

# Dilmunia Development Fund I L.P. Enhancing Life, Restoring Balance

1st January 2015 to 30th June 2015



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The Fund Manager, Ithmaar Bank B.S.C. is pleased to release the twentieth Dilmunia Development Fund I L.P. (the “Fund”) Investor Report, on behalf of Ithmaar-Dilmunia General Partner Company limited, for the period ending 30th June 2015.





Dear Investor,

Welcome to the 20th edition of the Dilmunia Development Fund I L.P. Investors' Report, covering the period from 1 January 2015 to 30 June 2015. On behalf of Ithmaar-Dilmunia General Partner Company Limited, we are pleased to report that we remain on schedule towards the completion of Dilmunia's infrastructure, and meeting all targets related to the individual projects within the master development.

A major milestone during this period was the official approval of our master plan sub-divisions in April 2015, making, Dilmunia the newest part of Bahrain's national plan, and opening the door for title deed issuance. Meetings with the Survey and Land Registration Bureau also initiated, with the aim of completing this process as soon as possible.

Our major sales during the period included three canal plots of mix-use classification, totaling 20,375.68 sqm area, which were bought by a major Bahraini developer.

Phase I infrastructure works are reaching their final stages with the completion of many water valves and fittings, as well as the commencement of street light pole erection and first course asphaltting of the arterial and distributor roads.

Planning permits for the external 66kV cabling works for the first primary substation are expected to be obtained soon, and discussions with the Electricity and Water Authority ("EWA") on the second substation have also been initiated. Work on the water transmission pipeline continued its progress, with the near completion of detailed designs and advanced works on the Dry Dock Highway, which will help connect Dilmunia to the national water system.

We expect to update you on several major milestones in upcoming editions of this report as various Dilmunia projects near completion, and more properties begin to be offered to the public. This is a very exciting time for us and we thank you for joining us on this journey.

Best regards,  
Fund Manager, Ithmaar Bank B.S.C. ("Ithmaar")

# Dilmunia Key Developments

- **Three mix-use canal plots totaling 20,375.68 sqm in area were sold to a major Bahraini developer.**
- **Bahraini developer, Cooperation Investment House B.S.C. (C) started construction on the Essence at Dilmunia, a 300-apartment residential project.**
- **The official master plan approval was obtained in April 2015, and the title deeds issuance process launched.**
- **All plant equipment was delivered and placed at Dilmunia's first 66kV primary station.**
- **Water Transmission pipeline design work continues ahead of connecting Dilmunia to the national water system.**
- **Street light pole erection and connection to the power network commenced, as did first course asphaltting of the arterial road.**

## Master Plan:

- Dilmunia's subdivisions were officially approved by the Ministry of Works, Municipalities and Urban Planning, with the issuance of an official map in April 2015. The document, which follows various discussions with the Urban Planning Authority during Q1 2015, paves the way for title deed issuances, already in progress through the Survey and Land Registration Bureau.

## Infrastructure Design:

- Submissions in response to the Request for Proposal ("RFP") for the design of the Dilmunia Gateway Bridge were reviewed, and clarification meetings took place with two preferred consultants.
- Following the completion of tendering and a tender assessment report, a design consultant will provide concepts for 14 plots in the Canal District Development and is expected to be appointed in Q3 2015. Overlooking Dilmunia's canal, a central feature of the master plan, the development will consist of commercial, residential and mixed-use properties.
- A detailed design for a water transmission pipeline from an Electricity and Water Authority ("EWA") source (Samaheej Blending Station) to Dilmunia nears completion. Planning permits are being sought for extending the 66kV cabling from an EWA source to Dilmunia.
- Phase II infrastructure works design package for construction purposes is nearing completion. While Phase I mainly consisted of works in the western part of the island, Phase II entails infrastructure works located in the eastern areas. This includes works on roads, utilities and a bridge located over the arterial road and the canal.

## Infrastructure Works:

- Fuji Electric has placed all plant equipment at the first Dilmunia 66kV Primary station. Upon completion of the 66kV cabling works, the substation will be energised from an EWA source to Dilmunia, which would provide energy to roughly 40% of the entire development. Dilmunia's master plan also calls for the construction of two additional primary electrical substations at a later stage; discussions with EWA have already started for the design of the second station. Civil works have also been completed for the smaller Temara substations. Power distribution works and erection of street light poles continues throughout Dilmunia.
- Work continued on all Phase 1 roads, including the arterial and distributor roads.
- Advanced works started on the water transmission pipeline crossings between avenue 38 and Dry Dock Highway. Irrigation networks installation work also continues.

## Sales and Marketing:

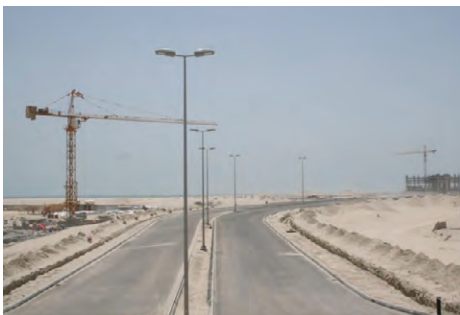
To date, land totaling 125,476 sqm has been sold in Dilmunia, including 26,167 sqm through in-kind redemptions. These mix-use and residential plots, situated at various locations across the island, represent 25.87% of the total Fund land area in Dilmunia.

## SeaVilla Development Project

- Since its launch, SeaVilla's construction has been progressing well, with work on the villa structures and block works completed, and fitting and finishing works in progress. Construction is on track towards meeting all deadlines and a Q3 2015 handover.

## Temara

- Following detailed designs, Cebarco S.P.C. ("Cebarco") completed the earthworks filling of the Temara road and is progressing on all utility networks installations.



Access road number 3, with first course asphaltting completed and street lighting placed



A view of arterial road works, with street lighting being placed



Work in progress on the distributor road ahead of asphaltting





- Work began on the Temara development's roads, street lighting, and storm water drainages following the completion of detailed designs by Mott McDonald Limited ("MML") during the previous period.
- During the reporting period, plot purchasers continued to submit their individual villa designs for approval.

**Technical Interface Office**

- Discussions with the Ministry of Works' Central Planning Office continued progress during the period. The Technical Interface Agreement ("TIA"), once signed, will pave the way for the opening of a Technical Interface Office ("TIO") to manage and speed up approval processes related to Dilmunia's various developments.

*Launched in August 2013, Temara is a low density development of 22 sea facing and 15 coastal plots. It offers a range of plot sizes, from 596 sqm to 1,488 sqm. All plots are sized in depth and length, being a minimum of 15m in width and upwards of 40m in length, to accommodate both a large villa with a spacious garden, and a large car park in front. The neighborhood will be accessible by two roads, with a road end roundabout allowing free flowing traffic in and out.*



*Located on the northwestern waterfront of the island, with views overlooking the Muharraq coastline, SeaVilla, a Health Island B.S.C. (c) project, consists of single-plot individual villas in a range of styles, constructed with a low building density, and integrated into a private area with a 500m shoreline. The SeaVilla construction contract was awarded to Bahrain-based Mohammed Jalal Contracting Co. W.L.L. (MJC) in December 2013.*

# Business Development

## Current Projects:

- The Treasure, a project of Bahraini developer, Bin Faqeeh Real Estate Investment Company S.P.C., will be a high quality residential apartments development that will fit perfectly within Dilmunia's healthy living environment. Piling works, which started on site for The Treasure in August 2014, are complete. The sub-structure is also finished, with superstructure construction work by the sub-developer currently at the seventh floor.

## Dilmunia Shopping Mall

With the completion of site investigations, the mall developer is set to start construction soon.

## Essence at Dilmunia

Essence at Dilmunia is a 300-apartment residential project by Bahraini real estate developer, Cooperation Investment House B.S.C. (C), which will be built on a 11,604.39 sqm land area. Construction began in Q1 2015 with site mobilisation of the contractor piling works, and has been progressing swiftly.

- During the period, three canal plots were sold to a Bahraini development company. These plots are of mix-residential use and are 20,375.68 sqm in total plot size.
- Still in its early stages, South Residential Development ("SRD") is available to investors, either to be purchased outright and developed according to a pre-approved plan, or to be jointly developed with Dilmunia. MML completed detailed designs of the internal roads and utilities serving the SRD area, opening the door for works to start as soon as suitable investors are found.
- Details on Dilmunia plots and offers were provided to several interested investors during the reporting period.



Construction progress at The Treasure



Foundation works for the Essence at Dilmunia

# Key Targets

## Development:

- Issuance of title deeds for all the plots
- Establishing a TIO
- Follow up with all sub-developers (continuous task)
- Appoint consultants to provide conceptual and preliminary designs for the Canal District in Q3 2015.

## Infrastructure:

- Electrical Substation 1 full energisation
- Completion of Phase I infrastructure works
- Initiation of infrastructure Phase II during 2015.

## Marketing:

- Updating Dilmunia's marketing material
- Participation in local and regional real estate exhibitions
- Seeking of future business opportunities in Dilmunia through tie-ups with prominent real estate developers.





## Appendix

Central Bank of Bahrain Disclosure Requirements:

- **Bankers:** Ithmaar Bank B.S.C.
- **Management Fees:** The Fund Manager has suspended its Management Fees since October 2010.
- **Placement Fees:** The Placement Fee was 3% of the respective Commitment.

### Utilisation of Proceeds

- Fund Net Asset Value ("NAV") as on 30 June 2015\*

NAV \ Unit	Equity	Assets	Comprehensive Income (Loss)
10,331	171,332,185	181,108,294	(194,660)

Bank Accounts held by Dilmunia	Bank	Amount (USD)
Current Account as at 30 June 2015	Ithmaar Bank B.S.C.	<b>7,693,776</b>
Modaraba Account as at 30 June 2015	Ithmaar Bank B.S.C.	<b>5,814,365</b>

Source: 30 June 2015 Management Accounts.

- Amount Spent during the period

Category	Amount (USD)	Percentage (%)
Infrastructure Costs	7,400,696	97.42%
Expenses	196,402	2.58%
<b>Total</b>	<b>7,597,098</b>	<b>100%</b>

There was no Board remuneration paid during 31 December 2014 to 30 June 2015.

- Summary of Board resolutions during 31 December 2014 to 30 June 2015:
  - Approving the 2014 price list for the In-kind Redemption Prices.
  - Approving the Fund's 2013 Audited Financial Statements.
  - Approving the recommendation of the developer for appointing the Canal District's design consultants.
  - Approving the appointment of Batelco Communication Company to provide the installation of the Fixed Access Network at Dilmunia.

- Recipients of Material Amounts (above 10%)

Supplier	Amount (USD)	% of Total Spent during the period
Cebarco Bahrain	4,840,517	65.41%
Fuji Electric Co. Ltd.	1,398,570	18.90%

- Utilisation of Proceeds comparison with PPM

Costs	All amounts in USD million	
	Budgeted as per the PPM (2007-2010)	Funds utilized during 2007- H1 2015
Development Land	180.4	180.4
Infrastructure Costs	118.24	36.97
Fund Expenses**	12.81	14.89
<b>Total</b>	<b>311.45</b>	<b>232.26</b>

\*\*The cost overruns are attributed to the extension of the Fund.

- Current Board Members of the General Partner of the Fund

Name	Date Elected
Mohammed Khalil Al Sayed	5 Nov 2007
Abdulahakeem Al-Mutawa	18 Sep 2013
Muhammed Wasif Ijlal	15 Apr 2014

**Dilmunia**, an island that embraces  
nature and respects our vibrant  
culture and natural heritage



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