

**Injazzat Real Estate Development Company
K.S.C.P. and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

31 MARCH 2022 (UNAUDITED)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF INJAZZAT REAL ESTATE DEVELOPMENT COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Injazzat Real Estate Development 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-month period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.” A review of interim 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 IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts 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, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three-month 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. 7 of 2010 concerning the Capital Markets Authority and its related regulations, during the three-month period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.



ABDULKARIM AL SAMDAN

LICENCE NO. 208-A

EY

AL AIBAN, AL OSAIMI & PARTNERS

26 April 2022
Kuwait

Injazzat Real Estate Development Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT COMPREHENSIVE INCOME
(UNAUDITED)

For the three months ended 31 March 2022

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>
PROFIT FOR THE PERIOD	406,161	103,290
Other comprehensive (loss) income:		
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>		
Share of other comprehensive loss of associates	(23,451)	(227,569)
Net exchange differences on translation of foreign operations	191,110	35,390
Other comprehensive income (loss) for the period	167,659	(192,179)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	573,820	(88,889)

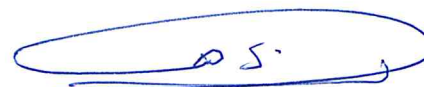
The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Injazzat Real Estate Development Company K.S.C.P. and its Subsidiaries
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 (UNAUDITED)
 As at 31 March 2022

		(Audited)	
	31 March	31 December	31 March
	2022	2021	2021
	KD	KD	KD
Notes			
ASSETS			
Cash and bank balances	9,029,421	5,202,387	2,350,811
Term deposits	430,104	428,123	427,876
Accounts receivable and other assets	8,896,023	7,500,097	5,538,826
Financial assets at fair value through profit or loss	7,814,453	8,077,815	8,162,790
Investment properties	4 60,405,588	61,896,588	61,872,591
Investment in associates	5 21,597,388	22,203,923	21,822,338
Property and equipment	245,312	283,668	412,287
Total assets	108,418,289	105,592,601	100,587,519
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6.1 34,564,860	34,564,860	34,564,860
Share premium	2,869,130	2,869,130	2,869,130
Statutory reserve	9,234,954	9,234,954	8,929,655
Voluntary reserve	196,228	196,228	43,579
Treasury shares	6.2 (610,946)	(610,946)	(1,104,916)
Treasury shares reserve	4,723,846	4,723,846	4,396,905
Foreign currency translation reserve	1,597,677	1,430,018	1,507,381
Fair value reserve	-	-	(712,709)
Retained earnings	4,624,080	4,217,919	2,645,871
Total equity	57,199,829	56,626,009	53,139,756
LIABILITIES			
Accounts payable and other liabilities	8,218,460	8,466,592	7,430,604
Loans and borrowings	8 43,000,000	40,500,000	40,017,159
Total liabilities	51,218,460	48,966,592	47,447,763
TOTAL EQUITY AND LIABILITIES	108,418,289	105,592,601	100,587,519



Dr. Abdulmohsen Medejj AlMedejj
 Chairman



Mohammad Ibrahim Al-Farhan
 Chief Executive Officer

Injazzat Real Estate Development Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 31 March 2022

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Foreign currency translation reserve KD	Fair value reserve KD	Retained earnings KD	Total KD
As at 1 January 2022 (Audited)	34,564,860	2,869,130	9,234,954	196,228	(610,946)	4,723,846	1,430,018	-	4,217,919	56,626,009
Profit for the period	-	-	-	-	-	-	-	-	406,161	406,161
Other comprehensive income for the period	-	-	-	-	-	-	167,659	-	-	167,659
Total comprehensive income for the period	-	-	-	-	-	-	167,659	-	406,161	573,820
At 31 March 2022	34,564,860	2,869,130	9,234,954	196,228	(610,946)	4,723,846	1,597,677	-	4,624,080	57,199,829
	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Foreign currency translation reserve KD	Fair value reserve KD	Retained earnings KD	Total KD
As at 1 January 2021 (Audited)	34,564,860	2,869,130	8,929,655	43,579	(1,104,916)	4,396,905	1,699,560	(712,709)	2,542,581	53,228,645
Profit for the period	-	-	-	-	-	-	-	-	103,290	103,290
Other comprehensive loss for the period	-	-	-	-	-	-	(192,179)	-	-	(192,179)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(192,179)	-	103,290	(88,889)
At 31 March 2021	34,564,860	2,869,130	8,929,655	43,579	(1,104,916)	4,396,905	1,507,381	(712,709)	2,645,871	53,139,756

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Injazzat Real Estate Development Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the three months ended 31 March 2022

	Notes	Three months ended	
		31 March	
		2022	2021
		KD	KD
OPERATING ACTIVITIES			
Profit after tax		425,679	108,777
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Gain on disposal of investment properties	4	(295,231)	-
Distribution income from financial assets at fair value through profit or loss		(125,372)	(96,043)
Share of results of associates	5	(176,160)	(67,952)
Depreciation of property and equipment		10,814	11,208
Depreciation of right-of-use assets		31,742	34,512
Interest income		(52,681)	(34,460)
Finance cost on lease liabilities		2,864	4,640
Finance costs		385,171	371,990
		<u>206,826</u>	<u>332,672</u>
<i>Working capital adjustments:</i>			
Accounts receivable and other assets		120,987	307,639
Accounts payable and other liabilities		146,911	(180,080)
		<u>474,724</u>	<u>460,231</u>
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Additions to property and equipment		(4,200)	-
Proceeds from redemption of financial assets at fair value through profit or loss		263,362	-
Capital expenditure incurred on investment properties	4	(12,816)	(524,561)
Advance payment of investment property		(1,555,480)	-
Proceeds from disposal of investment properties		1,907,254	-
Dividend received from investment in associates	5	376,099	-
Additions to interest in associates	5	(19,990)	-
Proceeds from capital redemption of investment in associates	5	403,135	-
Distribution income received from financial assets at fair value through profit or loss		246,841	66,948
Interest income received		52,681	34,460
Net movement in term deposits		(1,981)	-
		<u>1,654,905</u>	<u>(423,153)</u>
Net cash flows from (used in) investing activities			
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		2,500,000	-
Finance costs paid		(765,616)	-
Payment of lease liabilities		(36,979)	(53,274)
		<u>1,697,405</u>	<u>(53,274)</u>
Net cash flows from (used in) financing activities			
NET INCREASE (DECREASE) IN CASH AND BANK BALANCES			
Cash and bank balances at 1 January		5,202,387	2,367,007
		<u>3,827,034</u>	<u>(16,196)</u>
CASH AND BANK BALANCES AT 31 MARCH			
		<u>9,029,421</u>	<u>2,350,811</u>

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

As at and for the period ended 31 March 2022

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Injazzat Real Estate Development 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 26 April 2022.

The Parent Company is a Kuwaiti shareholding company incorporated and domiciled in Kuwait and whose shares are publicly traded in Kuwait Stock Exchange (“Boursa Kuwait”). The Parent Company’s registered postal address is P.O. Box 970, Safat 13010, State of Kuwait.

The Group is principally engaged in real estate activities. The primary objectives of the Parent Company is as follows:

- ▶ Ownership, purchasing, sale and development of all kinds of investment properties with exception to residential properties inside and outside the state of Kuwait for the benefit of the Parent Company and on the behalf of others.
- ▶ Ownership and sale of financial assets, bonds relating to real estate companies for the benefit of the Parent Company alone inside and outside the State of Kuwait.
- ▶ Preparation and delivery of studies relating to real estate activities.
- ▶ Maintenance activities relating to the properties owned by the Parent Company including civil, mechanical, electrical works and all required works to sustain the state of the properties.
- ▶ Organisation of real estate conventions relating to the Parent Company’s projects in accordance with the regulations set out by the Ministry of Commerce.
- ▶ Hosting auctions.
- ▶ Ownership of malls and residential complexes and managing them.
- ▶ Ownership of hotels, health clubs, tourism related facilities and leasing and releasing them.
- ▶ Management, operating and leasing all types of investment properties.
- ▶ Establishment and management of real estate investment funds.
- ▶ It is permitted for the Parent Company to invest in managed funds managed by specialised managers.

The Parent Company is authorised to have interest in or participate with any party or institution carrying out similar activities or those parties who will assist the Parent Company in achieving its objectives whether in Kuwait or abroad. The Parent Company has the right to establish, participate in or acquire such institutions.

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

2.1 Basis of preparation

The interim condensed consolidated financial information for the three months ended 31 March 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

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

Further, 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.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation 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 amendments effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

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.

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. The Group intends to use the practical expedients in future periods if they become applicable.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Several other amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

3 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit 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 profit 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 earnings per share are identical.

	<i>Three months ended</i>	
	<i>31 March</i>	
	2022	2021
Profit for the period attributable to equity holders of the Parent Company (KD)	406,161	103,290
Weighted average number of shares outstanding during the period (excluding treasury shares)	338,531,499	334,151,031
Basic and diluted earnings per share (EPS)	1.20 fils	0.31 fils

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

4 INVESTMENT PROPERTIES

The movement in carrying value of investment properties is as follows:

	<i>31 March</i>	<i>(Audited)</i>	
	<i>2022</i>	<i>31 December</i>	<i>31 March</i>
	<i>KD</i>	<i>2021</i>	<i>2021</i>
		<i>KD</i>	<i>KD</i>
At the beginning of the period/year	61,896,588	61,413,721	61,413,721
Capital expenditure on owned property	12,816	2,786,050	524,561
Disposal of investment properties	(1,612,023)	(3,270,351)	-
Change in fair value	-	1,024,748	-
Exchange differences	108,207	(57,580)	(65,691)
	<u>60,405,588</u>	<u>61,896,588</u>	<u>61,872,591</u>

- a) The fair value of investment properties was independently determined at 31 December 2021 by accredited independent valuers who are specialised in valuing such type of properties using a mix of income capitalization method and the market comparison approach considering the nature usage of each property. The valuation of the Group's investment properties is performed on an annual basis as management believes that there are no significant circumstances that have arisen during the period, which may have a significant impact on fair value.
- b) Investment properties with a carrying value of KD 20,285,842 (31 December 2021: KD 20,549,415 and 31 March 2021: KD 20,630,058) are pledged as security in order to fulfil collateral requirements of certain bank loans (Note 8).
- c) During the period, the Group disposed certain units of an investment property with carrying value of KD 1,612,023 for total consideration of KD 1,907,254 resulting in gain of KD 295,231 recognised in the interim condensed consolidated statement of profit or loss.

5 INVESTMENT IN ASSOCIATES

The movement in investment in associates is as follows:

	<i>31 March</i>	<i>(Audited)</i>	
	<i>2022</i>	<i>31 December</i>	<i>31 March</i>
	<i>KD</i>	<i>2021</i>	<i>2021</i>
		<i>KD</i>	<i>KD</i>
At the beginning of the period / year	22,203,923	21,981,955	21,981,955
Additions	19,990	33,000	-
Return of capital	(403,135)	(392,691)	-
Dividend	(376,099)	-	-
Share of results for the period / year	176,160	815,064	67,952
Exchange differences	(23,451)	(233,405)	(227,569)
At the end of the period / year	<u>21,597,388</u>	<u>22,203,923</u>	<u>21,822,338</u>

As at 31 March 2022, investment in associates with a carrying value of KD 19,020,026 (31 December 2021: KD 19,532,108 and 31 March 2021: KD 18,892,562) are pledged as security in order to fulfil collateral requirements of certain bank loans (Note 8).

Injazzat Real Estate Development 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

6 SHARE CAPITAL AND TREASURY SHARES

6.1 Share capital

At 31 March 2022, the authorised, issued and fully paid-up capital of the Parent Company comprised 345,648,600 (31 December 2021: 345,648,600 and 31 March 2021: 345,648,600) shares of 100 fils each. All shares are paid in cash.

6.2 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	7,117,101	7,117,101	11,497,569
Percentage of issued shares	2.06%	2.06%	3.33%
Cost of treasury shares (KD)	610,946	610,946	1,104,916
Market value of treasury shares (KD)	661,890	711,710	839,323

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares.

7 ANNUAL GENERAL ASSEMBLY RESOLUTIONS

The annual general meeting (AGM) of the shareholders of the Parent Company held on 20 April 2022 approved the consolidated financial statements for the year ended 31 December 2021 and approved distribution of cash dividend of 5% and directors' remuneration of KD 70,000 for the year then ended.

8 LOANS AND BORROWINGS

	<i>Currency</i>	<i>Effective interest rate (EIR)</i>	<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>
Bank loans	KD	CBK discount rate plus 1.75% to 2.0%	<u>43,000,000</u>	<u>40,500,000</u>	<u>40,017,159</u>

Bank loans are secured by certain investment properties and investments in associates (Notes 4 and 5). Bank loans are payable on various instalments ending on 15 July 2026, with a bullet payment on 15 August 2026.

9 RELATED PARTY DISCLOSURES

Related parties represent the major shareholders, associates, 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 table provides the aggregate amount of transactions and outstanding balances with related parties:

	<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>
Interim condensed consolidated statement of financial position:			
Receivables from associates	10,350	6,657	4,373
Receivables from other related parties	121,748	121,699	121,696
Receivables on sale of investment property from major shareholder	3,614,526	3,608,035	3,681,345
Payables to an associate	587,947	166,216	91,124

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

9 RELATED PARTY DISCLOSURES (disclosure)

The following table provides the aggregate amount of transactions with related parties:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>
Interim condensed consolidated statement of profit or loss:		
Management fees	25,283	24,860
Interest income on receivables from a related party	33,362	34,415
	<u>58,645</u>	<u>59,275</u>

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 related to key management personnel were as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>
<i>Compensation of key management personnel of the Group</i>		
Salaries and short-term benefits	94,380	88,620
Employees' end of service benefits	11,899	11,791
	<u>106,279</u>	<u>100,411</u>

10 FINANCIAL INSTRUMENTS

Set out below, is an overview of financial assets, other than cash and bank balances and term deposits, and financial liabilities held by the Group as at 31 March 2022, 31 December 2021 and 31 March 2021:

	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<i>2022</i>	<i>31 December</i>	<i>2021</i>
	<i>KD</i>	<i>2021</i>	<i>KD</i>
		<i>KD</i>	
Financial assets at amortised cost:			
Accounts receivable and other assets	8,896,023	7,500,097	5,538,826
Financial assets at fair value through profit or loss:			
Unquoted equity securities	7,814,453	8,077,815	8,162,790
Total	<u>16,710,476</u>	<u>15,577,912</u>	<u>13,701,616</u>
Financial liabilities at amortised cost:			
Accounts payable and other liabilities	8,218,460	8,466,592	7,430,604
Loans and borrowings	43,000,000	40,500,000	40,017,159
Total	<u>51,218,460</u>	<u>48,966,592</u>	<u>47,447,763</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date.

Fair values

The following table provides the fair value measurement hierarchy of the Group's financial instruments.

	<i>Fair value measurement using</i>			
	<i>Total</i>	<i>Quoted prices</i>	<i>Significant</i>	<i>Significant</i>
	<i>KD</i>	<i>in active</i>	<i>observable</i>	<i>unobservable</i>
		<i>markets</i>	<i>inputs</i>	<i>inputs</i>
		<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>As at 31 March 2022</i>				
Financial assets at fair value through profit or loss:				
Unquoted equity securities	7,814,453	-	-	7,814,453
<i>As at 31 December 2021 (Audited)</i>				
Financial assets at fair value through profit or loss:				
Unquoted equity securities	8,077,815	-	-	8,077,815
<i>As at 31 March 2021</i>				
Financial assets at fair value through profit or loss:				
Unquoted equity securities	8,162,790	-	-	8,162,790

There were no transfers between Level 1 and Level 2 fair value measurements during the period/ year, and no transfers into or out of Level 3 fair value measurements during the period / year.

Fair value hierarchy

All financial instruments 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

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:

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

<i>Financial assets at FVTPL</i>	<i>Non-listed equity investments</i>
	<i>KD</i>
<i>31 March 2022</i>	
As at 1 January 2022	8,077,815
Capital redemptions	(263,362)
As at 31 March 2022	7,814,453

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

<i>Financial assets at FVTPL</i>	<i>Non-listed equity investments</i>
	<i>KD</i>
<i>31 December 2021 (Audited)</i>	
As at 1 January 2021	8,162,790
Remeasurement recognised in profit or loss	(84,975)
	<u>8,077,815</u>
As at 31 December 2021	<u><u>8,077,815</u></u>
<i>Financial assets at FVTPL</i>	<i>Non-listed equity investments</i>
	<i>KD</i>
<i>31 March 2021</i>	
As at 1 January 2021	8,162,790
Remeasurement recognised in profit or loss	-
	<u>8,162,790</u>
As at 31 March 2021	<u><u>8,162,790</u></u>

Management assessed that the carrying value of financial instruments at amortised cost is not significantly different from their fair values as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

For assets classified as level 3, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of similar assets; or other valuation techniques. The Group has also performed a sensitivity analysis by varying these input factors by 5%. Based on such analysis, there is no material impact on the interim condensed consolidated financial information.

Injazzat Real Estate Development Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

12 SEGMENT INFORMATION

For management purposes, the Group's activities are concentrated in real estate investments. The Group's activities are concentrated in two main segments: Domestic (Kuwait) and International (Kingdom of Bahrain, United Arab Emirates, Saudi Arabia, Qatar, Europe and USA). The Group's segmental information is as follows:

	Three months ended		Three months ended		Three months ended	
	31 March 2022 (Unaudited)		31 March 2021 (Unaudited)		31 March 2021 (Unaudited)	
	Domestic KD	International KD	Domestic KD	International KD	Domestic KD	International KD
						Total KD
Rental income	106,320	555,524	106,320	602,049	106,320	708,369
Gain on disposal of investment properties	49,200	246,031	-	-	-	-
Distribution income from financial assets at fair value through profit or loss	-	125,372	-	96,043	-	96,043
Management fees	-	31,637	-	32,501	-	32,501
Interest income	52,681	-	34,460	-	34,460	34,460
Other income	2,269	11,688	3,511	13,326	3,511	16,837
Share of results of associates	-	176,160	-	67,952	-	67,952
Net foreign exchange gain (loss)	16,851	-	(24,830)	-	(24,830)	(24,830)
Total income	227,321	1,146,412	119,461	811,871	119,461	931,332
Real estate operating costs	(48,344)	(206,593)	(17,139)	(149,241)	(17,139)	(166,380)
Staff costs	(182,308)	-	(180,479)	-	(180,479)	(180,479)
Depreciation	(35,302)	(7,254)	(35,758)	(9,962)	(35,758)	(45,720)
Administrative expenses	(30,186)	(10,561)	(24,754)	(7,838)	(24,754)	(32,592)
Consultancy and professional fees	(37,541)	(1,930)	(17,880)	(2,874)	(17,880)	(20,754)
Finance costs	(15,293)	(372,742)	(12,832)	(363,798)	(12,832)	(376,630)
KFAS, NLST and Zakat	(19,518)	-	(5,487)	-	(5,487)	(5,487)
Total expenses and other charges	(368,492)	(599,080)	(294,329)	(533,713)	(294,329)	(828,042)
(LOSS) PROFIT FOR THE PERIOD	(141,171)	547,332	(174,868)	278,158	(174,868)	103,290

Injazat Real Estate Development Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

12 SEGMENT INFORMATION (continued)

	31 March 2022 (Unaudited)			31 December 2021 (Audited)			31 March 2021 (Unaudited)		
	Domestic KD	International KD	Total KD	Domestic KD	International KD	Total KD	Domestic KD	International KD	Total KD
Total assets	27,833,732	80,584,557	108,418,289	22,822,436	82,770,165	105,592,601	18,945,558	81,641,961	100,587,519
Total liabilities	4,072,333	47,146,127	51,218,460	4,827,882	44,138,710	48,966,592	3,694,583	43,753,180	47,447,763
Commitments	18,422	308,125	326,547	212,742	306,706	519,448	932,261	390,097	1,322,358

Disaggregated revenue information

The following presents the disaggregation of the Group's revenue from contracts with customers:

Timing of revenue recognition	Three months ended 31 March 2022			Three months ended 31 March 2021		
	Domestic KD	International KD	Total KD	Domestic KD	International KD	Total KD
At a point in time	-	4,641	4,641	-	5,708	5,708
Over time	-	26,996	26,996	-	26,793	26,793
Total revenue from contracts with customers	-	31,637	31,637	-	32,501	32,501