AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2022
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION

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AND ITS SUBSIDIARIES
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CONTENTS

RSM Albazie & Co.

Arraya Tower 2, Floors 41 & 42
Abdulaziz Hamad Alsaqar St., Sharq
P.O Box 2115, Safat 13022, State of Kuwait

T: +965 22961000
F: +965 22412761

www.rsm.global/kuwait

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Al Mazaya Holding Company K.S.C.P.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mazaya Holding Company K.S.C.P. (The Parent Company) and its subsidiaries (the Group) as of March 31, 2022 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim financial information performed by the Independent Auditor of the Entity.” A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any 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 during the three months period ended March 31, 2022 that might have had a material effect on the Group’s financial position or results of its operations.

Furthermore, during our review we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the three months for the period ended March 31, 2022 that might have had a material effect on the Group’s financial position or results of its operations.

State of Kuwait
April 28, 2022

Nayef M. Al Bazie
License No. 91-A
RSM Albazie & Co.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2022
(All amounts are in Kuwaiti Dinars)

	Note	March 31, 2022	December 31, 2021 (Audited)	March 31, 2021
ASSETS				
Current assets:				
Cash and cash equivalent	3	**5,092,825**	7,088,750	6,776,147
Financial assets at fair value through profit or loss		**397,433**	394,447	373,366
Accounts receivable and other debit balances		**8,499,526**	9,308,261	9,020,627
Inventory		**34,245**	40,423	-
Properties held for trading		**6,250,282**	6,228,182	6,676,725
Assets classified as held for sale	4	**15,479,743**	15,418,192	-
Total current assets		**35,754,054**	38,478,255	22,846,865
Non-current assets:				
Financial assets at fair value through other comprehensive income		**9,827,931**	10,368,995	11,090,429
Property, plant and equipment		**2,847,492**	2,727,891	167,863,083
Investment properties		**154,923,277**	145,928,412	215,410
Goodwill		**2,254,210**	2,254,210	2,254,210
Total non-current assets		**169,852,910**	161,279,508	181,423,132
Total assets		**205,606,964**	199,757,763	204,269,997
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and other credit balances	4	**10,393,830**	7,012,011	7,020,969
Advances from customers		**201,603**	70,285	355,844
Lease liabilities		**1,387,647**	1,372,613	1,328,591
Islamic bank facilities		**6,542,634**	6,144,020	6,130,471
Liabilities associated with assets classified as held for sale	4	**256,136**	262,922	-
Total current liabilities		**18,781,850**	14,861,851	14,835,875
Non-current liabilities				
Accounts payable and other credit balances	4	**5,446,406**	5,924,370	5,833,580
Lease liabilities		**10,027,428**	10,530,275	11,267,575
Islamic bank facilities		**93,646,806**	90,322,099	91,848,493
Employees' end of service benefits		**1,720,562**	1,763,436	1,663,250
Total non-current liabilities		**110,841,202**	108,540,180	110,612,898
Total liabilities		**129,623,052**	123,402,031	125,448,773
Equity:				
Share capital	9	**62,955,982**	62,955,982	68,827,896
Share premium	9	**17,921,560**	17,921,560	17,921,560
Treasury shares	5	**(1,777)**	(1,777)	(18,626,865)
Statutory reserve	9	**1,632,430**	1,632,430	14,344,993
Fair value reserve		**(6,090,326)**	(5,582,249)	(4,916,444)
Other reserves		**463,988**	573,614	731,986
Foreign currencies translation adjustments		**(16,407,317)**	(15,898,912)	(12,395,921)
Foreign currency translation adjustments associated with assets classified as held for sale		**38,296**	(7,317)	-
Retained earnings		**547,843**	365,497	41,649
Equity attributable to shareholders of Parent Company		**61,060,679**	61,958,828	65,928,854
Non-controlling interests		**14,923,233**	14,396,904	12,892,370
Total equity		**75,983,912**	76,355,732	78,821,224
Total liabilities and equity		**205,606,964**	199,757,763	204,269,997

The accompanying notes (1) to (12) form an integral part of the interim condensed consolidated financial information.

Rasheed Y. Al Nafisi
Chairman

Ibrahim A. Al Soqabi
Chief Executive Officer

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022
(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended March 31, 2022	2021
Continuing operations:			
Revenue:			
Revenue from sale of properties held for trading		**-**	240,669
Rental income		**2,523,892**	2,300,387
Medical services income		**861,530**	-
Net management fees and commission income		**71,884**	72,821
Total revenue		**3,457,306**	2,613,877
Costs:			
Cost of sale of properties held for trading		**-**	(251,743)
Cost of rental		**(451,109)**	(518,759)
Cost of medical services		**(638,866)**	-
Total costs		**(1,089,975)**	(770,502)
Gross profit		**2,367,331**	1,843,375
Selling and marketing expenses		**(31,170)**	(12,884)
General and administrative expenses		**(807,933)**	(786,501)
Depreciation		**(65,891)**	(19,433)
Operating profit		**1,462,337**	1,024,557
Net loss of financial assets		**(16,814)**	(6,397)
Net other (expenses) income		**(92,315)**	115,465
Amortization of finance costs related to lease liabilities		**(142,187)**	(156,506)
Finance costs		**(1,039,089)**	(1,001,958)
Profit (loss) for the period from contiunuing operations		**171,932**	(24,839)
Profit for the period from discontiunued operations	4	**137,510**	122,610
Profit for the period		**309,442**	97,771
Attributable to:			
Shareholders of the Parent Company		**182,346**	41,649
Non-controlling interests		**127,096**	56,122
		309,442	97,771
Profit per share attributable to shareholders of the parent company			
Continuing operations			
Basic and diluted earnings (loss) per share - attributable to shareholders of the parent company (fils)	6	**0.10**	(0.11)
Discontinued operations			
Basic and diluted earnings per share - attributable to shareholders of the parent company (fils)	6	**0.19**	0.18
Total basic and diluted earnings per share attributable to shareholders of the Parent Company (fils)	6	**0.29**	0.07

The accompanying notes (1) to (12) form an integral part of the interim consolidated financial information.

	Note	For the three months ended March 31, **2022**	2021
Profit for the period		**309,442**	97,771
Other comprehensive loss from continuing operations:			
Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:			
Foreign currency translation adjustments		**(497,778)**	(1,084,384)
Items that would not be reclassified subsequently to interim condensed consolidated statement of profit or loss:			
Change in fair value of financial assets through other comprehensive income		**(541,064)**	(49,517)
Other comprehensive loss for the period from Continuing operations		**(1,038,842)**	(1,133,901)
Other comprehensive income (loss) for the period from Discontinued operations	4	**51,309**	(48,981)
Total other comprehensive loss for the period		**(987,533)**	(1,182,882)
Total comprehensive loss for the period		**(678,091)**	(1,085,111)
Attributable to:			
Shareholders of the Parent Company		**(788,523)**	(1,137,155)
Non-controlling interests		**110,432**	52,044
		(678,091)	(1,085,111)
Total comprehensive income for the period attributable to shareholders of the Parent Company:			
Continuing operations		**(956,450)**	(1,203,353)
Discontinuing operations		**167,927**	66,198
		(788,523)	(1,137,155)

The accompanying notes (1) to (12) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022
(All amounts are in Kuwaiti Dinars)

	Attributable to shareholders of the Parent Company												
	Share Capital	Share premium	Treasury Shares	Statutory reserve	Fair value reserve	Employees' share option plan	Other reserves	Foreign currencies translation adjustments	Foreign currency translation adjustments associated with assets classified as held for sale	Retained earnings (Accumulated loss)	Sub-total	Non-controlling interests	Total
Balance as at January 1, 2022	62,955,982	17,921,560	(1,777)	1,632,430	(5,582,249)	-	573,614	(15,898,912)	(7,317)	365,497	61,958,828	14,396,904	76,355,732
Profit for the period	-	-	-	-	-	-	-	-	-	182,346	182,346	127,096	309,442
Other comprehensive (loss) income for the period	-	-	-	-	(508,077)	-	-	(508,405)	45,613	-	(970,869)	(16,664)	(987,533)
Total comprehensive (loss) income for the period	-	-	-	-	(508,077)	-	-	(508,405)	45,613	182,346	(788,523)	110,432	(678,091)
Effect of partial disposal of a subsidiary	-	-	-	-	-	-	(109,626)	-	-	-	(109,626)	415,897	306,271
Balance as at March 31, 2022	**62,955,982**	**17,921,560**	**(1,777)**	**1,632,430**	**(6,090,326)**	**-**	**463,988**	**(16,407,317)**	**38,296**	**547,843**	**61,060,679**	**14,923,233**	**75,983,912**
Balance as at January 1, 2021	68,827,896	21,655,393	(18,819,349)	14,469,647	(4,874,003)	67,830	731,986	(11,259,558)	-	(3,733,833)	67,066,009	12,840,326	79,906,335
Profit for the period	-	-	-	-	-	-	-	-	-	41,649	41,649	56,122	97,771
Other comprehensive loss for the period	-	-	-	-	(42,441)	-	-	(1,136,363)	-	-	(1,178,804)	(4,078)	(1,182,882)
Total comprehensive (loss) income for the period	-	-	-	-	(42,441)	-	-	(1,136,363)	-	41,649	(1,137,155)	52,044	(1,085,111)
Setting off accumulated losses (Note 9)	-	(3,733,833)	-	-	-	-	-	-	-	3,733,833	-	-	-
Employees' share options exercised	-	-	192,484	(124,654)	-	(67,830)	-	-	-	-	-	-	-
Balance as at March 31, 2021	68,827,896	17,921,560	(18,626,865)	14,344,993	(4,916,444)	-	731,986	(12,395,921)	-	41,649	65,928,854	12,892,370	78,821,224

The accompanying notes from (1) to (12) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022
(All amounts are in Kuwaiti Dinars)

	Notes	For the three months ended March 31, 2022	2021
Cash flows from operating activities:			
Profit (Loss) for the period from Continuing operations		**171,932**	(24,839)
Profit for the period from Discontinued operations		**137,510**	122,610
Profit for the period		**309,442**	97,771
Adjustments for:			
Allowance for expected credit losses		**60,667**	90,202
Allowance for expected credit losses no longer required		**(1,694)**	(104,020)
Net loss profit of financial assets		**16,814**	6,397
Depreciation		**102,670**	22,335
Amortization of finance costs related to lease liabilities		**142,187**	156,506
Finance costs		**1,039,089**	1,001,958
Gain from sale property, plant and equipment		**-**	(48,444)
Provision for employees' end of service benefits		**47,941**	48,570
		1,717,116	1,271,275
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		**749,762**	1,773,767
Inventory		**6,178**	-
Properties held for trading		**-**	278,508
Accounts payable and other credit balances		**(296,147)**	(2,518,173)
Advances from customers		**130,592**	(118,505)
Cash flows generated from operations		**2,307,501**	686,872
Employees' end of service benefits paid		**(91,031)**	(2,562)
Net cash flows generated from operating activities		**2,216,470**	684,310
Cash flows from investing activities:			
Net movement in restricted cash balances		**18,309**	58,678
Net movement in assets/liabilities held for sale		**(68,337)**	-
Proceeds from partial sale of a subsidiary		**306,271**	-
Proceeds from sale property, plant and equipment		**-**	184,167
Paid for purchase of property, plant and equipment		**(92,111)**	-
Paid for investment properties		**(49,777)**	(33,384)
Net cash flows generated from investing activities		**114,355**	209,461
Cash flows from financing activities:			
Net movement in Islamic bank facilities		**(2,294,907)**	(9,905)
Lease liabilities paid		**(630,000)**	(630,000)
Finance costs paid		**(1,367,376)**	(329,439)
Net cash flows used in financing activities		**(4,292,283)**	(969,344)
Net decrease in cash and cash equivalent		**(1,961,458)**	(75,573)
Foreign currency translation adjustments		**(16,158)**	(168,131)
Cash and cash equivalent at the beginning of the period	3	**6,412,811**	6,389,737
Cash and cash equivalent at the end of the period	3	**4,435,195**	6,146,033
Non-cash transactions:			
Paid for investment properties	4	**(9,375,000)**	-
Accounts payable and other credit balances	4	**3,375,000**	-
Islamic bank facilities	4	**6,000,000**	-
		-	-

The accompanying notes (1) to (12) form an integral part of the interim consolidated financial information.

1. Incorporation and activities

Al Mazaya Holding Company "The Parent Company" is a Kuwaiti (Public) shareholding company listed on Kuwait Boursa and Dubai Financial Market and registered in the State of Kuwait, and was incorporated based on Memorandum of Incorporation under Ref. No. 3501 / Volume 1 dated November 7, 1998 and its subsequent amendments, the latest of which was notarized in the commercial registry No. 75203 dated June 8, 2021, according to which the reduction of the parent company's capital (Note 9).

The Parent Company's main activities based on the Articles of Association are as follows:
Ownership of Kuwaiti and foreign shareholding companies, ownership of shares and portions of limited liability Kuwaiti and foreign companies or participating in the formation of those companies, as well as managing and guaranteeing those companies, granting loans to the companies in which it owns shares in and guaranteeing them towards others, provided that the percentage of participation of the holding company in the capital of the borrowing company is not less than 20%, ownership of industrial property rights including intellectual rights, trade marks, industrial marks, industrial fees or any other rights relating to such assets and leasing them to other companies to utilize them whether inside or outside the state of Kuwait, ownership of the movable assets and real properties needed to operate within the applicable laws, utilization of its available financial surpluses by investing them in financial real estate portfolios managed by specialized companies.

The Parent Company has the right to practice its aforementioned objectives inside the State of Kuwait and abroad for itself or as agent or representative to other, the Parent Company has the right as well to have interest or to participate with entities that practice similar operations or assist the Parent Company in achieving its objectives inside and outside Kuwait, and such it has the right to establish, form partnership, purchase or merge with those entities.

The Parent Company's registered address is P.O. Box 3546, Safat 13036, State of Kuwait.

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on April 28, 2022.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual financial statements for the fiscal year ended December 31, 2021.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the period ended March 31, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2021.

3. Cash and cash equivalent

	March 31, 2022	December 31, 2021 (Audited)	March 31, 2021
Cash in hand and at banks	**5,092,825**	6,088,750	4,776,099
Short term bank deposit	**-**	1,000,000	2,000,000
Cash in portfolios	**-**	-	48
	5,092,825	7,088,750	6,776,147
Less: Restricted bank balances (a)	**(657,630)**	(675,939)	(630,114)
Cash and cash equivelant in consolidation statement of cash flow	**4,435,195**	6,412,811	6,146,033

a) Restricted bank balances represent escrow accounts restricted for receiving and making payments for specific construction activities and as a collateral for same bank facilities of the Group, which may not be available for use within 90 days.

4. Assets classified as held for sale

On September 23, 2021, the Board of Directors of First Dubai Real Estate Development Company K.S.C. (Public) (subsidiary) approved the disposal of all the shares of its subsidiary in the Kingdom of Saudi Arabia (Kuwaiti Saudi Real Estate Investment Company – O.P.C.) against cash and in-kind consideration with a net amount of KD 15,500,000. The assets and liabilities attributable to the subsidiary, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the statement of financial position.

During the period ended March 31, 2022, that transaction was partially executed by transferring part of the in-kind consideration to First Dubai Real Estate Development Company - K.S.C. (Public) (a subsidiary) by transferring investment properties amounting to KD 9,375,000 along with an attached mortgage in favor of a local bank for an amount of KD 6,000,000, which was included within the Islamic banking facilities of the Group as of March 31, 2022 and an average cost of 2.75% annually above the Central Bank of Kuwait discount rate and is repayable in several installments with the final installment due on October 31, 2028.That had resulted in an obligation of KD 3,375,000 which was recorded under the creditors and other credit balances till the completion of the remaining transaction terms by both parties and recording the full financial impact in the consolidated financial statements at that time. The remaining terms of that transaction are currently under execution by both parties.

The major items of assets and liabilities comprising the subsidiary under disposal which are classified as held for sale are as follows:

	March 31, 2022	December 31, 2021 (Audited)	March 31, 2021
Assets:			
Cash on hand and at banks	**145,594**	261,695	-
Accounts receivable and other debit balances	**116,872**	4,734	-
Investment properties	**15,217,277**	15,151,763	-
Total Assets classified as held for sale	**15,479,743**	15,418,192	-
Liabilities:			
Accounts payable and other credit balances	**252,954**	260,030	-
Provision for end of service indemnity	**3,182**	2,892	-
Total liabilities associated with assets classified as held for sale	**256,136**	262,922	-
Net assets classified as held for sale	**15,223,607**	15,155,270	-

The results of operation related to the subsidiary under disposal for the period are as follows:

	For the three months ended March 31,	
	2022	2021
Revenue:		
Rental income	**182,021**	164,557
Net management fees and commission income	**9,458**	1,727
Total revenue	**191,479**	166,284
Costs:		
Cost of rental	**(54,796)**	(34,873)
Total costs	**(54,796)**	(34,873)
Gross profit	**136,683**	131,411
General and administrative expenses	**(2,072)**	(668)
Operating profit	**134,611**	130,743
Net other income (expenses)	**2,899**	(8,133)
Profit for the period from Discontinued operations	**137,510**	122,610
Other comprehensive income (loss) for the period from Discontinued operations	**51,309**	(48,981)
Total comprehensive income for the period from Discontinued operations	**188,819**	73,629

5. Treasury shares

	March 31, 2022	December 31, 2021 (Audited)	March 31, 2021
Number of shares (Note 9)	**5,600**	5,600	58,724,740
Percentage of issued shares (%)	**0.001**	0.001	8.53
Market value (KD)	**426**	426	3,640,934
Cost (KD)	**1,777**	1,777	18,626,865

The Parent Company's management has allotted an amount equal to treasury shares balance from share premium as of March 31, 2022. Such amount will not be available for distribution during treasury shares holding period.

6. Basic and diluted earnings per share

The information necessary to calculate basic and diluted earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months ended March 31,	
	2022	2021
Profit (loss) for the period attributable to equity holders of the Parent Company from Continuing operations	**59,999**	(68,587)
Profit for the period attributable to equity holders of the Parent Company from Discontinued operations	**122,347**	110,236
Profit for the period attributable to equity holders of the Parent Company	**182,346**	41,649
Number of shares outstanding:		
Number of issued shares at beginning of the period	**629,559,816**	688,278,956
Less: Weighted average number of treasury shares	**(5,600)**	(58,956,569)
Weighted average number of shares outstanding	**629,554,216**	629,322,387
Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company from Continuing operations (fils)	**0.10**	(0.11)
Basic and diluted earnings per share attributable to shareholders of the Parent Company from Discontinued operations (fils)	**0.19**	0.18
Total basic and diluted earnings per share attributable to shareholders of the Parent Company (fils)	**0.29**	0.07

Since there are no diluted instruments outstanding, basic and diluted earnings per share are identical.

7. Related party disclosures

The Group has entered into various transactions with related parties, i.e. key management personnel, and other related parties. Prices and terms of payment are to be approved by the Group's management. Significant related party transactions and balances are as follows:

Interim condensed consolidated statement of financial position:

	Key management personnel	**March 31, 2022**	December 31, 2021 (Audited)	March 31, 2021
Accounts receivable and other debit balances	-	**-**	-	363,029
Accounts payable and other credit balances	169,195	**169,195**	165,718	385,183
Lease liabilities (a)	3,481,155	**3,481,155**	3,617,859	3,841,351

Amounts due from / to related parties are interest free and are receivable or payable on demand.

Transactions included in the interim condensed consolidated statement of profit or loss:

	Key management personnel	For the three months ended March 31,	
		2022	2021
Rental income	2,154	**2,154**	-
Amortization of finance costs related to lease liabilities	(43,297)	**(43,297)**	(47,664)

a) The amounts recognized for this lease liability montioned above as at March 31 that compose part of the Groups' consolidated lease liabilities can be presented as follows:

	2022	2021
Lease liability within one year	**540,000**	540,000
Remaining liability till end of lease term	**3,618,000**	4,158,000
Total lease liability	**4,158,000**	4,698,000
Less: Unamortized future finance charge	**(676,845)**	(856,649)
Present value of minimum lease payments	**3,481,155**	3,841,351

Compensation to key management personnel

	For the three months ended March 31,	
	2022	2021
Short term benefits	**143,054**	138,404
Terminal benefits	**15,157**	14,704
	158,211	153,108

During the period ended March 31, 2021, some employees exercised their share options with 606,844 shares, and these shares were issued from treasury shares held with the Group aginst setting off the full balance of employees' share option plan reserve and part of statutory reserve in accordance with Capital Market Authority guidelines.

8. Segment information

For management purposes, the Group is divided into geographical segments that are: State of Kuwait, United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA), Turkey and others, where the Group performs its main activities in the real estate segment. There is no income generating transactions between the Group's segments.

	Three month period ended March 31, 2022						Three month period March 31, 2021					
	Kuwait	**UAE**	**KSA**	**Turkey**	**Others**	**Total**	Kuwait	UAE	KSA	Turkey	Others	Total
Segment revenue from continuing operations	**2,817,000**	**481,167**	**-**	**35,459**	**123,680**	**3,457,306**	1,802,550	608,864	-	40,653	161,810	2,613,877
Segment revenue from discontinued operations	**-**	**-**	**191,479**	**-**	**-**	**191,479**	-	-	166,284	-	-	166,284
Segment (loss) profit from continuing operations	**(91,450)**	**239,930**	**-**	**38,838**	**(15,386)**	**171,932**	(195,745)	202,413	-	(9,930)	(21,577)	(24,839)
Segment profit from discontinued operations	-	**-**	**137,510**	**-**	**-**	**137,510**	-	-	122,610	-	-	122,610

	As at March 31, 2022						As at March 31, 2021					
	Kuwait	**UAE**	**KSA**	**Turkey**	**Others**	**Total**	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	**96,542,942**	**72,225,342**	**15,479,743**	**5,987,255**	**15,371,682**	**205,606,964**	91,300,112	73,481,362	15,534,824	8,209,215	15,744,484	204,269,997
Total segment liabilities	**116,952,691**	**7,460,961**	**256,136**	**196,719**	**4,756,545**	**129,623,052**	112,428,095	7,800,105	308,714	187,285	4,724,574	125,448,773

	As at December 31, 2021 (Audited)					
	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	89,181,844	73,154,374	15,418,192	6,654,611	15,348,742	199,757,763
Total segment liabilities	110,636,100	7,520,818	262,922	238,631	4,743,560	123,402,031

9. Annual general assembly

The Annual General Meeting of the Shareholders held on March 17, 2022, has approved the consolidated financial statements of the Group for the year ended December 31, 2021, and not to distribute cash dividend or bonus share and not to pay Board of Directors remuneration for the year ended December 31, 2021.

The Annual General Meeting of the Shareholders held on February 22, 2021, has approved the consolidated financial statements of the Group for the year ended December 31, 2020, and approved the following items:

- Not to distribute cash dividend or bonus share and not to pay Board of Directors remuneration for the year ended December 31, 2020.
- To offset the entire accumulated loss balance amounted to KD 3,733,833 representing 5.42% from capital share as at December 31, 2020 against reducing the balance of the share premium from KD 21,655,393 to KD 17,921,560.

The Parent Company's Shareholders' Extraordinary General Assembly meeting, held on April 25, 2021, approved the cancellation of 58,719,140 direct treasury shares amounting to KD 18,625,088, by reducing the Parent Company's capital from KD 68,827,896 to KD 62,955,982, which is equivalent to the nominal value of direct treasury shares that amounts to KD 5,871,914 in addition to the reduction of the statutory reserve by KD 12,753,174. This transaction was notarized in the Parent Company's commercial registry on June 8, 2021 (Note 1).

10. Fair value measurement

The Group measures financial assets such as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as investment properties at fair value at the end of the financial peroid.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole is as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of captions recorded at fair value by level of the fair value hierarchy:

	March 31, 2022		
	Level 2	**Level 3**	**Total**
Financial assets at fair value through profit or loss	**-**	**397,433**	**397,433**
Financial assets at fair value through other comprehensive income	**1,226,917**	**8,601,014**	**9,827,931**
Investment properties (a)	**44,571,469**	**125,569,085**	**170,140,554**
	45,798,386	**134,567,532**	**180,365,918**

	December 31, 2021 (Audited)		
	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	394,447	394,447
Financial assets at fair value through other comprehensive income	1,455,048	8,913,947	10,368,995
Investment properties (a)	45,122,473	115,957,702	161,080,175
	46,577,521	125,266,096	171,843,617

	March 31, 2021		
	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	373,366	373,366
Financial assets at fair value through other comprehensive income	1,266,148	9,824,281	11,090,429
Investment properties (a)	48,391,601	119,471,482	167,863,083
	49,657,749	129,669,129	179,326,878

a) Investment property includes all properties included in assets held for sale.

There were no transfers between Level 2 and Level 3 during the period.

11. Significant Impact of COVID-19

The recent outbreak of the coronavirus ("COVID-19") across various geographies globally since the end of 2019, which was declared a pandemic by the World Health Organization, has caused disruption to business and economic activities. The fiscal and monetary authorities around the world, including Kuwait, have announced various support measures across the globe to counter the possible adverse implications of COVID-19. The Group has taken several measures to manage its risk associated with the pandemic, including identification of the most vulnerable sectors primarily affected and placing added measures to ensure a high level of scrutiny. The uncertainties caused by COVID-19 required the Group to consider the impact of volatility in the forward-looking macro-economic factors in order to manage the credit risk and liquidity risk and to determine the impact of COVID-19 consequences on the fair value measurement of financial and non-financial instruments in order to reflect that impact in the consolidated financial statements since the pandemic outbreak and till the accompanied interim consolidated financial information date.

The Group has performed an assessment on its ability to continue as a going concern considering current economic conditions and all available information about future risks and uncertainties. The projections have been prepared to cover the Group's future performance, capital and liquidity requirements. The impact of COVID-19 may continue to evolve, but currently, the projections show that the Group has the required resources to continue in operations on a going concern, such position that remains significantly unaffected and unchanged since December 31, 2021. As a result, those interim consolidated financial information have been prepared on a going concern basis.

The Group had concluded that no material adjustments are required for liabilities and other assets as of the accompanied interim consolidated financial information. The management will need to carefully consider the measurement and recognition requirements for impairment losses on the Group's assets in the future, as the extent and duration of the economic impact of those events remains uncertain, since it depends on future developments that cannot be accurately predicted at this time, such as the rate of virus spread, the effectiveness of the containment measures taken and the trends and effectiveness of approved vaccinations by governmental authorities across the world. Given the ongoing uncertainty for the related economic impact, a reliable estimate of the impact cannot be currently made, but it may affect financial statements in future periods. The impact's magnitude and amount may vary according to the extent and period during which those events are expected to end along with their effects.

12. Subsequent events

Subsequent to the accompanying interim consolidated financial information date, The Republic of Turkey had been classified as a hyperinflationary economy based on the cumulative inflation rates over the past 3 years The Group is currently in process of assessing the impact of the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" on the financial statements of its subsidiaries in the Republic of Turkey to determine the related impact on the subsequent consolidated financial statements of the Group.