

almowazi.com 2015 Report

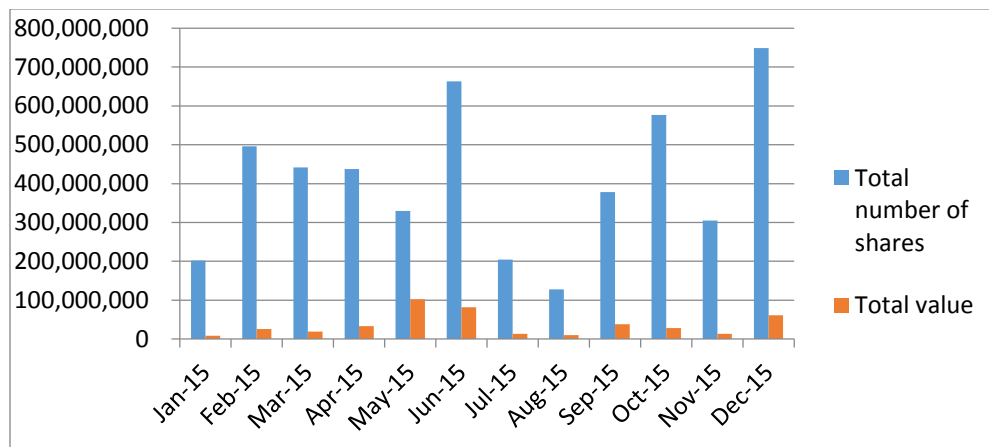
Almowazi.com published a specialized report focused on the Kuwaiti unlisted shareholding companies in 2015. The year 2015 witnessed an increase in the value traded of unlisted shareholding companies. Value traded jumped 38% to KWD 435.7 mn compared to KWD 313.3 mn in the previous year. Traded volume of unlisted companies increased by 1.24% reaching 4.910 bn shares compared to 4.850 bn in 2014. The trading volume was distributed among 320 companies compared to 301 companies in 2014 with a total number of transactions amounting to 2,519 across different sectors compared to 2,380 transactions in 2014.

2015 could be dubbed as the year of acquisitions due to growing momentum in trading and an increase in acquisitions on unlisted shareholding companies by new investors. 5 unlisted shareholding companies were behind the trading momentum in 2015 and they are; Rasameel Structured Finance Company, Al-Masaken United Real Estate Co., Agriculture food product Co. , Abyat Megastore Co and Mezzan Holding Co. (which was later listed in Kuwait Stock Exchange). The five companies above acquired 27% of the trading value amounting to KWD 118.7mn.

This leads to the following question - are current owners of successful unlisted companies willing to expand their success through cooperation with new investors?

On a negative note 2015 witnessed a decline in value of newly established companies- by excluding the capital of establishing Kuwait Airways Corporation which was valued at KWD 1.2 bn the capital of newly established companies reached KWD 12 mn compared to KWD 411 mn in 2014.

Total Volume & Value of Unlisted Shares Traded in 2015

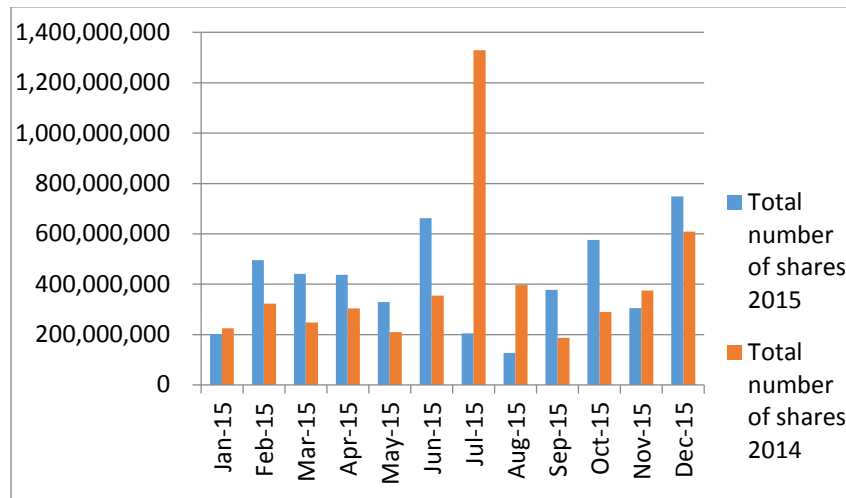


Monthly Volumes & Value of Unlisted Shareholding Companies

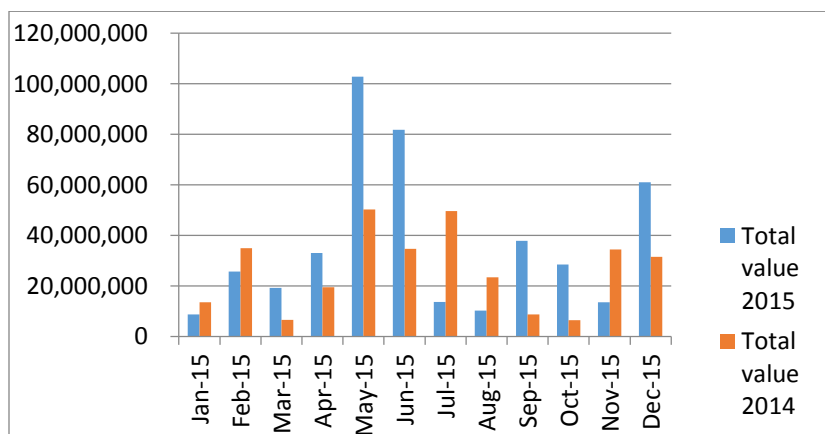
	Total Volume of Shares 2015	Total Volume of Shares 2014	Total Value (KWD) 2015	Total Value (KWD) 2014
Jan	202,073,463	224,646,687	8,675,060	13,486,872
Feb	495,897,010	322,765,168	25,712,526	34,944,217
March	441,619,736	247,827,881	19,214,400	6,591,468
April	437,566,745	304,362,950	33,006,811	19,397,404
May	329,306,666	209,533,530	102,754,794	50,279,155
June	662,787,245	354,548,468	81,810,967	34,694,008
July	204,728,397	1,329,819,514	13,571,597	49,616,073
Aug	127,601,450	396,479,157	10,211,621	23,432,226
Sept	378,157,244	186,536,022	37,835,432	8,707,212
Oct	576,405,889	289,622,134	28,432,226	6,431,129
Nov	305,182,733	375,557,614	13,506,367	34,381,851
Dec	748,766,733	608,220,014	60,969,671	31,468,493
Total	4,910,093,311	4,849,919,139	435,701,472	313,430,108

****Source: Kuwait Stock Exchange**

**Total Volume of Shares in 2015 Comparing with
Total Volume of Shares in 2014
for Unlisted Shareholding Companies**



**Total Transactions Value in 2015 Comparing with
Total Transactions Value in 2014
for Unlisted Shareholding Companies**



Number of Unlisted Shareholding Companies traded

Sector	2014	2015
	No. of Companies	No. of Companies
Holding	88	95
Investment	41	38
Real Estate	53	53
Food	5	6
Insurance	5	6
Services	102	107
Manufacturing	7	15
Total	301	320

Holding companies had the largest share of trading in 2015 amounting to 1.65 bn traded shares, followed by the services sector with volumes reaching 1.13bn stocks. The real estate sector came in third with trading volumes of 1.066 Bn stocks while the investment sector came in fourth with trading volumes amounting to 799 mn stocks in 2015. Fifth on the list is the manufacturing sector with a trading volume of 152 mn stocks, followed by the insurance sector with 73 mn stocks traded in 2015. At the end of the pack the food sector had a trading volume of only 27 mn stocks.

Trading Volumes & Values of Unlisted Shareholding Companies by Sector

Sector	2014		2015	
	Total Volume of Traded Shares "in Bn"	Total Transactions Value "in Mn"	Total Volume of Traded Shares "in Bn"	Total Transactions Value "in Mn"
Holding	1.627	91.282	1.658	141.681
Real Estate	1.600	82.528	1.066	74.075
Services	0.905	89.489	1.131	139.471
Investments	0.643	41.834	0.799	43.037
Manufacturing	0.065	8.035	0.152	23.226
Insurance	0.007	0.196	0.073	5.686
Food	0.040	0.003	0.027	8.520
Total	4.887	313.367	4.910	435.701

Changes in Capital of Unlisted Shareholding Companies in 2015

Almowazi.com monitored the changes in capital of 52 unlisted companies during 2015.

26 companies increased their capital by KWD 200.215mn mostly to expand their investment horizon and bridge financing gaps while strengthening their balance sheets. On the other side of the spectrum 26 companies decreased their capital by KWD 155.29mn in order to extinguish compounded losses and/or return excess capital back to investors.

Amount of the Increase in Unlisted Shareholding Companies' capital in 2015

No	Company	Former capital (KWD)	Current capital (KWD)	Amount of increase (KWD)
1	HasibatInformation Technologies Company	500,000	1,000,000	500,000
2	Mareena Tower Real Estate Company	15,000,000	21,000,000	6,000,000
3	Kirby Kuwait Building Systems Company	400,000	4,252,524	3,852,524
4	Bukhamseen Holding Group	5,000,000	50,000,000	45,000,000
5	Doroob Real Estate Company	5,050,000	32,000,000	26,950,000
6	Bostan United Real Estate Company	1,000,000	55,000,000	54,000,000
7	Aladiyat International Real Estate Company	1,000,000	2,200,000	1,200,000
8	International Educational Services Real Estate Company	3,000,000	20,000,000	17,000,000
9	Gulf Food Company	1,000,000	10,000,000	9,000,000
10	Misbah Kuwaiti company for Aluminium Works	1,000,000	1,600,000	600,000
11	Ahmadi Holding Company	1,000,000	1,250,000	250,000
12	Donia Holding Company	1,000,000	2,100,000	1,100,000
13	Nahda Global Real Estate Company	1,000,000	7,678,000	6,678,000
14	Kuwait Medical Center Inc	28,536,000	29,037,000	501,000
15	Orchid Real Estate Company	10,000,000	15,000,000	5,000,000
16	Integrated Holding Company	17,000,500	19,000,000	1,999,500
17	Gulf International Company for Education	500,000	1,500,000	1,000,000
18	Um Al-Qura Foundation for Educational Services	15,243,250	17,942,830	2,699,580
19	Gulf Development House	5,000,000	9,913,876	4,913,876
20	Rawahel Kuwait Transport Company	500,000	1,000,000	500,000
21	KFH Brokerage Company	5,737,303	6,655,272	917,969
22	Gulf Business Services and Recruitment Group	500,000	1,000,000	500,000
23	Abyat Megastore Company	6,352,930	12,352,930	6,000,000
24	World of technology company for medical equipment	1,070,000	1,123,500	53,500
25	Canar Holding Company	3,000,000	4,000,000	1,000,000
26	Gulf Insurance & Reinsurance Co.	12,000,000	15,000,000	3,000,000
TOTAL				200,215,949

Amount of Reduction in Unlisted Shareholding Companies' Capital in 2015

N	Company's Name	Former capital (KWD)	Current Capital (KWD)	Amount of Reduction (KWD)
1	MashfaMedical Services Company	3,000,000	1,855,388	1,144,612
2	Alwaha Holding Company	3,000,000	2,100,000	900,000
3	Kuwaiti company for the manufacture of catalysts	5,180,000	4,180,000	1,000,000
4	TARFEEH Holding Company	20,000,000	3,000,000	17,000,000
5	National Gate Computer Systems Co.	3,000,000	1,500,000	1,500,000
6	Petrolko International Petroleum Business co	3,000,000	1,500,000	1,500,000
7	Kuwait Computer Services Company	1,650,000	1,000,000	650,000
8	KQ United Real Estate	30,492,000	1,100,000	29,392,000
9	United Entertainment and Tourism Company	25,000,000	5,886,136	19,113,864
10	Gulf Real Estate Projects Company	9,000,000	6,300,000	2,700,000
11	T'azur Takaful Insurance Company	10,000,000	5,000,000	5,000,000
12	United International Catering Company	1,277,500	1,000,000	277,500
13	Spirit Real Estate development Company	23,566,666	14,220,000	9,346,666
14	Alsafat global holding company	11,000,000	6,675,000	4,325,000
15	Ebla International Film Production Company	510,000	260,000	250,000
16	Sorooh Investment Company	19,834,000	7,809,000	12,025,000
17	Dimah Capital Investment Company	24,937,593	15,000,000	9,937,593
18	Energy Company Real Estate	3,000,000	1,500,000	1,500,000
19	Al Retaj Holding Company	25,000,000	16,640,555	8,359,445
20	Zima Holding Company	5,000,000	3,000,000	2,000,000
21	Universal Payment Services Company (UPS)	10,409,400	2,754,304	7,655,096
22	Kuwait German Holding Company	74,000,000	67,340,000	6,660,000
23	Arab Company for Logistic Services	3,000,000	750,000	2,250,000
24	Shaaer Holding Group	13,650,000	7,837,726	5,812,274
25	Abawarq United for Real Estate Development co	5,000,000	1,100,000	3,900,000
26	Aknan Global Holding Company	7,285,000	6,190,295	1,094,705
Total				155,293,755

Listing & Delisting from Kuwait Stock Exchange

In terms of listing and delisting on the Kuwait Stock exchange in 2015 we witnessed a single listing on June by Mezzan Holding. On the other hand 4 companies officially delisted in 2015 and they are; Pearl of Kuwait Real Estate, Union Real Estate company, Al-Qurain Holding and Manafea Holding. With that the number of delisted companies reached 32 companies with a combined market value of KWD 335 mn which equates to only 1.3% of Kuwait Stock Exchange's market value, as most of the companies were delisted after the inauguration of the CMA.

It is also expected that more companies will delisted in 2016 due to the sheer number of announced delisting yet to be approved.

Delisted Companies from Kuwait Stock Exchange

N	Company's Name	Delisting Date
1	Bank of Bahrain and Kuwait (BBK)	2009
2	SHUAA Capital Company	2009
3	Commercial International Bank	2010
4	Gulf Rocks Company	2011
5	International Investment Group	2012
6	wataniya airways	2012
7	Al-Safat global Holding Company	2012
8	Villa Moda Life Style Company	2012
9	AIABRAJ Holding Company	2012
10	International Leasing & Investment Company	2012
11	The Investment Dar Company	2012
12	Network Holding Company (Nhc)	2012
13	Gulf International Investment Company - gulf-invest	2012
14	Mena Holding Company	2012
15	Al-Masar Leasing & Investment Company	2012
16	AREF Investment Group	2012
17	Grand Real estate Company	2012
18	The International Investor Company	2012
19	Arab Insurance Group (Arig)	2012
20	United Gulf Bank (UGB)	2013
21	Al-Ahlia Holding Company	2013
22	Al-Safat Investment Co. (K,S,C)	2013
23	Global Investment House	2013
24	Safwa group holding company	2014
25	Industrial & Financial Investments Company	2014
26	Kuwait Pipe Industries & Oil Services Company	2014
27	United Industries Company (UIC)	2014
28	Kuwait Commercial Markets Complex Company	2014
29	Pearl Of Kuwait Real Estate Co.	2015
30	Union Real Estate Company	2015
31	Manafea Holding Company	2015
32	Al Qurain Holding Company	2015

Companies Discuss Its Delisting from Kuwait Stock Exchange		
1	Strategia Investment Company	2016-03-01
2	Kout Food Group	2016-03-08
3	Kuwait Packing Materials Manufacturing Co	2016-04-17
4	Al-Nawadi Holding Company	2016-05-02
5	Metal & Recycling Company	Discuss delisting
6	Securities Group	Discuss delisting
7	United Food Stuff Industries Group	Discuss delisting
8	Nafais Holding Company	Discuss delisting
9	Kuwait Medical Services Company	Discuss delisting
10	Dar Al-Thuraya Real Estate Cmopnay	Discuss delisting
11	City Group Company	Discuss delisting
12	Kuwait United Poultry Company	Discuss delisting
13	Mouwasat health care Company	Discuss delisting
14	Gulf Glass Manufacturing Company	Discuss delisting
15	Refrigeration Industries & Storage Company	Discuss delisting

Establishing New Companies

Almowazi.com's report shows that 22 shareholding companies were established in 2015 compared to 18 in 2014. The total number of announced capital of newly established companies in 2015 amounted to KWD 1.215bn compared to KWD 411.35 mn in 2014. The amount is distributed among various sectors including 12 holding companies, 2 Real Estate companies and 8 companies in the service sector. It is worth to note that the services sector had the lion's share of newly established entities in terms of capital and the major player in 2015 was Kuwait Airways with a capital of KD 1.2 bn. However if Kuwait Airways was cast out as an outlier we noticed that 2015 has a low turnout as capital for newly established companies would amount to KWD 12 mn if Kuwait airways was excluded.

Number of Established Companies in 2015 Comparing with 2014

Sector	2014		2015	
	No. of Companies	Sector Capital-KWD in Mn	No. of Companies	Sector Capital-KWD in Mn
Holding	3	99.00	12	10.63
Real Estate	6	55.60	2	2.20
Services	8	248.75	8	1203.03
Investments	1	8.00	0	0
Total	18	411.35	22	1215.86

Liquidation of Unlisted Shareholding Companies

The report shows that 2015 witnessed, 27, liquidation in the unlisted shareholding companies sphere, compared to, 37 liquidations in 2014. Among liquidated companies in 2015, 8 were holding companies, 5 were in the Real Estate sector, one company in the insurance sector, a single company in the manufacturing sector and 12 companies in the services sector.

Sector	2014	2015
	No. of Companies	No. of Companies
Holding	3	8
Investment	1	0
Real Estate	7	5
Insurance	1	1
Manufacturing	2	1
Food	2	0
Services	21	12
Total	37	27

Main Headlines

- 1) Are current owners of successful unlisted shareholding companies willing to expand their success through cooperation with new investors?
- 2) Unlisted shareholding companies traded 4.910 billion stocks worth KWD 435.7 mn in 2015.
- 3) A sharp decline in establishing new shareholding companies.
- 4) 32 companies were delisted from the Kuwait stock market since the inauguration of the CMA, out of which 4 were delisted in 2015.
- 5) 2016 will witness higher numbers of delisting away from the Kuwaiti Bourse.
- 6) 2015 witnessed KWD 197 mn increase in Capital among unlisted companies and 155 reduction of capital in unlisted shareholding companies.
- 7) Stocks of 320 unlisted shareholding companies were traded in 2015.
- 8) 27 unlisted shareholding companies were liquidated in 2015.