

AL MANAR

FINANCING & LEASING



2022



**Al Manar Financing and Leasing Company K.S.C. (Public)
and its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2022
With Review Report**



Al Manar Financing and Leasing Company K.S.C. (Public)
and its Subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2022
With Review Report

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Interim Condensed Consolidated Statement of Financial Position as at 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	31 March 2022	31 December 2021 (Audited)	31 March 2021
Assets				
Cash and cash equivalents	4	7,645,323	6,377,148	3,089,521
Investment in Murabaha receivables	5	4,347,321	4,347,321	4,347,321
Finance receivables	6	12,456,315	13,796,070	17,787,915
Other receivables and prepayments	7	1,278,949	1,171,124	1,391,654
Investments in financial securities	8	7,237,465	7,536,644	4,624,020
Investment properties		3,860,343	3,872,975	3,926,879
Other assets		59,220	68,971	91,715
Total assets		36,884,936	37,170,253	35,259,025
Liabilities and equity				
Liabilities				
Islamic finance payables	9	4,227,305	4,877,744	3,513,105
Accounts payable and other credit balances	10	811,905	681,650	757,680
Provision for staff indemnity		513,796	550,478	858,571
Total liabilities		5,553,006	6,109,872	5,129,356
Equity				
Share capital		30,874,759	30,874,759	30,874,759
Share premium		-	-	312,020
Gain on sale of treasury shares		4,995	4,995	4,995
Statutory reserve		140,616	140,616	2,000,722
Voluntary reserve		140,616	140,616	371,744
Fair value reserve		(331,248)	(299,553)	(378,985)
Retained earnings/ (accumulated losses)		502,192	198,948	(3,055,586)
Total equity		31,331,930	31,060,381	30,129,669
Total liabilities and equity		36,884,936	37,170,253	35,259,025

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

Faisal Abdel Aziz Al-Nassar
Chairman

Dhary Abdel Aziz Al-Nassar
Acting CEO

Interim Condensed Consolidated Statement of Income for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 31 March	
		2022	2021
Revenues			
Finance revenues		403,630	526,164
Rental income		71,635	68,510
Net gains from investments in financial securities	11	14,860	-
Other income		20,208	33,514
		510,333	628,188
Expenses			
Finance cost		40,107	71,569
Staff costs		132,979	244,737
Reversal of provisions for credit facilities	6	(96,931)	(438,998)
Other expenses		108,612	185,619
		184,767	62,927
Profit before deductions		325,566	565,261
Zakat		2,889	5,693
NLST		8,139	14,234
KFAS		2,930	-
Net profit for the period		311,608	545,334
Basic and diluted earnings per share (Fils)	12	1.01	1.77

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

Interim Condensed Consolidated Statement of Comprehensive Income for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Three months ended 31 March	
	2022	2021
Net profit for the period	311,608	545,334
<i>Items that will not be reclassified subsequently to interim condensed consolidated statement of income:</i>		
Change in fair value of equity investments at fair value through other comprehensive income	(40,059)	21,551
Other comprehensive (loss)/ income for the period	(40,059)	21,551
Total comprehensive income	271,549	566,885

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

Interim Condensed Consolidated Statements of Changes in Equity for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Share capital	Share premium	Treasury Shares	Gain on sale of treasury shares	Statutory reserve	Voluntary reserve	Fair value reserve	(Accumulated losses)/ retained earnings	Total
Balance at 1 January 2021	30,874,759	312,020	-	-	2,000,722	371,744	(400,536)	(3,600,920)	29,557,789
Net profit for the period	-	-	-	-	-	-	-	545,334	545,334
Other comprehensive income for the period	-	-	-	-	-	-	21,551	-	21,551
Purchase of treasury shares	-	-	(200,000)	-	-	-	-	-	(200,000)
Sale of treasury shares	-	-	200,000	4,995	-	-	-	-	204,995
Balance at 31 March 2021	30,874,759	312,020	-	4,995	2,000,722	371,744	(378,985)	(3,055,586)	30,129,669
Balance at 1 January 2022	30,874,759	-	-	4,995	140,616	140,616	(299,553)	198,948	31,060,381
Net profit for the period	-	-	-	-	-	-	-	311,608	311,608
Other comprehensive income for the period	-	-	-	-	-	-	(40,059)	-	(40,059)
Transfer on disposal of investments	-	-	-	-	-	-	8,364	(8,364)	-
Balance at 31 March 2022	30,874,759	-	-	4,995	140,616	140,616	(331,248)	502,192	31,331,930

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

Interim Condensed Consolidated Statement of Cash Flows for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 31 March	
		2022	2021
Operating activities			
Net profit for the period		311,608	545,334
Adjustments for:			
Depreciation and amortization		22,468	29,748
Net gain from investments in securities	11	(14,860)	-
Reversal of provisions for credit facilities		(96,931)	(438,998)
Finance costs		40,107	71,569
Provision for staff indemnity		7,436	40,756
Operating profit before changes in working capital		269,828	243,658
Finance receivables		1,436,686	1,007,941
Other receivables and prepayments		(107,825)	(92,273)
Accounts payable and other credit balances		146,140	(140,735)
Payment of staff indemnity		(44,118)	(36,673)
Net cash generated from operating activities		1,700,711	986,669
Investing activities			
Dividends income received		11,927	-
Purchase of financial securities (FVTOCI & amortized costs)		(122,248)	(2,954,728)
Proceeds from sale of financial securities (FVTOCI)		51,457	-
Disposal of financial securities (amortized costs)		332,844	-
Purchase of other assets		(85)	(1,621)
Net cash generated from/ (used in) investing activities		273,895	(2,956,349)
Financing activities			
Purchase of treasury shares		-	(200,000)
Proceeds from sale of treasury shares		-	204,995
Proceeds from Islamic finance payables		-	611,865
Payment for Islamic finance payables		(650,439)	-
Dividends paid		(15,885)	(26,465)
Finance costs paid		(40,107)	(71,569)
Net cash (used in)/ generated from financing activities		(706,431)	518,826
Net increase/ (decrease) in cash and cash equivalents		1,268,175	(1,450,854)
Cash and cash equivalents at beginning of the period		6,377,148	4,540,375
Cash and cash equivalents at end of the period	4	7,645,323	3,089,521

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

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022 (Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Formation and principal activities

Al Manar Financing and Leasing Company K.S.C. (Public) (“the Parent Company”) was incorporated in the State of Kuwait in 2003 by the authorized letter of incorporation no. 4857 file 1 dated 6 December 2003.

The main activities of the Parent Company and its subsidiaries (together referred to as “the Group”) are all financing and investing activities according to the Islamic Shari’a principles.

The Parent Company is subject to instructions and monitoring by the Central Bank of Kuwait and Capital Markets Authority.

The registered office of the Parent Company is P.O. Box 22828, Safat 13089, Kuwait.

The interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries (the Group) as follow:

Company name	Ownership percentage (%)			Activity	Country of incorporation
	31 March 2022	31 Dec 2021	31 March 2021		
Manarat Tasaheel Real Estate Company W.L.L	100	100	100	Real estate	Kuwait
Al-Manar Express for Marketing Consulting Company W.L.L	100	100	100	Consulting	Kuwait
Al- Manar Watania for Administrative Consulting Company W.L.L	100	100	100	Consulting	Kuwait

Subsidiaries’ management accounts have been used for the consolidation purposes as at 31 March 2022. The total assets of the subsidiaries are KD 4,470,795 (KD 4,412,938 as at 31 December 2021, KD 4,712,407 as at 31 March 2021), net gains of KD 2,589 during the three months ended 31 March 2022 (net losses KD 13,553 during the three months ended 31 March 2021).

On 28 April 2022, the General Assembly approved the consolidated financial statements for the year ended 31 December 2021.

The interim condensed consolidated financial information was approved for issue by the Board of Directors on 12 May 2022.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’.

The annual consolidated financial statements for the year ended 31 December 2021 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK. These regulations require expected credit loss (‘ECL’) to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (‘IASB’). (collectively referred to as IFRS, as adopted for use by the State of Kuwait).

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with IFRSs, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2021. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

2.2 Significant accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2022 and which did not result in any material impact on the accounting policies, financial position or performance of the Group. The Group has not early adopted any standards, interpretations and amendments that had been issued but is

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
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not yet effective.

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 material impact on the interim condensed consolidated financial information of the Group as there were no significant modifications of the Group’s financial instruments during the period.

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, financial position or performance of the Group.

3. Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

Fair value of the Group’s financial assets and financial liabilities that are measured at fair value on a recurring basis:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable inputs)	Relationship of unobservable inputs to fair value
	31 March 2022	31 December 2021 (Audited)	31 March 2021				
Financial assets at fair value through profit or loss:							
- Quoted foreign funds	1,196,394	1,232,488	-	Level 1	Last bid prices	N/A	N/A
- Unquoted foreign funds	589,168	593,341	-	Level 2	Net assets value	Net assets value	N/A
- Unquoted local shares	592,864	549,664	425,556	Level 3	Market comparatives and Net assets value	Illiquidity discount	The higher the discount rate the lower the value
- Unquoted foreign shares	129,186	129,186	169,634	Level 3	Market comparatives and Net assets value	Illiquidity discount	The higher the discount rate the lower the value
- Unquoted local funds	-	-	2,551	Level 2	Net assets value	Net assets value	N/A
Financial assets at fair value through OCI:							
- Quoted foreign shares	1,137,897	1,179,407	1,608,335	Level 1	Last bid prices	-	N/A
- Unquoted foreign shares	1,480,472	1,480,472	1,352,347	Level 3	Market comparatives and Net assets value	Illiquidity discount	The higher the discount rate the lower the value
Financial assets at amortized costs:							
- Debt sukuks – quoted at foreign stock exchanges	2,111,484	2,372,086	1,065,597	Level 1	Last bid prices	N/A	N/A

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

Reconciliation of level 3 fair value measurements

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Balance at the beginning of the period/ year	2,159,322	1,645,190	1,645,190
Change in fair value	43,200	290,083	-
Net addition	-	224,049	302,347
Balance at the end of the period/ year	2,202,522	2,159,322	1,947,537

Fair values of the Group's other financial assets and financial liabilities are approximately equal to their carrying value.

4. Cash and cash equivalents

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Cash at banks and portfolios	5,141,913	3,871,742	3,087,771
Wakala with banks (less than 3 months)	2,501,660	2,500,531	-
Cash on hand	1,750	4,875	1,750
	7,645,323	6,377,148	3,089,521

As at 31 March 2022, the effective yield rate on Wakala is 1.125% (1.25% as at 31 December 2021 and Nil as at 31 March 2021) per annum.

5. Investment in Murabaha receivables

Investment in Murabaha receivables are the deposited amounts at a local financial institution according to Murabaha contracts. The average yield on those contracts is 1.780% per annum as at 31 March 2022 (31 December 2021: 1.275% and 31 March 2021: 0.9% per annum). Expected credit losses amounted to KD 17,679 as at 31 March 2022 (KD 17,679 as at 31 December 2021 and 31 March 2021).

6. Finance receivables

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Finance receivables	17,962,774	19,606,175	24,174,614
Less: deferred revenues	(2,111,737)	(2,325,447)	(3,058,222)
Less: provision for impairment in value/ expected credit losses	(3,394,722)	(3,484,658)	(3,328,477)
Finance receivables – net	12,456,315	13,796,070	17,787,915

6.1 Expected credit losses on credit facilities determined under IFRS 9 according to CBK guidelines amounted to KD 2,953,171 as at 31 March 2022 (31 December 2021: KD 2,809,371 and 31 March 2021: KD 3,328,477), which is lower than the provision for credit facilities required by CBK instructions of KD 3,394,722 as at 31 March 2022 (31 December 2021: KD 3,484,658 and 31 March 2021: KD 3,328,477).

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

6.2 The movement in gross credit facilities is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2021	13,052,998	7,451,874	4,704,890	25,209,762
Net financing/ (collection)	283,691	(1,213,552)	(105,287)	(1,035,148)
Transfer from/ to Stage 1	(547,915)	566,493	(18,578)	-
Transfer from/ to Stage 2	57,027	(214,920)	157,893	-
Balance at 31 March 2021	12,845,801	6,589,895	4,738,918	24,174,614

Balance at 1 January 2022	11,847,037	3,586,962	4,172,176	19,606,175
Written off during the period	-	-	(25,688)	(25,688)
Net collection	(866,878)	(586,728)	(164,107)	(1,617,713)
Transfer from/ to Stage 1	(42,492)	440,016	(397,524)	-
Transfer from/ to Stage 2	125,263	(284,454)	159,191	-
Balance at 31 March 2022	11,062,930	3,155,796	3,744,048	17,962,774

6.3 The movement in the provisions for expected credit losses effected during the current period is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2021	82,523	462,581	3,113,672	3,658,776
Credit losses reversed during the period	(22,999)	(290,705)	(16,595)	(330,299)
Transfer from/ to Stage 1	(1,221)	7,495	(6,274)	-
Transfer from/ to Stage 2	5,820	(10,911)	5,091	-
Balance at 31 March 2021	64,123	168,460	3,095,894	3,328,477

Balance at 1 January 2022	57,788	89,781	2,661,802	2,809,371
Written off during the period	-	-	(25,688)	(25,688)
Credit losses (reversed)/ charged during the period	(90,541)	11,078	248,951	169,488
Transfer from/ to Stage 1	94,064	4,412	(98,476)	-
Transfer from/ to Stage 2	3,146	26,657	(29,803)	-
Balance at 31 March 2022	64,457	131,928	2,756,786	2,953,171

6.4 The movement in the provisions for credit facilities required by CBK instructions effected is as follows:

	31 March 2022	31 March 2021
Balance at 1 January	3,484,658	3,658,776
Written off	(25,688)	-
Reversed during the period	(64,248)	(330,299)
Balance at 31 March	3,394,722	3,328,477

6.5 The Group holds collateral amounting to KD 4,309,351 as at 31 March 2022 (KD 4,703,934 - 31 December 2021; KD 4,329,539 – 31 March 2021) as collateral over its finance receivables. Management believes that there is no further credit provision required in excess of the provision for credit losses.

6.6 During the current period, the Group recovered an amount of KD 32,683 (KD 108,699 – 31 March 2021) from the written off finance receivables and reversed the same in the interim condensed consolidated statement of income in provision for credit loss.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

7. Other receivables and prepayments

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Staff advances	239,207	269,629	495,680
Due against collection on behalf of the Group	541,736	533,774	-
Financial assets with call option	-	-	360,000
Due from related parties	-	-	196,346
Others	498,006	367,721	339,628
	1,278,949	1,171,124	1,391,654

- Staff advances include a Qard Hassan granted to the employees against the guarantee of the end of service indemnity. This amount is due within a period of one year from the date of granting.
- Management of the Group believes that there is no need to provide any impairment for "balance due against collection on behalf of the Group" considering the legal counsel's opinion and taking into consideration procedures in place to collect the amount and expected to finalize the procedures of collection during Q2-2022.

8. Investments in financial securities

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Financial assets at fair value through profit or loss ("FVTPL")			
Quoted foreign funds	1,196,394	1,232,488	-
Unquoted foreign funds	589,168	593,341	-
Unquoted local shares	592,864	549,664	425,256
Unquoted foreign shares	129,186	129,186	169,934
Unquoted local funds	-	-	2,551
	2,507,612	2,504,679	597,741
Financial assets at fair value through other comprehensive income ("FVTOCI")			
Quoted foreign shares	1,137,897	1,179,407	1,608,335
Unquoted foreign shares	1,480,472	1,480,472	1,352,347
	2,618,369	2,659,879	2,960,682
Financial assets at amortized cost			
Debt sukuks – quoted at foreign stock exchanges	2,111,484	2,372,086	1,065,597
	2,111,484	2,372,086	1,065,597
	7,237,465	7,536,644	4,624,020

- Fair value of investments has been determined in the manner described in Note 3.2.
- Debt sukuks represents investment in high rated securities and are classified as Stage 1 instruments.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

9. Islamic finance payables

Islamic finance payables are obtained from local and foreign banks and are denominated in KD and USD. The average cost is 3.750%- 4.250% and 2.069% for KD and USD respectively as at 31 March 2022 (3.750% - 4.250% and 1.19% - 31 December 2021; 5.75% and 1.695% 31 March 2021).

Islamic finance payables are guaranteed against the following:

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Investment in Murabaha receivables	4,347,321	4,347,321	4,347,321
Assigning receivables – net	1,013,240	1,196,316	1,975,649
Investment properties	851,835	851,835	851,835
Investment in financial securities	5,034,943	5,074,821	2,371,476

10. Accounts payable and other credit balances

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Trade payables	264,476	154,193	293,626
Dividends payable	125,586	141,471	147,908
Accrued salaries and other staff accruals	267,336	273,217	150,022
NLST	44,144	28,405	14,234
Zakat	14,247	11,358	8,486
KFAS	6,762	3,832	21,270
Lease liability	-	-	5,137
Others	89,354	69,174	116,997
	811,905	681,650	757,680

11. Net gains from investments in financial securities

	Three months ended 31 March	
	2022	2021
<i>Financial assets at fair value through profit or loss ("FVTPL")</i>		
Change in fair value	2,933	-
<i>Financial assets at fair value through other comprehensive income ("FVTOCI")</i>		
Dividend income	11,927	-
	14,860	-

12. Basic and diluted earnings per share (fils)

Basic and diluted earnings per share are calculated based on the profit for the period divided by the weighted average number of shares outstanding during the period, as follows:

	Three months ended 31 March	
	2022	2021
Net profit for the period	311,608	545,334
Weighted average number of the Parent Company's outstanding shares	308,747,591	308,747,591
Basic and diluted earnings per share (fils)	1.01	1.77

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

13. Related parties' transactions and balances

Related parties consist of major shareholders, directors and executive officers of the Group, their families and companies of which they are the principal owners. All related parties' transactions are at arm's length terms and are approved by the Group's management.

The related parties' balances and transactions included in the interim condensed consolidated financial information are as follows:

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Balances:			
a) Finance receivable	591,847	599,756	9,200
b) Due from related parties	-	-	196,346
c) Key management's benefits payable	208,022	185,792	220,211
d) Advance to staff	73,017	73,967	57,730
e) Board of Directors committees' remunerations payables	61,000	-	31,000
Transactions:			
a) Remuneration of key management personnel			
Staff costs		40,575	49,056

The Group has entered into an agreement with an ex-related party to collect the outstanding instalments from some of the finance receivables on behalf of the Group. The cash collected through from that party on behalf of the Group during the period amounted to KD Nil (KD 996,619 – 31 December 2021 and KD 911,848 – 31 March 2021). The fees paid to that party amounted to KD Nil (KD 4,000 – 31 March 2021).

14. Segmental information

Operating segments are to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The operating segments are divided into two major business segments which are finance (including the credit facilities for consumers), investment (including the investments in financial securities and investment properties). Business segments are distinguishable components of the Group that provide products or services subject to risks and returns different from those of other business segments.

	31 March 2022			
	Finance	Investment	Others	Total
Segment revenues	377,899	123,327	9,107	510,333
Segment expenses	39,292	(37,773)	(186,286)	(184,767)
Segment results	417,191	85,554	(177,179)	325,566
Segment assets	20,662,298	14,884,469	1,338,169	36,884,936
Segment liabilities	2,364,481	2,127,300	1,061,225	5,553,006
	31 March 2021			
	Finance	Investment	Others	Total
Segment revenues	535,030	84,750	8,408	628,188
Segment expenses	327,832	(34,565)	(356,194)	(62,927)
Segment results	862,862	50,185	(347,786)	565,261
Segment assets	24,114,944	9,660,712	1,483,369	35,259,025
Segment liabilities	2,597,131	1,209,600	1,322,625	5,129,356

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

15. General Assembly

On 28 April 2022, the Ordinary General Assembly approved the consolidated financial statements for the year ended 31 December 2021 and approved the followings:

- Not to distribute dividends to the shareholders of the Parent Company for the year ended 31 December 2021.
- Board of Directors' remunerations amounting to Nil for year 2021 (Nil for year 2020).
- Board of Directors Committees' remunerations of KD 61,000 for year 2021 (KD 31,000 for year 2020).

On 9 May 2022, the Extra-ordinary General Assembly held and approved to reduce authorized, issued and paid-up share capital of the Parent Company by an amount of KD 4,500,000 equivalent to approximately 14.6% of the Parent Company's share capital through cancelling 45,000,000 shares and payment of the nominal value in cash to the Company's shareholders on a pro rata basis and authorizing the Board of Directors to dispose the fractional shares resulting from the reduction. Therefore, the share capital will be amounting to KD 26,374,759 comprised of 263,747,591 shares with 100 fils per share, and all shares are in cash. The required procedures to reduce the share capital and distribution in accordance with timetable are still in progress.

16. Impact of COVID-19

The Group is gradually recovering from the effects of COVID-19 pandemic. The Group's operating environment is moderately rebound, and signs of economic recovery is visible across the region and globally. High vaccination rates and strict social distancing measures significantly reduced the impact of latest variants of virus.

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FINANCING & LEASING



2022