



نموذج رقم (.....)

Form No. (.....)

نموذج إعلان البيانات المالية المرحلية عن الربع الأول للشركات المدرجة في سوق الكويت للأوراق المالية

First Quarter Interim Financial Statements Disclosures form of the Companies Listed in Kuwait Stock Exchange

- فترة الثلاثة أشهر المالية المنتهية في : 31/03/2016
- اسم الشركة : شركة منشآت للمشاريع العقارية ش.م.ك.ع
- رمز الشركة : منشآت
- رقم الشركة : 433

Three month Period ended at

Company's Name

Company's code

Company's Number

● فترة الثلاثة أشهر المالية المنتهية في : 31/03/2016

● اسم الشركة : شركة منشآت للمشاريع العقارية ش.م.ك.ع

● رمز الشركة : منشآت

● رقم الشركة : 433

● النشاط الرئيسي / الأنشطة الرئيسية للشركة :

1. تملك وبيع وشراء العقارات والأراضي وتطويرها لحساب الشركة داخل دولة الكويت وخارجها وكذا إدارة أملاك الغير وكل ذلك بما لا يخالف الأحكام المنصوص عليها في القوانين القائمة وما حظرت من الاتجار من قسائم السكن الخاص على النحو الذي نصت عليه هذه القوانين.
2. تملك وبيع وشراء اسهم الشركات العقارية لحساب الشركة فقط في الكويت وفي الخارج.
3. إعداد الدراسات وتقديم الاستشارات في المجالات العقارية بكافة أنواعها على أن تتوافر الشروط المطلوبة في من يزاول تقديم هذه الخدمة.
4. تملك وإدارة الفنادق والنوادي الصحية والمرافق السياحية وإيجارها واستئجارها.
5. القيام بأعمال الصيانة والمتعلقة بالمباني والعقارات المملوكة للشركة بما في ذلك أعمال الصيانة وتنفيذ الأعمال المدنية والميكانيكية والكهربائية والمصاعد وأعمال تكييف الهواء بما يكفل المحافظة على المباني وسلامتها.
6. إدارة وتشغيل واستثمار وإيجار واستئجار الفنادق والنوادي والموتيلات وبيوت الضيافة والاستراحات والمنزهات والحدائق والمعارض والمطاعم والكافتریات والمجمعات السكنية والمنتجعات السياحية والصحية والمشروعات الترويحية والرياضية والمحلات وذلك على مختلف الدرجات والمستويات شاملا جميع الخدمات الأصلية والمساعدة والمرافقة الملحق بها وغيرها من الخدمات اللازمة لها.
7. تنظيم المعارض العقارية الخاصة بمشاريع الشركة العقارية وذلك حسب الأنظمة المعمول بها في الوزارة.
8. إقامة المزادات العقارية وذلك حسب الأنظمة المعمول بها في الوزارة.
9. تملك الأسواق التجارية والمجمعات السكنية وإدارتها.
10. إنشاء وإدارة الصناديق الاستثمارية العقارية وذلك بعد موافقة بنك الكويت المركزي.
11. استغلال الفوائض المالية المتوفرة لدى الشركة عن طريق استثمارها في محافظ مالية وعقارية تدار من قبل شركات وجهات متخصصة.



شركة منشآت للمشاريع العقارية ش.م.ك.ع (عامة)
Munshaat Real Estate Projects Co. K.S.C. (Public)

نموذج رقم: QF-FSA-0101-A	إصدار رقم: 1	تاريخ الإصدار: 05/5/15	مراجعة رقم: 4	تاريخ المراجعة: 2014/8/14	صفحة 1 من 8
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• **Activity/ Main activities of the company:**

1. To own, sell and acquire real estate properties and lands and develop the same to the account of the company inside the State of Kuwait and abroad; and to manage properties for third parties in accordance with the provisions stipulated under the existing laws and the restrictions on construction of private housing plots in the manner stipulated under these laws.
2. To own, sell and acquire stocks and bonds of real estate companies for the account of the company only inside Kuwait and abroad.
3. To prepare studies and provide consultancies in the field of real estate of all types; provided that the service provider meets the required conditions.
4. To own and manage hotels, health clubs and touristic facilities and to rent and lease the same.
5. To carry-out all maintenance works at the buildings and real estate properties owned by the company, including all civil, mechanical and electrical works, elevators and air conditioning works in a way that maintains the safety of the buildings.
6. To manage, operate, invest, lease and rent hotels, clubs, motels, entertainment houses, rest places, gardens, parks, exhibitions, restaurants, cafes, residential compounds, touristic and health spas, entertainment and sports facilities and stores at different levels and grades, including all principal and auxiliary services, appended facilities and other services required therefore.
7. To organize real estate exhibitions related to the real estate projects of the company pursuant to the regulations set forth by the Ministry.
8. To hold real estate bids pursuant to the regulations set forth by the Ministry.
9. To own and manage commercial markets and housing complexes.
10. To establish and manage real estate investment funds after obtaining the approval of the Central Bank of Kuwait.
11. To utilize financial surpluses available for the company by investing the same in financial portfolios managed by competent companies and entities.

نود إفادتكم بأن مجلس إدارة الشركة قد اجتمع يوم الثلاثاء الموافق 2016/05/10 في تمام الساعة 12:30 واعتد بالبيانات المالية المرحلية عن الربع الأول للشركة لفترة الثلاثة أشهر المنتهية في 2016/03/31، وفقاً لما يلي :-

We would like to inform you that the Company's board of directors has held a meeting on Tuesday at 12:30, and has approved the Company's interim financial statements for the three months period ended at 31/03/2016 in accordance to the following:-



شركة منشآت للمشاريع العقارية ش.م.ك. (عامة)
Munshat Real Estate Projects Co. K.S.C. (Public)

نموذج رقم: QF-FSA-0101-A	إصدار رقم: 1	تاريخ الإصدار: 05/5/15	مراجعة رقم: 4	تاريخ المراجعة: 2014/8/14	صفحة 2 من 8
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15/5/16

نسبة التغير % %Change	الربح الأول - فترة الثلاثة أشهر المنتهية	الربح الأول - فترة الثلاثة أشهر المنتهية	البيان Statement
	في 31/03/2015 (الفترة المقارنة) المبالغ بالدينار الكويتي First quarter- three month period ended at 2015/03/31 (Comparative period) Amounts in Kuwaiti Dinars	في 31/03/2016 (الفترة الحالية) المبالغ بالدينار الكويتي First quarter- three month period ended at 2016/03/31 (Current period) Amounts in Kuwaiti Dinars	
%140-	3,732,752	(1,493,493)	• Consolidated Statement of Income
%142-	12	(5)	صافي الربح / (الخسارة) * Net profit/(loss)*
			ربحية / (خسارة) السهم - فلس ** Earnings per Share - fils**
			• بيان الإيرادات و الأرباح التشغيلية
			• Statement of Revenue & Operating Profit
%152-	1,173,142	(609,187)	إجمالي الإيرادات التشغيلية Total operating revenue
%152-	1,173,142	(609,187)	صافي الربح / (الخسارة) التشغيلي Net operating profit (loss)

مراجعة رقب: 05/5/15 تاريخ الإصدار: 05/5/15 إصدار رقم: 1 نموذج رقم: QF-FSA-0101-A

بيان المركز المالي		• Statement of Financial Position	
%41-	26,913,235	15,988,152	الموجودات المتداولة
%22	132,351,681	162,123,869	إجمالي الموجودات
%31	41,230,284	56,477,649	المطلوبات المتداولة
%78	45,096,844	80,168,292	إجمالي المطلوبات
%4-	81,905,056	79,018,170	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم
			Total equity attributable to the owners of the parent Company

* صافي الربح (الخسارة) هو الخاص بمساهمي الشركة الأم.

*Net profit (loss) represents the amount attributable to the owners of the parent Company

**Basic Earnings per share

**ربحية (خسارة) السهم الأساسية.



• يعود سبب الانخفاض في صافي الربح إلى :

1. تسجيل أرباح من إطفاء مطلوبات مالية للفترة المقارنة المنتهية في 31 مارس 2015 بصافي مبلغ وقدره 3,752,978 دينار كويتي، في حين لم يتم تسجيل أرباح إطفاء مطلوبات مالية للفترة الحالية المنتهية في 31 مارس 2016،
2. تسجيل خسائر ناتجة عن تشغيل عقار مستأجر للفترة المنتهية في 31 مارس 2016 بمبلغ وقدره 1,490,401 دينار كويتي.

• The decrease in the net profit is due to the followings:

1. Recording of gain from extinguishment of financial liabilities for the comparative period ended 31 March 2015 by net amount of KD 3,752,978 (KD Nil for the current period ended 31 March 2016).
2. Recording of loss from operating of leasehold property for the current period ended 31 March 2016 by net amount of KD 1,490,401.

• بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة مبلغ 150,676 دينار كويتي.

- Total revenues realized from dealing with related parties amounting to KD 150,676.

• بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة مبلغ 126,032 دينار كويتي.

- Total expenditures incurred from dealing with related parties amounting to KD 126,032.



شركة منشآت للمشاريع العقارية ش.م.ك (عامة)
Munshaat Real Estate Projects Co. K.S.C. (Public)

نموذج رقم: QF-FSA-0101-A	إصدار رقم: 1	تاريخ الإصدار: 05/5/15	مراجعة رقم: 4	تاريخ المراجعة: 2014/8/14	صفحة 5 من 8
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(2) الإيرادات التشغيلية للشركة: Company's Operating Revenues:

الربع الأول - فترة الثلاثة أشهر المنتهية في 31/03/2015 (الفترة المقارنة) First quarter- three month period ended at 2015/03/31 (Comparative period)		الربع الأول - فترة الثلاثة أشهر المنتهية في 31/03/2016 (الفترة الحالية) First quarter- three month period ended at 2016/03/31 (Current period)		النشاط activity
النسبة إلى إجمالي الإيرادات Percentage to total revenues	المبلغ بالدينار الكويتي Amount in Dinars Kuwaiti	النسبة إلى إجمالي الإيرادات Percentage to total revenues	المبلغ بالدينار الكويتي Amount in Kuwaiti Dinars	
%16	194,765	%29-	144,316	أتعاب إدارة
%47	579,001	%135-	671,567	إيرادات من عقارات استثمارية
%1-	(15,004)	%14	(70,890)	خسائر / أرباح غير محققة من موجودات مالية بالقيمة العادلة من خلال الأرباح أو الخسائر
%1	18,000	%0	0	أرباح بيع إستثمارات مالية متاحة للبيع
%32	396,380	%27-	136,220	حصة في نتائج شركات زميلة
%0	0	%300	(1,490,401)	خسر تشغيل عقار مستأجر

يقصد بالإيرادات التشغيلية جميع الإيرادات الناتجة عن الأنشطة الرئيسية للشركة و ذلك وفقاً لمعايير المحاسبة الدولية.

Operating revenues represents all revenues resulting from the Company's main activities recognized in accordance with the International Accounting Standards.



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(3) تفاصيل (التحفظات / التأكيدات على بعض الجوانب / الفقرات توضيحية) الواردة في تقرير مراقبي الحسابات :

(أ) نلفت الانتباه إلى إيضاح 8 حول المعلومات المالية المرحلية المجمعة، الذي يبين أن الشركة الأم قد استلمت مذكرة بمطالبة ضريبية بمبلغ 1,891 مليون ريال سعودي (ما يعادل 153 مليون دينار كويتي) من مصلحة الزكاة والدخل ("المصلحة") بالمملكة العربية السعودية ("المطالبة الضريبية"). ورداً على المطالبة الضريبية، قامت الشركة الأم بتقديم كتاب اعتراض لدى المصلحة. استناداً إلى استشارة مستشار ضريبي، قدرت إدارة الشركة الأم وسجلت التزام ضريبي محتمل بمبلغ 12 مليون دينار كويتي في البيانات المالية المرحلية المجمعة كما في 31 مارس 2016. وعلى الرغم من الحقائق المذكورة أعلاه، فإنه يوجد عدم تأكد مادي فيما يتعلق بنتيجة المطالبة الضريبية. يمثل المخصص المدرج في الدفاتر كما في 31 مارس 2016 أفضل تقدير من إدارة الشركة الأم.

(ب) نلفت الانتباه إلى إيضاح 10 حول البيانات المالية المرحلية المجمعة والذي يبين أنه خلال عام 2015 ، قام مقاول أحد عقارات المجموعة في المملكة العربية السعودية برفع دعوى للمطالبة بمبلغ 501 مليون ريال سعودي (ما يعادل 41 مليون دينار كويتي) من الشركة الأم وقد قامت الشركة الأم في المقابل برفع دعوى مضادة للمطالبة بمبلغ 627 مليون ريال سعودي (ما يعادل 51 مليون دينار كويتي) ضد نفس المقاول وذلك للتأخير في انجاز المشروع. إن الدعوى قيد التحكيم حالياً لدى لجنة التحكيم السعودية. وترى إدارة الشركة الأم، استناداً إلى استشارة من مستشار قانوني مستقل، أن قرار التحكيم من المرجح أن يكون لصالح الشركة الأم، وبالتالي لم يتم إدراج أي مخصص لقاء هذه المطالبة في البيانات المالية المرحلية المجمعة كما في 31 مارس 2016.



منشآت

شركة منشآت للمشاريع العقارية ش.م.ك (عامة)
Munshaat Real Estate Projects Co. K.S.C. (Public)

نموذج رقم: QF-FSA-0101-A	إصدار رقم: 1	تاريخ الإصدار: 05/5/15	مراجعة رقم: 4	تاريخ المراجعة: 2014/8/14	صفحة 7 من 8
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3) Details of: (qualifications, emphasis of matters, and explanatory paragraphs) included in the auditors' report.

- a) We draw attention to Note 8 to the interim consolidated financial statements, which states that Parent Company has received a tax demand notice amounting to SAR 1,891 million (equivalent to KD 153 million) from the Department of Zakat and Income Tax ('DZIT), Kingdom of Saudi Arabia ("tax claim"). In response to the tax claim, the Parent Company has filed an objection letter with DZIT. Based on the advice from a tax consultant, the management of the Parent Company has estimated and recorded a potential tax liability of KD 12 million in the interim consolidated statement of financial position as at 31 March 2016. Notwithstanding the above facts, there is a significant material uncertainty as to the outcome of the tax claim. The provision made in the books as at 31 March 2016 represents the best estimate from the management of the Parent Company.
- b) We draw attention to Note 10 to the interim consolidated financial statements, which describes that, during the year 2015, the contractor of one of the properties of the Group in Kingdom of Saudi Arabia has claimed an amount of SAR 501 million (equivalent to KD 41 million) from the Parent Company and the Parent Company has counter claimed an amount of SAR 627 million (equivalent to KD 51 million) on the same contractor for the delay in completing the project. The claim is currently under arbitration in the Saudi Arbitration Committee. The management of the Parent Company, based on the advice from an independent legal counsel, believes that the outcome of the arbitration ruling would most probably be in favour of the Parent Company and hence no provision has been made for this claim in the interim consolidated financial statements as at 31 March 2016.

توقيع و ختم الشركة
Company's signature and seal



شركة منشآت للمشاريع العقارية ش.م.ك (عامة)
Munshaat Real Estate Projects Co. K.S.C. (Public)

صفحة 8 من 8	تاريخ المراجعة: 2014/8/14	مراجعة رقم: 4	تاريخ الإصدار: 05/5/15	إصدار رقم: 1	نموذج رقم: QF-FSA-0101-A
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working world

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EY ERNST & YOUNG
AL AIBAN, AL OSAIMI & PARTNERS
See Our Report Dated

10 MAY 2016

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF MUNSHAAT REAL ESTATE PROJECTS COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Munshaat Real Estate Projects Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group"), as at 31 March 2016, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Financial Reporting Standard, IAS 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated 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 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, it 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 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

- a) We draw attention to Note 8 to the interim condensed consolidated financial information, which states that Parent Company has received a tax demand notice amounting to SAR 1,891 million (equivalent to KD 153 million) from the Department of Zakat and Income Tax ('DZIT), Kingdom of Saudi Arabia ("tax claim"). In response to the tax claim, the Parent Company has filed an objection letter with DZIT. Based on the advice from a tax consultant, the management of the Parent Company has estimated and recorded a potential tax liability of KD 12 million in the interim condensed consolidated statement of financial position as at 31 March 2016. Notwithstanding the above facts, there is a significant material uncertainty as to the outcome of the tax claim. The provision made in the books as at 31 March 2016 represents the best estimate from the management of the Parent Company.



شركة منشآت للمشاريع العقارية ش.م.ك. (عامة)
Munshaat Real Estate Projects Co. K.S.C. (Public)

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF MUNSHAAT REAL ESTATE
PROJECTS COMPANY K.S.C.P. (continued)**

Emphasis of Matter (continued)

- b) We draw attention to Note 10 to the interim condensed consolidated financial information, which describes that, during the year 2015, the contractor of one of the properties of the Group in Kingdom of Saudi Arabia has claimed an amount of SAR 501 million (equivalent to KD 41 million) from the Parent Company and the Parent Company has counter claimed an amount of SAR 627 million (equivalent to KD 51 million) on the same contractor for the delay in completing the project. The claim is currently under arbitration with the Saudi Arbitration Committee. The management of the Parent Company, based on the advice from an independent legal counsel, believes that the outcome of the arbitration ruling would most probably be in favour of the Parent Company and hence no provision has been made for this claim in the interim condensed consolidated financial information as at 31 March 2016.

Our conclusion is not qualified for the above matters.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of Companies Law No. 1 of 2016 and the executive regulations of Law No. 25 of 2012, as amended and its executive regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three months period ended 31 March 2016 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations, during the three months period ended 31 March 2016 that might have had a material effect on the business of the Parent Company or on its financial position.

WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

DR. SAUD HAMAD AL-HUMAI
LICENSE NO. 51 A
DR. SAUD HAMAD AL-HUMAI & PARTNERS
MEMBER OF BAKER TILLY INTERNATIONAL

2016
Kuwait



شركة منشآت للمشاريع العقارية ش.م.ك (عامة)
Munshaat Real Estate Projects Co. K.S.C.P. (Public)

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AL AIBAN, AL OSAIMI & PARTNERS
See Our Report Dated

10 MAY 2016

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Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)
For the period ended 31 March 2016

	Note	Three months ended 31 March	
		2016 KD	2015 KD
Operating revenues	3	409,334	-
Operating cost	3	(1,899,734)	-
Gross loss		(1,490,400)	-
Income			
Management fees		144,316	194,765
Net income from investment properties		671,567	486,711
Gain on sale of financial assets available for sale		-	18,000
Unrealised loss from financial asset at fair value through statement of income		(70,890)	(15,004)
Gain from extinguishment of financial liabilities		-	3,752,978
Finance income		7,117	15,158
Other income		105,483	133,865
Share of results of associates		136,220	396,380
		(496,587)	4,982,853
Expenses			
General and administrative expenses		(876,189)	(906,938)
Depreciation		(9,928)	(22,889)
Finance costs		(300,683)	(200,392)
Provision for impairment loss on accounts receivable		-	(2,454)
Foreign exchange (loss) gain		(127,735)	131,096
		(1,314,535)	(1,001,577)
(Loss) profit for the period before contribution to Kuwait Foundation of Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") Zakat and overseas taxation		(1,811,122)	3,981,276
Contribution to KFAS		-	(36,943)
NLST		-	(97,658)
Zakat		-	(42,594)
Overseas taxation		(17,644)	-
(Loss) profit for the period		(1,828,766)	3,804,081
Attributable to:			
Equity holders of the Parent Company		(1,493,493)	3,732,752
Non-controlling interests		(335,273)	71,329
(Loss) profit for the period		(1,828,766)	3,804,081
Basic and diluted (loss) earnings per share attributable to the equity holders of the Parent Company	4	(5) Fils	12 Fils

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Munshaat Real Estate Projects Co. K.S.C. (Public)

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2016

	Notes	31 March 2016 KD	(Audited) 31 December 2015 KD	31 March 2015 KD
ASSETS				
Non-current assets				
Furniture and computers		80,554	81,662	102,620
Leasehold property		73,203,580	76,225,925	22,574,983
Investment properties		19,995,910	20,064,117	20,823,416
Prepaid operating lease		2,430,300	2,430,300	1,222,470
Investment in associates		43,252,290	43,159,298	53,315,052
Financial assets available for sale		7,173,083	7,173,083	7,399,905
		146,135,717	149,134,385	105,438,446
Current assets				
Financial asset at fair value through statement of income		173,287	244,177	285,060
Accounts receivable and prepayments		7,178,196	8,129,743	17,810,019
Trading properties		545,902	545,902	-
Bank balances and cash		8,090,767	10,523,839	8,818,156
		15,988,152	19,443,661	26,913,235
TOTAL ASSETS		162,123,869	168,578,046	132,351,681
EQUITY AND LIABILITIES				
Equity				
Share capital	6	32,200,000	32,200,000	32,200,000
Share premium		12,400,000	12,400,000	12,400,000
Statutory reserve		11,216,178	11,216,178	11,169,484
Voluntary reserve		6,789,172	6,789,172	6,742,478
Cumulative changes in fair values		1,042,855	1,042,855	820,946
Revaluation reserve		2,508,419	2,532,504	1,329,775
Foreign currency translation reserve		(140,059)	(181,693)	(118,134)
Retained earnings		13,001,605	14,495,098	17,360,507
Equity attributable to equity holders of the Parent Company		79,018,170	80,494,114	81,905,056
Non-controlling interests		2,937,407	3,135,059	5,349,781
Total equity		81,955,577	83,629,173	87,254,837
Liabilities				
Non-current liabilities				
Employees' end of service benefits		859,006	810,171	699,813
Islamic finance payables	7	20,436,630	19,243,259	745,472
Obligations under finance leases		1,750,460	1,730,184	1,779,991
Accounts payable and accruals	8	644,547	647,513	641,284
		23,690,643	22,431,127	3,866,560
Current liabilities				
Islamic finance payables	7	6,892,697	6,884,930	6,000,000
Obligations under finance leases		80,644	81,044	85,417
Accounts payable and accruals	8	49,504,308	55,551,772	35,144,867
		56,477,649	62,517,746	41,230,284
Total liabilities		80,168,292	84,948,873	45,096,844
TOTAL EQUITY AND LIABILITIES		162,123,869	168,578,046	132,351,681

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Zeyad Tareq Abdul Mohsen Al-Mukhaizeem
Chairman

Abdulaziz Ahmad Yousef Alsaqer
Chief Executive Officer



The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

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As at 31 March 2016

3 OPERATING REVENUES AND COSTS

	<i>Three months ended 31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>
Operating revenues		
Hotel revenue	409,334	-
Operating costs		
Hotel operating cost	(1,152,624)	-
Amortisation of leasehold property	(747,110)	-
	(1,899,734)	-

4 BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic and diluted (loss) earnings per share attributable to the equity holders of the Parent Company are calculated by dividing the (loss) profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Three months ended 31 March</i>	
	<i>2016</i>	<i>2015</i>
(Loss) profit for the period attributable to the equity holders of the Parent Company (KD)	(1,493,493)	3,732,752
Weighted average number of ordinary shares outstanding during the period (shares)	322,000,000	322,000,000
Basic and diluted (loss) earnings per share attributable to the equity holders of the Parent Company	(5) Fils	12 Fils

5 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties including hotel operator. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	<i>Ultimate Parent Company KD</i>	<i>Intermediate Parent Company KD</i>	<i>Associates KD</i>	<i>Other related parties KD</i>	<i>Three months ended 31 March</i>	
					<i>2016 KD</i>	<i>2015 KD</i>
Management fees	-	-	63,882	80,434	144,316	194,765
Finance income	6,360	-	-	-	6,360	9,755
Finance costs	(113,362)	(12,670)	-	-	(126,032)	(97,804)

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As at 31 March 2016

5 RELATED PARTY TRANSACTIONS (continued)

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	Ultimate Parent Company KD	Intermediate Parent Company KD	Major shareholders KD	Associates KD	Other related parties KD	31 March 2016 KD	(Audited) 31 December 2015 KD	31 March 2015 KD
Financial assets available for sale	-	-	-	-	4,178,787	4,178,787	4,178,787	4,984,783
Financial asset at fair value through statement of income	-	-	173,287	-	-	173,287	244,177	285,060
Bank balances and cash	2,455,003	-	-	-	-	2,455,003	3,066,285	1,130,548
Accounts receivable and prepayments	-	-	-	-	1,787,411	1,787,411	3,101,684	14,307,681
Accounts payable and accruals (current and non-current)	-	-	2,293,051	11,797,773	109,670	14,200,494	19,105,299	20,145,855
Islamic finance payables	20,436,630	892,697	-	-	-	21,329,327	20,128,189	745,472

Compensation of key management personnel

The remuneration of directors in their capacity as executives and other members of key management, during the period were as follows:

	Three months ended 31 March	
	2016 KD	2015 KD
Salaries and short-term benefits	162,024	124,661
Employee's end of service benefits	28,145	45,890
	<u>190,169</u>	<u>170,551</u>



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6 SHARE CAPITAL

	31 March 2016 KD	(Audited) 31 December 2015 KD	31 March 2015 KD
Authorised, issued and paid up capital consists of 322,000,000 (31 December 2015: 322,000,000 and 31 March 2015: 322,000,000) shares of 100 fils each, paid in cash.	32,200,000	32,200,000	32,200,000

The board of directors has not recommended cash dividend for the financial year ended 31 December 2015 which is subject to approval at the Annual General Meeting of the shareholders. The cash dividend proposed of 5 fils per share for the year end 31 December 2014 was paid to the shareholders registered in the Parent Company's records as of the Annual General Meeting date.

7 ISLAMIC FINANCE PAYABLES

	31 March 2016 KD	(Audited) 31 December 2015 KD	31 March 2015 KD
Murabaha payable			
current	6,989,005	6,914,798	6,000,000
non-current	-	-	900,201
Less: deferred profit payable	(96,308)	(29,868)	(154,729)
	6,892,697	6,884,930	6,745,472
Ijara payable – non current	21,379,386	20,148,349	-
Less: deferred profit payable	(942,756)	(905,090)	-
	27,329,327	26,128,189	6,745,472

Murabaha payables amounting to KD 6,090,616 (31 December 2015: KD 6,011,507 and 31 March 2015: KD 6,087,123) are secured by an investment property with a carrying value of KD 10,550,000 (31 December 2015: KD 10,550,000 and 31 March 2015: KD 11,209,000).

Ijara payable represents facility amounting to KD 25 Million taken by one of the subsidiaries of the Group from the Ultimate Parent Company for a period of 5 years, which will be automatically and compulsorily renewed till the complete payment of the financing amount and profit.

8 ACCOUNTS PAYABLE AND ACCRUALS

On 5 January 2016, Munshaat received a demand notice for SAR 1,891 million (equivalent to KD 153 million) from the Department of Zakat and Income Tax ("DZIT"), Kingdom of Saudi Arabia for the years 2003 to 2013 and claimed Capital gains tax, corporate income tax, withholding tax and penalties ("tax claim"). Refer 31 December 2015 consolidated financial statements for details.

The management of Munshaat believes that the tax claim do not reflect the correct application of tax laws in the Kingdom of Saudi Arabia, the correct nature of the operations of Munshaat and also the underlying numbers used in the computation of tax claim are significantly different from the actual results of operations. Further, the management of Munshaat has appointed a tax consultant in the Kingdom of Saudi Arabia to review the tax claim and has filed an objection letter dated 2 March 2016 with DZIT.

The management of Parent Company, based on the advice from a tax consultant, has computed the estimated impact of the aforesaid tax claim at the Group level and recorded a tax liability of KD 12,004,980 as 31 December 2015 and included in accounts payable and accruals. However, as on the date of these consolidated financial statements there is a significant uncertainty as to the outcome of the tax claim. The provision recorded represents the best estimate of the tax liability that may arise from the tax claim.