

Disclosure Amendment Form

Date	04/02/2020
Name of the listed Company	Mabaneer K.P.S.C
Disclosure subject	Financial Results 31/12/2019
Date of previous Disclosure	03/02/2020
Wrong statement in the previous declaration	The Accumulated loss / paid up share capital row
The Correct Declaration	The Accumulated loss / Paid-Up share capital is now presented as N/A
Statement of causes of error	Amendment on the financial results form




Financial Results Form
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية
للشركات الكويتية (د.ك.)

Select from the list	2019-12-31	اختر من القائمة
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Company Name	اسم الشركة
Mabane Company K.P.S.C	شركة المباني (ش.م.ك) عامة
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2020-02-03	
Required Documents	المستندات الواجب إرفاقها بالنموذج
<input checked="" type="checkbox"/> Approved financial statements	<input checked="" type="checkbox"/> نسخة من البيانات المالية المعتمدة
<input checked="" type="checkbox"/> Approved auditor's report	<input checked="" type="checkbox"/> نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%)	السنة المقارنة	السنة الحالية	البيان
Change (%)	Comparative Year	Current Year	Statement
	2018-12-31	2019-12-31	
7.39%	52,527,554	56,410,017	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
7.26%	50.57	54.24	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
95.90%	47,157,316	92,379,446	الموجودات المتداولة Current Assets
11.86%	862,753,005	965,088,571	إجمالي الموجودات Total Assets
98.29%	53,555,387	106,194,104	المطلوبات المتداولة Current Liabilities
10.82%	377,361,687	418,195,304	إجمالي المطلوبات Total Liabilities
11.25%	425,234,535	473,061,854	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
12.77%	85,449,945	96,362,123	إجمالي الإيرادات التشغيلية Total Operating Revenue
8.96%	58,890,866	64,166,891	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
NA	NA	NA	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

مباني²
mabane

التغيير (%)	الربع الربع المقارن	الربع الربع الحالي	البيان
Change (%)	Comparative Year	Current Year	Statement
	2018-12-31	2019-12-31	
6.00%	13,302,402	14,100,314	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
5.62%	12.81	13.53	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
15.51%	21,555,346	24,898,703	إجمالي الإيرادات التشغيلية Total Operating Revenue
2.66%	14,903,117	15,299,710	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)



• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
A gradual increase in the occupancy rate of Phase IV and benefits resulting from economies of scale has resulted in the bottom-line performance.	تسجيل نمو في الإيرادات التشغيلية للمرحلة الرابعة نتج عنه زيادة في صافي الربح
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 17,442,552	17,442,552 د.ك.
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 620,919	620,919 د.ك.

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
14%	A cash dividend of 14 fils per share		توزيعات نقدية Cash Dividends
6%	A bonus share issuance of 6% for every 100 shares		توزيعات أسهم منحة Bonus Share
Not applicable	غير مطابق		توزيعات أخرى Other Dividend
Not applicable	غير مطابق		عدم توزيع أرباح No Dividends
Not applicable		علاوة الإصدار Issue Premium	زيادة رأس المال Capital Increase
Not applicable		غير مطابق	تخفيض رأس المال Capital Decrease

The Company's comments in case the auditor has concerns or a qualified opinion	تعقيب الشركة في حال قيام مر قب الحسابات بإبداء ملاحظات أو تحفظات
Not applicable	غير مطابق

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		رئيس مجلس الإدارة	محمد عبد العزيز الشايح

Attach a copy of the financial statements approved by the Board of Directors and the approved auditor's report

يجب ارفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مر قب الحسابات المعتمد

Deloitte.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MABANEE COMPANY K.P.S.C

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mabanee Company K.P.S.C. (the "Parent Company") and its subsidiaries (collectively "the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key audit matter below, our description of how our audit addressed the matter is provided in that context.

Capitalization of costs of investment properties under development

The Group has significant capital expenditure with respect to the construction of new shopping complexes and hotels. During the year ended 31 December 2019, total expenditure capitalized was KD 53,107,815. The determination of the elements of cost that are eligible to be capitalized; and the identification and write off of costs relating to projects in progress that may not meet the relevant capitalization criteria, requires significant management judgment.

Due to the significance of capital expenditure and the significant management judgement required, this is considered a key audit matter. The capitalisation policy is given in the accounting policies section of the notes to the consolidated financial statements.

Our audit procedures included the assessment of policies, processes and procedures, which govern the capitalization of development costs. We have carried out substantive testing in relation to each element of cost capitalized using a sample of costs capitalized by reference to supporting evidence to understand the nature of the costs capitalized and consider whether they are in accordance with the applicable accounting policies. We have verified that the determination and computation of the capitalization rate of borrowing costs applied is in accordance with the related accounting policy and that borrowing costs that are capitalized are directly attributable to the construction of qualifying assets. We also verified, that borrowing costs for completed projects are no longer capitalized, and that costs relating to projects in progress meet the relevant capitalization criteria. In addition, we have verified management's disclosures related to capitalized costs, which are included in note 4 to the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MABANEE COMPANY K.P.S.C. (continued)

Other information included in the Annual Report of the Group for the year ended 31 December 2019

Management is responsible for the other information. Other information consists of the information included in the Group's 2019 Annual Report, other than the consolidated financial statements and our auditors' report thereon. We obtained the report of the Parent Company's Board of Directors, prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Annual Report after the date of our auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MABANEE COMPANY K.P.S.C. (continued)

Report on the Audit of Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to those charged with governance with a statement that we have complied with relevant ethical requirements regarding Independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that, we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2019 that might have had a material effect on the business of the Parent Company or on its financial position.



Talal Y. Al-Muzaini
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Deloitte & Touche
Al-Wazzan & Co.

Kuwait
3 February 2020



Bader A. Al-Abduljader
Licence No. 207A
EY
Al-Aiban, Al-Osaimi & Partners

MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES
Consolidated Statement of Financial Position as at 31 December 2019

	Notes	Kuwaiti Dinars	
		2019	2018
Assets			
Non-current assets			
Property and equipment	3	4,649,241	3,380,499
Investment properties	4	822,343,918	779,016,219
Investments in associates	5	30,658,604	27,729,325
Right of use assets	6	2,234,872	-
Prepayments	7	8,503,698	1,099,552
Investment securities	8	4,318,792	4,370,094
		<u>872,709,125</u>	<u>815,595,689</u>
Current assets			
Receivables from associates	19	248,433	2,614,810
Accounts receivable and prepayments	7	19,557,940	26,142,681
Cash and cash equivalents	9	72,573,073	18,399,825
		<u>92,379,446</u>	<u>47,157,316</u>
Total assets		<u>965,088,571</u>	<u>862,753,005</u>
Equity and liabilities			
Equity			
Share capital	10	104,254,148	98,352,970
Share premium	10	16,505,381	16,505,381
Statutory reserve	10	54,687,944	48,726,809
Voluntary reserve	10	60,965,924	48,726,809
Treasury shares	10	-	(2,233,474)
Treasury shares reserve		-	5,257,706
Foreign currency translation reserve		4,989,024	5,176,249
Fair value reserve		(1,361,203)	(1,550,623)
Other reserves		(972,684)	(972,684)
Retained earnings		233,993,320	207,245,392
Equity attributable to equity holders of the Parent Company		<u>473,061,854</u>	<u>425,234,535</u>
Non-controlling interest	21	73,831,413	60,156,783
Total equity		<u>546,893,267</u>	<u>485,391,318</u>
Non-current liabilities			
Provision for staff indemnity		2,366,432	1,810,272
Lease liabilities	14	1,075,617	-
Due to a related party	19	-	11,656,913
Other non-current liabilities	11	23,454,231	21,297,448
Term loans	12	7,000,000	11,000,000
Murabaha payables	13	278,104,920	278,041,667
		<u>312,001,200</u>	<u>323,806,300</u>
Current liabilities			
Term loans	12	4,000,000	4,000,000
Murabaha payables	13	51,463,487	10,237,645
Lease liabilities	14	105,854	-
Trade and other payables	15	50,624,763	39,317,742
		<u>106,194,104</u>	<u>53,555,387</u>
Total liabilities		<u>418,195,304</u>	<u>377,361,687</u>
Total equity and liabilities		<u>965,088,571</u>	<u>862,753,005</u>

The accompanying notes 1 to 26 are an integral part of these consolidated financial statements.



Mohammed Abdulaziz Alshaya
Chairman



MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES

Consolidated Statement of Income – for the year ended 31 December 2019

	Notes	Kuwaiti Dinars	
		2019	2018
Revenue from investment properties	17	96,362,123	85,449,945
Investment properties expenses	18	(22,119,911)	(17,839,617)
Depreciation on investment properties	4	(10,075,321)	(8,719,462)
Net revenue from investment properties		64,166,891	58,890,866
Net investment gain		320,276	246,000
General and administrative expenses		(2,012,274)	(2,427,145)
Finance costs		(4,006,622)	(2,379,079)
Other income		493,679	180,640
Share of results from associates	5	366,560	236,066
Profit for the year before contributions to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and Directors' fees		59,328,510	54,747,348
Contribution to KFAS		(536,107)	(496,916)
Contribution to NLST		(1,510,876)	(1,387,029)
Contribution to Zakat		(604,350)	(554,812)
Directors' fees		(550,000)	(200,000)
Profit for the year		56,127,177	52,108,591
Attributable to:			
Equity holders of the Parent Company		56,410,017	52,527,554
Non-controlling interests		(282,840)	(418,963)
		56,127,177	52,108,591
Basic and diluted earnings per share attributable to the equity holders of the Parent Company	20	54.24 fils	50.57 fils

The accompanying notes 1 to 26 are an integral part of these consolidated financial statements.