

Dalqan Real Estate Company
K.S.C. (Public)
Kuwait
Interim Condensed Financial Information for
The Three Months Ended March 31, 2022
(Unaudited)
With
Review report

Dalqan Real Estate Company
K.S.C. (Public)
Kuwait

Interim Condensed Financial Information for
The Three Months Ended March 31, 2022
(Unaudited)
With
Review report

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**The Board of Directors
Dalqan Real Estate Company
K.S.C. (Public)
Kuwait**

Review report on the interim condensed financial information

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Dalqan Real Estate Company K.S.C. (Public) as of March 31, 2022 and the related interim condensed statement of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended. Management of the Company is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard No. 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information 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 condensed 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 financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34, "Interim Financial Reporting".

Report on other legal and regulatory matters

Furthermore, based on our review, the interim condensed financial information is in agreement with the accounting books of the Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of year 2016 and its executive regulations, as amended, or law No. 7 of year 2010 in respect of the establishment of the Capital Market Authority and the organization of securities activity, and its executive regulations or the Company's article of incorporation and memorandum of association, as amended, have occurred during the three month period ended March 31, 2022 that might have had a material effect on the business of the Company or on its interim condensed financial position.



**Ali A. Al Hasawi
Licence No. 30 (A)
Rödl Middle East
Burgan International Accountants**

May 11, 2022
Kuwait

Dalqan Real Estate Company
K.S.C. (Public)
Kuwait

Interim condensed statement of financial position as of March 31, 2022
(Unaudited)

"All amounts are in Kuwaiti Dinar"

	Note	March 31, 2022	December 31, 2021 (audited)	March 31, 2021
Assets				
Current assets				
Cash and cash equivalents		3,730,007	3,676,753	3,530,784
Other debit balances		6,150	5,455	4,850
		<u>3,736,157</u>	<u>3,682,208</u>	<u>3,535,634</u>
Non-current assets				
Investment properties		3,110,000	3,110,000	3,240,000
Property and equipment		2	2	2
		<u>3,110,002</u>	<u>3,110,002</u>	<u>3,240,002</u>
Total assets		<u>6,846,159</u>	<u>6,792,210</u>	<u>6,775,636</u>
Liabilities and equity				
Current liabilities				
Various credit balances	4	<u>82,361</u>	<u>79,997</u>	<u>80,228</u>
Non - current liabilities				
Provision for end of service indemnity		<u>43,801</u>	<u>42,776</u>	<u>40,121</u>
Equity				
Share capital	5	6,053,025	6,053,025	6,053,025
Statutory reserve		423,652	423,652	419,950
Voluntary reserve		146,529	146,529	142,827
Retained earnings		96,791	46,231	39,485
		<u>6,719,997</u>	<u>6,669,437</u>	<u>6,655,287</u>
Total liabilities and equity		<u>6,846,159</u>	<u>6,792,210</u>	<u>6,775,636</u>



Muhammed Saud Murdy Al Mutairy
Chairman

Fahed Saud Murdy Al Mutairy
Vice Chairman and Chief Executive
Officer

The accompanying notes form an integral part of this interim condensed financial information.

Dalqan Real Estate Company
K.S.C. (Public)
Kuwait

Interim condensed statement of profit or loss and other comprehensive income for the three months ended March 31, 2022
(Unaudited)

"All amounts are in Kuwaiti Dinar"

	Note	The three months ended	
		March 31	
		2022	2021
Revenue			
Net rental income		<u>73,365</u>	<u>55,496</u>
Expenses and other charges			
General and administrative expenses		19,416	32,283
Provisions		<u>1,025</u>	<u>1,095</u>
Total expenses and other charges		<u>20,441</u>	<u>33,378</u>
Net profit for the period before KFAS, Zakat and National Labour Support Tax		52,924	22,118
Contribution to Kuwait Foundation for the Advancement of Science		(476)	(199)
Zakat		(539)	(232)
National Labour Support Tax		<u>(1,349)</u>	<u>(580)</u>
Net profit for the period		50,560	21,107
Other comprehensive income for the period		-	-
Total comprehensive income for the period		50,560	21,107
Earning per share/(Fils)	6	0.84	0.35

The accompanying notes form an integral part of this interim condensed financial information.

Dalqan Real Estate Company
K.S.C. (Public)
Kuwait

Interim condensed statement of changes in equity for the three months ended March 31, 2022

(Unaudited)

"All amounts are in Kuwaiti Dinar"

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Voluntary reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at January 1, 2021	6,053,025	419,950	142,827	18,378	6,634,180
Net profit for the period	-	-	-	21,107	21,107
Balance at March 31, 2021	<u>6,053,025</u>	<u>419,950</u>	<u>142,827</u>	<u>39,485</u>	<u>6,655,287</u>
Balance at January 1, 2022	6,053,025	423,652	146,529	46,231	6,669,437
Net profit for the period	-	-	-	50,560	50,560
Balance at March 31, 2022	<u>6,053,025</u>	<u>423,652</u>	<u>146,529</u>	<u>96,791</u>	<u>6,719,997</u>

The accompanying notes form an integral part of this interim condensed financial information.

Dalqan Real Estate Company
K.S.C. (Public)
Kuwait

Interim condensed statement of cash flows for the three months ended March 31, 2022
(Unaudited)

"All amounts are in Kuwaiti Dinar"

	The three months ended	
	March 31	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Net profit for the period	50,560	21,107
Adjustments:		
Provision for end of service indemnity	1,025	1,095
Adjusted profit before calculating the effect of change in working capital items	51,585	22,202
Other debit balances	(695)	1,605
Various credit balances	2,364	1,011
Net cash generated from operating activities	<u>53,254</u>	<u>24,818</u>
Net increase in cash and cash equivalents	53,254	24,818
Cash and cash equivalents at beginning of the period	<u>3,676,753</u>	<u>3,505,966</u>
Cash and cash equivalents at end of the period	<u>3,730,007</u>	<u>3,530,784</u>

The accompanying notes form an integral part of this interim condensed financial information.

Dalqan Real Estate Company
K.S.C. (Public)
Kuwait

Notes to the interim condensed financial information for the three months ended March 31, 2022

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

1- Company's formation and activities

Dalqan Real Estate Company was incorporated as W.L.L Company in accordance with the Articles of incorporation dated on April 21, 2003 and subsequent amendments. The legal entity of the company has been transferred from (limited liability company) to a Kuwaiti shareholding company (Public), under the name of Dalqan Real Estate Company as per the Articles of incorporation dated on July 15, 2006 by transferring all assets and liabilities to the new company based on evaluation made by an independent expert. Many changes on the company's commercial register, the last of which dated September 28, 2021.

The objectives for which the company was established are as follows:

- Owning, selling, buying and development of real estate and land on behalf of the company in the State of Kuwait and abroad as well as managing properties of others, without any violation to rules mentioned in the laws and what has been prohibited of trade in the private housing, as provided for in these laws.
- Owning, selling and buying shares and bonds of real estate companies on behalf of the company only, in Kuwait and abroad.
- Preparing studies and providing consultancies in real estate fields of all types if there are the conditions that are required to engage in providing this service.
- Carrying out maintenance works related to buildings and real estate owned to the company and to others including maintenance works and implementation of civil, mechanical and electrical works, elevators, air-conditioning to ensure the maintenance and safety of buildings.
- Organizing the real estate exhibitions related to the company's real estate projects, according to the regulations of the ministry.
- Owning, managing, operating, investing leasing and renting hotels, health clubs, boarding houses, guest houses rest houses, parks, gardens, exhibitions, restaurants, cafes, residential complexes, tourist and health resorts, recreational and sports facilities, and shops of various degrees and levels, including all original and supportive services and facilities attached thereto and other necessary services, whether inside or outside Kuwait.
- Participates in real estate companies and building maintenance companies for civil, mechanical and electrical works.
- Owning commercial markets and residential complexes.
- Utilizing the financial surpluses that are available to the company by investing them in financial and real estate portfolios managed by specialized companies and authorities.
- Direct contribution to put the infrastructure of residential, commercial and industrial areas and projects by system of "build, operate and transfer" (BOT) and managing real estate facilities by (BOT) system.

The company may conduct the previous mentioned business objectives inside and outside the State of Kuwait by itself or by an agent.

The company has the right to participate or subscribe in any way, in other institutions which operate in the same field or those which would assist in achieving its objectives in Kuwait or abroad and to construct, participate or purchase these institutions or join them.

Dalqan Real Estate Company
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Notes to the interim condensed financial information for the three months ended March 31, 2022

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

The registered address of the company is: Al Ardiya – P.O Box 41081, Postal Code 85851 Kuwait.

The interim condensed financial information for the three months ended March 31, 2022 has been approved for issue by the Board of Directors on May 11, 2022.

2- Basis of preparation

The interim condensed financial information of the Company has been prepared in accordance with IAS 34, "Interim Financial Reporting". Accordingly, it does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2021.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2022 did not have any material impact on the accounting policies; performance of the Company or interim condensed financial position.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 2022. For further information, refer to the annual audited financial statements and notes thereto for the year ended December 31, 2021.

This interim condensed financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Company.

3- Transactions with related parties

Related parties comprise of the major shareholders, Board of Directors, entities controlled by them or under their joint control, executive officers, key management personnel and their close family members. The management approves the terms and condition of related parties transactions. The transactions with related parties are subject to the approval of Shareholders' General Assembly.

Interim condensed statement of financial position

Interim condensed statement of financial position does not include any balances or transactions with related parties.

Interim condensed statement of profit or loss and other comprehensive income

Interim condensed statement of profit or loss and other comprehensive income does not include any balances or transactions with related parties.

Dalqan Real Estate Company
K.S.C. (Public)
Kuwait

Notes to the interim condensed financial information for the three months ended March 31, 2022

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

4- Various credit balances

	March 31, 2022	December 31, 2021 (audited)	March 31, 2021
KFAS	12,296	11,820	11,686
Zakat	22,459	21,920	22,013
National Labour Support Tax	47,606	46,257	46,529
	82,361	79,997	80,228

5- Share capital

The authorized, issued and paid-up capital is KD 6,053,025 distributed on 60,530,250 shares with nominal value 100 Kuwaiti Fils of each share and all shares are in cash.

6- Earning per share/(Fils)

Earning per share is calculated through dividing net profit for the period by the weighted average number of outstanding shares during the period as follows:

	The three months ended March 31	
	2022	2021
Net profit for the period	50,560	21,107
Weighted average number of outstanding shares during the period	60,530,250	60,530,250
Earning per share/(Fils)	0.84	0.35

7- General Assembly of shareholders

On a later date to the interim condensed financial instatement (April 24, 2022) The Ordinary General Assembly of Shareholders was held and approved the financial statements for the financial year ended December 31, 2021 and non-remuneration for the Board of Directors for the financial year ended December 31, 2021 and non-distribution of dividends for the financial year ended December 31, 2021.

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Dalqan Real Estate Company
K.S.C. (Public)
Kuwait

Notes to the interim condensed financial information for the three months ended March 31, 2022

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

8- Financial instruments

Categories of financial instruments

The Company's financial assets and financial liabilities are classified in the interim condensed statement of financial position as follows:

	March 31, 2022	December 31, 2021 (audited)	March 31, 2021
Financial assets			
Cash and cash equivalents	<u>3,730,007</u>	<u>3,676,753</u>	<u>5,530,784</u>
Other debit balances	<u>6,150</u>	<u>5,455</u>	<u>4,850</u>
	<u>3,736,157</u>	<u>3,682,208</u>	<u>3,535,634</u>
	March 31, 2022	December 31, 2021 (audited)	March 31, 2021
Financial liabilities			
Various credit balances	<u>82,361</u>	<u>79,997</u>	<u>80,228</u>