

Al Mazaya Holding Company grants 6 percent dividend to shareholders

Excellent 2013 performance praised at annual company meeting

The Al Mazaya Holding Company 2013 Ordinary and Extraordinary General Meeting were held last week in Al Mazaya Tower 1 in the heart of Kuwait City.

XX percent of shareholders attended.

Company Chairman Rashid Yacob Al Nafisi presided over the meeting, at which were also present all Board members, CEO Ibrahim Al Saqabi, representatives from the Ministry of Trade and Industry, official auditors, company executives, investors and the media.

Mr Al Nafisi opened the meeting by reading the board's report of the year to December 31, 2013. He said Al Mazaya Holding Company had enjoyed an excellent year in which it had continued to build on the gains made in 2012 and had seen profits rise by some 2000 percent to KD6m.

Mr Al Nafisi stressed that economic conditions had not been straightforward: Al Mazaya Holding Company had faced political and economic challenges over the course of the year, he said.

He added the company had also had to adjust to changes in its traditional funding structure.

He praised management for steering the company through adversity since the onset of the global financial crisis. He said the company's strategy of focusing on innovation to ensure income-generating assets were maximised had proved correct.

He added that moves to reschedule the terms of existing borrowing had proved prudent, as had obtaining credit valued at KD14.75m from Kuwait International Bank to pay down maturing obligations.

Henceforth, he said, Al Mazaya Holding Company would look to Sharia-compliant investment models through which to channel all borrowing.

Much work had taken place during the year to streamline Al Mazaya Holding Company, Mr Al Nafisi said, including internal management restructuring and the implementation of a company-wide code of conduct.

Mr Al Nafisi concluded by thanking everyone involved in Al Mazaya Holding Company for their hard work in 2013. He said the company had finished the year in a strong position from which to capitalise on the possibilities and opportunities of the future.

Al Mazaya Holding Company was one of the Gulf's most important and influential companies, he said.

Financial Results

Mr Al Nafisi reviewed the Al Mazaya Holding Company financial results for 2013. The company assets at the end of the year were valued at KD228m, he said, compared to KD221m a year previously. Shareholder equity was KD91m, up from KD83.3 in 2012. The company's short-term obligations had decreased by 13.55 percent during the year, he said.

AGM Agenda

Mr Al Nafisi approved the auditor's report for the year to December 31, 2013. He also approved the Board of Directors recommendation that all shareholders should receive a six percent dividend.

Mr Al Nafisi approved the Board's proposal to adjust their own remuneration.

A scheme to incentivise employees by granting equity was also approved.

Mr Al Nafisi reappointed the company's official auditors for the year ending December 31, 2014.

Extraordinary General Meeting

At the Extraordinary General, which commenced following the conclusion of the Ordinary General Meeting, the Assembly approved amendments to company statutes 17, 19, 20, 21 and 23, all of which pertained to the membership of the Board.

Also approved were amendments to statutes 24, 25, 26 and 28, which related to the frequency of Board meetings, the ability of the Board to sign-off company-specific documents and Board remuneration.

The Assembly ratified the amendment of items 33 and 34 of the statute relating to the invitation of shareholders to attend General Assembly meetings.

Chief Executive Officer

Al Mazaya Holding Company CEO Eng. Ibrahim Al Saqabi said the company had enjoyed much success in the real estate sector, which he attributed to excellent strategic planning and management. Many milestones had been achieved over the course of the year, he said, adding the company had finished the year strongly positioned to continue gains in 2014.

Al Mazaya Holding Company real estate income generating assets by the end of the year had contributed some KD4m, Eng Al Saqabi said.

Several exciting new real estate projects had been commenced during the year that would strengthen the company's overall financial position when they were completed, he added.

Eng Al Saqabi gave a presentation in which showed attendees photographs of Al Mazaya Holding Company real estate projects and discussed the ways in which the company had become a major force in the Gulf's property sector.

He praised initiatives to reschedule debt obligations and drew attention to the excellence of projects such as The Villa and Q-Point in Dubai. Two of the Al Mazaya Towers project in Kuwait had been fully leased, he said, while a third tower would be fully leased by the end of 2014.

Eng Al Saqabi said he was very optimistic about the prospects for the Al Mazaya Holding Company in 2014, particularly in the industrial real estate sector. Involvement in the Bahrain Investment Port project, worth some KD6m, would likely generate significant revenue, he said.

He added the company was currently considering a large number of interesting projects and had conducted many feasibility studies throughout the Gulf to ensure decisions that were made would be the correct ones for the long-term health of the company.

Eng Al Saqabi told the audience that at all times in 2013 the Al Mazaya Holding Company had complied with all directives issued by the Capital Markets Authority and had strengthened a reputation for transparency.

He concluded his presentation with an overview of 2014 and gave a timetable for engagement in new projects and completion of existing projects.