



**FIRST  
DUBAI**

THE POWER OF DEVELOPMENT

رأس المال المصرح به والمدفوع 100,000,000 د.ك. - سجل تجاري 94032 تاريخ التأسيس 2003

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التاريخ: 2020/01/27  
المرجع: FDC-FI-01-2020-0015

المحترمين

السادة / بورصة الكويت

تحية طيبة و بعد ،،،

الموضوع: البيانات المالية المجمعة للسنة المالية المنتهية  
في 2019/12/31 لشركة دبي الأولى للتطوير العقاري

**Subject: Annual Consolidated Financial Statements for the Year  
Ended at 31/12/2019 For First Dubai Real Estate Development Co.**

بالإشارة الى الموضوع أعلاه، تجدون مرفق طيه الآتي:

- افصاحات البيانات المالية المجمعة حسب نموذج بورصة الكويت.
- بيان المركز المالي المجمع.
- بيان الدخل المجمع.
- تقرير مراقبي الحسابات حول البيانات المالية المجمعة للسنة المالية المنتهية في 2019/12/31.

In reference to the above subject, kindly find attached as follow:

- Annual Consolidated Financial Statements disclosures according to Boursa Kuwait templates.
- Consolidated statement of financial position.
- Consolidated statement of income.
- Independent Auditors' Report on the Annual Consolidated Financial Statements for the year ended at 31/12/2019.

شاكرين لكم حسن تعاونكم،،،  
وتفضلوا بقبول فائق الاحترام،،،

سلوى نبيل ملحس  
نائب رئيس مجلس الإدارة



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
First Dubai Real Estate Development Company	شركة دبي الاولى للتطوير العقاري
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2020-01-27	
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

التغير (%)	السنة المقارنة	السنة الحالية	البيان
Change (%)	Comparative Year	Current Year	Statement
	2018-12-31	2019-12-31	
(69%)	2,943,265	910,738	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
(69%)	2.95 fils	0.91 fils	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
(79%)	10,476,679	2,223,382	الموجودات المتداولة Current Assets
(8%)	96,896,043	88,771,260	إجمالي الموجودات Total Assets
(68%)	3,171,590	1,020,881	المطلوبات المتداولة Current Liabilities
(47%)	17,929,824	9,455,462	إجمالي المطلوبات Total Liabilities
0.4%	74,019,125	74,341,721	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
(14%)	3,440,150	2,961,180	إجمالي الإيرادات التشغيلية Total Operating Revenue
(15%)	2,523,981	2,133,115	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
(3%)	(30%)	(29%)	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%)	الربع الرابع المقارن	الربع الرابع الحالي	البيان
Change (%)	Comparative Year	Current Year	Statement
	2018-12-31	2019-12-31	
2512%	20,621	538,602	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
2600%	0.02 fils	0.54 fils	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
(17%)	814,903	678,149	إجمالي الإيرادات التشغيلية Total Operating Revenue
(17%)	590,775	492,436	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)
The decrease in the net profit is mainly due to change in fair value of investment properties in comparative year relative to the current year.	إن سبب انخفاض صافي الربح بشكل رئيسي هو التغير في القيمة العادلة للعقارات الاستثمارية بالسنة المقارنة نسبة الى السنة الحالية.
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
<b>KD 151,196</b>	<b>د.ك 151,196</b>
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
<b>KD 436,650</b>	<b>د.ك 436,650</b>

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
لا يوجد		لا يوجد	توزيعات نقدية Cash Dividends
لا يوجد		لا يوجد	توزيعات أسهم منحة Bonus Share
لا يوجد		لا يوجد	توزيعات أخرى Other Dividend
لا يوجد		√	عدم توزيع أرباح No Dividends
لا يوجد	لا يوجد	لا يوجد	زيادة رأس المال Capital Increase
لا يوجد	لا يوجد	لا يوجد	تخفيض رأس المال Capital Decrease

The Company's comments in case the auditor has concerns or a qualified opinion	تعقيب الشركة في حال قيام مراقب الحسابات بإبداء ملاحظات أو تحفظات
There were no qualifications or concerns mentioned in the auditor's report.	لا توجد أي ملاحظات أو تحفظات واردة في تقرير مراقب الحسابات.

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		نائب رئيس مجلس الإدارة	سلوى نبيل ملحس

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

يجب أرفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مراقب الحسابات المعتمد

RSM Albazle & Co.

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## **INDEPENDENT AUDITOR'S REPORT**

The Shareholders  
First Dubai Real Estate Development Company - K.S.C. (Public)  
State of Kuwait

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of First Dubai Real Estate Development Company - K.S.C. (Public) (the "Parent Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position at of December 31, 2019, and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and 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 December 31, 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 Auditor's 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) together with ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Kuwait, 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 without providing a separate opinion on these matters. We identified the following key audit matter:

#### **Valuation of investment properties**

Investment properties amounting to KD 67,551,426 form a significant part of the total assets of the Group. The determination of the fair value of such properties is a subjective area and is highly dependent on judgements and estimates. Accordingly, the valuation of investment properties is considered a key audit matter. The Group performs an annual valuation exercise through licensed valuers to determine the fair value of the investment properties. These valuations are dependent on certain key assumptions such as estimated rental revenues, discount rates, occupancy rates, market knowledge, developers risk and historical transactions. In estimating the fair value of investment properties, valuers used the income capitalization and comparable market prices and had considered the nature and usage of the investment properties. We reviewed the valuation reports from the licensed valuers and checked the adequacy of disclosures in the consolidated financial statements, which is included in Note 9.

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#### Other Information

Other information consists of the information included in the Group's 2019 Annual Report, other than the consolidated financial statements and our auditor's report therein. Management is responsible for the other information. Our opinion on the consolidated financial statements does not cover the other information attached to it, 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Parent Company's 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 assigned for overseeing and supervision of financial statements preparation.

#### Auditor's 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 auditor's 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 Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Group's management.

- 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 auditor's 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 evidences 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.

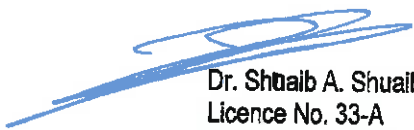
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 auditor's 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 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 and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of association, as amended, have occurred during the financial year ended December 31, 2019, that might have had a material effect on the business or financial position of the Parent Company.

State of Kuwait  
January 27, 2020



Dr. Shuaib A. Shuaib  
Licence No. 33-A  
RSM Albazie & Co.

FIRST DUBAI REAL ESTATE DEVELOPMENT COMPANY – K.S.C. (PUBLIC)  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2019  
(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Note	2019	2018
<b>Current assets:</b>			
Cash and cash equivalents	3	108,820	1,037,555
Financial assets at fair value through profit or loss	4	1,606,869	1,858,887
Due from a related party	5	-	6,628,708
Accounts receivable and other debit balances	6	238,567	518,898
Properties held for trading	7	269,126	432,631
Total current assets		2,223,382	10,476,679
<b>Non-current assets:</b>			
Financial assets at fair value through other comprehensive income	8	5,717,273	6,205,452
Investment properties	9	67,551,426	67,572,118
Investment in an associate	10	13,279,179	12,641,794
Total non-current assets		86,547,878	86,419,364
Total assets		88,771,260	96,896,043
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current liabilities:</b>			
Accounts payable and other credit balances	11	1,020,881	1,393,157
Ijara payable	12	-	1,778,433
Total current liabilities		1,020,881	3,171,590
<b>Non-current liabilities:</b>			
Ijara payable	12	-	14,599,691
Due to a related party	5	8,245,486	-
Provision for end of services indemnity		188,095	158,543
Total non-current liabilities		8,434,581	14,758,234
Total liabilities		9,455,462	17,929,824
<b>Equity:</b>			
Capital	13	100,000,000	100,000,000
Share premium		2,760	2,760
Treasury shares	14	(664,834)	(664,834)
Treasury shares reserve		1,319	1,319
Statutory reserve	15	1,206,469	1,206,469
Voluntary reserve	16	1,206,469	1,206,469
Employees' share option reserve		66,140	66,140
Other reserves		(320,567)	(320,567)
Fair value reserve		(1,844,952)	(1,324,274)
Effect of changes in other comprehensive income of an associate		34,367	35,335
Foreign currencies translation reserve		3,749,471	3,815,967
Accumulated losses		(29,094,921)	(30,005,659)
Equity attributable to shareholders of the Parent Company		74,341,721	74,019,125
Non-controlling interests	21	4,974,077	4,947,094
Total equity		79,315,798	78,966,219
Total liabilities and equity		88,771,260	96,896,043

The accompanying notes from (1) to (25) form an integral part of the consolidated financial statements

  
\_\_\_\_\_  
Salwa Nabil Malhas  
Vice Chairman

  
\_\_\_\_\_  
Abdullah Faisal Al Sultan  
Chief Executive Officer



**FIRST DUBAI REAL ESTATE DEVELOPMENT COMPANY – K.S.C. (PUBLIC)**  
**AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019**  
(All amounts are in Kuwaiti Dinars)

	Note	2019	2018
<b>Revenue:</b>			
Revenue from sale of properties held for trading		129,620	227,903
Rental income		2,672,240	3,031,383
Net management fees and commission income		159,320	180,864
Total revenue		<u>2,961,180</u>	<u>3,440,150</u>
<b>Cost:</b>			
Cost of sale of properties held for trading		(147,789)	(172,082)
Rental cost		(680,276)	(744,087)
Total cost		<u>(828,065)</u>	<u>(916,169)</u>
Gross profit		2,133,115	2,523,981
Change in fair value of investment properties	9	(22,861)	1,938,095
Impairment loss of properties held for trading	7	(15,698)	(522)
Group's share of results from an associate	10	638,353	744,736
General and administrative expenses		(618,066)	(660,855)
Allowance for expected credit losses	6	(224,055)	(271,284)
Operating profit		<u>1,890,788</u>	<u>4,274,151</u>
Net investment income (loss)	17	1,619	(304,427)
Finance charges		(610,403)	(962,736)
Net other income and expenses	18	(357,723)	481,476
Profit for the year before National Labor Support Tax and Contribution to Zakat		924,281	3,488,464
National Labor Support Tax		(13,614)	(59,756)
Contribution to Zakat		(5,445)	(23,903)
Net profit for the year		<u>905,222</u>	<u>3,404,805</u>
<b>Attributable to:</b>			
Shareholders of the Parent Company		910,738	2,943,265
Non-controlling interests		(5,516)	461,540
Net profit for the year		<u>905,222</u>	<u>3,404,805</u>
Basic and Diluted earnings per share attributable to Shareholders of the Parent Company (Fils)	19	<u>0.91</u>	<u>2.95</u>

The accompanying notes from (1) to (25) form an integral part of the consolidated financial statements