



Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim Condensed Consolidated Financial Information and Review Report

Tamdeen Real Estate Company – KPSC

and its Subsidiaries

Kuwait

31 March 2023 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
Tamdeen Real Estate Company – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tamdeen Real Estate Company (Kuwaiti Public Shareholding Company) (the “Parent Company”) and its Subsidiaries (collectively the “Group”) as of 31 March 2023 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended. Management 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.

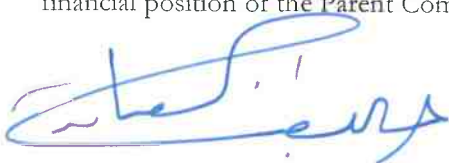
Conclusion

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 International Accounting Standard 34, “Interim Financial Reporting”.

Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the three-month period ended 31 March 2023 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, we have not become aware of any material 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 2023 that might have had a material effect on the business or financial position of the Parent Company.



Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
14 May 2023

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2023 (Unaudited) KD'000	Three months ended 31 March 2022 (Unaudited) KD'000
Revenue			
Operating revenue		6,678	6,234
Cost of revenue		(1,752)	(1,446)
Net income		4,926	4,788
Management and consultancy fees		217	218
Net income from investments	6	249	23
Share of results of associates		2,717	2,424
Profit from sale of trading properties		181	21
Foreign currency exchange gain		2	91
Other income		678	264
		8,970	7,829
Expenses and other charges			
Staff costs		(844)	(903)
General, administrative and other expenses		(2,136)	(1,147)
Finance costs		(1,842)	(1,645)
		(4,822)	(3,695)
Profit for the period before provision for contribution to KFAS, provision for Zakat and provision for NLST		4,148	4,134
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(23)	(28)
Provision for Zakat		(34)	(46)
Provision for National Labour Support Tax (NLST)		(98)	(107)
Profit for the period		3,993	3,953
Attributable to:			
Owners of the Parent Company		3,162	3,278
Non-controlling interests		831	675
		3,993	3,953
Basic and diluted earnings per share attributable to the owners of the Parent Company	7	7.9 Fils	8.2 Fils

The notes set out on pages 8 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended 31 March 2023 (Unaudited) KD'000	Three months ended 31 March 2022 (Unaudited) KD'000
Profit for the period	3,993	3,953
<i>Other comprehensive income:</i>		
<i>Items to be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	-	9
	-	9
<i>Items will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</i>		
Net change in fair value of equity investments designated at FVOCI	520	36,961
Share of other comprehensive (loss)/ income of associates	(188)	435
	332	37,396
Total other comprehensive income for the period	332	37,405
Total comprehensive income for the period	4,325	41,358
Total comprehensive income for:		
Owners of the Parent Company	3,350	24,351
Non-controlling interests	975	17,007
	4,325	41,358

The notes set out on pages 8 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Assets				
Cash and bank balances	14	30,688	35,932	69,012
Accounts receivable and other debit balances	8	8,571	7,245	13,068
Investments at fair value through other comprehensive income	9	182,669	182,155	216,314
Investment property under development		21,510	21,000	19,040
Trading properties		15,726	18,914	27,166
Investment properties	10	163,010	163,010	162,246
Investments in associates	11	151,405	150,687	141,923
Intangible assets		3,902	4,260	5,336
Other assets		5,990	6,219	6,607
Total assets		583,471	589,422	660,712
Liabilities and equity				
Liabilities				
Due to banks		4,213	5,357	6,670
Term loans	12	170,728	171,245	243,061
Accounts payable and other credit balances	13	26,140	27,662	34,059
Refundable rental deposits		7,745	7,778	7,955
Provision for employees' end of service benefits		1,960	1,878	1,837
Total liabilities		210,786	213,920	293,582
Equity				
Share capital		43,193	43,193	43,193
Share premium		11,132	11,132	11,132
Treasury shares		(11,981)	(11,981)	(11,981)
Reserve on sale of treasury shares		756	756	756
Statutory reserve		16,329	16,329	14,799
Voluntary reserve		17,727	17,727	16,197
Foreign currency translation reserve		389	389	378
Cumulative changes in fair value		115,744	115,556	118,069
Retained earnings		32,617	30,614	25,921
Equity attributable to the owners of the Parent Company		225,906	223,715	218,464
Non-controlling interests		146,779	151,787	148,666
Total equity		372,685	375,502	367,130
Total liabilities and equity		583,471	589,422	660,712



Mohammad Abdulhamid
Mohammad Al-Marzouq
Chairman

Abdulaziz Abdullah Ali Al-Ghanim
Vice-Chairman

The notes set out on pages 8 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company											
	Share capital KD'000	Share premium KD'000	Treasury shares KD'000	Reserve on sale of treasury shares KD'000	Statutory reserve KD'000	Voluntary reserve KD'000	Foreign currency translation reserve KD'000	Cumulative changes in fair value KD'000	Retained earnings KD'000	Sub-Total KD'000	Non-controlling interests KD'000	Total KD'000
Balance as at 1 January 2023 (Audited)	43,193	11,132	(11,981)	756	16,329	17,727	389	115,556	30,614	223,715	151,787	375,502
Impact on purchase of the remaining shares in a subsidiary (Note 5)	-	-	-	-	-	-	-	-	(1,159)	(1,159)	(914)	(2,073)
Non-controlling interests disposed as a result of acquisition of an additional share in a subsidiary (Note 5)	-	-	-	-	-	-	-	-	-	-	(5,069)	(5,069)
Transactions with the owners	-	-	-	-	-	-	-	-	(1,159)	(1,159)	(5,983)	(7,142)
Profit for the period	-	-	-	-	-	-	-	-	3,162	3,162	831	3,993
Other comprehensive income for the period	-	-	-	-	-	-	-	188	-	188	144	332
Total comprehensive income for the period	-	-	-	-	-	-	-	188	3,162	3,350	975	4,325
Balance as at 31 March 2023 (Unaudited)	43,193	11,132	(11,981)	756	16,329	17,727	389	115,744	32,617	225,906	146,779	372,685

The notes set out on pages 8 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the Parent Company											
	Share capital KD'000	Share premium KD'000	Treasury shares KD'000	Reserve on sale of treasury shares KD'000	Statutory reserve KD'000	Voluntary reserve KD'000	Foreign currency translation reserve KD'000	Cumulative changes in fair value KD'000	Retained earnings KD'000	Sub-Total KD'000	Non-controlling interests KD'000	Total KD'000
Balance as at 1 January 2022 (Audited)	43,193	11,132	(11,926)	756	14,799	16,197	369	97,005	22,643	194,168	131,659	325,827
Purchase of treasury shares	-	-	(55)	-	-	-	-	-	-	(55)	-	(55)
Transactions with the owners	-	-	(55)	-	-	-	-	-	-	(55)	-	(55)
Profit for the period	-	-	-	-	-	-	-	-	3,278	3,278	675	3,953
Other comprehensive income for the period	-	-	-	-	-	-	9	21,064	-	21,073	16,332	37,405
Total comprehensive income for the period	-	-	-	-	-	-	9	21,064	3,278	24,351	17,007	41,358
Balance as at 31 March 2022 (Unaudited)	43,193	11,132	(11,981)	756	14,799	16,197	378	118,069	25,921	218,464	148,666	367,130

The notes set out on pages 8 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2023 (Unaudited) KD'000	Three months ended 31 March 2022 (Unaudited) KD'000
Operating activities			
Profit for the period		3,993	3,953
Adjustments:			
Depreciation and amortisation		543	560
Provision for employees' end of service benefits		125	144
Loss on disposal of property, plant and equipment		2	
Profit from sale of trading properties		(181)	(21)
Share of results of associates		(2,717)	(2,424)
Dividends income		(2)	(4)
Interest income		(228)	(19)
Finance costs		1,842	1,645
		3,377	3,834
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		170	(262)
Accounts payable and other credit balances		(594)	(292)
Refundable rental deposits		(34)	(31)
Employees' end of service benefits		(44)	(84)
Net cash from operating activities		2,875	3,165
Investing activities			
Proceed from sale of investment at fair value through other comprehensive income		-	40,355
Paid to incorporate an associate		-	(2,600)
Change in non-controlling interests disposed as a result of acquisition of an additional share in a subsidiary		(7,142)	-
Proceed from sale of trading properties		3,673	1,910
Additions to an investment property under development		(510)	(662)
Additions to other assets and intangible assets		(259)	(499)
Dividends income received		2	4
Interest income received		228	19
Net cash (used in) investing activities		(4,008)	38,527
Financing activities			
Cash dividends paid		(24)	(5)
Change in due to banks		(1,144)	(501)
Change in term loans		(517)	(3,020)
Purchase of treasury shares		-	(55)
Finance costs paid		(2,426)	(1,766)
Net cash used in financing activities		(4,111)	(5,347)
Net (decrease)/ increase in cash and cash equivalents		(5,244)	36,345
Cash and cash equivalents at beginning of the period	14	35,857	32,592
Cash and cash equivalents at end of the period	14	30,613	68,937

The notes set out on pages 8 to 20 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the Parent Company

Tamdeen Real Estate Company – KPSC (the Parent Company) was incorporated in Kuwait on 16 December 1982 in accordance with the Companies Law. The Parent Company along with its subsidiaries are jointly referred to as “the Group”. The Parent Company’s shares are traded on the Kuwait Stock Exchange.

The principal activities of the Parent Company are represented in the real estate investments inside and outside the State of Kuwait, for the purposes of ownership, resale, leasing and renting. The Parent Company is also engaged in the development of real estate projects and construction contracts of buildings, managing the properties of others, establishing and managing real estate investment funds, real estate studies and consultancy, and investing in companies with activities similar to its own and exploiting the financial surpluses available at the Parent Company through its investment in financial portfolios managed by professional companies and authorities.

The address of the Parent Company: PO Box 21816 - Safat 13079 - State of Kuwait.

The interim condensed consolidated financial information for the three-month period ended 31 March 2023 was authorised for issue by the Parent Company’s board of directors on 14 May 2023.

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2023 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. 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 2022, except for the changes described in note 3.

The annual consolidated financial statements for the year ended 31 December 2022 were prepared in accordance with the International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board (“IASB”), and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional and presentation currency of the Parent Company.

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the Parent Company’s management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the three-month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2022.

3 Changes in accounting policies

3.1 New and amended standards adopted by the Group

The following new amendments or standards were effective for the current period.

<i>Standard or interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments – Disclosure of accounting policies	1 January 2023
IAS 8 Amendments- Definition of accounting estimates	1 January 2023

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended standards adopted by the Group

IAS 1 Amendments – Disclosure of accounting policies

The amendments to IAS 1 require entities to disclose material accounting policies instead of significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

IAS 8 Amendments – Definition of accounting estimates

The amendments to IAS 8 inserted the definition of accounting estimates replacing the definition of a change in accounting estimates. Accounting estimates are now defined as monetary amounts in financial statements that are subject to measurement uncertainty.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

3.2 IASB Standards issued but not yet effective

At the date of authorization of this interim condensed consolidated financial information, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's interim condensed consolidated financial information is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's interim condensed consolidated financial information.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments – Classification of current or non-current	1 January 2024
IAS 1 Amendments - Classification of liabilities with debt covenants	1 January 2024
IFRS 16 Amendments- Leases	1 January 2024

IAS 1 Amendments - Classification of current or non-current

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

Management does not anticipate that the application of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities depends only on the covenants that an entity is required to comply with on or before the reporting date of the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

Management does not anticipate that the application of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

IAS 16 Amendments – Leases

The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arise from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction. The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

Management does not anticipate that the application of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, 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 judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2022.

5 Subsidiaries

The list of the consolidated subsidiary companies of the Group is as follows:

Subsidiaries	Percentage of the Group ownership in subsidiaries			Country of incorporation	Principal activity	Date of incorporation	Date of control
	31 March 2023 (Unaudited) %	31 Dec. 2022 (Audited) %	31 March 2022 (Unaudited) %				
Tamdeen Investment Company – KPSC and its subsidiaries*	55.94	55.94	55.94	Kuwait	Investment	3 March 1997	11 January 2003
Manshar Real Estate Company - KSC (Closed)	77.97	77.97	77.97	Kuwait	Real estate	17 March 2007	17 March 2007
Al Adiyat International Real Estate Company - KSC (Closed)**	98.98	98.98	98.98	Kuwait	Real estate	25 June 2006	1 April 2012
Tamdeen Real Estate Development Company – KSC (Closed)***	-	33	33	Kuwait	Real estate	21 July 2008	1 April 2016

Notes to the interim condensed consolidated financial information (continued)

5 Subsidiaries (continued)

* This investment is held by an investment portfolio managed by a specialized investment company.

** Subsequent to the date of interim condensed consolidated financial information, the Group have completed the subsidiary's liquidation formalities.

*** During the current period, one of the subsidiaries of the Group (Tamdeen Investment Company - K.P.S.C) purchased the remaining shares in Tamdeen Real Estate Development Company K.S.C (Closed) (Group's subsidiary) and increased its direct ownership percentage in the share capital from 48% to 100%. Accordingly, the financial statements of Tamdeen Real Estate Development Company K.S.C (Closed) was fully and directly consolidated by Tamdeen Investment Company - K.P.S.C. This purchase transaction resulted in an increase in the difference between the purchase value and the net book value of the purchased shares. Net increase calculated amounted to KD2,073 thousand, which was included directly in the statement of equity for the period. The non-controlling interests totaling KD5,069 thousand were also disposed off from the balance of the non-controlling interests of that subsidiary.

6 Net income from investments

	Three months ended 31 March 2023 (Unaudited) KD'000	Three months ended 31 March 2022 (Unaudited) KD'000
Dividends income	2	4
Interest income and others	247	19
	249	23

7 Basic and diluted earnings per share attributable to the owners of the Parent Company

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the Parent Company by the weighted average number of the outstanding shares during the period excluding the treasury shares as follows:

	Three months ended 31 March 2023 (Unaudited)	Three months ended 31 March 2022 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD'000)	3,162	3,278
Weighted average number of the outstanding shares (excluding treasury shares) (in thousands)	401,512	401,649
Basic and diluted earnings per share attributable to the owners of the Parent Company	7.9 Fils	8.2 Fils

Notes to the interim condensed consolidated financial information (continued)

8 Accounts receivable and other debit balances

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Trade receivable	663	898	770
Due from related parties	102	190	815
Cheques under collection	-	-	859
Due from sale of trading properties (a)	2,020	2,325	1,347
Due from sale of real estate voucher (b)	1,699	1,949	1,949
Dividends income receivable	1,800	-	1,940
Advance payments to contractors	889	576	799
Prepaid expenses	1,045	639	180
Advance payment for incorporation of an associate	-	-	2,600
Accrued income	4	73	809
Other debit balances	932	1,178	1,429
	9,154	7,828	13,497
Provision for ECLs	(583)	(583)	(429)
	8,571	7,245	13,068

- a) The balance due from the sale of trading properties is mainly represented in the amounts due from the sale operations made by the parent company for a number of residential investment towers in the Tamdeen Square project (Towers B and C).
- b) The balance due from the sale of real estate plots mainly represents the amounts due from the sale process made by a subsidiary in the past for a number of real estate plots invested for the purpose of trading. The Group's management considers that the credit risk of these amounts is low since the parties are reputable with no previous default, and confirms that these amounts owed are fully collectible from the concerned parties. These balances are guaranteed by a related party.

9 Investments at fair value through other comprehensive income

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Local managed portfolios	98	98	88
Participations in local companies shares	181,990	181,476	8,497
Participations in capital of companies located outside Kuwait	581	581	207,729
	182,669	182,155	216,314

Investments with a total fair value of KD 41,006 thousand (31 December 2022: KD 37,098 thousand and 31 March 2022: KD 152,509 thousand) are mortgaged against term loans (Note 12).

- a) The total balance of accumulated profits (as a result of disposal) during the previous years, included in the cumulative changes in fair value, amounted to KD 114,087 thousand (31 December 2022: KD 114,087 thousand and 31 March 2022: KD 23,454 thousand).

Refer to note 20.3 for further details relating to the carrying value and fair value of the above investments.

Notes to the interim condensed consolidated financial information (continued)

10 Investment properties

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Balance at beginning of the period/year	163,010	162,246	162,246
Change in fair value during the period/year	-	764	-
Balance at end of the period/year	163,010	163,010	162,246

- a) The additions to investment properties represent the costs incurred during the prior year for the redevelopment of Al-Kout Complex.
- b) The fair value of investment properties at end of the year is determined based on valuations obtained from two independent valuers. Investment properties are represented by the carrying values of Al-Kout Mall and Hyatt Regency Al-Kout Mall (collectively referred to as “Al-Kout Complex”). Souq Al-Kout is subject to a B.O.T contract signed with the Government of Kuwait where the contract terms end in 2024.
- c) Investment properties with a carrying value of KD162,250 thousand at 31 March 2023 (31 December 2022: KD162,250 thousand and 31 March 2022: KD161,146 thousand) [“Al-Kout Complex”] are totally mortgaged against term loans (Note 12).

Notes to the interim condensed consolidated financial information (continued)

11 Investments in associates

This item comprises the investments of the Group in the following associates:

Company's name	Place of incorporation	31 March 2023 (Unaudited)		31 December 2022 (Audited)		31 March 2022 (Unaudited)		Value KD'000
		Ownership %		Ownership %		Ownership %		
		Direct	Indirect*	Direct	Indirect*	Direct	Indirect*	
Tamdeen Shopping Centers Company – KSC (Closed)	Kuwait	30	2	30	2	30	2	56,057
Kuwait National Cinema Company – KPSC**	Kuwait	-	48	-	48	-	48	61,182
Tamdeen Pearl Real Estate Company – KSC (Closed)	Kuwait	-	31	-	31	-	31	27,649
Others	Kuwait	-	-	-	-	-	-	5,799
								150,687
								151,405

* Indirect holding through the subsidiary [Tamdeen Investment Company – KPSC].

** A proportion of the investment in the associate, Kuwait National Cinema Company – KPSC, is pledged against term loans (refer Note 12b).

The Group's share of results of associates has been recorded based on the latest unaudited financial information prepared by the managements of these associates for the period ended 31 March 2023.

Notes to the interim condensed consolidated financial information (continued)

12 Term loans

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Term loans (a)	170,728	171,245	243,061
Average interest rate – range (above CBK discount rate)	0.75 - %1.25%	0.75 - %1.25%	1% - 1.25%

- a) Term loans of KD69,500 thousand (31 December 2022: KD72,000 thousand and 31 March 2022: KD75,500 thousand) are contractually due after more than one year. The remaining term loans of KD101,228 thousand (31 December 2022: KD99,245 thousand and 31 March 2022: KD 168,061 thousand) are maturing within one year and renewed periodically.
- b) Loans granted to the subsidiaries totalling to KD102,845 thousand (31 December 2022: KD89,540 thousand and 31 March 2022: KD160,290 thousand) are against the mortgage of investments in shares with a fair value of KD41,006 thousand (31 December 2022: KD37,098 thousand and 31 March 2022: KD 152,509 thousand) (Note 9), mortgage of investments in associates by an amount of KD36,197 thousand (31 December 2022: KD35,758 thousand and 31 March 2022: KD41,347 thousand) (Note 11), and mortgage of investment properties by an amount of KD 162,250 thousand (31 December 2022: KD 162,250 thousand and 31 March 2022: KD161,146 thousand) (Note 10).
- c) Loans granted to a subsidiary of KD11,305 thousand (31 December 2022: KD11,321 thousand and 31 March 2022: KD11,383 thousand) are guaranteed against a promise of mortgage of an investment property under development.

13 Accounts payable and other credit balances

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Retentions for executed works	6,137	6,210	11,897
Rental received in advance	418	701	657
Accrued interest, leave and other expenses	3,266	3,625	3,343
Lease liability	1,087	1,125	1,239
Due to related parties	844	250	627
Dividends payable to shareholders	305	328	300
Advance payments received from customers	1,741	1,763	1,568
Accrued construction costs	977	1,117	2,179
Creditors against acquisition of intangible assets	3,755	3,471	
Provisions and other credit balances	7,610	9,072	12,249
	26,140	27,662	34,059

Notes to the interim condensed consolidated financial information (continued)

14 Cash and cash equivalents

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows comprise of the following balances of the interim condensed consolidated statement of financial position:

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Cash on hand, bank balances and portfolios	9,233	9,738	28,894
Term deposits	21,455	26,194	40,043
	30,688	35,932	69,012
Short-term deposits with contractual maturity exceeding three months and less than a year	(75)	(75)	(75)
Cash and cash equivalents as per the consolidated statement of cash flows	30,613	35,857	68,937

Term deposits carry average interest rate at 4% (31 December 2022: 3.93% and 31 March 2022: 1.1%) per annum.

15 Segmental analysis

The Group activities are concentrated in two main segments: Real Estate and Investment. The segments' results are reported to the top management in the Group. The activities of the Group are principally carried out within the State of Kuwait; With the exception of participations in capital of companies located outside Kuwait (Note 9), all of the assets and liabilities are located inside Kuwait.

The following is the segments information, which conforms with the internal reporting presented to management:

	Real estate KD'000	Investment KD'000	Total KD'000
Period ended at 31 March 2023 (Unaudited)			
Gross income	6,891	3,831	10,722
Profit for the period	1,506	2,487	3,993
Total assets	193,048	390,423	583,471
Total liabilities	(169,507)	(41,279)	(210,786)
Total equity	23,541	349,144	372,685
Period ended at 31 March 2022 (Unaudited)			
Gross income	6,457	2,818	9,275
Profit for the period	2,335	1,618	3,953
Total assets	225,996	434,716	660,712
Total liabilities	(197,933)	(95,649)	(293,582)
Total equity	28,063	339,067	367,130

Notes to the interim condensed consolidated financial information (continued)

16 Annual general assembly of shareholders and appropriations

The general assembly of shareholders, held on 17 April 2023, approved the consolidated financial statements for the year ended 31 December 2022 and the board of directors' proposal to distribute cash dividends to shareholders at 12%, or the equivalent of 12 Kuwaiti fils per share, of the paid-up share capital for the year ended 31 December 2022. Furthermore, it approved the board of directors' remuneration of KD 35 thousand (The general assembly of shareholders, held on 12 April 2023, approved the consolidated financial statements for the year ended 31 December 2022 and the board of directors' proposal to distribute cash dividends to shareholders at 10%, or the equivalent of 10 Kuwaiti fils per share, of the paid-up share capital for the year ended 31 December 2022. Furthermore, it approved the board of directors' remuneration of KD 60 thousand).

17 Related party transactions

Related parties represent associates, directors and key management personnel of the Group, and other related parties such as major shareholders and companies in which directors and key management personnel of the Group 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.

Details of significant related party transactions and balances are as follows:

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Interim condensed consolidated statement of financial position			
Accounts receivable and other debit balances (Note 8)	102	190	815
Accounts payable and other credit balances (Note 13)	844	250	627

	Three months ended 31 March 2023 (Unaudited) KD'000	Three months ended 31 March 2022 (Unaudited) KD'000
Interim condensed consolidated statement of profit or loss		
Operating revenue	162	188
Income from management and consultancy fees	216	218
Cost of revenue	713	418
General, administrative and other expenses	359	586
Benefits of key management personnel of the Group:		
Short term employee benefits and board of directors' remuneration	255	269
Transactions		
Acquisition of additional shares in a subsidiary	6,615	-

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Contra accounts - off interim condensed consolidated statement of financial position items			
Net book value of customers' portfolios (major shareholders) managed by Tamdeen Investment Company – KPSC (subsidiary) (Note 19)	178,897	181,499	157,645

Notes to the interim condensed consolidated financial information (continued)

18 Capital commitments and contingent liabilities

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Capital commitments	584	584	-
Contingent liabilities	3,177	3,177	2,031

19 Contra accounts off the interim condensed consolidated statement of financial position items

One of the subsidiaries [Tamdeen Investment Company K.P.S.C.] manages investment portfolios to the third parties, whose net carrying amount as at 31 March 2023 amounted to KD 219,162 thousand (31 December 2022: KD 222,106 thousand and 31 March 2022: KD 221,317 thousand) out of which an amount of KD 178,897 thousand (31 December 2022: KD 181,499 thousand and 31 March 2022: KD 157,645 thousand) is attributable to portfolios of related parties (Note 17). Such balances have not been recognized under the interim condensed consolidated statement of financial position.

20 Summary of financial assets and liabilities by category and fair value measurement

20.1 Summary of financial assets and liabilities by Category

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position can be categorized as follows:

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Financial assets			
Financial assets at amortised cost:			
- Accounts receivable and other debit balances (excluding advance payments to contractors and prepaid expenses)	7,220	6,030	8,860
- Cash and cash equivalents	30,688	35,932	69,012
Financial assets at fair value:			
- Investments at fair value through other comprehensive income	182,669	182,155	216,314
Total financial assets	220,577	224,117	294,186
Financial liabilities			
Financial liabilities at amortised cost:			
- Due to banks	4,213	5,357	6,670
- Term loans	170,728	171,245	243,061
- Accounts payable and other credit balances	26,140	27,662	34,059
- Refundable rental deposits	7,745	7,778	7,955
Total financial liabilities	208,826	212,042	291,745

20.2 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments at fair value through other comprehensive income are carried at fair value and measurement details are disclosed in note 20.3 to the interim condensed consolidated financial information. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are at amortised costs are considered a reasonable approximation of their fair values.

Notes to the interim condensed consolidated financial information (continued)

20 Summary of financial assets and liabilities by category and fair value measurement (continued)

20.3 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets into three levels based on the significance of inputs used in measuring the fair value of the financial assets. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets that are not based on observable market data (unobservable inputs).

The level within which the financial assets are classified is determined based on the lowest level of significant inputs which lead to the fair value measurement.

The financial assets measured at fair value in the interim condensed consolidated statement of financial position according to the fair value hierarchy are as follows:

	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
31 March 2023 (Unaudited)				
Financial assets at fair value				
Investments at fair value through other comprehensive income				
- Local managed portfolios				
• Quoted shares	98	-	-	98
- Participations in local companies shares				
• Quoted shares	181,754	-	-	181,754
• Unquoted shares	-	-	236	236
- Participations in capital of companies located outside Kuwait				
• Unquoted shares	-	-	581	581
	181,852	-	817	182,669

31 December 2022 (Audited)

Financial assets at fair value

Investments at fair value through other comprehensive income				
- Local managed portfolios				
• Quoted shares	98	-	-	98
- Participations in local companies shares				
• Quoted shares	181,240	-	-	181,240
• Unquoted shares	-	-	236	236
- Participations in capital of companies located outside Kuwait				
• Unquoted shares	-	-	581	581
	181,338	-	817	182,155

Notes to the interim condensed consolidated financial information (continued)

20 Summary of financial assets and liabilities by category and fair value measurement (continued)

20.3 Fair value hierarchy for financial instruments measured at fair value (continued)

	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
31 March 2022 (Unaudited)				
Financial assets at fair value				
Investments at fair value through other comprehensive income				
- Local managed portfolios				
• Quoted shares	88	-	-	-
- Participations in local companies shares				
• Quoted shares	8,260	-	-	8,260
• Unquoted shares	-	-	237	237
- Participations in capital of companies located outside Kuwait				
• Quoted shares	206,237	-	-	206,237
• Unquoted shares	-	-	1,492	1,492
	214,585	-	1,729	216,314

There were no transfers between the levels during the current period.

The valuation methods and techniques used for the purpose of measuring fair value are unchanged compared to the previous year or period.

Level 3 fair value measurements

Reconciliation of level 3 fair value measurements is as follows:

	31 March 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	31 March 2022 (Unaudited) KD'000
Balance at the beginning of period/year	817	1,729	1,729
Change in fair value during the period/year	-	(912)	-
Balance at the end of period/year	817	817	1,729