

Interim Condensed Consolidated Financial Information and Review Report

Tamdeen Real Estate Company – KPSC

and its Subsidiaries

Kuwait

30 June 2024 (Unaudited)

Contents

	Page
Report on review of interim condensed consolidated financial information	1
Interim condensed consolidated statement of profit or loss	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of financial position	4
Interim condensed consolidated statement of changes in equity	5 and 6
Interim condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial information	8 to 20

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 at 30 June 2024 and the related interim condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three-month and six-month periods then ended and, interim condensed consolidated statements of changes in equity and cash flows for the six-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 six-month period ended 30 June 2024 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 six-month period ended 30 June 2024 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

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended		Six months ended	
		30 June 2024 (Unaudited) KD'000	30 June 2023 (Unaudited) KD'000	30 June 2024 (Unaudited) KD'000	30 June 2023 (Unaudited) KD'000
Revenue					
Operating revenue		6,112	5,720	12,404	12,398
Cost of revenue		(1,725)	(1,493)	(3,480)	(3,245)
Net income		4,387	4,227	8,924	9,153
Management and consultancy fees		252	274	506	491
Profit on sale of subsidiaries	5	-	763	-	763
Net income from investments	6	2,420	4,002	2,708	4,251
Change in fair value of an investment property under development	7	-	2,555	-	2,555
Share of results of associates		4,438	3,592	7,008	6,309
Profit from sale of trading properties		91	101	180	282
Foreign currency exchange gain		(42)	27	(10)	29
Other income		408	388	1,184	1,066
		11,954	15,929	20,500	24,899
Expenses and other charges					
Staff costs		(807)	(674)	(1,941)	(1,518)
General, administrative and other expenses		(1,051)	(1,492)	(2,376)	(3,628)
Finance costs		(1,911)	(2,183)	(3,924)	(4,025)
		(3,769)	(4,349)	(8,241)	(9,171)
Profit for the period before provisions for contribution to KFAS, Zakat and NLST		8,185	11,580	12,259	15,728
Provision for contribution to KFAS		(18)	(26)	(37)	(49)
Provision for Zakat		(60)	(88)	(99)	(122)
Provision for NLST		(186)	(297)	(302)	(395)
Profit for the period		7,921	11,169	11,821	15,162
Attributable to:					
Owners of the Parent Company		5,388	7,028	8,260	10,190
Non-controlling interests		2,533	4,141	3,561	4,972
		7,921	11,169	11,821	15,162
Basic and diluted earnings per share attributable to the owners of the Parent Company					
	8	13.4 Fils	17.5 Fils	20.6 Fils	25.4 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		Six months ended	
	30 June 2024 (Unaudited) KD'000	30 June 2023 (Unaudited) KD'000	30 June 2024 (Unaudited) KD'000	30 June 2023 (Unaudited) KD'000
Profit for the period	7,921	11,169	11,821	15,162
Other comprehensive income:				
Items to be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:				
Share of other comprehensive (loss) / income of associates	(3)	3	-	3
	(3)	3	-	3
Items will not be subsequently classified to interim condensed consolidated statement of profit or loss:				
Net change in fair value of investments at FVOCI	(5,701)	(1,404)	10,232	(884)
Share of other comprehensive (loss)/ income of associates	(914)	411	921	223
	(6,615)	(993)	11,153	(661)
Total other comprehensive (loss)/ income for the period	(6,618)	(990)	11,153	(658)
Total comprehensive income for the period	1,303	10,179	22,974	14,504
Total comprehensive income attributable to:				
Owners of the Parent Company	1,164	6,465	14,327	9,815
Non-controlling interests	139	3,714	8,647	4,689
	1,303	10,179	22,974	14,504

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	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Assets				
Cash and bank balances	15	26,614	27,438	25,194
Accounts receivable and other debit balances	9	6,447	5,482	7,460
Investments at fair value through other comprehensive income	10	165,847	165,520	181,270
Investment property under development	7	-	-	23,800
Trading properties		8,590	10,713	13,849
Investment properties	11	186,641	186,641	163,010
Investments in associates	12	159,557	158,008	152,606
Intangible assets		2,346	2,826	3,306
Other assets		5,848	5,964	6,578
Total assets		561,890	562,592	577,073
Liabilities and equity				
Liabilities				
Due to banks		7,515	6,990	4,779
Term loans	13	135,693	146,459	162,106
Accounts payable and other credit balances	14	20,195	21,887	24,315
Refundable rental deposits		7,403	7,551	7,689
Provision for employees' end of service benefits		2,042	1,988	1,918
Total liabilities		172,848	184,875	200,807
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		17,931	17,931	16,329
Voluntary reserve		19,329	19,329	17,727
Foreign currency translation reserve		390	390	391
Cumulative changes in fair value		118,195	112,128	115,179
Retained earnings		38,174	37,141	34,827
Equity attributable to the owners of the parent company		237,119	230,019	227,553
Non-controlling interests		151,923	147,698	148,713
Total equity		389,042	377,717	376,266
Total liabilities and equity		561,890	562,592	577,073



Mohammad Abdulhamid
Mohammad Al-Marzook
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	Treasury shares KD'000	Share 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
Balance as at 1 January 2024 (Audited)	43,193	11,132	(11,981)	756	17,931	19,329	390	112,128	37,141	230,019	147,698	377,717
Cash dividends (note 17)	-	-	-	-	-	-	-	-	(7,227)	(7,227)	-	(7,227)
Cash dividends to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	(4,422)	(4,422)
Transactions with the owners	-	-	-	-	-	-	-	-	(7,227)	(7,227)	(4,422)	(11,649)
Profit for the period	-	-	-	-	-	-	-	-	8,260	8,260	3,561	11,821
Other comprehensive income for the period	-	-	-	-	-	-	-	6,067	-	6,067	5,086	11,153
Total comprehensive income for the period	-	-	-	-	-	-	-	6,067	8,260	14,327	8,647	22,974
Balance as at 30 June 2024 (Unaudited)	43,193	11,132	(11,981)	756	17,931	19,329	390	118,195	38,174	237,119	151,923	389,042

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	Treasury shares KD'000	Share of 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
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 on acquiring an additional share in a subsidiary	-	-	-	-	-	-	-	-	-	-	(5,069)	(5,069)
Cash dividends (note 17)	-	-	-	-	-	-	-	-	(4,818)	(4,818)	-	(4,818)
Cash dividends to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	(1,771)	(1,771)
Change in non-controlling interests on liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	(9)	(9)
Transactions with the owners	-	-	-	-	-	-	-	-	(5,977)	(5,977)	(7,763)	(13,740)
Profit for the period	-	-	-	-	-	-	-	-	10,190	10,190	4,972	15,162
Other comprehensive income/ (loss) for the period	-	-	-	-	-	-	2	(377)	-	-	(283)	(658)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	-	2	(377)	10,190	9,815	4,689	14,504
Balance as at 30 June 2023 (Unaudited)	43,193	11,132	(11,981)	756	16,329	17,727	391	115,179	34,827	227,553	148,713	376,266

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	Six months ended 30 June 2024 (Unaudited) KD'000	Six months ended 30 June 2023 (Unaudited) KD'000
Operating activities			
Profit for the period		11,821	15,162
Adjustments:			
Depreciation and amortisation		870	955
Provision for employees' end of service benefits		146	200
The change in the fair value of an investment property under development		-	(2,555)
Loss on disposal of property, plant and equipment		-	85
Profit from sale of trading properties		(180)	(282)
Reversal of doubtful debt		(10)	-
Share of results of associates		(7,008)	(6,309)
Dividends income		(2,149)	(3,766)
Interest income		(558)	(485)
Finance costs		3,924	4,025
		6,856	7,030
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		(1,221)	(2,652)
Accounts payable and other credit balances		(217)	(1,751)
Refundable rental deposits		(147)	(90)
Employees' end of service benefits		(92)	(67)
Net cash from operating activities		5,179	2,470
Investing activities			
Proceeds from sale of investments at FVTOCI		9,927	-
Proceeds from sale of subsidiaries – net		-	(36)
Change in equity on acquiring an additional share of a subsidiary		-	(7,142)
Change in non-controlling interests disposed on acquiring an additional share of a subsidiary		-	(9)
Paid to purchase financial assets at FVTOCI		(22)	-
Proceeds from sale of properties held for trading		2,570	6,266
Additions to an investment property under development		-	(245)
Additions to other assets and intangible assets		(274)	(1,135)
Dividends income received from associates		5,968	4,629
Dividends income received		2,149	3,766
Interest income received		558	412
Net cash from investing activities		20,876	6,506
Financing activities			
Cash dividends paid		(7,783)	(4,818)
Change in due to banks		524	(578)
Change in term loans		(10,766)	(9,139)
Cash dividends for non-controlling interests of a subsidiary		(4,422)	(1,771)
Finance costs paid		(4,432)	(3,408)
Net cash used in financing activities		(26,879)	(19,714)
Net decrease in cash and cash equivalents		(824)	(10,738)
Cash and cash equivalents at beginning of the period	15	27,363	35,857
Cash and cash equivalents at end of the period	15	26,539	25,119

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 six-month period ended 30 June 2024 was authorised for issue by the Parent Company’s board of directors on 13 August 2024.

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the six-month period ended 30 June 2024 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 2023, except for the changes described in note 3.

The annual consolidated financial statements for the year ended 31 December 2023 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 six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2023.

Notes to the interim condensed consolidated financial information

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>Description</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments- Classification of liabilities with debt covenants	1 January 2024
IAS 1 Amendments- Classification of liabilities as current or non-current	1 January 2024
IFRS 16 Amendments- Lease liability in a sale and leaseback	1 January 2024

IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities as either current or non-current depends only on the covenants that an entity is required to comply with on or before the reporting date. 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.

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

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.

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

IFRS 16 Amendments – Lease liability in a sale and leaseback

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 recognises 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.

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

Notes to the interim condensed consolidated financial information (continued)

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 2023.

5 Subsidiaries

The list of the consolidated subsidiaries 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
	30 June 2024	31 Dec. 2023	30 June 2023				
	(Unaudited) %	(Audited) %	(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

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

Subsequent to the reporting date, the extraordinary general assembly of the shareholders of the subsidiary (Tamdeen Investment Company - K.P.S.C and its Subsidiaries), held on 22 July 2024, approved the reduction of the subsidiary's authorized, issued and paid-up share capital from KD 34,506,371 to KD 20,000,000 by an amount of KD 14,506,371, equivalent to 42.04% of the subsidiary's share capital, which resulted in an increase of the Group's ownership in the subsidiary by 1.77% and a decrease in non-controlling interests in the subsidiary by the same percentage.

- During the previous 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) were 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. The net increase calculated amounted to KD2,073 thousand, which was included directly in the statement of changes in equity for the previous period.
- Furthermore, the subsidiary (Tamdeen Investment Company KPSC) sold, during the previous period, two subsidiaries resulting net profit on sale of KD763 thousand recognized in the statement of profit or loss for the previous period.

Notes to the interim condensed consolidated financial information (continued)

6 Net income from investments

	Three months ended		Six months ended	
	30 June 2024 (Unaudited) KD'000	30 June 2023 (Unaudited) KD'000	30 June 2024 (Unaudited) KD'000	30 June 2023 (Unaudited) KD'000
Dividend income	2,147	3,764	2,150	3,766
Interest income	273	238	558	485
	2,420	4,002	2,708	4,251

7 Investment property under development

	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Balance at beginning of the period/year	-	21,000	21,000
Additions during the period/year	-	2,563	245
Change in fair value during the period/ year (see below)	-	2,555	2,555
Transferred to investment properties – Tamdeen Square Tower A	-	(26,118)	-
Balance at end of the period/year	-	-	23,800

During the previous period the subsidiary (Tamdeen Investment Company - K.P.S.C) and as a result of its purchase of an additional 52% share in the subsidiary (Tamdeen Real Estate Development Company K.S.C (Closed)) (Note 5) revalued the investment property under development represented in Tamdeen Square - Tower A, for the purpose of calculating the difference between the cost of purchasing the new share, and the fair value of the purchased net assets. This revaluation resulted in a revaluation gain in the investment property amounting to KD 2,555 thousand included in the statement of profit or loss for the prior period.

8 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		Six months ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD'000)	5,388	7,028	8,260	10,190
Weighted average number of the outstanding shares (excluding treasury shares) (in thousands)	401,498	401,512	401,498	401,512
Basic and diluted earnings per share attributable to the owners of the Parent Company	13.4 Fils	17.5 Fils	20.6 Fils	25.4 Fils

Notes to the interim condensed consolidated financial information (continued)

9 Accounts receivable and other debit balances

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Trade receivable	2,112	1,230	1,105
Due from related parties	376	186	161
Due from sale of trading properties (a)	455	721	1,406
Due from sale of real estate plots (b)	1,449	1,699	1,699
Dividends income receivable from associates	-	-	496
Advance payments to contractors	1,383	1,313	1,641
Prepaid expenses	295	223	435
Accrued revenue	87	82	74
Other debit balances	1,094	842	1,013
	7,251	6,296	8,030
Provision for ECLs	(804)	(814)	(570)
	6,447	5,482	7,460

- a) The balance due from the sale of trading properties mainly represents the amounts due from the sale transactions 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 transaction 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.

10 Investments at fair value through other comprehensive income

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Local managed portfolios	109	114	94
Participations in local companies shares	165,160	164,828	180,595
Participations in capital of companies located outside Kuwait	578	578	581
	165,847	165,520	181,270

- a) Investments with a total fair value of KD6,157 thousand (31 December 2023: KD28,555 thousand and 30 June 2023: KD36,936 thousand) are pledged against term loans (Note 13).
- b) During the previous years, and the current year total balance of accumulated profits (on disposal), included in the cumulative changes in fair value, amounted to KD114,885 thousand (31 December 2023: KD114,301 thousand and 30 June 2023: KD114,087 thousand).
- c) During the current period, the subsidiary sold a part of the investments classified as at fair value through other comprehensive income. The fair value of the shares sold as of the date of disposal amounted to KD 9,927 thousand. The relevant accumulated profits amounted to KD 580 thousand, which are held under the Group's fair value reserve.

Refer to note 21.3 for further details relating to the carrying value and fair value of the above investments.

Notes to the interim condensed consolidated financial information (continued)

11 Investment properties

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Balance at beginning of the period/ year	186,641	163,010	163,010
Transferred from investment property under development	-	26,118	-
Change in fair value during the period/ year	-	(2,487)	-
Balance at end of the period/year	186,641	186,641	163,010

The fair value of investment properties as at 31 December 2023 and 31 December 2022 was determined based on valuations obtained from two independent valuers.

Investment properties are represented by the carrying values of:

1. Al-Kout Mall and Hyatt Regency Hotel Al-Kout Mall (collectively referred to as “Al-Kout Complex”) of KD162,600 thousand (31 December 2023: KD162,600 thousand and 30 June 2023: KD162,250 thousand).
 2. Souq Al-Kout of KD320 thousand as at 30 June 2024 (31 December 2023: KD320 thousand and 30 June 2023: KD760 thousand) which is subject to a (B.O.T) contract with the Government of Kuwait where the contract terms end in 2025.
 3. Tamdeen Square Tower A of KD23,721 thousand (31 December 2023: KD23,721 thousand and 30 June 2023: KD23,800 thousand which has been classified as an investment property under development)
- Investment properties with a carrying amount of KD162,600 thousand (31 December 2023: KD162,600 thousand and 30 June 2023: KD162,250 thousand and investment property (Tamdeen Square Tower A) of KD23,721 thousand (31 December 2023: KD23,721 thousand and 30 June 2023: KD23,800 thousand which has been classified as an investment property under development) are totally mortgaged against term loans (Note 13).

Notes to the interim condensed consolidated financial information (continued)

12 Investments in associates

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

Company's name	Place of incorporation	30 June 2024 (Unaudited)		31 December 2023 (Audited)		30 June 2023 (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	57,507
Kuwait National Cinema Company – KPSC**	Kuwait	-	48	-	48	-	48	61,320
Tamdeen Pearl Real Estate Company – KSC (Closed)	Kuwait	-	31	-	31	-	31	27,745
Other associates	Kuwait	-	-	-	-	-	-	6,034
								152,606
								158,008
								159,557

* 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 13b).

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 30 June 2024.

Notes to the interim condensed consolidated financial information (continued)

13 Term loans

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Term loans (a)	135,693	146,459	162,106
Average interest rate – range (above CBK discount rate)	0.75 % - 1%	0.75 % - 1%	0.75% - 1.25%

- a) Term loans of KD65,500 thousand (31 December 2023: KD67,500 thousand and 30 June 2023: KD69,500 thousand) are contractually due after more than one year. The remaining term loans of KD70,193 thousand (31 December 2023: KD78,959 thousand and 30 June 2023: KD92,606 thousand) are maturing within one year and renewed periodically.
- b) Total loans obtained by the subsidiaries of KD68,750 thousand (31 December 2023: KD71,500 thousand and 30 June 2023: KD96,735 thousand) are secured by pledge of equity investments with a fair value of KD6,157 thousand (31 December 2023: KD28,555 thousand and 30 June 2023: KD36,936 thousand) (Note 10), pledge of investments in associates of KD17,936 thousand (31 December 2023: KD17,777 thousand and 30 June 2023: KD35,839 thousand) (Note 12), and pledge of investment properties of KD162,600 thousand (31 December 2023: KD162,600 thousand and 30 June 2023: KD162,250 thousand) and a pledge of an investment property (Tamdeen Square Tower A) of KD23,721 thousand (31 December 2023: KD23,721 thousand and 30 June 2023: KD 23,800 thousand which has been classified as an investment property under development) (Note 11).

14 Accounts payable and other credit balances

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Retentions for executed works	4,329	4,354	5,760
Rental received in advance	590	600	643
Accrued interest, leave and other expenses	3,519	4,540	3,379
Lease liability	1,137	1,240	1,049
Due to related parties	154	35	468
Dividends payable to shareholders	342	322	335
Advance payments received from customers	683	239	430
Accrued construction costs	471	562	784
Creditors against acquisition of intangible assets	2,140	2,595	3,564
Provisions and other credit balances	6,830	7,400	7,903
	20,195	21,887	24,315

Notes to the interim condensed consolidated financial information (continued)

15 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:

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Cash on hand, bank balances and portfolios	6,632	7,428	9,093
Term deposits (less than Three months)	19,982	20,010	16,101
	26,614	27,438	25,194
Term deposits with contractual maturity for (Three months to year)	(75)	(75)	(75)
Cash and cash equivalents as per the consolidated statement of cash flows	26,539	27,363	25,119

Short-term deposits carry an average interest rate ranging from 3.25% to 5.49% (2023: from 2.64% to 5.45%) per annum.

16 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 10), 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 30 June 2024 (Unaudited)			
Gross income	12,924	11,056	23,980
Profit for the period	2,503	9,318	11,821
Total assets	182,294	379,596	561,890
Total liabilities	(156,467)	(16,381)	(172,848)
Total equity	25,827	363,215	389,042
Period ended 30 June 2023 (Unaudited)			
Gross income	12,904	15,240	28,144
Profit for the period	2,506	12,656	15,162
Total assets	188,785	388,288	577,073
Total liabilities	(168,060)	(32,747)	(200,807)
Total equity	20,725	355,541	376,266

Notes to the interim condensed consolidated financial information (continued)

17 Annual general assembly of shareholders and dividends

The general assembly of shareholders, held on 8 April 2024, approved the consolidated financial statements for the year ended 31 December 2023 and the board of directors' proposal to distribute cash dividends to shareholders at 18%, or equivalent to 18 fils per share, of the paid-up share capital for the year ended 31 December 2023 as well as the board of directors' remuneration of KD35 thousand (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 to 12 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).

18 Related party transactions

Related parties represent associates, directors, 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:

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000	
Interim condensed consolidated statement of financial position				
Accounts receivable and other debit balances (Note 9)	376	186	161	
Accounts payable and other credit balances (Note 14)	154	35	468	
	Three months ended		Six months ended	
	30 June 2024 (Unaudited) KD '000	30 June 2023 (Unaudited) KD '000	30 June 2024 (Unaudited) KD '000	30 June 2023 (Unaudited) KD '000
Interim condensed consolidated statement of profit or loss				
Operating income	195	215	302	377
Income from management, consultancy fees and others	63	275	527	491
Cost of revenue	460	242	1,180	955
General, administrative and other expenses	408	88	716	447
Reversal of provision (Due from related parties)	200	-	200	-
Gain on sale of subsidiaries	-	763	-	763
Benefits of key management personnel of the Group:				
Short-term salaries, bonus, and benefits to the key management personnel	164	213	525	468
Transactions				
Acquisition of additional share of a subsidiary	-	-	-	6,615
	30 June 2024 (Unaudited) KD'000		31 Dec. 2023 (Audited) KD'000	30 June 2023 (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 20)	175,507	148,741	173,850	

Notes to the interim condensed consolidated financial information (continued)

19 Capital commitments and contingent liabilities

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Capital commitments	-	-	584
Contingent liabilities	2,638	2,638	3,177

20 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 30 June 2024 amounted to KD 215,457 thousand (31 December 2023: KD188,861 thousand and 30 June 2023: KD214,103 thousand) out of which an amount of KD 175,507 thousand (31 December 2023: KD148,741 thousand and 30 June 2023: KD173,850 thousand) is attributable to portfolios of related parties (Note 18). Such balances have not been recognized under the interim condensed consolidated statement of financial position.

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

21.1 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:

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Financial assets			
Financial assets at amortised cost:			
- Accounts receivable and other debit balances (excluding advance payments to contractors and prepaid expenses)	4,769	3,946	5,384
- Cash and cash equivalents	26,614	27,438	25,194
Financial assets at fair value:			
- Investments at fair value through other comprehensive income	165,847	165,520	181,270
Total financial assets	197,230	196,904	211,848
Financial liabilities			
Financial liabilities at amortised cost:			
- Due to banks	7,515	6,990	4,779
- Term loans	135,693	146,459	162,106
- Accounts payable and other credit balances	21,195	21,887	24,315
- Refundable rental deposits	7,403	7,551	7,689
Total financial liabilities	171,806	182,887	198,889

21.2 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)

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

21.3 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 six 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
30 June 2024 (Unaudited)				
Financial assets at fair value				
Investments at FVTOCI				
- Local managed portfolios				
• Quoted shares	109	-	-	109
- Participations in local companies shares				
• Quoted shares	164,895	-	-	164,895
• Unquoted shares	-	-	265	265
- Participations in capital of companies located outside Kuwait				
• Unquoted shares	-	-	578	578
	165,004	-	843	165,847
31 December 2023 (Audited)				
Financial assets at fair value				
Investments at FVTOCI				
- Local managed portfolios				
• Quoted shares	114	-	-	114
- Participations in local companies shares				
• Quoted shares	164,585	-	-	164,585
• Unquoted shares	-	-	243	243
- Participations in capital of companies located outside Kuwait				
• Unquoted shares	-	-	578	578
	164,699	-	821	165,520

Notes to the interim condensed consolidated financial information (continued)

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

21.3 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
30 June 2023 (Unaudited)				
Financial assets at fair value				
Investments at FVTOCI				
- Local managed portfolios				
• Quoted shares	94	-	-	94
- Participations in local companies shares				
• Quoted shares	180,351	-	-	180,351
• Unquoted shares	-	-	244	244
- Participations in capital of companies located outside Kuwait				
• Unquoted shares	-	-	581	581
	180,445	-	825	181,270

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:

	30 June 2024 (Unaudited) KD'000	31 Dec. 2023 (Audited) KD'000	30 June 2023 (Unaudited) KD'000
Balance at the beginning of period/year	821	817	817
Change in fair value during the period/year	22	4	8
Balance at the end of period/year	843	821	825