



Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim Condensed Consolidated Financial Information and Review Report

Tamdeen Real Estate Company – KPSC

and its Subsidiaries

Kuwait

30 September 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 referred to as the “Group”) as at 30 September 2023 and the related interim condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three-month and nine-month periods then ended and, interim condensed consolidated statements of 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.

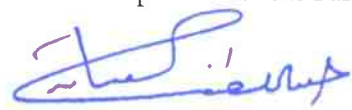
Conclusion

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 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 nine-month period ended 30 September 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
13 November 2023

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended		Nine months ended	
		30 Sept. 2023 (Unaudited) KD'000	30 Sept. 2022 (Unaudited) KD'000	30 Sept. 2023 (Unaudited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Revenue					
Operating revenue		5,795	6,176	18,193	18,039
Cost of revenue		(1,563)	(1,239)	(4,808)	(4,322)
Net income		4,232	4,937	13,385	13,717
Management and consultancy fees		246	221	737	657
Profit on sale of subsidiaries	5	-	-	763	-
Net income from investments	6	2,568	181	6,819	6,482
Change in fair value of an investment property under development	7	-	-	2,555	-
Share of results of associates		2,888	2,993	9,197	8,933
Profit from sale of trading properties		227	207	509	318
Foreign currency exchange gain		97	287	126	538
Other income		429	254	1,495	857
		10,687	9,080	35,586	31,502
Expenses and other charges					
Staff costs		(660)	(564)	(2,178)	(2,219)
General, administrative and other expenses		(1,181)	(1,617)	(4,809)	(4,416)
Finance costs		(2,141)	(1,705)	(6,166)	(4,886)
		(3,982)	(3,886)	(13,153)	(11,521)
Profit for the period before provisions for contribution to KFAS, Zakat and NLST					
		6,705	5,194	22,433	19,981
Provision for contribution to KFAS		(23)	(26)	(72)	(76)
Provision for Zakat		(46)	(52)	(168)	(196)
Provision for NLST		(144)	(136)	(539)	(523)
Profit for the period		6,492	4,980	21,654	19,186
Attributable to:					
Owners of the Parent Company		4,645	4,103	14,835	14,082
Non-controlling interests		1,847	877	6,819	5,104
		6,492	4,980	21,654	19,186
Basic and diluted earnings per share attributable to the owners of the Parent Company					
	8	11.6 Fils	10.2 Fils	37.0 Fils	35.1 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. 2023 (Unaudited) KD'000	30 Sept. 2022 (Unaudited) KD'000	30 Sept. 2023 (Unaudited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Profit for the period	6,492	4,980	21,654	19,186
Other comprehensive income:				
Items to be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:				
Share of other comprehensive income of associates	51	26	54	51
	51	26	54	51
Items will not be subsequently classified to interim condensed consolidated statement of profit or loss:				
Net change in fair value of investments at FVOCI	(2,965)	16,073	(3,849)	29,008
Share of other comprehensive (loss)/income of associates	(72)	(3,175)	151	(3,450)
	(3,037)	12,898	(3,698)	25,558
Total other comprehensive (loss) / income for the period	(2,986)	12,924	(3,644)	25,609
Total comprehensive income for the period	3,506	17,904	18,010	44,795
Total comprehensive income attributable to:				
Owners of the Parent Company	3,097	10,989	12,912	28,124
Non-controlling interests	409	6,915	5,098	16,671
	3,506	17,904	18,010	44,795

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

	Note	30 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Assets				
Cash and bank balances	15	26,904	35,932	46,793
Accounts receivable and other debit balances	9	7,173	7,245	7,831
Investments at fair value through other comprehensive income	10	176,124	182,155	191,867
Investment property under development	7	23,800	21,000	19,691
Trading properties		12,028	18,914	21,845
Investment properties	11	163,010	163,010	162,246
Investments in associates	12	155,570	150,687	148,197
Intangible assets		3,066	4,260	4,619
Other assets		6,949	6,219	6,378
Total assets		574,624	589,422	609,467
Liabilities and equity				
Liabilities				
Due to banks		8,771	5,357	6,102
Term loans	13	155,146	171,245	201,017
Accounts payable and other credit balances	14	21,344	27,662	27,538
Refundable rental deposits		7,593	7,778	7,837
Provision for employees' end of service benefits		1,998	1,878	1,922
Total liabilities		194,852	213,920	244,416
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		399	389	420
Cumulative changes in fair value		113,623	115,556	110,996
Retained earnings		39,472	30,614	32,710
Equity attributable to the owners of the Parent Company		230,650	223,715	218,222
Non-controlling interests		149,122	151,787	146,829
Total equity		379,772	375,502	365,051
Total liabilities and equity		574,624	589,422	609,467


 Mohammad Abdulhamid
 Mohammad Al-Marzook
 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
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)
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 (Note 5)	-	-	-	-	-	-	-	-	-	-	(9)	(9)
Transactions with the owners	-	-	-	-	-	-	-	-	(5,977)	(5,977)	(7,763)	(13,740)
Profit for the period	-	-	-	-	-	-	-	-	14,835	14,835	6,819	21,654
Other comprehensive income/ (loss) for the period	-	-	-	-	-	-	10	(1,933)	-	(1,923)	(1,721)	(3,644)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	-	10	(1,933)	14,835	12,912	5,098	18,010
Balance as at 30 September 2023 (Unaudited)	43,193	11,132	(11,981)	756	16,329	17,727	399	113,623	39,472	230,650	149,122	379,772

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
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
Cash dividends (Note 17)	-	-	-	-	-	-	-	-	(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
Balance as at 30 September 2022 (Unaudited)	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 cash flows

	Note	Nine months ended 30 Sept. 2023 (Unaudited) KD'000	Nine months ended 30 Sept. 2022 (Unaudited) KD'000
Operating activities			
Profit for the period		21,654	19,186
Adjustments:			
Depreciation and amortisation		1,352	1,603
Provision for employees' end of service benefits		352	208
Change in the fair value of an investment property under development		(2,555)	-
Loss on sale of other assets		85	-
Profit from sale of subsidiaries		(763)	-
Profit from sale of trading properties		(509)	(318)
Share of results of associates		(9,197)	(8,933)
Dividends income		(6,088)	(6,247)
Interest income		(731)	(235)
Finance costs		6,166	4,886
		9,766	10,150
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		(1,974)	313
Accounts payable and other credit balances		(4,031)	(2,622)
Refundable rental deposits		(185)	(149)
Employees' end of service benefits		(139)	(63)
Net cash from operating activities		3,437	7,629
Investing activities			
Proceeds from sale of investment at fair value through other comprehensive income		2,195	59,720
Net proceeds from sale of subsidiaries		36	-
Change in equity as a result of acquiring an additional share in a subsidiary		(7,142)	-
Change in non-controlling interests as a result of liquidation of a subsidiary		(9)	-
Paid to purchase investment at fair value through other comprehensive income		(16)	(2,870)
Paid to incorporate an associate		-	(2,600)
Proceeds from sale of trading properties		7,395	7,528
Additions to investment property under development		(245)	(1,313)
Additions to other assets and intangible assets		(787)	(4,801)
Dividends income received from associates		4,688	3,285
Dividends income received		6,088	6,247
Interest income received		731	235
Net cash from investing activities		12,934	65,431
Financing activities			
Cash dividends paid		(4,801)	(5,884)
Change in due to banks		3,414	(1,069)
Change in term loans		(16,099)	(45,064)
Cash dividends for non-controlling interests in a subsidiary		(1,771)	(1,501)
Purchase of treasury shares		-	(55)
Finance costs paid		(6,142)	(5,361)
Net cash used in financing activities		(25,399)	(58,934)
Net (decrease)/ increase in cash and cash equivalents		(9,028)	14,126
Cash and cash equivalents at beginning of the period	15	35,857	32,592
Cash and cash equivalents at end of the period	15	26,829	46,718

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 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 nine-month period ended 30 September 2023 was authorised for issue by the Parent Company’s board of directors on 13 November 2023.

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 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 nine-month period ended 30 September 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 (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.

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

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

3.3 Other Standards and amendments that are not yet effective and have not been adopted early by the Group include:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, effective from 1 January 2024
- IFRS S2 Climate-related Disclosures, effective from 1 January 2024

The above amendments do not have a significant impact on the Group's interim condensed consolidated financial information.

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.

Notes to the interim condensed consolidated financial information (continued)

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 Sept. 2023	31 Dec. 2022	30 Sept. 2022				
	(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
Al Adiyat International Real Estate Company - KSC (Closed)**	-	98.98	98.98	Kuwait	Real estate	25 September 2006	1 April 2012
Tamdeen Real Estate Development Company – KSC (Closed)***	-	33	33	Kuwait	Real estate	21 July 2008	1 April 2016

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

** The Subsidiary's extraordinary general assembly held on 16 March 2023 approved to liquidate the subsidiary. Accordingly, the subsidiary's net realizable amount of KD 911 thousand was included under other assets.

*** 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 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 changes in equity for the period. All non-controlling interests totaling KD5,069 thousand were also disposed off from the balance of the non-controlling interests of the subsidiary.

- Furthermore, the subsidiary (Tamdeen Investment Company KPSC) sold during the period, two subsidiaries to a related party resulting in profit on sale of KD763 thousand recognized in the statement of profit or loss for the current period.

6 Net income from investments

	Three months ended		Nine months ended	
	30 Sept. 2023 (Unaudited) KD'000	30 Sept. 2022 (Unaudited) KD'000	30 Sept. 2023 (Unaudited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Dividend income	2,322	21	6,088	6,247
Interest income and others	246	160	731	235
	2,568	181	6,819	6,482

Notes to the interim condensed consolidated financial information (continued)

7 Investment property under development

	30 Sept. 2023 (Unaudited) KD '000	31 Dec. 2022 (Audited) KD '000	30 Sept. 2022 (Unaudited) KD '000
Balance at beginning of the period/year	21,000	18,378	18,378
Additions during the period/year	245	1,439	1,313
Change in fair value during the period/ year (see below)	2,555	1,183	-
Balance at end of the period/year	23,800	21,000	19,691

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 current period.

An investment property under development is mortgaged against term loans (Note 13).

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		Nine months ended	
	30 Sept. 2023 (Unaudited)	30 Sept. 2022 (Unaudited)	30 Sept. 2023 (Unaudited)	30 Sept. 2022 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD'000)	4,645	4,103	14,835	14,082
Weighted average number of the outstanding shares (excluding treasury shares) (in thousands)	401,512	401,513	401,512	401,553
Basic and diluted earnings per share attributable to the owners of the Parent Company	11.6 Fils	10.2 Fils	37.0 Fils	35.1 Fils

Notes to the interim condensed consolidated financial information (continued)

9 Accounts receivable and other debit balances

	30 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Trade receivable	1,162	898	718
Due from related parties	112	190	941
Due from sale of trading properties (a)	953	2,325	1,819
Due from sale of real estate voucher (b)	1,699	1,949	1,949
Advance payments to contractors	1,524	576	507
Prepaid expenses	750	639	866
Accrued income	78	73	24
Other debit balances	1,493	1,178	1,569
	7,771	7,828	8,393
Provision for ECLs	(598)	(583)	(562)
	7,173	7,245	7,831

- 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.

10 Investments at fair value through other comprehensive income

	30 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Local managed portfolios	112	98	92
Participations in local companies shares	175,431	181,476	8,808
Participations in capital of companies located outside Kuwait	581	581	182,967
	176,124	182,155	191,867

- Investments with a total fair value of KD36,340 thousand (31 December 2022: KD37,098 thousand and 30 September 2022: KD47,979 thousand) are mortgaged against term loans (Note 13).
- The total balance of accumulated profits (as a result of disposal) included in the cumulative changes in fair value, amounted to KD114,334 thousand (31 December 2022: KD114,087 thousand and 30 September 2022: KD31,730 thousand).

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 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 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 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 (collectively referred to as “Al-Kout Complex”) and Souq Al-Kout. Souq Al-Kout is subject to a B.O.T contract signed with the Government of Kuwait where the contract terms is terminated in 2024.
- c) Investment properties with a carrying value of KD162,250 thousand at 30 September 2023 (31 December 2022: KD162,250 thousand and 30 September 2022: KD161,146 thousand) [“Al-Kout Complex”] 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 Sept. 2023 (Unaudited)		31 December 2022 (Audited)		30 Sept. 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
								155,570
								148,197

* 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 of KD9,197 thousand (30 September 2022: KD 8,933 thousand) has been recorded based on the latest unaudited financial information prepared by the managements of these associates for the period ended 30 September 2023.

Notes to the interim condensed consolidated financial information (continued)

13 Term loans

	30 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Term loans (a)	155,146	171,245	201,017
Average interest rate – range (above CBK discount rate)	0.75% - 1.25%	0.75% - 1.25%	0.75%-1.25%

- a) Term loans of KD67,500 thousand (31 December 2022: KD72,000 thousand and 30 September 2022: KD72,000 thousand) are contractually due after more than one year. The remaining term loans of KD87,646 thousand (31 December 2022: KD99,245 thousand and 30 September 2022: KD129,017 thousand) are maturing within one year and renewed periodically.
- b) Loans granted to the subsidiaries totalling to KD91,275 thousand (31 December 2022: KD89,540 thousand and 30 September 2022: KD116,772 thousand) are against the mortgage of investments in shares with a fair value of KD36,340 thousand (31 December 2022: KD37,098 thousand and 30 September 2022: KD47,979 thousand) (Note 10), mortgage of investments in associates by an amount of KD36,498 thousand (31 December 2022: KD35,758 thousand and 30 September 2022: KD12,112 thousand) (Note 12).

Moreover, an investment property under development of KD23,800 thousand (31 December 2022: KD21,000 thousand and 30 September 2022: KD 19,691 thousand) are mortgaged (Note 7) and mortgage of investment properties by an amount of KD162,250 thousand (31 December 2022: KD162,250 thousand and 30 September 2022: KD161,146 thousand) (Note 11).

14 Accounts payable and other credit balances

	30 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Retentions for executed works	4,319	6,210	6,216
Rental received in advance	575	701	362
Accrued interest, leave and other expenses	2,184	3,625	2,581
Lease liability	1,283	1,125	1,163
Due to related parties	82	250	703
Dividends payable to shareholders	328	328	341
Advance payments received from customers	611	1,763	2,480
Accrued construction costs	569	1,117	1,156
Creditors against acquisition of intangible assets	2,814	3,471	4,219
Provisions and other credit balances	8,579	9,072	8,317
	21,344	27,662	27,538

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 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Cash on hand, bank balances and portfolios	9,538	9,738	9,610
Term deposits	17,366	26,194	37,183
	26,904	35,932	46,793
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	26,829	35,857	46,718

Term deposits carry average interest rate from 5.3% to 5.4% (31 December 2022: from 3.87% to 3.93% and 30 September 2022: from 1.5% to 3.5 %) 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 at 30 September 2023 (Unaudited)			
Gross income	18,951	21,443	40,394
Profit for the period	3,476	18,178	21,654
Total assets	188,876	385,748	574,624
Total liabilities	(165,630)	(29,222)	(194,852)
Total equity	23,246	356,526	379,772
Period ended at 30 September 2022 (Unaudited)			
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)
Total equity	28,535	336,516	365,051

Notes to the interim condensed consolidated financial information (continued)

17 Annual general assembly of shareholders and dividends

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 equivalent to 12 Kuwaiti fils per share, of the paid-up share capital for the year ended 31 December 2022 as well as the board of directors' remuneration of KD35 thousand (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 equivalent to 10 Kuwaiti fils per share, of the paid-up share capital for the year ended 31 December 2021 as well as the board of directors' remuneration of KD 60 thousand).

18 Related party transactions

Related parties represent subsidiaries, associates, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Parent Company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and are not disclosed in this note.

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

	30 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 2022 (Unaudited) KD'000	
Interim condensed consolidated statement of financial position				
Accounts receivable and other debit balances (Note 9)	112	190	941	
Accounts payable and other credit balances (Note 14)	82	250	703	
	Three months ended		Nine months ended	
	30 Sept. 2023 (Unaudited) KD '000	30 Sept. 2022 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000	30 Sept. 2022 (Unaudited) KD '000
Interim condensed consolidated statement of profit or loss				
Operating income	224	328	601	710
Income from management and consultancy fees	246	221	737	657
Cost of revenue	612	471	1,567	1,481
General, administrative and other expenses	523	297	970	1,036
Gain on sale of subsidiaries (note 5)	-	-	763	-
Benefits of key management personnel of the Group:				
Short-term employee benefits and board of directors' remuneration	186	182	654	643
Transactions				
Acquisition of additional share in a subsidiary (note 5)	-	-	6,615	-
	30 Sept. 2023 (Unaudited) KD'000		31 Dec. 2022 (Audited) KD'000	30 Sept. 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 20)	167,281	181,499	153,714	

Notes to the interim condensed consolidated financial information (continued)

19 Capital commitments and contingent liabilities

	30 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Capital commitments	488	584	584
Contingent liabilities	2,638	3,177	3,070

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 September 2023 amounted to KD207,451 thousand (31 December 2022: KD222,106 thousand and 30 September 2022: KD214,914 thousand) out of which an amount of KD167,281 thousand (31 December 2022: KD181,499 thousand and 30 September 2022: KD153,714 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 Sept. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 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)	4,899	6,030	6,458
- Cash and bank balances	26,904	35,932	46,793
Financial assets at fair value:			
- Investments at fair value through other comprehensive income	176,124	182,155	191,867
Total financial assets	207,927	224,117	245,118
Financial liabilities			
Financial liabilities at amortised cost:			
- Due to banks	8,771	5,357	6,102
- Term loans	155,146	171,245	201,017
- Accounts payable and other credit balances	21,344	27,662	27,538
- Refundable rental deposits	7,593	7,778	7,837
Total financial liabilities	192,854	212,042	242,494

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 21.3 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 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
30 September 2023 (Unaudited)				
Financial assets at fair value				
Investments at fair value through other comprehensive income				
- Local managed portfolios				
• Quoted shares	112	-	-	112
- Participations in local companies shares				
• Quoted shares	175,187	-	-	175,187
• Unquoted shares	-	-	244	244
- Participations in capital of companies located outside Kuwait				
• Unquoted shares	-	-	581	581
	175,299	-	825	176,124
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)

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 September 2022 (Unaudited)				
Financial assets at fair value				
Investments at fair value through other comprehensive income				
- 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
	190,138	-	1,729	191,867

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. 2023 (Unaudited) KD'000	31 Dec. 2022 (Audited) KD'000	30 Sept. 2022 (Unaudited) KD'000
Balance at the beginning of period/year	817	1,729	1,729
Change in fair value during the period/year	8	(912)	-
Balance at the end of period/year	825	817	1,729