

**AL MADAR FINANCE AND INVESTMENT
COMPANY K.S.C.P. AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

31 MARCH 2022



Ernst & Young
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL MADAR FINANCE AND INVESTMENT COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Madar Finance and Investment Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2022, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with basis of preparation set out in Note 2. 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 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 basis of preparation as set out in Note 2.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL MADAR FINANCE AND INVESTMENT COMPANY K.S.C.P. (continued)

Report on Other Legal and Regulatory Matters

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, as amended, and its executive regulations, as amended, nor of the Parent Company's Articles of Association and Memorandum of Incorporation, as amended, during the three months period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three months period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

15 May 2022
Kuwait

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 31 March 2022

	<i>Notes</i>	<i>Three months ended</i>	
		<i>31 March</i>	
		2022	2021
		KD	KD
INCOME			
Net real estate income	3	108,916	59,918
Net gain (loss) from investment securities	4	26,021	(92,936)
Foreign currency translation loss recycled to profit or loss upon derecognition of an associate		-	(199,223)
Advisory and management fees		-	622
Reversal of expected credit losses		1,400	27,420
Other income		4,731	-
		141,068	(204,199)
EXPENSES			
Administrative expenses		(151,369)	(188,866)
Finance costs		(9,584)	-
		(160,953)	(188,866)
LOSS FOR THE PERIOD		(19,885)	(393,065)
Attributable to:			
Equity holders of the Parent Company		(26,100)	(386,415)
Non-controlling interests		6,215	(6,650)
LOSS FOR THE PERIOD		(19,885)	(393,065)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
	5	(0.126) Fils	(1.867) Fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
 INCOME (UNAUDITED)
 For the period ended 31 March 2022


	<i>Three months ended</i>	
	<i>31 March</i>	
	2022	2021
	KD	KD
LOSS FOR THE PERIOD	(19,885)	(393,065)
Other comprehensive income:		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	764	-
Foreign currency translation loss recycled to profit or loss upon derecognition of an associate	-	199,223
Other comprehensive income for the period	764	199,223
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(19,121)	(193,842)
Attributable to:		
Equity holders of the Parent Company	(25,336)	(187,192)
Non-controlling interests	6,215	(6,650)
	(19,121)	(193,842)

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (UNAUDITED)**

As at 31 March 2022

		<i>(Audited)</i>	
	<i>Notes</i>	<i>31 March 2022</i>	<i>31 December 2021</i>
		<i>KD</i>	<i>KD</i>
			<i>31 March 2021</i>
			<i>KD</i>
ASSETS			
Bank balances and cash		241,391	872,620
Financial assets at fair value through profit or loss	13	1,012,936	531,438
Other assets	6	7,206,190	7,192,010
Financial assets at fair value through other comprehensive income	13	-	36,194
Investment properties	7	19,386,118	16,945,377
Furniture and equipment		3,726	25,387
TOTAL ASSETS		27,850,361	26,661,292
EQUITY AND LIABILITIES			
Equity			
Share capital		21,386,865	21,386,865
Statutory reserve		143,613	134,383
Share premium		4,990,296	4,990,296
Treasury shares	8	(4,573,296)	(4,573,296)
Other reserve		(122,147)	(122,147)
Foreign currency translation reserve		127,548	127,193
Retained earnings (accumulated losses)		33,526	(340,112)
Equity attributable to equity holders of the Parent Company		21,986,405	21,603,182
Non-controlling interests		1,762,279	1,838,602
Total equity		23,748,684	23,441,784
Liabilities			
Employees' end of service benefits		356,163	354,282
Other liabilities		3,745,514	2,865,226
Total liabilities		4,101,677	3,219,508
TOTAL EQUITY AND LIABILITIES		27,850,361	26,661,292


Waleed Abdulraheem Al-Asfour
Chairman

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2022

	<i>Attributable to equity holders of the Parent Company</i>									
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Share premium KD</i>	<i>Treasury shares KD</i>	<i>Other reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings (accumulated losses) KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
As at 1 January 2022 (audited)	21,386,865	143,613	4,990,296	(4,573,296)	(122,147)	126,784	59,626	22,011,741	1,756,064	23,767,805
Loss for the period	-	-	-	-	-	-	(26,100)	(26,100)	6,215	(19,885)
Other comprehensive income for the period	-	-	-	-	-	764	-	764	-	764
Total comprehensive income (loss) for the period	-	-	-	-	-	764	(26,100)	(25,336)	6,215	(19,121)
At 31 March 2022	21,386,865	143,613	4,990,296	(4,573,296)	(122,147)	127,548	33,526	21,986,405	1,762,279	23,748,684
As at 1 January 2021 (audited)	21,386,865	134,383	4,990,296	(4,573,296)	(122,147)	(72,030)	46,303	21,790,374	1,845,252	23,635,626
Loss for the period	-	-	-	-	-	-	(386,415)	(386,415)	(6,650)	(393,065)
Other comprehensive income for the period	-	-	-	-	-	199,223	-	199,223	-	199,223
Total comprehensive income (loss) for the period	-	-	-	-	-	199,223	(386,415)	(187,192)	(6,650)	(193,842)
At 31 March 2021	21,386,865	134,383	4,990,296	(4,573,296)	(122,147)	127,193	(340,112)	21,603,182	1,838,602	23,441,784

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2022

	Notes	Three months ended	
		2022	2021
		KD	KD
OPERATING ACTIVITIES			
Loss for the period		(19,885)	(393,065)
<i>Adjustments to reconcile loss for the period to net cash flows:</i>			
Depreciation of furniture and equipment		272	524
Change in fair value of financial assets at FVPL	4	15,018	79,970
Realised loss (gain) on sale of financial assets at FVPL	4	(41,039)	12,966
Foreign currency translation loss recycled to profit or loss upon derecognition of an associate		-	199,223
Reversal of provision for expected credit losses		(1,400)	(27,420)
Provision for employees' end of service benefits		6,469	12,195
Finance costs		9,584	-
		(30,981)	(115,607)
<i>Changes in operating assets and liabilities:</i>			
Financial assets at FVPL		(455,477)	793,634
Other assets		(12,780)	86,245
Other liabilities		(121,514)	122,708
Cash flow (used in) from operations		(620,752)	886,980
Employees' end of service benefits paid		(500)	(49,769)
Net cash flows (used in) from operating activities		(621,252)	837,211
INVESTING ACTIVITIES			
Proceeds from sale of investment in an associate		-	327,480
Purchase of investment properties		-	(742,933)
Net cash flows used in investing activities		-	(415,453)
NET (DECREASE) INCREASE IN BANK BALANCES AND CASH			
Net foreign exchange differences		(9,977)	-
Bank balances and cash as at 1 January		872,620	639,580
BANK BALANCES AND CASH AS AT 31 MARCH		241,391	1,061,338

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

1.1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Al Madar Finance and Investment Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the three months ended 31 March 2022 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 15 May 2022.

The Annual General Assembly of the Parent Company's shareholders for the year ended 31 December 2021 has not yet been held. The Annual General Assembly of the Parent Company's shareholders has the power to amend the consolidated financial statements for the year ended 31 December 2021; and consequently, may have an impact on the current period's interim condensed consolidated financial information.

The Parent Company is a public shareholding company, incorporated and domiciled in the State of Kuwait, and whose shares are publicly traded in Boursa Kuwait. The Parent Company is regulated by the Central Bank of Kuwait ("CBK") and the Capital Markets Authority ("CMA") as a finance and investment company, respectively.

The Parent Company's head office is located at Al Salam Tower, Fahad Al Salem Street, Al Salhia and its registered postal address is P.O. Box 1376, Safat 13014, State of Kuwait.

The principal activities of the Group are described in Note 12. All activities are conducted in accordance with Islamic Shari'a principles, as approved by the Parent Company's Fatwa and Shari'a Supervisory Board.

The Parent Company is a subsidiary of Al Thekair General Trading and Contracting Company W.L.L. (the "Ultimate Parent Company").

1.2 GROUP INFORMATION

Subsidiaries

The consolidated financial statements of the Group include:

Name of subsidiary	Principal activities	Country of incorporation	% equity interest		
			31 March 2022	31 December 2021	31 March 2021
Dar Al-Thuraya Real Estate Company K.S.C.P. ("Dar Al-Thuraya")	Real estate	Kuwait	89.91%	89.91%	88.91%
Al Madar Real Estate Development Company K.S.C. (Closed) ("Al Madar Real Estate")	Real estate	Kuwait	100%	100%	100%
Al Thuraya for Warehousing and Refrigeration Company K.S.C. (Closed) *	Leasing activities	Kuwait	99%	99%	99%
<i>Indirectly held through Dar Al-Thuraya</i>					
Al Thuraya Star Company W.L.L.	General trading and contracting	Kuwait	100%	100%	100%
Kuwait Building Real Estate Company K.S.C. (Closed)	Real estate	Kuwait	99%	99%	99%
Golden Madar Real Estate Company W.L.L.	Real estate	Kuwait	100%	100%	100%
<i>Indirectly held through Al Madar Real Estate</i>					
Al Murooj Al Khaleejyah for Trading L.L.C.	Construction	Oman	75%	75%	75%

* The remaining shares in this subsidiary is held by other parties on behalf of the Group. Therefore, the effective ownership of the Group in this subsidiary is 100%.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34: "*Interim Financial Reporting*" ("IAS 34"), except as noted below.

The interim condensed consolidated financial information for the three months ended 31 March 2022 has been prepared in accordance with the regulations for financial services institutions as issued by the CBK in the State of Kuwait. These regulations require expected credit loss ("ECL") to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ("IASB") (collectively, referred to as "IFRS, as adopted by the CBK for use by the State of Kuwait").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2021.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no onerous contracts outstanding within the scope of these amendments arisen during the period.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Reference to the Conceptual Framework – Amendments to IFRS 3 (continued)

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

Several 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.

3 NET REAL ESTATE INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	
	2022	2021
	KD	KD
Rental income from investment properties	129,292	109,612
Real estate related expenses	(20,376)	(49,694)
	108,916	59,918

4 NET GAIN (LOSS) FROM INVESTMENT SECURITIES

	<i>Three months ended</i>	
	<i>31 March</i>	
	2022	2021
	KD	KD
Change in fair value of financial assets at FVPL	(15,018)	(79,970)
Realised gain (loss) on sale of financial assets at FVPL	41,039	(12,966)
	26,021	(92,936)

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

5 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the loss for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the loss attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	<i>Three months ended</i>	
	<i>31 March</i>	
	<u>2022</u>	<u>2021</u>
Loss for the period attributable to equity holders of the Parent Company (KD)	(26,100)	(386,415)
Weighted average number of ordinary shares outstanding during the period (shares)*	207,023,554	207,023,554
Basic and diluted EPS (Fils)	(0.126)	(1.867)

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

6 OTHER ASSETS

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<u>2022</u>	<u>2021</u>	<u>2021</u>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Trade receivables	56,885	35,592	33,603
Receivables from sale of investment properties	6,381,900	6,381,900	6,407,010
Prepaid expenses	377,224	357,972	57,316
Advances paid to purchase investment properties	-	-	715,689
Advances paid to acquire equity shares in a subsidiary	244,853	244,853	403,223
Receivable from sale of an associate	23,561	23,561	132,897
Amounts due from a related party	-	-	192
Staff receivables	12,434	11,899	7,287
Other receivables	109,333	136,233	513,258
	7,206,190	7,192,010	8,270,475

7 INVESTMENT PROPERTIES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<u>2022</u>	<u>2021</u>	<u>2021</u>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at the beginning of the period/ year	19,375,377	15,792,444	15,792,444
Additions	-	4,384,000	1,152,933
Capital expenditure on owned property	-	515,196	-
Disposals	-	(1,624,000)	-
Change in fair value	-	322,804	-
Exchange differences	10,741	(15,067)	-
As at the end of the period/ year	19,386,118	19,375,377	16,945,377

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

7 INVESTMENT PROPERTIES (continued)

Included within investment properties, the following:

- An income generating developed property in the State of Kuwait with a carrying value KD 848,000 (31 December 2021: KD 848,000 and 31 March 2021: KD 1,059,999) that is registered in the name of a third party who has confirmed in writing through an irrevocable power of attorney that the risks and rewards associated with the property lies with the Group.
- An income generating developed property in the State of Kuwait with a carrying value of KD 1,700,000 (31 December 2021: 1,700,000 and 31 March 2021 KD Nil) that is financed through an Islamic profit-bearing loan payable to a related party amounting to KD 1,050,880 as at (31 December 2021: 1,041,297 and 31 March 2021 KD Nil) included under other liabilities in the interim condensed consolidated statement of financial position. The property is registered in the name of the related party who has confirmed in writing through an irrevocable power of attorney that the risks and rewards associated with the property lies with the Group (Note 11).
- Certain investment property with a carrying value of KD 4,031,612 (31 December 2021: 4,020,871 and 31 March 2021 KD 2,326,625) is registered in the name of the Ultimate Parent Company on behalf of the Group, and there is a letter of renunciation in favour of the Group confirming that it is the ultimate beneficiary of this property (Note 11).

The Group's investment property portfolio consists of the following:

	<i>31 March</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>
Properties under development	13,269,002	13,258,261	12,307,412
Developed properties	6,117,116	6,117,116	4,637,965
	19,386,118	19,375,377	16,945,377

Geographic concentration of the underling investment properties as follows:

	<i>31 March</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>
State of Kuwait	13,298,000	13,298,000	10,852,934
Other countries	6,088,118	6,077,377	6,092,443
	19,386,118	19,375,377	16,945,377

8 TREASURY SHARES

	<i>31 March</i> <i>2022</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i>	<i>31 March</i> <i>2021</i>
Number of treasury shares	6,845,096	6,845,096	6,845,096
Percentage of issued share capital	3.2%	3.2%	3.2%
Cost – KD	4,573,296	4,573,296	4,573,296
Market value – KD	739,270	814,566	640,016

Reserves equivalent to the cost of the treasury shares held less treasury shares reserve are not available for distribution during the holding period of such shares as per CMA guidelines.

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

9 COMMITMENTS

Capital commitments

The Group has commitments in respect of future capital expenditure amounting to KD 1,021,812 (31 December 2021: KD 1,021,812 and 31 March 2021: KD 3,906,568) relating to purchase of investments properties and development of properties under development.

10 FIDUCIARY ASSETS

The Group manages client asset in a fiduciary capacity. The client assets have no recourse to the general assets of the Group and the Group has no recourse to the assets under management. Accordingly, assets under management are not included in the interim condensed consolidated financial information, as they are not assets of the Group. As at 31 March 2022, assets under management amounted to KD 2,681,000 (31 December 2021: KD 2,931,000 and 31 March 2021: KD 3,574,377). Income earned from fiduciary assets amounted to KD Nil (31 March 2021: KD 622)

11 RELATED PARTY DISCLOSURES

The Group's related parties include its associates and joint ventures, major shareholders, entities under common control, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

The following provides the total amount of outstanding balances with related parties as at 31 March 2022, 31 December 2021 and 31 March 2021 and transactions for the periods/ year then ended:

	<i>Other related parties</i>	<i>31 March 2022</i>	<i>(Audited) 31 December 2021</i>	<i>31 March 2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Interim condensed consolidated statement of financial position</i>				
Other assets	-	-	-	316,934
Other liabilities *	<u>1,398,548</u>	<u>1,398,548</u>	<u>1,379,261</u>	<u>343,162</u>

* Amounts due to related parties under other liabilities include an amount due to shareholder of the Ultimate Parent Company of KD 1,050,880 as at 31 March 2022 (31 December 2021: 1,041,297 and 31 March 2021 KD Nil) which represents financing the purchase of an investment property. The amount is denominated in KD, carries a fixed Islamic profit rate of 3.8% (31 March 2021: Nil%) and is repayable on maturity on 30 June 2022 and is therefore classified as a current liability. The Group had incurred finance costs amounting to KD 9,584 (31 March 2021: KD Nil) for the period then ended (Note 7).

Details of other related parties' disclosures are provided in Note 7.

Transactions with key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows.

Al Madar Finance and Investment Company K.S.C.P. and its Subsidiaries

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As at and for the period ended 31 March 2022

11 RELATED PARTY DISCLOSURES (continued)

Transactions with key management personnel (continued)

	<i>Transaction values for the period ended</i>		<i>Balance outstanding as at</i>		
	<i>31 March</i>	<i>31 March</i>	<i>(Audited)</i>		
	<i>2022</i>	<i>2021</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>KD</i>	<i>KD</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	25,805	43,873	64,011	87,432	77,575
Employees end of service benefits	1,913	3,915	60,846	88,081	86,420
	27,718	47,788	124,857	175,513	163,995

No BOD remuneration has been approved in the annual general meeting for the year ended 31 December 2021.

12 SEGMENT INFORMATION

For management purposes, the Group is organised into Four major business segments. The principal activities and services under these segments are as follows:

- ▶ **Real estate:** Buying, selling, capital appreciation and investing in real estate
- ▶ **Investment:** investment in subsidiaries, associates and equity securities.
- ▶ **Corporate finance:** providing finance to companies by using the different Islamic financing instruments, i.e. Murabaha, Wakala, future sales and other contracts.
- ▶ **Others:** revenues and expenses that are not included under the above sectors

	<i>31 March 2022</i>				
	<i>Real estate</i>	<i>Investment</i>	<i>Corporate</i>	<i>Other</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>finance</i>	<i>KD</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Assets	26,136,532	1,328,204	33,603	352,022	27,850,361
Liabilities	1,053,880	338	347,667	2,699,792	4,101,677
Income	108,916	26,021	-	6,131	141,068
Segment results	108,916	26,021	-	(154,822)	(19,885)
	<i>31 March 2021</i>				
	<i>Real estate</i>	<i>Investment</i>	<i>Corporate</i>	<i>Other</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>finance</i>	<i>KD</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Assets	24,080,560	894,835	33,795	1,652,102	26,661,292
Liabilities	-	-	343,162	2,876,346	3,219,508
Income/(loss)	59,918	(292,159)	-	28,042	(204,199)
Segment results	59,918	(292,159)	-	(160,824)	(393,065)
Capital expenditure	1,152,933	-	-	-	1,152,933

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As at and for the period ended 31 March 2022

12 SEGMENT INFORMATION (continued)

	31 December 2021 (Audited)				Total KD
	Real estate KD	Investment KD	Corporate finance KD	Other KD	
Assets	26,102,817	875,084	33,603	963,939	27,975,443
Liabilities	1,044,297	73,042	337,964	2,752,335	4,207,638

13 FAIR VALUE MEASUREMENT

Fair value hierarchy

All financial and non-financial assets for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, 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

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

Set out below that are a summary of financial instruments and non-financial assets measured at fair value on a recurring basis, other than those with carrying amounts that are reasonable approximations of fair values:

	Fair value measurement using		
	Quoted prices in active markets (Level 1) KD	Significant unobservable inputs (Level 3) KD	Total KD
31 March 2022			
Financial assets at FVPL	1,012,936	-	1,012,936
31 December 2021 (Audited)			
Financial assets at FVPL	531,438	-	531,438
31 March 2021			
Financial assets at FVPL	322,521	-	322,521
Financial assets at FVOCI	-	36,194	36,194

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 31 March 2022.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

13 FAIR VALUE MEASUREMENT (continued)

Reconciliation of Level 3 fair values

The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	<i>31 December 2021</i>		
	<i>Financial assets at FVPL</i>	<i>Financial assets at FVOCI</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at 1 January 2021	6,500	36,194	42,694
Disposals	(6,500)	(36,194)	(42,694)
	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
	<i>31 March 2021</i>		
	<i>Financial assets at FVPL</i>	<i>Financial assets at FVOCI</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at 1 January 2021	6,500	36,194	42,694
Remeasurement recognised in profit or loss	(6,500)	-	(6,500)
	<u>-</u>	<u>36,194</u>	<u>36,194</u>
As at 31 March 2021	<u>-</u>	<u>36,194</u>	<u>36,194</u>

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in profit rates.