210
Charge for the year	-	<u>147</u>	<u>147</u>
As at 31 March 2018 (Unaudited)	-	<u>26,357</u>	<u>26,357</u>
Net book value			
At 31 March 2018 (Unaudited)	-	<u>2,548,970</u>	<u>2,548,970</u>
At 31 December 2017 (Audited)	-	<u>2,132,662</u>	<u>2,132,662</u>

Included in investment properties for periodical consideration is the net book value of furniture and fixtures of BD1,884 (2017: BD1,103) which is depreciated over their useful lives.

During the period, the net earned including accrued periodical consideration on investment in real estate amounted to BD14,712 (2017: BD19,533).

	<u>31 March 2018</u>	<u>31 March 2017</u>
Rental income	23,000	27,063
Maintenance and electricity expenses	<u>(8,288)</u>	<u>(7,530)</u>
	<u>14,712</u>	<u>19,533</u>

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7 Receivables and prepayments

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Ijarah Muntahia Bittamleek rental receivables	39,440	53,682
Other receivables	18,251	21,027
Allowance for other receivables	(9,055)	(9,055)
Prepayments	15,952	22,577
Accrued profit on investment securities	130,237	99,117
Accrued profit on Mudaraba investments	<u>38,752</u>	<u>25,436</u>
	<u>233,577</u>	<u>212,784</u>

8 Share capital

	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Authorised		
400,000,000 (2017: 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 (2017: 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 Group had decided in the Annual General Meeting held on 24 April 2014 to purchase back 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.

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9 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 2018 <u>(Unaudited)</u>	Three months ended 31 March 2017 <u>(Unaudited)</u>
Net profit attributable to the shareholders	<u>BD325,060</u>	<u>BD216,339</u>
Weighted average number of ordinary shares	<u>228,407,550</u>	<u>228,407,550</u>
Basic and diluted earnings per share	<u>Fils 1.42</u>	<u>Fils 0.95</u>

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

10 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 2018 <u>(Unaudited)</u>	31 March 2017 <u>(Unaudited)</u>	31 March 2018 <u>(Unaudited)</u>	31 December 2017 <u>(Audited)</u>
Directors	Board member fees and allowances	<u>5,050</u>	<u>6,800</u>	<u>-</u>	<u>-</u>
Key management personnel *	Salaries and other short- term benefits	<u>24,530</u>	<u>21,365</u>	<u>-</u>	<u>-</u>
Directors	Premises leased	<u>7,885</u>	<u>7,885</u>	<u>-</u>	<u>-</u>

* Key management personnel are those staff members who have authority and responsibility for planning, directing and controlling the activities of the Group.

11 Interim financial information

The interim net profit for the three months ended 31 March 2018 may not represent a proportionate share of the annual net income due to the variability in the receipt of income.

12 Subsequent events

There were no significant events subsequent to 31 March 2018 and occurring before the date of the report that has a significant impact on these financial statements.