

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

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

**31 MARCH 2022**

## **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 2022, comprising the interim consolidated statement of financial position as at 31 March 2022 and the related 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.



11 May 2022  
Manama, Kingdom of Bahrain

# Seef Properties B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022 (Reviewed)

	Note	31 March 2022 Reviewed BD	31 December 2021 Audited BD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, equipment and furniture		393,269	441,649
Capital work-in-progress		2,704,761	2,196,681
Investment properties		137,352,922	137,504,119
Investment in an associate and a joint venture	3	23,560,173	23,585,571
Right-of-use-assets	4	1,952,004	1,967,294
		<b>165,963,129</b>	<b>165,695,314</b>
<b>Current assets</b>			
Trade and other receivables		6,678,171	6,019,222
Bank balances and cash	5	8,622,825	8,155,599
		<b>15,300,996</b>	<b>14,174,821</b>
<b>TOTAL ASSETS</b>		<b>181,264,125</b>	<b>179,870,135</b>
<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		302,973	291,274
Retained earnings		84,274,844	85,592,653
<b>Equity attributable to equity holders of the parent</b>		<b>153,577,817</b>	<b>154,883,927</b>
Non-controlling interests		3,664,817	3,647,889
<b>Total equity</b>		<b>157,242,634</b>	<b>158,531,816</b>
<b>Non-current liabilities</b>			
Term loan - non-current portion	6	8,485,469	8,754,299
Lease liability - non-current portion	7	2,475,597	2,478,763
Employees' end of service benefits		187,722	178,165
		<b>11,148,788</b>	<b>11,411,227</b>
<b>Current liabilities</b>			
Dividend payable and unclaimed dividends	9	3,520,696	777,044
Trade and other payables		3,960,246	4,027,407
Term loan - current portion	6	5,379,540	5,110,710
Lease liability - current portion	7	12,221	11,931
		<b>12,872,703</b>	<b>9,927,092</b>
<b>Total liabilities</b>		<b>24,021,491</b>	<b>21,338,319</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>181,264,125</b>	<b>179,870,135</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 COMPREHENSIVE INCOME

For the three months ended 31 March 2022 (Reviewed)

	Note	Three months ended 31 March	
		2022 BD	2021 BD
<b>REVENUE</b>			
Property rental income and service charges		2,688,934	2,614,290
Income from serviced apartments		389,961	302,159
Leisure and recreational income		198,665	-
		<b>3,277,560</b>	2,916,449
Less: cost of sales		489,886	426,544
<b>GROSS PROFIT</b>		<b>2,787,674</b>	2,489,905
Other operating income		346,778	144,977
Profit on term deposits		30,936	13,459
<b>OPERATING PROFIT</b>		<b>3,165,388</b>	2,648,341
<b>EXPENSES</b>			
General and administrative expenses		790,352	636,073
Depreciation		62,678	173,010
Other expenses		395,000	340,000
Expected credit losses		62,010	21,275
Finance costs		207,935	170,897
		<b>1,517,975</b>	1,341,255
<b>PROFIT BEFORE SHARE OF RESULTS FROM INVESTMENTS IN AN ASSOCIATE AND A JOINT VENTURE</b>		<b>1,647,413</b>	1,307,086
Share of loss from investments in an associate and a joint venture		(25,398)	(4,631)
Unrealised fair value loss on investment properties		(151,197)	-
<b>NET PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,470,818</b>	1,302,455
Basic and diluted earnings per share	10	<b>3.16 Fils</b>	2.74 Fils
<b>Attributable to:</b>			
Equity holders of the parent		1,453,890	1,262,145
Non-controlling interest		16,928	40,310
		<b>1,470,818</b>	1,302,455



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 2022 (Reviewed)

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2022</b>	<b>2021</b>
<i>Note</i>	<b>BD</b>	<b>BD</b>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	<b>1,470,818</b>	1,302,455
Adjustments for:		
Depreciation	<b>81,885</b>	193,120
Profit on term deposits	<b>(30,936)</b>	(13,459)
Expected credit losses	<b>62,010</b>	21,275
Finance costs	<b>207,935</b>	170,897
Other expenses	<b>395,000</b>	340,000
Employees' end of service benefits	<b>9,912</b>	9,298
Unrealised fair value loss on investment properties	<b>151,197</b>	-
Share of loss from investment in associate and a joint venture	<b>25,398</b>	4,631
Other adjustments	<b>-</b>	22,500
Operating profit before working capital changes	<b>2,373,219</b>	2,050,717
Working capital changes:		
Trade and other receivables	<b>(708,538)</b>	350,095
Trade and other payables	<b>(211,788)</b>	(82,773)
	<b>1,452,893</b>	2,318,039
Profit on term deposits received	<b>18,515</b>	12,440
Employees' end of service benefits paid	<b>(355)</b>	(4,731)
Other expenses paid	<b>(250,373)</b>	(170,032)
Net cash flows from operating activities	<b>1,220,680</b>	2,155,716
<b>INVESTING ACTIVITIES</b>		
Purchase of property, equipment and furniture	<b>(18,215)</b>	(57,984)
Expenditure incurred on capital work-in-progress	<b>(508,080)</b>	(138,954)
Additions to investment properties	<b>-</b>	(22,463)
Cash flows used in investing activities	<b>(526,295)</b>	(219,401)
<b>FINANCING ACTIVITIES</b>		
Dividends paid	<b>(16,348)</b>	(26,972)
Movement in bank balances representing unclaimed dividends	<b>16,282</b>	26,630
Term loan obtained, net	<b>-</b>	1,456,882
Finance costs paid	<b>(210,811)</b>	(177,698)
Net cash flows (used in) from financing activities	<b>(210,877)</b>	1,278,842
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>483,508</b>	3,215,157
Cash and cash equivalents at 1 January	<b>7,973,504</b>	3,190,670
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>8,457,012</b>	6,405,827
	5	

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 2022 (Reviewed)

	<i>Equity attributable to equity holders of the parent</i>							<i>Total equity BD</i>
	<i>Note</i>	<i>Share capital BD</i>	<i>Statutory reserve BD</i>	<i>Furniture and fixtures replacement reserve BD</i>	<i>Retained earnings* BD</i>	<i>Total BD</i>	<i>Non-controlling interests BD</i>	
Balance as at 1 January 2022		46,000,000	23,000,000	291,274	85,592,653	154,883,927	3,647,889	158,531,816
Net profit and total comprehensive income		-	-	-	1,453,890	1,453,890	16,928	1,470,818
Dividends for 2021	8	-	-	-	(2,760,000)	(2,760,000)	-	(2,760,000)
Transfer to furniture and fixtures replacement reserve		-	-	11,699	(11,699)	-	-	-
<b>Balance as at 31 March 2022</b>		<b>46,000,000</b>	<b>23,000,000</b>	<b>302,973</b>	<b>84,274,844</b>	<b>153,577,817</b>	<b>3,664,817</b>	<b>157,242,634</b>
	<i>Equity attributable to equity holders of the parent</i>							
	<i>Note</i>	<i>Share capital BD</i>	<i>Statutory reserve BD</i>	<i>Furniture and fixtures replacement reserve BD</i>	<i>Retained earnings* BD</i>	<i>Total BD</i>	<i>Non-controlling interests BD</i>	<i>Total equity BD</i>
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 for 2020	8	-	-	-	(2,300,000)	(2,300,000)	-	(2,300,000)
Transfer to furniture and fixtures replacement reserve		-	-	9,065	(9,065)	-	-	-
Utilisation of furniture and fixtures replacement reserve		-	-	-	-	-	-	-
<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>

\*Retained earnings include BD 596,683 (31 March 2021: BD 596,683) 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 2022 (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.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 11 May 2022.

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>2022</b>	<b>2021</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.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of preparation**

The interim condensed consolidated financial statements of the Group for the three month period ended 31 March 2022 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 2021. In addition, results for the three month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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

As at 31 March 2022 (Reviewed)

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)****Basis of preparation (continued)**

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

**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 2021, except for the adoption of new and amended standards and interpretations as of 1 January 2022. The Group has not early adopted any other new and amended standards and interpretations that has been issued but is not yet effective.

The following amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Onerous Contracts – Costs of fulfilling a contract – Amendments to IAS 37;
- Reference to the Conceptual Framework – Amendments to IFRS 3;
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter;
- IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities; and
- IAS 41 Agriculture – Taxation in fair value measurements.

**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 2021.

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

	<b><i>Three month ended 31 March 2022 Reviewed BD</i></b>	<b><i>Year ended 31 December 2021 Audited BD</i></b>
Balance at the beginning of the period / year	23,585,571	23,968,102
Share of profit during the period / year	(25,398)	(357,281)
Other adjustments	-	(25,250)
Balance at the end of the period / year	<b>23,560,173</b>	<b>23,585,571</b>

The share of results of an associate and a joint venture are recorded based on latest available management accounts.

The joint venture and associate had no material contingent liabilities as at 31 March 2022 and 31 December 2021. The Group's share of joint venture's capital commitments at reporting date is disclosed in note 11.



## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2022 (Reviewed)

#### 4 RIGHT-OF-USE-ASSETS

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

	<i>Reviewed</i>		
	<i>Land BD</i>	<i>Compactors BD</i>	<i>Total BD</i>
As at 1 January 2022	1,967,294	-	1,967,294
Depreciation for the period	(15,290)	-	(15,290)
As at 31 March 2022	<u>1,952,004</u>	<u>-</u>	<u>1,952,004</u>
	<i>Audited</i>		
	<i>Land BD</i>	<i>Compactors BD</i>	<i>Total BD</i>
As at 1 January 2021	2,028,453	4,074	2,032,527
Depreciation for the year	(61,159)	(4,074)	(65,233)
As at 31 December 2021	<u>1,967,294</u>	<u>-</u>	<u>1,967,294</u>

#### 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 2022</b>	31 December 2021
	<b>Reviewed BD</b>	<b>Audited BD</b>
Cash on hand, bank balances and term deposits	8,622,825	8,155,599
Bank balances representing unclaimed dividends (note 9)	(165,813)	(182,095)
Cash and cash equivalents	<u>8,457,012</u>	<u>7,973,504</u>

The bank balances are held in commercial banks in the Kingdom of Bahrain and are non-profit bearing. The term deposits are placed for a period of three months. The profit rates on term deposits as at 31 March 2022 is 2.50% p.a. (2021: 3.05% p.a.)

#### 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 based on the latest amendment carries an interest at the rate of 2.95% p.a. plus 3 months LIBOR and was repayable originally in 40 quarterly instalments commencing from December 2018. During 2020 and 2021, the repayment of the loan was extended by seven quarters to a new maturity date of September 2030. The effective interest rate on the loan at 31 March 2022 was 3.74% p.a. (2021: 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.

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2022 (Reviewed)

#### 6 TERM LOAN (continued)

During 2020, the Company 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. During the same year, the loan was rescheduled to have a maturity of April 2022. The effective interest rate on the loan at 31 March 2022 was 4.67% p.a. (2021: 5.97% p.a.)

During 2021, the Group's subsidiary Seef Entertainment W.L.L. obtained a loan from a commercial bank in the Kingdom of Bahrain to fund the project of a family entertainment center in Liwan, Al Hamala. The loan carries an interest rate of 4.90% per annum subject to rate revision of +/- change in 3 months BHIBOR with a floor rate of 4.75%. Interest is payable monthly with a bullet payment of the principal amount at a maturity date of 27 January 2022.

Movement in the term loan is as follows:

	<b>31 March 2022 Reviewed BD</b>	<b>31 December 2021 Audited BD</b>
At 1 January	13,865,009	10,958,127
Additional loan during the period / year	-	3,070,000
Repayments during the period / year	-	(163,118)
	<b>13,865,009</b>	<b>13,865,009</b>

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

	<b>31 March 2022 Reviewed BD</b>	<b>31 December 2021 Audited BD</b>
Current	5,379,540	5,110,710
Non-current	8,485,469	8,754,299
	<b>13,865,009</b>	<b>13,865,009</b>

#### 7 LEASE LIABILITY

The lease liability balance represents the present value of future lease payments for leasehold land. The lease for the land ends in February 2054.

The payments for the leasehold land are discounted using a discount factor of 9.66% p.a.

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2022 (Reviewed)

#### 7 LEASE LIABILITY (continued)

The movement of the lease liability is as follows:

	<i>Reviewed</i>		<i>Total BD</i>
	<i>Leasehold land BD</i>	<i>Leasehold compactors BD</i>	
<b>31 March 2022:</b>			
Balance at 1 January 2022	2,490,694	-	2,490,694
Lease payments during the period	(62,500)	-	(62,500)
Finance cost charge during the period	59,624	-	59,624
Balance at 31 March 2022	<b>2,487,818</b>	<b>-</b>	<b>2,487,818</b>

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>	
Current	12,221	-	12,221
Non-current	2,475,597	-	2,475,597
	<b>2,487,818</b>	<b>-</b>	<b>2,487,818</b>

	<i>Audited</i>		<i>Total BD</i>
	<i>Leasehold land BD</i>	<i>Leasehold compactors BD</i>	
<b>31 December 2021:</b>			
Balance at 1 January 2021	2,501,530	4,189	2,505,719
Lease payments during the year	(250,000)	(4,200)	(254,200)
Finance costs during the year	239,164	11	239,175
Balance at 31 December 2021	<b>2,490,694</b>	<b>-</b>	<b>2,490,694</b>

	<i>Audited</i>		<i>Total BD</i>
	<i>Leasehold land BD</i>	<i>Leasehold compactors BD</i>	
Current	11,931	-	11,931
Non-current	2,478,763	-	2,478,763
	<b>2,490,694</b>	<b>-</b>	<b>2,490,694</b>

## Seef Properties B.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2022 (Reviewed)

#### 8 DIVIDENDS

At the Annual General Meeting held on 29 March 2022, the Company's shareholders approved to pay a final dividend of BD 0.006 per share totalling BD 2,760,000 relating to 2021. Dividend paid during 2022 amounting to BD 16,348 relates to 2021 and before (refer note 9).

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. Dividend paid during 2021 amounting to BD 2,408,033 relates to 2020 and before (refer note 9).

#### 9 DIVIDEND PAYABLE AND UNCLAIMED DIVIDENDS

	<i>Three month ended 31 March 2022 Reviewed BD</i>	<i>Year ended 31 December 2021 Audited BD</i>
Balance at the beginning of the period / year	777,044	885,077
Dividends declared (note 8)	2,760,000	2,300,000
Dividends paid	(16,348)	(2,408,033)
Balance at the end of the period / year	<u>3,520,696</u>	<u>777,044</u>

#### 10 EARNINGS PER SHARE

	<i>For the three months ended</i>	
	<i>31 March 2022 Reviewed</i>	<i>31 March 2021 Reviewed</i>
Profit attributable to equity holders of the parent for the period – BD	<u>1,453,890</u>	<u>1,262,145</u>
Weighted average number of shares outstanding	<u>460,000,000</u>	<u>460,000,000</u>
Basic and diluted earnings per share	<u>3.16 Fils</u>	<u>2.74 Fils</u>

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.

# Seef Properties B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2022 (Reviewed)

### 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:

	<b>31 March 2022 Reviewed BD</b>	31 December 2021 Audited BD
Lama Real Estate W.L.L.	<b>1,757,226</b>	1,508,909
Seef Mall, Isa Town Mall and Magic Island renovation works	<b>1,152,158</b>	1,346,310
Muharrag Seef Mall	<b>3,200</b>	3,200
	<b><u>2,912,584</u></b>	<u>2,858,419</u>

#### b) Other commitments

Muharrag Mall Co. W.L.L. is contracted to pay a royalty charge of 2.75% (2021: 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.

### 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, Muharrag 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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
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**12 SEGMENT INFORMATION (continued)**

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, bank balance and 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, dividend payable and trade and other payables.

Seef Properties B.S.C.

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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>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</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	2,688,934	2,614,290	389,961	302,159	198,665	-	-	-	-	-	3,277,560	2,916,449
Inter-segment income	70,403	41,309	-	-	-	-	-	-	(70,403)	(41,309)	-	-
Less: cost of sales	237,091	209,224	110,894	107,251	212,304	151,378	-	-	(70,403)	(41,309)	489,886	426,544
<b>GROSS PROFIT (LOSS)</b>	<b>2,522,246</b>	<b>2,446,375</b>	<b>279,067</b>	<b>194,908</b>	<b>(13,639)</b>	<b>(151,378)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,787,674</b>	<b>2,489,905</b>
Other operating income	-	-	-	-	-	425	346,778	144,552	-	-	346,778	144,977
Profit on term deposits	-	-	-	-	-	-	30,936	13,459	-	-	30,936	13,459
<b>OPERATING PROFIT (LOSS)</b>	<b>2,522,246</b>	<b>2,446,375</b>	<b>279,067</b>	<b>194,908</b>	<b>(13,639)</b>	<b>(150,953)</b>	<b>377,714</b>	<b>158,011</b>	<b>-</b>	<b>-</b>	<b>3,165,388</b>	<b>2,648,341</b>
<b>EXPENSES</b>												
General and administrative expenses	664,543	531,962	121,514	101,377	4,295	2,734	-	-	-	-	790,352	636,073
Depreciation	33,036	72,498	21,925	19,302	7,717	81,210	-	-	-	-	62,678	173,010
Other expenses	395,000	340,000	-	-	-	-	-	-	-	-	395,000	340,000
Expected credit losses	62,010	21,275	-	-	-	-	-	-	-	-	62,010	21,275
Finance costs	171,044	161,307	-	-	36,891	9,590	-	-	-	-	207,935	170,897
	1,325,633	1,127,042	143,439	120,679	48,903	93,534	-	-	-	-	1,517,975	1,341,255
<b>PROFIT (LOSS) BEFORE SHARE OF RESULTS FROM INVESTMENT IN AN ASSOCIATE AND A JOINT VENTURE</b>	<b>1,196,613</b>	<b>1,319,333</b>	<b>135,628</b>	<b>74,229</b>	<b>(62,542)</b>	<b>(244,487)</b>	<b>377,714</b>	<b>158,011</b>	<b>-</b>	<b>-</b>	<b>1,647,413</b>	<b>1,307,086</b>
Share of loss from investment in an associate and a joint venture	(25,398)	(4,631)	-	-	-	-	-	-	-	-	(25,398)	(4,631)
Unrealised fair value loss on investment properties	(151,197)	-	-	-	-	-	-	-	-	-	(151,197)	-
	(176,595)	(4,631)	-	-	-	-	-	-	-	-	(176,595)	(4,631)
<b>Segment profit (loss) for the period</b>	<b>1,020,018</b>	<b>1,314,702</b>	<b>135,628</b>	<b>74,229</b>	<b>(62,542)</b>	<b>(244,487)</b>	<b>377,714</b>	<b>158,011</b>	<b>-</b>	<b>-</b>	<b>1,470,818</b>	<b>1,302,455</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>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</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	167,637,929	166,604,683	11,214,379	11,235,791	5,048,212	5,031,378	-	-	(2,636,395)	(3,001,717)	181,264,125	179,870,135
Total liabilities	19,500,922	17,097,694	3,106,469	3,263,508	4,050,495	3,978,834	-	-	(2,636,395)	(3,001,717)	24,021,491	21,338,319

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

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

As at 31 March 2022 (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 2022 Reviewed BD</b>	<i>31 December 2021 Audited BD</i>
Term loan - non-current portion / Kuwait finance house (KFH)	<b>2,707,102</b>	2,799,490
Term loan - current portion / Kuwait finance house (KFH)	<b>362,898</b>	270,510
Trade and other receivables / Lama Real Estate W.L.L.	<b>68,829</b>	53,675
	<hr/> <hr/>	<hr/> <hr/>

*Transactions with related parties included in the consolidated statement of comprehensive income are as follows:*

	<i>For the three months ended</i>	
	<b>31 March 2022 BD</b>	<i>31 March 2021 BD</i>
Other operating income	<b>68,882</b>	22,602
Finance costs	<b>36,891</b>	9,590

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 2022, the Group has not recorded any impairment of amounts owed by related parties (31 March 2021: nil).

**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 2022 Reviewed BD</b>	<i>31 March 2021 Reviewed BD</i>
Directors' remuneration	<b>225,000</b>	170,000
Board sitting fees	<b>13,700</b>	15,200
<b>Key management personnel:</b>		
Management short-term benefits	<b>61,400</b>	65,410
Management end of service benefits	<b>1,450</b>	1,450
	<hr/> <hr/> <b>301,550</b>	<hr/> <hr/> 252,060



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2022 (Reviewed)

**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 2022 and 31 December 2021.

**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 dividend payable 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.

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 2022 (Reviewed)</b>				
<b>Investment properties</b>	-	-	<b>137,352,922</b>	<b>137,352,922</b>
<b>31 December 2021 (Audited)</b>				
Investment properties	-	-	137,504,119	137,504,119

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
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As at 31 March 2022 (Reviewed)

**14 FAIR VALUE MEASUREMENT (continued)**

The fair values of the investment properties have been determined by the Group based on valuations performed by independent surveyors as at 31 December 2021 (2021: 31 December 2021). 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 three-month period ended 31 March 2022 and 31 March 2021 and year ended 31 December 2021, there were no transfers within various levels of fair value hierarchy.