

**Seef Properties B.S.C.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
(REVIEWED)**

**31 MARCH 2021**



Ernst & Young - Middle East  
P.O. Box 140  
10<sup>th</sup> Floor, East Tower  
Bahrain World Trade Centre  
Manama  
Kingdom of Bahrain

Tel: +973 1753 5455  
Fax: +973 1753 5405  
manama@bh.ey.com

C.R. No. 29977-1

## **REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SEEF PROPERTIES B.S.C.**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Seef Properties B.S.C. ('the Company') and its subsidiaries (together 'the Group') as at 31 March 2021, comprising the interim consolidated statement of financial position as at 31 March 2021, the interim consolidated statements of comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with the 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. Consequently, it 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 statements are not prepared, in all material respects, in accordance with IAS 34.

10 May 2021

Manama, Kingdom of Bahrain

# Seef Properties B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021 (Reviewed)

	Note	<b>31 March 2021 Reviewed BD</b>	31 December 2020 Audited BD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, equipment and furniture		772,317	888,089
Capital work-in-progress		693,615	554,661
Investment properties		137,338,989	137,316,526
Investments in an associate and a joint venture	3	23,940,971	23,968,102
Right-of-use-assets	4	2,013,163	2,032,527
		<b>164,759,055</b>	164,759,905
<b>Current assets</b>			
Trade and other receivables		4,668,398	5,038,749
Bank balances and cash	5	6,668,269	3,479,742
		<b>11,336,667</b>	8,518,491
<b>TOTAL ASSETS</b>		<b>176,095,722</b>	173,278,396
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		46,000,000	46,000,000
Statutory reserve		23,000,000	23,000,000
Furniture and fixtures replacement reserve		273,751	264,686
Retained earnings		81,854,504	82,901,424
<b>Equity attributable to equity holders of the parent</b>		<b>151,128,255</b>	152,166,110
Non-controlling interests		3,863,516	3,823,206
<b>Total equity</b>		<b>154,991,771</b>	155,989,316
<b>Non-current liabilities</b>			
Term loan - non-current portion	6	11,925,657	5,629,340
Lease liability - non-current portion	7	2,487,818	2,490,694
Employees' end of service benefits		254,584	250,017
		<b>14,668,059</b>	8,370,051
<b>Current liabilities</b>			
Dividend payable and unclaimed dividends	9	3,158,105	885,077
Trade and other payables		2,777,335	2,690,140
Term loan - current portion	6	489,352	5,328,787
Lease liability - current portion	7	11,100	15,025
		<b>6,435,892</b>	8,919,029
<b>Total liabilities</b>		<b>21,103,951</b>	17,289,080
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>176,095,722</b>	173,278,396



Essa Mohamed Najibi  
Chairman



Dr. Mustafa Al-Sayed  
Vice Chairman



Ahmed Yusuf  
Chief Executive Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

# Seef Properties B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2021 (Reviewed)

	Note	Three months ended 31 March	
		2021 BD	2020 BD
<b>REVENUE</b>			
Property rental income and service charges		2,614,290	3,089,441
Income from serviced apartments		302,159	391,794
Leisure and recreational income		-	259,900
		<b>2,916,449</b>	<b>3,741,135</b>
Less: cost of sales		426,544	576,886
		<b>2,489,905</b>	<b>3,164,249</b>
<b>GROSS PROFIT</b>			
Other operating income		144,977	244,645
Profit on term deposits		13,459	25,537
		<b>2,648,341</b>	<b>3,434,431</b>
<b>EXPENSES</b>			
General and administrative expenses		636,073	840,113
Depreciation		173,010	168,156
Other expenses		340,000	400,000
Expected credit losses		21,275	-
Finance costs		170,897	142,074
		<b>1,341,255</b>	<b>1,550,343</b>
<b>PROFIT BEFORE SHARE OF RESULTS FROM INVESTMENTS IN AN ASSOCIATE AND A JOINT VENTURE</b>			
Share of loss from investment in an associate and a joint venture		(4,631)	(8,019)
		<b>1,307,086</b>	<b>1,884,088</b>
<b>NET PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>			
		<b>1,302,455</b>	<b>1,876,069</b>
Basic and diluted earnings per share	10	<b>2.74 Fils</b>	<b>3.93 Fils</b>
<b>Attributable to:</b>			
Equity holders of the parent		1,262,145	1,808,425
Non-controlling interest		40,310	67,644
		<b>1,302,455</b>	<b>1,876,069</b>



Essa Mohamed Najibi  
Chairman



Dr. Mustafa Al-Sayed  
Vice Chairman



Ahmed Yusuf  
Chief Executive Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

# Seef Properties B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2021 (Reviewed)

	Note	Three months ended	
		31 March	
		2021	2020
		BD	BD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		1,302,455	1,876,069
Adjustments for:			
Depreciation		193,120	190,781
Profit on term deposits		(13,459)	(25,537)
Provision for expected credit losses		21,275	-
Finance costs		170,897	142,074
Other expenses		340,000	400,000
Employees' end of service benefits		9,298	12,186
Share of profit of a joint venture		4,631	8,019
Other adjustments		22,500	22,500
Operating profit before working capital changes		2,050,717	2,626,092
Working capital changes:			
Trade and other receivables		350,095	(170,920)
Trade and other payables		(82,773)	(103,965)
		2,318,039	2,351,207
Profit on term deposits received		12,440	32,792
Direct utilisation of furniture and fixtures replacement reserve		-	(2,583)
Employees' end of service benefits paid		(4,731)	(13,047)
Other expenses paid		(170,032)	(317,926)
Net cash flows from operating activities		2,155,716	2,050,443
<b>INVESTING ACTIVITIES</b>			
Net movement in term deposits		-	1,000,000
Purchase of property, equipment and furniture		(57,984)	(74,511)
Expenditure incurred on capital work-in-progress		(138,954)	(41,414)
Additions to investment properties		(22,463)	(224,814)
Investment in an associate	3	-	(4,968,577)
Net cash flows used in investing activities		(219,401)	(4,309,316)
<b>FINANCING ACTIVITIES</b>			
Dividends paid	9	(26,972)	(62,304)
Movement in bank balances representing unclaimed dividends		26,630	(946,313)
Term loan obtained / (repaid), net		1,456,882	-
Finance costs paid		(177,698)	(148,853)
Net cash flows from / (used in) financing activities		1,278,842	(1,157,470)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>3,215,157</b>	<b>(3,416,343)</b>
Cash and cash equivalents at 1 January		3,190,670	6,708,848
<b>CASH AND CASH EQUIVALENTS AT 31 March</b>	5	<b>6,405,827</b>	<b>3,292,505</b>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

## Seef Properties B.S.C.

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021 (Reviewed)

	Note	Equity attributable to equity holders of the parent					Non-controlling interests BD	Total equity BD
		Share capital BD	Statutory reserve BD	Furniture and fixtures replacement reserve BD	Retained earnings* BD	Total BD		
Balance as at 1 January 2021		46,000,000	23,000,000	264,686	82,901,424	152,166,110	3,823,206	155,989,316
Net profit and total comprehensive income		-	-	-	1,262,145	1,262,145	40,310	1,302,455
Dividends declared for 2020	8	-	-	-	(2,300,000)	(2,300,000)	-	(2,300,000)
Transfer to furniture and fixtures replacement reserve		-	-	9,065	(9,065)	-	-	-
<b>Balance as at 31 March 2021</b>		<b>46,000,000</b>	<b>23,000,000</b>	<b>273,751</b>	<b>81,854,504</b>	<b>151,128,255</b>	<b>3,863,516</b>	<b>154,991,771</b>
		Equity attributable to equity holders of the parent						
	Note	Share capital BD	Statutory reserve BD	Furniture and fixtures replacement reserve BD	Retained earnings* BD	Total BD	Non-controlling interests BD	Total equity BD
Balance as at 1 January 2020		46,000,000	22,510,000	246,521	85,785,439	154,541,960	3,821,242	158,363,202
Net profit and total comprehensive income		-	-	-	1,808,425	1,808,425	67,644	1,876,069
Dividends declared for 2019	8	-	-	-	(6,900,000)	(6,900,000)	-	(6,900,000)
Transfer to furniture and fixtures replacement reserve		-	-	11,754	(11,754)	-	-	-
Utilisation of furniture and fixtures replacement reserve		-	-	(2,583)	-	(2,583)	-	(2,583)
<b>Balance as at 31 March 2020</b>		<b>46,000,000</b>	<b>22,510,000</b>	<b>255,692</b>	<b>80,682,110</b>	<b>149,447,802</b>	<b>3,888,886</b>	<b>153,336,688</b>

\*Retained earnings include BD 596,683 (31 March 2020: BD 595,969) relating to statutory reserve of the subsidiaries.

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

# Seef Properties B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

### 1 ACTIVITIES

Seef Properties B.S.C. (the "Company") is a public joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under commercial registration (CR) number 44344. The postal address of the Company's registered head office is at Building 2102, Road 2825, Block 428, P O Box 20084, Seef District, Kingdom of Bahrain.

The Company and its subsidiaries are collectively referred to as the (the "Group").

The Group is primarily engaged in the real estate business and also provides leisure and recreational game facilities. The Group owns and manages Seef Mall, Isa Town Mall, Muharraq Seef Mall, Fraser Suites - Seef, Seef Entertainment and other commercial facilities in the Kingdom of Bahrain.

During the year ended 31 December 2020, there was an outbreak of coronavirus (COVID-19). The existing and anticipated effects of the outbreak on the global economy is expected to continue to evolve. The Group continues to closely monitoring the latest developments in the current evolving situation, however the scale and duration of these developments remain uncertain at this stage. The Group has considered the potential impacts of the current economic volatility in determining the reported amounts of the Group's financial and non – financial assets and liabilities as at 31 March 2021. However, market remains volatile and the recorded amounts remain sensitive to market fluctuations, the extent of which is presently undeterminable.

Certain prior period figures in the interim consolidated statement of cash flows have been reclassified to conform with the current year presentation. Such reclassifications do not affect previously reported profit or equity.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 10 May 2021.

The Company's subsidiaries, associate and joint venture, all of which are incorporated in the Kingdom of Bahrain, are as follows:

<b>Name</b>	<b>Ownership interest</b>		<b>Principal activities</b>
	<b>2021</b>	<b>2020</b>	
<b>Subsidiaries</b>			
Fraser Suites Seef - Bahrain W.L.L.	<b>100%</b>	100%	Hotel, tourist furnished flats and restaurants for tourist services management.
Seef Entertainment W.L.L.	<b>100%</b>	100%	Management of amusement parks and theme parks and other other amusement and recreation activities.
Muharraq Mall Co. W.L.L.	<b>72.5%</b>	72.5%	Management of real estate including malls.
<b>Associate</b>			
Binaa Al Bahrain B.S.C. (c)	<b>25%</b>	25%	Real estate business.
<b>Joint Venture</b>			
Lama Real Estate W.L.L.	<b>50%</b>	50%	Real estate business.

---

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

**2 SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The interim condensed consolidated financial statements of the Group for the three month period ended 31 March 2021 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020. In addition, results for the three-month period ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

**New and amended standards and interpretations adopted as on 1 January 2021**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the new standards and interpretations and amendments to standards and interpretations effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The new standards, interpretations and amendments which apply for the first time in 2021, do not have an impact on the interim condensed consolidated financial statements of the Group.

***Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16***

On August 27, 2020, the IASB issued Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (the amendments). The amendments introduce various practical expedients with respect to changes arising due to IBOR reform as explained below:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the IBOR reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. In such a case the Group does not derecognise or adjust the carrying amount of financial instruments for modifications required by IBOR reform but instead updates the effective interest rate to reflect the change in the interest rate benchmark.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. This is applied in cases where the basis for determining the contractual cash flows of existing hedge relationship changes as a result of IBOR reform, the Group may amend the hedge documentation without discontinuing the hedging relationship.
- Provide temporary relief when determining the hedged risk, the Group may designate an alternative benchmark rate risk component that is not currently separately identifiable, as long as it is reasonable to expect that the alternative benchmark rate will become separately identifiable within a 24-month period.

The Group has no hedging instruments as of the reporting date and therefore this had no impact on the interim condensed consolidated financial statements of the Group.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)****Significant accounting judgements and estimates**

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

**3 INVESTMENTS IN AN ASSOCIATE AND A JOINT VENTURE**

	<i>Three-month ended 31 March 2021 Reviewed BD</i>	<i>Year ended 31 December 2020 Audited BD</i>
Balance at the beginning of the period / year	<b>23,968,102</b>	18,861,526
Addition during the period / year	-	4,906,077
Share of (loss) profit during the period / year	<b>(4,631)</b>	290,499
Other adjustments	<b>(22,500)</b>	(90,000)
Balance at the end of the period / year	<b><u>23,940,971</u></b>	<u>23,968,102</u>

The share of results of an associate and a joint venture are recorded based on the approved management accounts for the three-month period ended 31 March 2021.

The joint venture and associate had no material contingent liabilities as at 31 March 2021 and 31 December 2020. The Group's share of joint venture's capital commitments at reporting date is disclosed in note 11.

**4 RIGHT-OF-USE-ASSETS**

The movements in the carrying value of right-of-use assets during the period, was as follows:

	<i>Reviewed</i>			
	<i>Land BD</i>	<i>Compactors BD</i>	<i>Motor vehicles BD</i>	<i>Total BD</i>
As at 1 January 2021	<b>2,028,453</b>	<b>4,074</b>	-	<b>2,032,527</b>
Depreciation for the period	<b>(15,290)</b>	<b>(4,074)</b>	-	<b>(19,364)</b>
As at 31 March 2021	<b><u>2,013,163</u></b>	<b>-</b>	<b>-</b>	<b><u>2,013,163</u></b>
	<i>Audited</i>			
	<i>Land BD</i>	<i>Compactors BD</i>	<i>Motor vehicles BD</i>	<i>Total BD</i>
As at 1 January 2020	2,089,612	20,370	329	2,110,311
Depreciation for the year	(61,159)	(16,296)	(329)	(77,784)
As at 31 December 2020	<b><u>2,028,453</u></b>	<b><u>4,074</u></b>	<b><u>-</u></b>	<b><u>2,032,527</u></b>

Investment properties with a carrying value of BD 20,210,000 (31 December 2020: BD 20,210,000) are constructed on land held as right-of-use asset.

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

#### 5 BANK BALANCES AND CASH

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	<b>31 March 2021 Reviewed BD</b>	<i>31 December 2020 Audited BD</i>
Cash on hand, bank balances and term deposits	<b>6,668,269</b>	3,479,742
Bank balances representing unclaimed dividends (note 9)	<b>(262,442)</b>	(289,072)
	<b>6,405,827</b>	3,190,670

The bank balances are held in commercial banks in the Kingdom of Bahrain and are non-profit bearing. The term deposit is placed for a period of one month. The profit rates on term deposits as at 31 March 2021 is 3.05% p.a. (2020: nil)

#### 6 TERM LOAN

This partly represents a term loan facility obtained by the Group's subsidiary Muharraq Mall Co. W.L.L. from a commercial bank in the Kingdom of Bahrain to finance the development of Muharraq Seef Mall. The term loan carries an interest at the rate of 2.95% p.a. plus 3 months LIBOR and is repayable in 40 quarterly instalments commencing from December 2018. The repayment of the loan was extended by three quarters up to September 2029. The effective interest rate on the loan at 31 March 2021 was 3.89% p.a. (2020: 3.89% p.a.).

The loan is secured against the joint and several guarantees issued by all the shareholders of Muharraq Mall Co. W.L.L. in favour of the bank. There have been no breaches of the financial covenants of term loan during the current and previous year.

The Company has also obtained a loan from a commercial bank in the Kingdom of Bahrain partially to fund the project in Binaa Al Bahrain B.S.C. (c) and for working capital purposes. The loan carries an interest rate of 3% p.a. plus 3 months BHIBOR and the interest is payable monthly with a bullet payment of the principal amount in April 2022. The effective interest rate on the loan at 31 March 2021 was 5.97% p.a. (2020: 5.97% p.a.)

In addition, during the period the Group's subsidiary Seef Entertainment W.L.L. has obtained a loan, for a maximum period of nine years, from a commercial bank in the Kingdom of Bahrain in order to finance the development of a family entertainment centre in one of the Group's projects. The loan carries an interest rate of 4.75% p.a. plus 3 months BHIBOR. For a period of one year from the first drawdown the interest amount is payable quarterly and after which the principal amount and interest are payable on a quarterly basis. The effective interest rate on the loan at 31 March 2021 was 4.9% p.a.

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

#### 6 TERM LOAN (continued)

Movement in the term loan is as follows:

	<b>31 March 2021 Reviewed BD</b>	<b>31 December 2020 Audited BD</b>
At 1 January	<b>10,958,127</b>	6,608,044
Additional loan during the period / year	<b>1,620,000</b>	4,500,000
Finance costs for the period / year	<b>110,998</b>	459,683
Repayments during the period / year	<b>(274,116)</b>	(609,600)
	<b>12,415,009</b>	10,958,127

The current and non-current portions of the term loan are as follows:

	<b>31 March 2021 Reviewed BD</b>	<b>31 December 2020 Audited BD</b>
Current	<b>489,352</b>	5,328,787
Non-current	<b>11,925,657</b>	5,629,340
	<b>12,415,009</b>	10,958,127

As disclosed above, during the period the term loans obtained by Muharraq Mall Co. W.L.L. and the Company were deferred for a period of three quarters and one year respectively.

#### 7 LEASE LIABILITY

The lease liability balance represents the present value of future lease payments for a leasehold land, leased motor vehicles and leased compactors which end in February 2054, February 2020 and March 2021 respectively.

The payments for the leasehold land are discounted using a discount factor of 9.66% p.a. The payments for the leased motor vehicles and leased compactors are discounted at 3.2% p.a.

The movement of the lease liability is as follows:

	<b>Reviewed</b>			
	<b>Leasehold land BD</b>	<b>Leasehold compactors BD</b>	<b>Leasehold motor vehicles BD</b>	<b>Total BD</b>
Balance at 1 January 2021	<b>2,501,530</b>	4,189	-	<b>2,505,719</b>
Lease payments during the period	<b>(62,500)</b>	<b>(4,200)</b>	-	<b>(66,700)</b>
Finance costs during the year	<b>59,888</b>	11	-	<b>59,899</b>
Balance at 31 March 2021	<b>2,498,918</b>	-	-	<b>2,498,918</b>

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

#### 7 LEASE LIABILITY (continued)

The current and non-current portions of the lease liability are as follows:

	<i>Reviewed</i>			<i>Total BD</i>
	<i>Leasehold land BD</i>	<i>Leasehold compactors BD</i>	<i>Leasehold motor vehicles BD</i>	
Current	11,100	-	-	11,100
Non-current	2,487,818	-	-	2,487,818
	<b>2,498,918</b>	<b>-</b>	<b>-</b>	<b>2,498,918</b>

31 December 2020:

	<i>Audited</i>			<i>Total BD</i>
	<i>Leasehold land BD</i>	<i>Leasehold compactors BD</i>	<i>Leasehold motor vehicles BD</i>	
Balance at 1 January 2020	2,511,372	20,612	351	2,532,335
Lease payments during the year	(250,000)	(16,800)	(351)	(267,151)
Finance costs during the year	240,158	377	-	240,535
Balance at 31 December 2020	<b>2,501,530</b>	<b>4,189</b>	<b>-</b>	<b>2,505,719</b>

	<i>Audited</i>			<i>Total BD</i>
	<i>Leasehold land BD</i>	<i>Leasehold compactors BD</i>	<i>Leasehold motor vehicles BD</i>	
Current	10,836	4,189	-	15,025
Non-current	2,490,694	-	-	2,490,694
	<b>2,501,530</b>	<b>4,189</b>	<b>-</b>	<b>2,505,719</b>

#### 8 DIVIDENDS DECLARED

At the Annual General Meeting held on 28 March 2021, the Company's shareholders approved to pay a final dividend of BD 0.005 per share totalling BD 2,300,000 relating to 2020.

At the Annual General Meeting held on 25 March 2020, the Company's shareholders approved to pay a final dividend of BD 0.015 per share totalling BD 6,900,000 relating to 2019. Dividend paid amounting to BD 9,606,902 relate to 2019 and before (refer note 9).

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

#### 9 DIVIDEND PAYABLE AND UNCLAIMED DIVIDENDS

	<i>Three-month ended 31 March 2021 Reviewed BD</i>	<i>Year ended 31 December 2020 Audited BD</i>
Balance at the beginning of the period / year	<b>885,077</b>	3,591,979
Dividends declared (note 8)	<b>2,300,000</b>	6,900,000
* Dividends paid	<b>(26,972)</b>	(9,606,902)
Balance at the end of the period / year	<b>3,158,105</b>	885,077

\* During 2020, the Company had transferred unclaimed dividends amounting to BD 3,433,493 pertaining to dividends up to 2018 to Bahrain Bourse as per their instructions. No such transfer has been made during the current reporting period.

#### 10 EARNINGS PER SHARE

	<i>For the three months ended</i>	
	<i>31 March 2021 Reviewed</i>	<i>31 March 2020 Reviewed</i>
Profit attributable to equity holders of the parent for the period – BD	<b>1,262,145</b>	1,808,425
Weighted average number of shares outstanding	<b>460,000,000</b>	460,000,000
Basic and diluted earnings per share	<b>2.74 Fils</b>	3.93 Fils

No separate figure for diluted earnings per share has been presented as the Company has not issued any financial instruments which may have a dilutive effect.

#### 11 COMMITMENTS AND CONTINGENCIES

##### a) *Capital commitments*

The Group's capital expenditure commitments outstanding as at the reporting date but not yet provided for, relating to the projects in malls and other properties are as follows:

	<i>31 March 2021 Reviewed BD</i>	<i>31 December 2020 Audited BD</i>
Lama Real Estate W.L.L.	<b>2,717,887</b>	2,847,933
Seef Mall, Isa Town Mall and Magic Island renovation works	<b>300,713</b>	486,510
Muharraq Seef Mall	<b>3,200</b>	3,200
	<b>3,021,800</b>	3,337,643

---

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

**11 COMMITMENTS AND CONTINGENCIES (continued)**

*b) Other commitments*

Muharraq Mall Co. W.L.L. is contracted to pay a royalty charge of 2.75% (2020: 2.75%) of its gross rental income to the lessor, commencing from the year 2022 until the end of the lease term in 2053.

*c) Legal cases*

In the ordinary course of business, the Group is subject to legal claims. The Group, based on legal advice obtained has provided for certain claims.

*d) Guarantee*

The Company, along with a shareholder, has signed a joint and several corporate guarantee towards term loan obtained, by Muharraq Mall Co W.L.L. from a commercial bank. As of 31 March 2021, the loan has a carrying value of BD 6,295,009 (31 December 2020: BD 6,458,127).

**12 SEGMENT INFORMATION**

For management purposes, the Group is organised into four main business segments:

Malls and properties	-	Management of real estate including malls
Serviced apartments	-	Management of apartments
Leisure and entertainment	-	Operating leisure and recreational games facilities
Other	-	All activities other than property management and leisure activities

The operations of malls and properties include the management of Seef Mall, Isa Town Mall, Muharraq Seef Mall and other properties in Hamad Town, Isa Town, Saar and Um-Al Hassam.

Serviced apartments represent Fraser Suites Seef - Bahrain, which generates income from the leasing of furnished serviced apartments and restaurants.

The Group owns and operates leisure and recreational games facilities in different commercial malls in the Kingdom of Bahrain under its brand name, Magic Island.

The Group also earns income from the promotional space and car park areas in addition to other miscellaneous income.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the interim condensed consolidated financial statements. The Group's finance revenue generating activities are managed on a group basis and is not allocated to the individual operating segments.

Transfer prices between operating segments are under normal commercial terms similar to transactions with third parties.

Segment assets include all operating assets used by a segment and consist primarily of investment properties, property, equipment and furniture, capital work-in-progress, investment in associate and a joint venture, vehicles, bank balance & cash and trade and other receivables.

Segment liabilities include all operating liabilities and consist primarily of employees' end of service benefits, lease liability, term loan, unclaimed dividends and trade and other payables.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

12 SEGMENT INFORMATION (continued)

	<i>Malls and properties</i>		<i>Serviced apartments</i>		<i>Leisure and entertainment</i>		<i>Others</i>		<i>Elimination</i>		<i>Consolidated</i>	
	<i>Three months ended</i>		<i>Three months ended</i>		<i>Three months ended</i>		<i>Three months ended</i>		<i>Three months ended</i>		<i>Three months ended</i>	
	<i>31 March</i>		<i>31 March</i>		<i>31 March</i>		<i>31 March</i>		<i>31 March</i>		<i>31 March</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Income from external operations	2,614,290	3,089,441	302,159	391,794	-	259,900	-	-	-	-	2,916,449	3,741,135
Inter-segment income	41,309	70,403	-	-	-	-	-	-	(41,309)	(70,403)	-	-
Less: cost of sales	209,224	310,780	107,251	121,970	151,378	214,539	-	-	(41,309)	(70,403)	426,544	576,886
<b>GROSS PROFIT (LOSS)</b>	<b>2,446,375</b>	<b>2,849,064</b>	<b>194,908</b>	<b>269,824</b>	<b>(151,378)</b>	<b>45,361</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,489,905</b>	<b>3,164,249</b>
Other operating income	-	-	-	-	425	4,494	144,552	240,151	-	-	144,977	244,645
Profit on term deposits	-	-	-	-	-	8,499	13,459	17,038	-	-	13,459	25,537
<b>OPERATING PROFIT (LOSS)</b>	<b>2,446,375</b>	<b>2,849,064</b>	<b>194,908</b>	<b>269,824</b>	<b>(150,953)</b>	<b>58,354</b>	<b>158,011</b>	<b>257,189</b>	<b>-</b>	<b>-</b>	<b>2,648,341</b>	<b>3,434,431</b>
<b>EXPENSES</b>												
General and administrative expenses	531,962	726,544	101,377	101,342	2,734	12,227	-	-	-	-	636,073	840,113
Depreciation	72,498	78,357	19,302	6,937	81,210	82,862	-	-	-	-	173,010	168,156
Other expenses	340,000	400,000	-	-	-	-	-	-	-	-	340,000	400,000
Expected credit losses	21,275	-	-	-	-	-	-	-	-	-	21,275	-
Finance costs	161,307	142,074	-	-	9,590	-	-	-	-	-	170,897	142,074
	1,127,042	1,346,975	120,679	108,279	93,534	95,089	-	-	-	-	1,341,255	1,550,343
<b>PROFIT (LOSS) BEFORE SHARE OF RESULTS FROM INVESTMENTS IN AN ASSOCIATE AND A JOINT VENTURE</b>	<b>1,319,333</b>	<b>1,502,089</b>	<b>74,229</b>	<b>161,545</b>	<b>(244,487)</b>	<b>(36,735)</b>	<b>158,011</b>	<b>257,189</b>	<b>-</b>	<b>-</b>	<b>1,307,086</b>	<b>1,884,088</b>
Share of loss from investment in an associate and a joint venture	(4,631)	(8,019)	-	-	-	-	-	-	-	-	(4,631)	(8,019)
<b>Segment profit (loss) for the period</b>	<b>1,314,702</b>	<b>1,494,070</b>	<b>74,229</b>	<b>161,545</b>	<b>(244,487)</b>	<b>(36,735)</b>	<b>158,011</b>	<b>257,189</b>	<b>-</b>	<b>-</b>	<b>1,302,455</b>	<b>1,876,069</b>
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>Reviewed</i>	<i>Audited</i>	<i>Reviewed</i>	<i>Audited</i>	<i>Reviewed</i>	<i>Audited</i>	<i>Reviewed</i>	<i>Audited</i>	<i>Reviewed</i>	<i>Audited</i>	<i>Reviewed</i>	<i>Audited</i>
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Total assets	175,008,211	173,771,881	11,034,154	10,864,208	3,046,933	1,573,378	-	-	(12,993,576)	(12,931,071)	176,095,722	173,278,396
Total liabilities	19,313,871	17,179,805	3,354,986	3,259,269	1,840,071	124,978	-	-	(3,404,977)	(3,274,972)	21,103,951	17,289,080

All of the sales and profit of the Group are earned in the Kingdom of Bahrain from the above business segments.

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2021 (Reviewed)

#### 13 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<b>31 March 2021 Reviewed BD</b>	<i>31 December 2020 Audited BD</i>
<b>Assets:</b>		
<i>Bank balances and cash</i>		
Entity related to a shareholder	<b>1,437,385</b>	107,452
<i>Trade and other receivables</i>		
Entity related to a shareholder	<b>12,924</b>	31,536
A joint venture	<b>59,609</b>	49,459
	<b>1,509,918</b>	188,447
<b>Liability:</b>		
<i>Term loan</i>		
Entity related to a shareholder	<b>1,620,000</b>	-

Balances with related parties included in the interim consolidated statement of comprehensive income are as follows:

	<i>Three months ended</i>	
	<b>31 March 2021 Reviewed BD</b>	<i>31 March 2020 Reviewed BD</i>
<b>Revenue:</b>		
<i>Profit on term deposits</i>		
Entity related to a shareholder	-	25,294
<i>Property rental income and service charges</i>		
Entity related to a shareholder	<b>7,749</b>	7,749
A joint venture	<b>22,602</b>	-
	<b>30,351</b>	7,749
<b>Expense:</b>		
<i>Finance costs</i>		
Entity related to a shareholder	<b>9,590</b>	-



---

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As at 31 March 2021 (Reviewed)

**13 RELATED PARTY TRANSACTIONS (continued)****Compensation of key management personnel**

The remuneration of directors and members of key management during the period was as follows:

	<i>Three months ended</i>	
	<b>31 March</b>	<i>31 March</i>
	<b>2021</b>	<i>2020</i>
	<b>Reviewed</b>	<i>Reviewed</i>
	<b>BD</b>	<i>BD</i>
Directors' remuneration	<b>170,000</b>	230,000
Management short-term benefits	<b>65,410</b>	60,700
Management end of service benefits	<b>1,450</b>	1,450
Board sitting fees	<b>15,200</b>	5,200
	<b>252,060</b>	297,350

Outstanding balances at the period end arise in the normal course of business and are interest free and unsecured. The Group only creates an impairment provision for related party balances where it is virtually certain that the debt will not be recovered. For the three months ended 31 March 2021, the Group has not recorded any impairment of amounts owed by related parties (31 March 2020: nil).

**14 FAIR VALUE MEASUREMENT**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of trade and other receivables and bank balances and cash. Financial liabilities consist of trade and other payables, lease liabilities, dividend payable and unclaimed dividends and term loan which are carried at amortised cost. There were no liabilities measured at fair value as of 31 March 2021 and 31 December 2020.

**Fair value of financial instruments**

The fair value of financial instruments are estimated based on the following methods and assumptions:

- a) Cash, bank balances, trade and other receivables, trade and other payables and unclaimed dividends approximate their carrying amounts at the reporting date largely due to the short-term maturities of these instruments; and
- b) Loans and borrowings and lease liabilities are evaluated by the Group based on parameters such as interest rates. The carrying amounts are not materially different from their fair values at the reporting date.

**Fair value hierarchy**

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorised 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:

- 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; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

### STATEMENTS

As at 31 March 2021 (Reviewed)

#### 14 FAIR VALUE MEASUREMENT (continued)

For assets and liabilities that are recognised in the interim condensed consolidated financial statements 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.

The following table provides the fair value measurement hierarchy of the Group's assets measured at fair value at 31 March:

	<i>Fair value measurement using</i>			<i>Total</i>
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	
<i>Assets measured at fair value:</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
<b>31 March 2021 (Reviewed)</b>				
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>137,338,989</b>	<b>137,338,989</b>
<b>31 December 2020 (Audited)</b>				
Investment properties	-	-	137,316,526	137,316,526

The fair values of the investment properties have been determined by the Group based on valuations performed by independent surveyors as at 31 December 2020 (2020: 31 December 2020). The surveyors are industry specialists in valuing these types of properties and have recent experience in the location and category of the properties being valued. The valuations undertaken were based on income yield capitalisation or discounted cash flow method.

During the reporting periods ended 31 March 2021 and 31 March 2020 and year ended 31 December 2020, there were no transfers within various levels of fair value hierarchy.

#### The movements in the fair value of level 3 non-financial assets are as follows:

	<i>Non-financial assets-investment property</i>	
	<b><i>Three-month ended</i></b>	<i>Year ended</i>
	<b><i>31 March 2021</i></b>	<i>31 December 2020</i>
	<b><i>Reviewed</i></b>	<i>Audited</i>
	<b><i>BD</i></b>	<i>BD</i>
At 1 January	<b>137,316,526</b>	137,846,854
Unrealised fair value loss	-	(1,094,451)
Transfers from capital work-in-progress	-	132,072
Expenditure incurred during the period / year	<b>22,463</b>	432,051
	<b>137,338,989</b>	137,316,526