

Interim Condensed Consolidated Financial Information and Review Report

**Tamdeen Real Estate Company – KPSC**

**and its Subsidiaries**

**Kuwait**

30 September 2022 (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 30 September 2022 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 nine-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 nine-month period ended 30 September 2022 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 nine-month period ended 30 September 2022 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  
10 November 2022

## Interim condensed consolidated statement of profit or loss

	Note	Three months ended		Nine months ended	
		30 Sept. 2022 (Unaudited) KD'000	30 Sept. 2021 (Unaudited) KD'000	30 Sept. 2022 (Unaudited) KD'000	30 Sept. 2021 (Unaudited) KD'000
<b>Revenue</b>					
Operating revenue		6,176	5,370	18,039	15,448
Cost of revenue		(1,239)	(1,627)	(4,322)	(4,533)
Net income		4,937	3,743	13,717	10,915
Management and consultancy fees		221	195	657	580
Net income from investments	6	181	462	6,482	3,217
Share of results of associates		2,993	3,332	8,933	5,397
Profit from sale of properties held for trading		207	-	318	-
Foreign currency exchange gain/(loss)		287	42	538	(155)
Other income		254	2,060	857	2,034
		9,080	9,834	31,502	21,988
<b>Expenses and other charges</b>					
Staff costs		(564)	(735)	(2,219)	(2,336)
General, administrative and other expenses		(1,617)	(1,496)	(4,416)	(3,724)
Finance costs		(1,705)	(1,695)	(4,886)	(5,078)
		(3,886)	(3,926)	(11,521)	(11,138)
<b>Profit for the period before contribution to KFAS, Zakat and NLST</b>					
		5,194	5,908	19,981	10,850
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(26)	(23)	(76)	(60)
Provision for Zakat		(52)	(39)	(196)	(103)
Provision for National Labour Support Tax (NLST)		(136)	(126)	(523)	(272)
<b>Profit for the period</b>		<b>4,980</b>	<b>5,720</b>	<b>19,186</b>	<b>10,415</b>
<b>Attributable to:</b>					
Owners of the Parent Company		4,103	4,708	14,082	8,642
Non-controlling interests		877	1,012	5,104	1,773
		4,980	5,720	19,186	10,415
<b>Basic and diluted earnings per share attributable to the owners of the Parent Company</b>					
	7	10.2 Fils	11.7 Fils	35.1 Fils	21.5 Fils

The notes set out on pages 8 to 21 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		Nine months ended	
	30 Sept. 2022 (Unaudited) KD'000	30 Sept. 2021 (Unaudited) KD'000	30 Sept. 2022 (Unaudited) KD'000	30 Sept. 2021 (Unaudited) KD'000
Profit for the period	4,980	5,720	19,186	10,415
<b>Other comprehensive income /(loss):</b>				
<b>Items to be subsequently reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</b>				
Exchange differences arising on translation of foreign operations	-	4	-	(10)
Share of other comprehensive income/ (loss) of associates	26	3	51	(3)
	26	7	51	(13)
<b>Items not to be subsequently reclassified to interim condensed consolidated statement of profit or loss:</b>				
Net change in fair value of investments designated at FVOCI	16,073	32,035	29,008	53,510
Share of other comprehensive (loss)/ income of associates	(3,175)	477	(3,450)	601
	12,898	32,512	25,558	54,111
Total other comprehensive income for the period	12,924	32,519	25,609	54,098
<b>Total comprehensive income for the period</b>	<b>17,904</b>	<b>38,239</b>	<b>44,795</b>	<b>64,513</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent Company	10,989	22,977	28,124	38,959
Non-controlling interests	6,915	15,262	16,671	25,554
	17,904	38,239	44,795	64,513

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of financial position

	Notes	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
<b>Assets</b>				
Cash and bank balances	14	9,610	32,592	30,788
Short term deposits	14	37,183	75	498
Accounts receivable and other debit balances	8	7,831	8,145	7,709
Investments at fair value through other comprehensive income	9	191,867	219,708	223,613
Investment property under development		19,691	18,378	-
Trading properties under development		-	-	62,819
Trading properties		21,845	29,055	-
Investment properties	10	162,246	162,246	162,548
Investments in associates	11	148,197	140,482	137,732
Intangible assets		4,619	1,131	1,250
Other assets		6,378	6,668	5,912
<b>Total assets</b>		<b>609,467</b>	<b>618,480</b>	<b>632,869</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Due to banks		6,102	7,171	9,533
Term loans	12	201,017	246,081	248,139
Accounts payable and other credit balances	13	27,538	29,638	40,039
Refundable rental deposits		7,837	7,986	8,108
Provision for employees' end of service indemnity		1,922	1,777	1,767
<b>Total liabilities</b>		<b>244,416</b>	<b>292,653</b>	<b>307,586</b>
<b>Equity</b>				
Share capital		43,193	43,193	43,193
Share premium		11,132	11,132	11,132
Treasury shares		(11,981)	(11,926)	(11,926)
Reserve on sale of treasury shares		756	756	756
Statutory reserve		14,799	14,799	13,629
Voluntary reserve		16,197	16,197	15,027
Foreign currency translation reserve		420	369	364
Cumulative changes in fair value		110,996	97,005	98,858
Retained earnings		32,710	22,643	22,232
<b>Equity attributable to the owners of the Parent Company</b>		<b>218,222</b>	<b>194,168</b>	<b>193,265</b>
<b>Non-controlling interests</b>		<b>146,829</b>	<b>131,659</b>	<b>132,018</b>
<b>Total equity</b>		<b>365,051</b>	<b>325,827</b>	<b>325,283</b>
<b>Total liabilities and equity</b>		<b>609,467</b>	<b>618,480</b>	<b>632,869</b>



Mohamad Abdulhamid Mohamad Al-Marzouq  
Chairman

Abdulaziz Abdullah Ali Al-Ghanim  
Vice-Chairman

The notes set out on pages 8 to 21 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
<b>Balance as at 1 January 2022 (Audited)</b>	43,193	11,132	(11,926)	756	14,799	16,197	369	97,005	22,643	194,168	131,659	325,827
Cash dividends (Note 16)	-	-	-	-	-	-	-	-	(4,015)	(4,015)	-	(4,015)
Cash dividends for non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	-	-	(1,501)	(1,501)
Purchase of treasury shares	-	-	(55)	-	-	-	-	-	-	(55)	-	(55)
Transactions with the owners	-	-	(55)	-	-	-	-	-	(4,015)	(4,070)	(1,501)	(5,571)
Profit for the period	-	-	-	-	-	-	-	-	14,082	14,082	5,104	19,186
Other comprehensive income for the period	-	-	-	-	-	-	51	13,991	-	14,042	11,567	25,609
Total comprehensive income for the period	-	-	-	-	-	-	51	13,991	14,082	28,124	16,671	44,795
<b>Balance as at 30 September 2022 (Unaudited)</b>	43,193	11,132	(11,981)	756	14,799	16,197	420	110,996	32,710	218,222	146,829	365,051

The notes set out on pages 8 to 21 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
<b>Balance as at 1 January 2021 (Audited)</b>	43,193	11,132	(11,922)	756	13,629	15,027	374	68,531	13,590	154,310	106,464	260,774
Purchase of treasury shares	-	-	(4)	-	-	-	-	-	-	(4)	-	(4)
Transactions with the owners	-	-	(4)	-	-	-	-	-	-	(4)	-	(4)
Profit for the period	-	-	-	-	-	-	-	-	8,642	8,642	1,773	10,415
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	(10)	30,327	-	30,317	23,781	54,098
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(10)	30,327	8,642	38,959	25,554	64,513
<b>Balance as at 30 September 2021 (Unaudited)</b>	43,193	11,132	(11,926)	756	13,629	15,027	364	98,858	22,232	193,265	132,018	325,283

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.



## Interim condensed consolidated statement of cash flows

	Note	Nine months ended 30 Sept. 2022 (Unaudited) KD'000	Nine months ended 30 Sept. 2021 (Unaudited) KD'000
<b>OPERATING ACTIVITIES</b>			
Profit for the period		19,186	10,415
Adjustments:			
Depreciation and amortisation		1,603	1,443
Provision for employees' end of service indemnity		208	222
Profit from sale of trading properties		(318)	-
Share of results of associates		(8,933)	(5,397)
Dividends income		(6,247)	(3,202)
Interest income		(235)	(15)
Finance costs		4,886	5,078
		<b>10,150</b>	<b>8,544</b>
<b>Changes in operating assets and liabilities:</b>			
Accounts receivable and other debit balances		314	(2,859)
Accounts payable and other credit balances		(2,622)	4,846
Refundable rental deposits		(149)	31
Employees' end of service indemnity paid		(63)	(41)
<b>Net cash from operating activities</b>		<b>7,630</b>	<b>10,521</b>
<b>INVESTING ACTIVITIES</b>			
Proceed from sale of investments at fair value through other comprehensive income		59,720	1,159
Paid to purchase investments at fair value through other comprehensive income		(2,870)	-
Paid to incorporate an associate		(2,600)	-
Proceeds from sale of trading properties		7,527	-
Additions to investment properties		-	(802)
Additions to investment properties under development		(1,313)	(1,387)
Additions to other assets and intangible assets		(4,801)	(697)
Dividends income received from associates		3,285	3,202
Dividends income received		6,247	-
Interest income received		235	15
<b>Net cash from investing activities</b>		<b>65,430</b>	<b>1,490</b>
<b>FINANCING ACTIVITIES</b>			
Cash dividends paid		(5,884)	(68)
Cash dividends paid for non-controlling interests in a subsidiary		(1,501)	-
Change in due to banks		(1,069)	(1,734)
Change in term loans		(45,064)	(4,614)
Purchase of treasury shares		(55)	(4)
Finance costs paid		(5,361)	(5,581)
<b>Net cash used in financing activities</b>		<b>(58,934)</b>	<b>(12,001)</b>
<b>Net increase in cash and cash equivalents</b>		<b>14,126</b>	<b>10</b>
Cash and cash equivalents at beginning of the period	14	32,667	31,276
<b>Cash and cash equivalents at end of the period</b>	<b>14</b>	<b>46,793</b>	<b>31,286</b>

The notes set out on pages 8 to 21 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 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 nine-month period ended 30 September 2022 was authorised for issue by the Parent Company’s board of directors on 10 November 2022.

## 2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2022 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 2021, except for the changes described in note 3.

The annual consolidated financial statements for the year ended 31 December 2021 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 nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2021.

## 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>
IFRS 3 Amendment – Reference to the conceptual framework	1 January 2022
IAS 16 – Amendments – Proceeds before intended use	1 January 2022
Annual Improvements 2018-2020 Cycle	1 January 2022

## 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

##### IFRS 3 – Reference to the conceptual framework

The amendments add a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination

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

##### IAS 16 Amendments - Proceeds before intended use

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

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

##### Annual Improvements 2018-2020 Cycle

Amendment to IAS 1 simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences. Subsidiary that is a first-time adopter later than its parent might have been required to keep two parallel sets of accounting records for cumulative translation differences based on different dates of transition to IFRSs. However, the amendment extends the exemption to cumulative translation differences to reduce costs for first-time adopters.

Amendment to IFRS 9 relates to the '10 per cent' Test for Derecognition of Financial Liabilities – In determining whether to derecognise a financial liability that has been modified or exchanged, an entity assesses whether the terms are substantially different. 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.

Amendment to IFRS 16 avoids the potential for confusion in applying IFRS 16 Leases because of how Illustrative Example 13 accompanying IFRS 16 had illustrated the requirements for lease incentives. Before the amendment, Illustrative Example 13 had included as part of the fact pattern a reimbursement relating to leasehold improvements; the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in IFRS 16. The IASB decided to remove the potential for confusion by deleting from Illustrative Example 13 the reimbursement relating to leasehold improvements.

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 authorisation 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.

## 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)

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>
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments	No stated date
IAS 1 Amendments- Classification of current and non-current	1 January 2023
IAS 1 Amendments- Disclosure of accounting policies	1 January 2023
IAS 8 Amendments- Definition of accounting estimates	1 January 2023

#### ***IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments***

The Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations)
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IASB has postponed the effective date indefinitely until other projects are completed. However, early implementation is allowed. Management anticipates that the application of these amendments may have an impact on the Group's consolidated financial statements in future should such transactions arise.

#### **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 adoption of the amendments in the future will have a significant impact on the Group's consolidated financial information.

## 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 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.

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

Management does not anticipate that the adoption 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 2021.

### 5 Subsidiaries

The list of the consolidated subsidiaries of the Group is as follows:

Subsidiaries	Percentage of ownership in subsidiaries			Country of incorporation	Principal activity	Date of incorporation	Date of control
	30 September 2022 (Unaudited) %	31 Dec. 2021 (Audited) %	30 September 2021 (Unaudited) %				
Tamdeen Investment Company – KPSC*	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	33	Kuwait	Real estate	21 July 2008	1 April 2016



## Notes to the interim condensed consolidated financial information (continued)

### 5 Subsidiary companies (continued)

- \* This investment is carried out through investment portfolio managed by a specialized investment company.
- \*\* Tamdeen Real Estate Development Company – KSC (Closed) was 99.99% owned by one of the Group's subsidiaries (Tamdeen Investment Company - KPSC) as of 31 December 2018. During the last quarter of 2019, Tamdeen Real Estate Development Company – KSC (Closed) increased its share capital through issuing shares to the Group and certain new shareholders which lead to a decrease in the effective ownership percentage of the Group in the subsidiary. However, the management believes that the Group still has control over the subsidiary.

### 6 Net income from investments

	Three months ended		Nine months ended	
	30 Sept. 2022 (Unaudited) KD'000	30 Sept. 2021 (Unaudited) KD'000	30 Sept. 2022 (Unaudited) KD'000	30 Sept. 2021 (Unaudited) KD'000
Dividend income	21	455	6,247	3,202
Interest income	160	7	235	15
	181	462	6,482	3,217

### 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 as follows:

	Three months ended		Nine months ended	
	30 Sept. 2022 (Unaudited)	30 Sept. 2021 (Unaudited)	30 Sept. 2022 (Unaudited)	30 Sept. 2021 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD'000)	4,103	4,708	14,082	8,642
Weighted average number of the outstanding shares (excluding treasury shares) (in thousands)	401,513	401,653	401,558	401,658
Basic and diluted earnings per share attributable to the owners of the Parent Company	10.2 Fils	11.7 Fils	35.1 Fils	21.5 Fils

## Notes to the interim condensed consolidated financial information (continued)

### 8 Accounts receivable and other debit balances

	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
Trade receivable	718	877	2,807
Due from related parties	941	736	457
Cheques under collection	-	1,367	-
Due from sale of trading properties (a)	1,819	1,294	-
Due from sale of real estate plots (b)	1,949	1,949	2,167
Advance payments to contractors	507	1,101	501
Accrued income	24	173	95
Prepaid expenses	866	309	668
Other debit balances	1,569	771	1,297
	<b>8,393</b>	<b>8,577</b>	<b>7,992</b>
Provision for ECLs	<b>(562)</b>	<b>(432)</b>	<b>(283)</b>
	<b>7,831</b>	<b>8,145</b>	<b>7,709</b>

- 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 to related parties and other external parties. 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

	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
Local managed portfolios	92	86	78
Participations in local companies shares	8,808	7,266	7,517
Participations in capital of companies located outside Kuwait	182,967	212,356	216,018
	<b>191,867</b>	<b>219,708</b>	<b>223,613</b>

Participations in capital of companies located outside Kuwait include the investments of the subsidiary [Tamdeen Investment Company – KPSC] in shares listed outside Kuwait. These participations include investments with a total fair value of KD 47,979 thousand (31 December 2021: KD128,575 thousand and 30 September 2021: KD124,545 thousand) mortgaged against term loans (Note 12).

## Notes to the interim condensed consolidated financial information (continued)

### 9 Investments at fair value through other comprehensive income (continued)

During the current period, a subsidiary of the Group disposed part of an investment classified at fair value through other comprehensive income. The fair value of the disposed shares as at the date of disposal is KD59,720 thousand. The related cumulative gain was KD47,703 thousand which is carried in the cumulative changes in fair value. The Group's share of the cumulative gain as a result of the disposal in the cumulative changes in fair value amounted to KD31,730 thousand as at 30 September 2022 (KD5,047 thousand as at 31 December 2021 and KD5,047 thousand as at 30 September 2021). Refer note 20.3 for further details relating to the carrying value and fair value of the above investments.

Subsequent to the financial information date, and based on the acquisition proposal submitted by a local financial institution to acquire foreign quoted shares, the Subsidiary (Tamdeen Investment Co. KPSC) completed foreign quoted share swapping against getting local quoted shares. The shares' fair value in the swap process was KD 181,475 thousand . Furthermore, the Group's share in the relevant accumulated profits recognized under the accumulated change in fair value in the consolidated statement of changes in equity was KD 81,999 thousand.

### 10 Investment properties

	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
Balance at beginning of the period/year	162,246	161,746	161,746
Additions during the period/year – (a)	-	802	802
Change in fair value during the period/year – (b)	-	(302)	-
<b>Balance at end of the period/year</b>	<b>162,246</b>	<b>162,246</b>	<b>162,548</b>

- a) The additions to investment properties represent the costs incurred during the period/year for the redevelopment of Al-Kout Complex.
- b) The fair value of investment properties at end of the financial year was 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 was the contract is terminated in 2024.
- c) Investment properties with a carrying value of KD161,146 thousand at 30 September 2022 (31 December 2021: KD161,146 thousand and 30 September 2021: KD161,048 thousand) ["Al-Kout Complex"] are totally mortgaged against term loans (Note 12).





## Notes to the interim condensed consolidated financial information (continued)

### 12 Term loans

	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
Term loans (a)	201,017	246,081	248,139
Average interest rate – range (above CBK discount rate)	0.75% - 1.25%	1% - 1.25%	0.75% - 1.25%

- a) Term loans of KD72,000 thousand (31 December 2021: KD77,000 thousand and 30 September 2021: KD77,500 thousand) are contractually due after more than one year, and the remaining term loans of KD129,017 thousand (31 December 2021: KD169,081 thousand and 30 September 2021: KD170,639 thousand) are maturing within one year and renewed periodically.
- b) Loans granted to the subsidiaries totalling to KD116,772 thousand (31 December 2021: KD162,290 thousand and 30 September 2021: KD162,310 thousand) are against the mortgage of investments in shares with a fair value of KD47,979 thousand (31 December 2021: KD128,575 thousand and 30 September 2021: KD124,545 thousand) (Note 9), mortgage of investments in associates by an amount of KD12,112 thousand (31 December 2021: KD33,850 thousand and 30 September 2021: KD33,188 thousand) (Note 11), and mortgage of investment properties by an amount of KD161,146 thousand (31 December 2021: KD161,146 thousand and 30 September 2021: KD161,048 thousand) (Note 10).
- c) Loans granted to a subsidiary amounting to KD11,350 thousand (31 December 2021: KD11,383 thousand and 30 September 2021: KD11,441 thousand) are guaranteed against a mortgage of investment properties under development.

### 13 Accounts payable and other credit balances

	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
Retentions for executed works	6,216	12,012	12,064
Rental received in advance	362	741	964
Accrued interest, leave and other expenses	2,581	3,747	2,527
Lease liability	1,163	1,651	453
Accounts payable against acquisition of Intangible assets	4,219	-	-
Due to related parties	703	311	296
Dividends payable to shareholders	341	305	307
Advance payments received from customers	2,480	1,492	13,572
Accrued construction costs	1,156	2,197	2,352
Accounts payable on acquisition of intangible assets	-	-	775
Provisions and other credit balances	8,317	7,182	6,729
	27,538	29,638	40,039

### 14 Cash and cash equivalents

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

	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
Cash and bank balances	9,610	32,592	30,788
Short term deposits	37,183	75	498
	46,793	32,667	31,286

## Notes to the interim condensed consolidated financial information (continued)

### 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
<b>Period ended 30 September 2022 (Unaudited)</b>			
Gross income	18,707	17,117	35,824
Profit for the period	5,737	13,449	19,186
Total assets	218,404	391,063	609,467
Total liabilities	(189,869)	(54,547)	(244,416)
<b>Total equity</b>	<b>28,535</b>	<b>336,516</b>	<b>365,051</b>
<b>Period ended 30 September 2021 (Unaudited)</b>			
Gross income	16,004	10,517	26,521
Profit for the period	4,129	6,286	10,415
Total assets	238,469	394,400	632,869
Total liabilities	(217,878)	(89,708)	(307,586)
<b>Total equity</b>	<b>20,591</b>	<b>304,692</b>	<b>325,283</b>

### 16 Annual general assembly of shareholders and dividends

The general assembly of shareholders, held on 12 April 2022, approved the consolidated financial statements for the year ended 31 December 2021 and the board of directors' proposal to distribute cash dividends to shareholders at 10%, or the equivalent to 10 Kuwaiti fils per share, of the paid-up share capital for the year ended 31 December 2021. Furthermore, it approved the board of directors' remuneration of KD60 thousand (the general assembly of shareholders held on 5 May 2021 approved the consolidated financial statements for the year ended 31 December 2020 and the board of directors' proposal not to distribute any cash dividends and not to pay the board of directors' remuneration for the year ended 31 December 2020).

### 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.

## Notes to the interim condensed consolidated financial information (continued)

### 17 Related party transactions (continued)

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

	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
<b>Interim condensed consolidated statement of financial position</b>			
Accounts receivable and other debit balances (Note 8)	941	736	457
Accounts payable and other credit balances (Note 13)	703	311	296
Additions to investment properties and trading properties under development	-	146	146

	Nine months ended 30 Sept. 2022 (Unaudited) KD'000	Year ended 31 Dec. 2021 (Audited) KD'000	Nine months ended 30 Sept. 2021 (Unaudited) KD'000
<b>Interim condensed consolidated statement of profit or loss</b>			
Operating revenue	710	275	187
Income from management and consultancy fees	657	748	577
Cost of revenue	1,481	1,972	1,155
General, administrative and other expenses	1,036	951	710
<b>Benefits of key management personnel of the Group:</b>			
Short term employee benefits and board of directors' remuneration	643	920	631

	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
<b>Contra accounts - off interim condensed consolidated statement of financial position items</b>			
Net book value of customers' portfolios (major shareholders) managed by Tamdeen Investment Company – KPSC (subsidiary) (Note 19)	153,714	168,182	146,968

### 18 Capital commitments and contingent liabilities

At the date of the interim condensed consolidated statement of financial position, the Group had contingent liabilities against letters of guarantee issued in favour of third parties of KD2,031 thousand (31 December 2021: KD2,031 thousand and 30 September 2021: KD2,031 thousand).

### 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 30 September 2022 amounted to KD214,914 thousand (31 December 2021: KD 189,739 thousand and 30 September 2021: KD187,226 thousand) out of which the amount of KD153,714 thousand (31 December 2021: KD 168,182 thousand and 30 September 2021: KD146,968 thousand) is attributable to related parties' portfolios (Note 17). Such balances have not been recognized under the interim condensed consolidated statement of financial position.

## Notes to the interim condensed consolidated financial information (continued)

### 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:

	30 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
<b>Financial assets</b>			
<b>Financial assets at amortised cost:</b>			
- Accounts receivable and other debit balances (excluding advance payments to contractors and prepaid expenses)	6,458	6,735	6,540
- Cash and cash equivalents	46,793	32,667	31,286
<b>Financial assets at fair value:</b>			
- Investments at fair value through other comprehensive income	191,867	219,708	223,613
<b>Total financial assets</b>	<b>245,118</b>	<b>259,110</b>	<b>261,439</b>
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost:</b>			
- Due to banks	6,102	7,171	9,533
- Term loans	201,017	246,081	248,139
- Accounts payable and other credit balances	27,538	29,638	40,039
- Refundable rental deposits	7,837	7,986	8,108
<b>Total financial liabilities</b>	<b>242,494</b>	<b>290,876</b>	<b>305,819</b>

#### 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.

#### 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).

## 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)

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
<b>30 September 2022 (Unaudited)</b>				
<b>Financial assets at fair value</b>				
<b>Investments at fair value through other comprehensive income</b>				
- Local managed portfolios				
• Quoted shares	92	-	-	92
- Participations in local companies shares				
• Quoted shares	8,571	-	-	8,571
• Unquoted shares	-	-	237	237
- Participations in capital of companies located outside Kuwait				
• Quoted shares	181,475	-	-	181,475
• Unquoted shares	-	-	1,492	1,492
	<b>190,138</b>	<b>-</b>	<b>1,729</b>	<b>191,867</b>
<b>31 December 2021 (Audited)</b>				
<b>Financial assets at fair value</b>				
<b>Investments at fair value through other comprehensive income</b>				
- Local managed portfolios				
• Quoted shares	86	-	-	86
- Participations in local companies shares				
• Quoted shares	7,029	-	-	7,029
• Unquoted shares	-	-	237	237
- Participations in capital of companies located outside Kuwait				
• Quoted shares	210,864	-	-	210,864
• Unquoted shares	-	-	1,492	1,492
	<b>217,979</b>	<b>-</b>	<b>1,729</b>	<b>219,708</b>



## 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
<b>30 September 2021 (Unaudited)</b>				
<b>Financial assets at fair value</b>				
<b>Investments at fair value through other comprehensive income</b>				
- Local managed portfolios				
• Quoted shares	78	-	-	78
- Participations in local companies shares				
• Quoted shares	7,277	-	-	7,277
• Unquoted shares	-	-	240	240
- Participations in capital of companies located outside Kuwait				
• Quoted shares	213,919	-	-	213,919
• Unquoted shares	-	-	2,099	2,099
	221,274	-	2,339	223,613

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 Sept. 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	30 Sept. 2021 (Unaudited) KD'000
Balance at the beginning of period/year	1,729	2,336	2,336
Change in fair value during the period/year	-	(607)	3
<b>Balance at the end of period/year</b>	<b>1,729</b>	<b>1,729</b>	<b>2,339</b>

### 21 Covid19 pandemic impact

The outbreak of Coronavirus (“COVID19”) pandemic and related global responses caused material disruptions to businesses around the world, leading to an economic slowdown. Global and local markets experienced significant volatility and weakness during the pandemic. While the pandemic has now been largely controlled with measures from governments and central banks with various financial packages and reliefs designed to stabilise economic conditions.

Management updated its assumptions with respect to judgements and estimates on various account balances which may still be potentially impacted due to the lingering effects. The assessment did not result into any significant impact on this interim condensed consolidated financial information. Management continues to closely monitor the market trends, its supply-chain, industry reports and cash flows to minimise any future negative impact on the Group.