

Kuwait Resorts Company K.P.S.C.
And its Subsidiary
State of Kuwait

Interim Condensed Consolidated Financial Information
For the three months ended 31 March 2022
And review report
(Unaudited)

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Kuwait Resorts Company K.P.S.C.

State of Kuwait

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Resorts Company K.P.S.C. ("the Parent Company") and its subsidiary (together referred to as "the Group") as at 31 March 2022 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim 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 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 financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Emphasis of Matter

We draw attention to notes 4 and 17 of the interim financial information, which describes details about managements assumption relating to the renewal of the lease contract for the Hilton Kuwait Resort. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim financial information is in agreement with the books 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, the Executive Regulation, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three-months 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, we have not become aware of any material violations provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2022, that might had a material effect on the business of the Parent Company or on its financial position.

Talal Y. Al-Muzaini

License No. 209 A

Deloitte & Touche - Al-Wazzan & Co.

Kuwait, 12 May 2022

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

(All amounts are in Kuwaiti Dinars)

	Note	31 March 2022	31 December 2021 (audited)	31 March 2021
Assets				
Non-current assets				
Property, plant and equipment		28,160	4,546	37,225
Investment properties	5	8,671,776	9,687,927	9,831,630
Investment in associate		101,009	100,563	100,532
Investment in joint ventures		-	-	73,011
Financial assets at fair value through OCI	6	19,480,713	17,922,932	15,370,630
		<u>28,281,658</u>	<u>27,715,968</u>	<u>25,413,028</u>
Current assets				
Receivables and other debit balances	7	4,510,134	4,086,164	5,176,209
Cash, bank accounts and time deposits	8	1,615,692	1,135,555	1,503,955
		<u>6,125,826</u>	<u>5,221,719</u>	<u>6,680,164</u>
Total assets		<u>34,407,484</u>	<u>32,937,687</u>	<u>32,093,192</u>
Equity and liabilities				
Equity				
Share capital		21,021,809	21,021,809	21,021,809
Statutory reserve		3,645,960	3,645,960	3,545,243
Treasury shares	9	(948,122)	(948,122)	(770,278)
Change in fair value reserve		2,355,464	2,495,854	(68,091)
Foreign currency translation reserve		(172,802)	(193,510)	(187,661)
Retained earnings		4,967,202	4,331,167	4,872,411
		<u>30,869,511</u>	<u>30,353,158</u>	<u>28,413,433</u>
Liabilities				
Non-current liabilities				
Provision for employees' end of service indemnity		833,902	777,061	758,536
Current liabilities				
Due to banks	10	1,779,511	339,875	1,195,163
Payables and other credit balances	11	924,560	1,467,593	1,726,060
		<u>2,704,071</u>	<u>1,807,468</u>	<u>2,921,223</u>
Total liabilities		<u>3,537,973</u>	<u>2,584,529</u>	<u>3,679,759</u>
Total equity and liabilities		<u>34,407,484</u>	<u>32,937,687</u>	<u>32,093,192</u>

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

Adwan Mohammad Al-Adwani
Chairman

Ibrahim Mohamed Al-Ghanim
Vice Chairman and CEO

Kuwait Resorts Company K.P.S.C.
And its Subsidiary
State of Kuwait

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

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2022	2021
Operating revenue		1,427,744	1,320,551
Operating cost		(967,128)	(857,704)
Gross operating profit	12	460,616	462,847
Cash dividend from investments		144,038	72,019
Gain from sale of investment properties	5	163,188	-
Other gains		5,794	1,504
(Losses)/ gain from foreign currency differences		50	(155)
General and administrative expenses		(95,891)	(95,554)
Finance costs		(10,405)	(22,149)
Net profit before deductions		667,390	418,512
Contribution to KFAS		(6,007)	(3,767)
National Labor Support Tax		(18,106)	(5,842)
Zakat expense		(7,242)	(2,337)
Net profit for the period		636,035	406,566
Earnings per share (fils)	13	3.25	2.05

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	636,035	406,566
Other comprehensive income/(loss) items		
<u>Items that may not be reclassified subsequently to the interim condensed consolidated statement of income</u>		
Investments at fair value through other comprehensive income:		
Change in fair value through other comprehensive income	(140,390)	(1,325,049)
<u>Items that may be reclassified subsequently to the interim condensed consolidated statement of income</u>		
Foreign currency translation reserve	20,708	(11,288)
Total other comprehensive loss	(119,682)	(1,336,337)
Total comprehensive income/(loss) for the period	516,353	(929,771)

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

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

(All amounts are in Kuwaiti Dinars)

	Share capital	Statutory reserve	Treasury shares	Change in fair value reserve	Foreign currency translation reserve	Retained earnings	Total
Balance as at 1 January 2021	21,021,809	3,545,243	(754,651)	1,256,958	(176,373)	4,465,844	29,358,830
Net profit for the period	-	-	-	-	-	406,566	406,566
Other comprehensive loss items	-	-	-	(1,325,049)	(11,288)	-	(1,336,337)
Purchase of treasury shares	-	-	(15,627)	-	-	-	(15,627)
Balance as at 31 March 2021	<u>21,021,809</u>	<u>3,545,243</u>	<u>(770,278)</u>	<u>(68,091)</u>	<u>(187,661)</u>	<u>4,872,410</u>	<u>28,413,432</u>
Balance as at 1 January 2022	21,021,809	3,645,960	(948,122)	2,495,854	(193,510)	4,331,167	30,353,158
Net profit for the period	-	-	-	-	-	636,035	636,035
Other comprehensive loss items	-	-	-	(140,390)	20,708	-	(119,682)
Balance as at 31 March 2022	<u>21,021,809</u>	<u>3,645,960</u>	<u>(948,122)</u>	<u>2,355,464</u>	<u>(172,802)</u>	<u>4,967,202</u>	<u>30,869,511</u>

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)

	Note	Three months ended 31 March	
		2022	2021
Cash flows from operating activities			
Net profit for the period		636,035	406,566
Adjustments:			
Depreciation		7,728	11,093
Cash dividends from investments		(144,038)	(72,019)
Gain from sale of investment property	5	(163,188)	-
Finance costs		10,405	22,149
Provision for employees' end of service indemnity		57,981	33,015
Operating profits before working capital changes		404,923	400,804
Receivables and other debit balances	7	(414,925)	(85,635)
Payables and other credit balances	11	(543,033)	219,247
Payment of end of service indemnity		(1,140)	(217,841)
Net cash (used in) / generated from operating activities		(554,175)	316,575
Cash flows from investing activities			
Paid for purchase of property, plant and equipment		(31,340)	(44,457)
Purchase of Financial assets at fair value through OCI		(1,698,175)	-
Cash dividends received		144,038	72,019
Proceeds from sale of investment property	5	1,190,558	-
Net cash (used in) / generated from investing activities		(394,919)	27,562
Cash flows from financing activities			
Purchase of treasury shares		-	(15,629)
Repayment to banks and financial institutions		(340,815)	(303,987)
Proceeds from banks and financial institutions		1,780,451	-
Finance costs paid		(10,405)	(18,711)
Net cash generated from/ (used in) financing activities		1,429,231	(338,327)
Net increase in cash and cash equivalents		480,137	5,809
Cash and cash equivalents at the beginning of the period		1,135,555	1,498,146
Cash and cash equivalents at the end of the period	8	1,615,692	1,503,955

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. Incorporation and activities

Kuwait Resorts Company is a Kuwaiti Shareholding Company (Public) "the Parent Company" - Kuwait established in Kuwait, under article of incorporation No. 4179 dated 7 August 2002 and registered in the commercial register under No. 91093 dated 22 September 2002.

The registered office of the Parent Company is at P.O. Box No. 7887, Fahaheel 64009, State of Kuwait.

The Parent Company's objectives are as follows:

- 1- Design, construct, manage and utilize Mangaf Resort (Plage 13) according to contract signed with Touristic Enterprise Company (KSC) and its annexure signed with Ministry of Finance, which includes five stars hotel, ballroom, shops, chalets and gyms.
- 2- Purchase and rent equipment, machines, catering and consumables that serve the Company's objectives.
- 3- Owning, selling and acquiring real estate and lands and developing them in the Company's favor, inside and outside Kuwait, also managing others' properties, without violating the laws relating to private residential houses.
- 4- Owning, selling and acquiring real estate company's shares and bonds only in favor of the Company inside and outside Kuwait.
- 5- Preparing studies and providing consultations in the field of real estate.
- 6- Owning and managing hotels, gyms and touristic facilities and renting them.
- 7- Conducting maintenance activities relating to buildings and real estates owned by the Company including civil, mechanic and electrical works and elevators and air condition maintenance that maintain safety of the buildings.
- 8- Managing, operating, investing and renting all kind of hotels, clubs, motels, rest houses, resorts, parks, exhibitions, restaurants, cafeterias, residential compounds, health and touristic resorts, entertaining and sport projects and shops including all basic and supporting services and facilities.
- 9- Organizing real estate exhibitions relating to the Company's real estate projects according to rules and practices in the ministry.
- 10- Conducting real estate auctions according to rules and practices in the ministry.
- 11- Owning and managing commercial complexes and residential compounds.
- 12- Investing the surplus funds in investment and real estate portfolios managed by specialized companies.

The Company conducts the above mentioned activities inside and outside Kuwait by itself or through agent.

The Company can incorporate, acquire interest or participate in all means with corporations with similar activities or assist in achieving the Company's objectives inside and outside Kuwait.

The activities of the Parent Company are carried out in accordance with Noble Islamic Sharia principles.

The Parent Company owns a five star hotel "Hilton Kuwait Resort" in the State of Kuwait.

The Parent Company was listed on the Kuwait Stock Exchange on 21 July 2007.

The interim condensed consolidated financial information for the Group includes the financial information of the Parent Company and its wholly owned subsidiary Bahraini Resort Company W.L.L., together referred as "The Group". The subsidiary has been consolidated based on management accounts as at 31 March 2022.

The Parent Company's shareholders approved the consolidated financial statements for the year ended 31 December 2021 at the annual general assembly meeting held on 18th April 2022 (Note 14).

These interim condensed consolidated financial information for the three months ended 31 March 2022 was authorized for issue by the board of directors of the Parent Company on 12th May 2022.

**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)

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 31 March 2022 are not necessarily indicative of results that may be expected for the year ending 31 December 2022. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2021.

The Group's component Hilton Kuwait Resort financial statements for year ended 31 December 2021 have been prepared on a going concern basis as the management believes that the owner will get the lease term, relating to the property on which the Resort operates, extended for one year which is already expired

2.2 Significant accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2021. 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.

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 is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: valuation techniques that are not based on observable market data.

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)

The table below gives information about how the fair values of the significant financial assets and liabilities are determined:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31/03/2022	31/12/2021	31/03/2021				
Quoted Shares	8,561,426	8,701,820	6,567,837	1	Last bid price	-	-
Unquoted shares	9,221,113	9,221,112	8,802,793	3	Adjusted book value	Adjusted carrying amount	The higher market risk the lower the fair value
Investment Funds	1,698,174	-	-	3	Income approach/market multiple model	Cash flow, discount rate, growth rate	Higher estimated cash flows and lower discount rates results in higher fair value.

Reconciliation of Level 3 fair value measurements

	Unquoted investments		
	31 March 2022	31 December 2021 (Audited)	31 March 2021
Balance as at beginning period/ year	9,221,113	8,802,793	8,802,793
Change in fair value	-	418,319	-
Addition	1,698,174	-	-
Balance as at ending period/ year	10,919,287	9,221,112	8,802,793

The fair values of other financial assets and financial liabilities which are not measured at fair value on ongoing basis equal approximately their carrying values.

4. Estimates

The preparation of interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2021. The most significant judgements used by the management in preparation of the annual financial statements for the year ended 31 December 2021 and the interim condensed consolidated financial information for the period ended 31 March 2022 is the renewal of hotel lease as below:

Hotel lease renewal

The Group is operating Hilton Kuwait Resort based on the utilization right contract with the Ministry of Finance (MoF). The Utilization right contract expired in December 2020 but the Group is still operating the Hotel. The Group has paid rent in advance to the Ministry of Finance against this utilization right and is currently negotiating with the Ministry of Finance for renewal of the contract. The Group therefore, expects the lease to be renewed for another fixed term (note 17).

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)

5. Investment properties

	31 March 2022	31 December 2021 (audited)	31 March 2021
Balance as at 1 January	9,687,927	9,840,036	9,840,036
Transfer from receivables and other debit balances	-	998,633	-
Disposal	(1,027,370)	(136,800)	-
Change in fair value	-	(1,007,362)	-
Foreign currency translation adjustment	11,219	(6,580)	(8,406)
	<u>8,671,776</u>	<u>9,687,927</u>	<u>9,831,630</u>

During the period, the group sold certain properties located in The Kingdom of Bahrain for KD 1,190,558 resulting in a gain of KD 163,188.

6. Financial assets at fair value through OCI

	31 March 2022	31 December 2021 (audited)	31 March 2021
Quoted investments	8,561,426	8,701,820	6,567,837
Unquoted investments	9,221,113	9,221,112	8,802,793
Investments in funds	1,698,174	-	-
	<u>19,480,713</u>	<u>17,922,932</u>	<u>15,370,630</u>

Financial assets at fair value through OCI mainly represents investments in companies that are related to the Group as at 31 March 2022 (Note 15).

The investments include an amount of KD 13,344,165 pledged to banks as at 31 March 2022 (KD 13,453,270- 31 December 2021, KD 11,462,917 - 31 March 2021) against facilities granted to the Group and the investee Company.

7. Receivables and other debit balances

	31 March 2022	31 December 2021 (audited)	31 March 2021
Trade receivables	272,288	271,682	300,329
Less: Provision for loss allowance	(117,000)	(117,000)	(102,720)
	155,288	154,682	197,609
Prepayments	164,879	103,736	168,886
Advance payments to acquire investment properties	3,544,206	3,366,921	4,373,178
Due from related parties (Note 15)	519,696	344,670	340,500
Other receivables	126,065	116,155	96,036
	<u>4,510,134</u>	<u>4,086,164</u>	<u>5,176,209</u>

8. Cash, bank accounts and time deposits

	31 March 2022	31 December 2021 (audited)	31 March 2021
Cash in hand	14,320	21,668	10,132
Cash at banks and portfolios	1,601,372	1,113,887	1,493,823
	<u>1,615,692</u>	<u>1,135,555</u>	<u>1,503,955</u>

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. Treasury shares

	31 March 2022	31 December 2021 (audited)	31 March 2021
Number of shares (share)	15,175,354	15,175,354	11,503,928
Ownership percentage (%)	7.22	7.22	5.472
Market value (KD)	1,441,659	1,456,834	716,695

The Parent Company is committed to retain reserves and retained earnings equivalent to the treasury shares throughout the period, in which they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities.

10. Due to banks

Due to banks are secured by investment properties, financial assets through OCI (Note 6), and secured by a mortgage of certain real estate properties owned by a major shareholder and his guarantee. The average effective finance cost of credit facilities as at 31 March 2022 was 3.25% (3.25% - 31 December 2021, 3.5% - 31 March 2021).

11. Payables and other credit balances

	31 March 2022	31 December 2021 (audited)	31 March 2021
Trade payables	88,682	117,455	103,619
Accrued expenses and leave	95,487	422,670	556,897
Due to related parties (Note 15)	-	-	156,988
Contribution to KFAS	209,923	178,968	128,868
Dividends payables	40,815	41,208	31,805
Others	489,653	707,292	747,883
	<u>924,560</u>	<u>1,467,593</u>	<u>1,726,060</u>

12. Gross operating profit

	For the three months ended 31 March	
	2022	2021
Revenues from hotel operation	1,427,744	1,320,551
Hotel expenses	(959,692)	(846,868)
Other expenses	(7,436)	(10,836)
	<u>460,616</u>	<u>462,847</u>

This item mainly represents the gross operating profit from Hilton Kuwait Resort operations.

13. Earnings per share

Earnings per share is computed by dividing net profit for the period by the weighted average number of ordinary shares outstanding, which is determined based on number of issued capital shares outstanding during the period, taking into account treasury shares, as follows:

	Three months ended 31 March	
	2022	2021
Net profit for the period (KD)	636,035	406,566
Weighted average number of outstanding shares during the period after deduction of treasury shares (shares)	<u>195,836,888</u>	<u>198,739,157</u>
Earnings per share (fils)	<u>3.25</u>	<u>2.05</u>

Earning per share for the current period has been amended taking into consideration the effect of bonus share from treasury shares distributed in subsequent period (Note 14).

**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)

14. Dividends

On 18th April 2022, the General Assembly Meeting of the shareholders has approved the consolidated financial statements for the year ended 31 December 2021 and approved distribution of cash dividends of 3 fils per share and distribution of 2 bonus shares for each 100 shares from treasury shares (distribution 2 fils per share and distribution 3 treasury shares of the Parent Company for each 100 share – 2020)

15. Related party transactions

Related parties comprise of the Parent Company's shareholders who are members in the board of directors, major shareholders, and key management personnel. In the ordinary course of business, the Group entered into transactions with related parties during the period. The following are the transactions and balances resulted from these transactions included in the interim condensed consolidated financial information:

	31 March 2022	31 December 2021 (audited)	31 March 2021
Balances			
Investments at FVOCI	17,153,985	17,295,865	14,736,136
Due from related parties	519,696	344,670	340,500
Due to related parties	-	-	156,988

The amounts due from/to related parties are non-interest bearing and are recoverable/payable on demand.

	Three months ended 31 March	
	2022	2021
Transactions		
Key management benefits	56,481	57,631
Gains from investments	144,038	72,019

16. Contingent commitments and liabilities

	31 March 2022	31 December 2021 (audited)	31 March 2021
Letter of Guarantees	440,225	440,225	440,225

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

17. Segment reporting

The Group is organized into three major operating segments; hotels, investment and real estate. The segments results are reported to senior executive management. Further, Group's operating results, assets and liabilities are reported according to geographical areas in which it operates. Revenue, profits, assets and liabilities are measured according to the same accounting bases followed in preparation of consolidated financial statements. Segment analysis in line with internal reports submitted to management is as follows:

	31 March 2022				31 March 2021			
	Hotels	Financial Investment	Real Estate	Total	Hotels	Financial Investment	Real Estate	Total
Revenues	1,427,744	144,038	167,970	1,739,752	1,320,551	72,019	290	1,392,860
Expenses	(967,128)	-	-	(967,128)	(857,704)	-	-	(857,704)
Segments results	460,616	144,038	167,970	772,624	462,847	72,019	290	535,156
Other income				1,012				1,214
Un allocated expenses				(137,601)				(129,804)
Net profit for the year				636,035				406,566
Segments assets	1,419,673	19,480,711	13,507,098	34,407,482	1,679,150	15,043,412	15,370,630	32,093,192
Segments liabilities	1,188,487	-	2,349,486	3,537,973	1,796,087	-	1,883,672	3,679,759

Geographic distribution

	31 March 2022			31 March 2021		
	State of Kuwait	GCC	Total	State of Kuwait	GCC	Total
Segment revenue	1,572,794	167,970	1,740,764	1,393,784	290	1,394,074
Segment expenses	(1,104,046)	(683)	(1,104,729)	(986,803)	(705)	(987,508)
Segment result	468,748	167,287	636,035	406,981	(415)	406,566
Segments assets	24,918,140	9,489,342	34,407,482	21,829,149	10,264,043	32,093,192
Segments liabilities	1,758,462	1,779,511	3,537,973	2,484,596	1,195,163	3,679,759

Hilton Kuwait Resorts is operated by the Group based on the utilization right contract with the Ministry of Finance that ended in Dec 2020. The Group's management expects to renew this contract in the current period. The utilization contract requires the transfer of all Hilton resorts tangible assets to the Ministry of Finance without any consideration or compensation on maturity of the lease contract. Also, the higher of annual utilization fee of KD 500,000 or 10% of annual revenue is paid to the Ministry of Finance. The Group has paid rent in advance to the government against this lease and is currently negotiating with the government for renewal of the lease contract. The Group therefore, expects the lease to be renewed for another fixed term.

**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)

18. Impact of COVID-19

The future dynamics of the COVID-19 pandemic remain uncertain due to its evolving nature (new ongoing waves of infection, new restrictions, new variants, vaccination efficacy and rollouts). The full extent of the impact of the crisis in the region and related policy and support measures is still not fully known.

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of IFRS, and incorporated the outcome in interim condensed consolidated financial information and explained the changes related to the critical judgement and estimates for the period ended 31 March 2022.

Further, management is aware that any further disruptions due to the emerging new covid variants could negatively impact the consolidated financial position, performance and cash flows of the Group in the future. Management continues to closely monitor the market trends, its industry reports and cash flows to minimise any negative impact on the Group.