

Interim Condensed Consolidated Financial Information and Review Report

Tamdeen Real Estate Company – KPSC

and its Subsidiaries

Kuwait

31 March 2016 (Unaudited)

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Grant Thornton

Al-Qatami, Al-Aiban & Partners

An instinct for growth™

Auditors & Consultants

Souq Al-Kabeer Building - Block A 9th Floor

Tel: (965) 2244 3900-9

Fax: (965) 2243 8451

P.O.Box 2986, Safat 13030

Kuwait

E-mail: gt@kw.gt.com

www.grantthornton.com.kw



MAZARS

Hend Abdulla Al Surayea & Co.- Chartered Accountants

P.O. Box 23105

Safat 13092

Kuwait

Tel: +965 22470462/4

Fax: +965 22470463

Web: www.mazars.com.kw

Report on review of interim condensed consolidated financial information

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tamdeen Real Estate Company (Kuwaiti Public Shareholding Company) (the "Parent Company") and its Subsidiaries (collectively the "Group") as of 31 March 2016 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and the Executive Regulations of Law No. 25 of 2012, as amended, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the three-month period ended 31 March 2016 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

Hend Abdulla Al Surayea
(Licence No. 141-A)
Hend Abdulla Al Surayea & Co.
Member of MAZARS

Kuwait
11 May 2016

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2016 (Unaudited) KD'000	Three months ended 31 March 2015 (Unaudited) KD'000
Income			
Operating revenue		2,293	2,272
Cost of revenue		(914)	(897)
Net income		1,379	1,375
Other operating income		301	332
Fees from management of investment portfolios		23	27
Net income from investments	5	8,578	6,709
Share of results of associates		2,165	3,406
Foreign currency exchange (loss)/gain		(35)	34
Other income		263	30
		12,674	11,913
Expenses and other charges			
Staff costs		834	938
General and administrative expenses		1,147	956
Finance costs		1,459	1,287
		3,440	3,181
Profit for the period before provision for contribution to KFAS, provision for Zakat and provision for NLST		9,234	8,732
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		-	-
Provision for Zakat		-	(17)
Provision for National Labour Support Tax (NLST)		(12)	(74)
Profit for the period		9,222	8,641
Attributable to :			
Owners of the Parent Company		5,596	5,275
Non-controlling interests		3,626	3,366
		9,222	8,641
Basic and diluted earnings per share attributable to the owners of the Parent Company	6	14.5 Fils	13.3 Fils

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

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

	Three months ended 31 March 2016 (Unaudited) KD'000	Three months ended 31 March 2015 (Unaudited) KD'000
Profit for the period	9,222	8,641
Other comprehensive income:		
<i>Items that may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	(23)	77
Available for sale investments:		
- Net change in fair value during the period	(9,115)	11,593
- Transferred to interim condensed consolidated statement of profit or loss on sale	(653)	(398)
- Transferred to interim condensed consolidated statement of profit or loss on impairment in value	500	533
Share of other comprehensive (loss)/income of associates	(1,246)	1,684
Total other comprehensive (loss)/income	(10,537)	13,489
Total comprehensive (loss)/income for the period	(1,315)	22,130
Attributable to:		
Owners of the Parent Company	(723)	13,354
Non-controlling interests	(592)	8,776
	(1,315)	22,130

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Assets				
Non-current assets				
Property, plant and equipment		21,194	21,395	1,410
Investments in associates	7	131,230	130,332	160,955
Investment properties		21,280	21,280	21,250
Investment properties under development	8	56,632	53,272	42,224
Trading properties under development		22,555	20,030	-
Available for sale investments	9	123,529	133,051	145,663
		376,420	379,360	371,502
Current assets				
Inventories		661	767	-
Accounts receivable and other debit balances	10	26,270	17,855	22,757
Investments at fair value through profit or loss		635	703	787
Trading properties		-	-	11,609
Short term deposits	14	929	928	5,663
Cash and bank balances	14	12,404	11,927	5,264
		40,899	32,180	46,080
Total assets		417,319	411,540	417,582
Equity and liabilities				
Equity				
Share capital		41,136	41,136	39,178
Share premium		11,132	11,132	11,132
Treasury shares		(10,235)	(9,625)	(3,426)
Reserve of profit on sale of treasury shares		756	756	756
Legal reserve		10,676	10,676	9,675
Voluntary reserve		12,074	12,074	11,073
Foreign currency translation reserve		383	406	350
Cumulative changes in fair value		30,923	37,219	57,924
Retained earnings		29,690	24,094	22,383
Equity attributable to the owners of the Parent Company		126,535	127,868	149,045
Non-controlling interests		79,319	79,911	81,701
Total equity		205,854	207,779	230,746
Liabilities				
Non-current liabilities				
Provision for end of service indemnity		1,352	1,322	947
Refundable rental deposits		3,794	2,623	1,156
Term loans	11	179,107	174,287	153,250
		184,253	178,232	155,353
Current liabilities				
Accounts payable and other credit balances	12	17,102	12,250	24,897
Term loans	11	5,000	5,000	5,000
Due to banks	13	5,110	8,279	1,586
		27,212	25,529	31,483
Total liabilities		211,465	203,761	186,836
Total equity and liabilities		417,319	411,540	417,582

Meshaal Jassim Al-Marzouq
Chairman

Abdulwahab Marzouq Al-Marzouq
Vice-Chairman

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

Equity attributable to the owners of the Parent Company												
	Reserve of profit on sale of treasury shares				Foreign currency translation reserve				Sub-total		Non-controlling interests	Total
	Share capital KD'000	Share premium KD'000	Treasury shares KD'000	Reserve of profit on sale of treasury shares KD'000	Legal 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 2016	41,136	11,132	(9,625)	756	10,676	12,074	406	37,219	24,094	127,868	79,911	207,779
Net change in treasury shares	-	-	(610)	-	-	-	-	-	-	(610)	-	(610)
Transactions with the owners	-	-	(610)	-	-	-	-	-	-	(610)	-	(610)
Profit for the period	-	-	-	-	-	-	-	-	5,596	5,596	3,626	9,222
Other comprehensive loss	-	-	-	-	-	-	(23)	(6,296)	-	(6,319)	(4,218)	(10,537)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(23)	(6,296)	5,596	(723)	(592)	(1,315)
Balance as at 31 March 2016	41,136	11,132	(10,235)	756	10,676	12,074	383	30,923	29,690	126,535	79,319	205,854

Interim condensed consolidated statement of changes in equity (Unaudited) (continued)

	Equity attributable to the owners of the Parent Company											
	Share capital KD'000	Share premium KD'000	Treasury shares KD'000	Reserve of profit on sale of treasury shares KD'000	Foreign							Non-controlling interests KD'000
Legal reserve KD'000					Voluntary reserve KD'000	currency translation reserve KD'000	Cumulative changes in fair value KD'000	Retained earnings KD'000	Sub-total KD'000			
Balance as at 1 January 2015	39,178	11,132	(3,462)	739	9,675	11,073	273	49,922	17,108	135,638	72,901	208,539
Net change in treasury shares	-	-	36	17	-	-	-	-	-	53	-	53
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	24	24
Transactions with the owners	-	-	36	17	-	-	-	-	-	53	24	77
Profit for the period	-	-	-	-	-	-	-	-	5,275	5,275	3,366	8,641
Other comprehensive income	-	-	-	-	-	-	77	8,002	-	8,079	5,410	13,489
Total comprehensive income for the period	-	-	-	-	-	-	77	8,002	5,275	13,354	8,776	22,130
Balance as at 31 March 2015	39,178	11,132	(3,426)	756	9,675	11,073	350	57,924	22,383	149,045	81,701	230,746

The notes set out on pages 8 to 19 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2016 (Unaudited) KD'000	Three months ended 31 March 2015 (Unaudited) KD'000
OPERATING ACTIVITIES			
Profit for the period		9,222	8,641
Adjustments:			
Depreciation		231	58
Provision for end of service indemnity		38	110
Unrealised loss/(profit) from investments at fair value through profit or loss		68	(30)
Net gain on sale of investments at fair value through profit or loss		-	(4)
Net gain on sale of available for sale investments		(1,380)	(417)
Impairment in value of available for sale investments		500	533
Dividends income		(7,764)	(6,779)
Interest income		(2)	(12)
Share of results of associates		(2,165)	(3,406)
Finance costs		1,459	1,287
		207	(19)
Changes in operating assets and liabilities:			
Inventories		106	-
Accounts receivable and other debit balances		(652)	(768)
Accounts payable and other credit balances		5,152	922
Refundable rental deposits		1,171	1
End of service indemnity paid		(8)	(14)
Net cash from operating activities		5,976	122
INVESTING ACTIVITIES			
Net purchase of available for sale investments		(798)	(100)
Proceeds from sale of available for sale investments		1,930	724
Proceeds from sale of Investments at fair value through profit or loss		-	327
Additions to investment properties under development		(3,069)	(3,283)
Additions to trading properties under development		(2,525)	-
Net purchase of property, plant and equipment		(30)	(29)
Interest income received		2	12
Net cash used in investing activities		(4,490)	(2,349)
FINANCING ACTIVITIES			
Change in non-controlling interests		-	24
Change in due to banks		(3,169)	(3,084)
Change in treasury shares		(610)	53
Change in term loans		4,820	6,500
Cash dividends paid		(5)	(40)
Finance costs paid		(2,044)	(1,538)
Net cash (used in)/from financing activities		(1,008)	1,915
Net increase/(decrease) in cash and cash equivalents		478	(312)
Cash and cash equivalents at beginning of the period		12,855	11,239
Cash and cash equivalents at end of the period	14	13,333	10,927

The notes set out on pages 8 to 19 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 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 new Companies Law No. 1 of 2016 was issued on 24 January 2016 and published in the Official Gazette on 1 February 2016 which cancelled Law No. 25 of 2012 and its amendments thereto, as stipulated in article (5) thereto. The new Law will be effective retrospectively from 26 November 2012 and the executive regulations of Law No. 25 of 2012 will remain effective pending the issuance of the new executive regulations.

The interim condensed consolidated financial information for the three months period ended 31 March 2016 was authorised for issue by the Parent Company’s board of directors on 11 May 2016.

The annual consolidated financial statements for the year ended 31 December 2015 were approved by the shareholders at the Annual General Assembly Meeting held on 11 May 2016.

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2016 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

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.

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 expenses. 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 2015.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and presentation (continued)

Operating results for the three-months period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2015.

The subsidiaries are consolidated and share of results of associates are recorded based on the management accounts for the period ended 31 March 2016.

3 Significant accounting policies

The interim condensed consolidated financial information have been prepared in accordance with the accounting policies adopted in the Group's most recent annual consolidated financial statements for the year ended 31 December 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted new accounting pronouncements which have become effective for the first time in 2016, non of which had any significant impact on the Group's results or financial position. These are:

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 11 Accounting for Acquisitions of Interests in Joint Operations - Amendments	1 January 2016
IAS 1 'Disclosure Initiative - Amendments	1 January 2016
IAS 16 and IAS 41 Agriculture: Bearer Plants - Amendments	1 January 2016
IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments	1 January 2016
IAS 27 Equity Method in Separate Financial Statements - Amendments	1 January 2016
IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments	1 January 2016
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2016

4 Subsidiary companies

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

Subsidiary companies	Percentage of ownership in subsidiary companies			Country of incorporation	Principal activity	Date of incorporation	Date of control
	31 March 2016 (Unaudited) %	31 Dec. 2015 (Audited) %	31 March 2015 (Unaudited) %				
Tamdeen Investment Company – KPSC (a)	55.94	55.94	51.37	Kuwait	Investment	3 March 1997	11 January 2003
Manshar Real Estate Company - KSC (Closed)	77.97	77.97	75.69	Kuwait	Real estate	17 March 2007	17 March 2007
Al Adiyat International Real Estate Company - KSC (Closed)	98.98	98.98	97.75	Kuwait	Real estate	25 June 2006	1 April 2012

Notes to the interim condensed consolidated financial information (continued)

4 Subsidiary companies (continued)

- (a) The registered shareholdings of the Parent Company in this subsidiary is 55.94% (31 December 2015: 55.94% and 31 March 2015: 51.37%). However, the effective ownership percentage in this subsidiary (Tamdeen Investment Company – KPSC) up to the 3rd quarter of 2015 for consolidation purposes was 56.93% after due addition of the Group's share in the treasury shares held by this subsidiary to the registered shareholding of the Parent Company. During the 4th quarter of 2015 these treasury shares have been re-issued by the subsidiary as part of the Merger and consequently the Group's ownership percentage for consolidation purposes as of 31 December 2015 and 31 March 2016 is equal to the registered shareholding.

5 Net income from investments

	Three months ended 31 March 2016 (Unaudited) KD'000	Three months ended 31 March 2015 (Unaudited) KD'000
Net gain on sale of available for sale investments	1,380	417
Net gain on sale of investments at fair value through profit or loss	-	4
Unrealised (loss)/profit from investments at fair value through profit or loss	(68)	30
Impairment in value of available for sale investments	(500)	(533)
Dividends income	7,764	6,779
Interest income	2	12
	8,578	6,709

6 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 shares outstanding during the period as follows:

	Three months ended 31 March 2016 (Unaudited)	Three months ended 31 March 2015 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD'000)	5,596	5,275
Weighted average number of the outstanding shares (excluding treasury shares) (in thousands)	387,249	398,052
Basic and diluted earnings per share attributable to the owners of the Parent Company	14.5 Fils	13.3 Fils

For calculating the earnings per share for the period ended 31 March 2016, the Parent Company has not considered the bonus shares approved by the Annual General Assembly held on 11 May 2016 as appropriate regulatory approvals are awaited.

The weighted average number of shares outstanding during the previous period has been restated to add the bonus shares issued during the 2nd quarter of the previous period (Note 16).

The earnings per share reported during the previous period for the three months ended 31 March 2015, before the bonus shares noted above, was 13.9 Fils.

Notes to the interim condensed consolidated financial information (continued)

7 Investments in associates

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

Company's name	Place of incorporation	31 March 2016 (Unaudited)			31 Dec. 2015 (Audited)			31 March 2015 (Unaudited)		
		Ownership %		Value KD'000	Ownership %		Value KD'000	Ownership %		Value KD'000
		Direct	Indirect*		Direct	Indirect*		Direct	Indirect*	
Ajmal Holding Company – BSC (a)	Bahrain	19	38	662	19	38	665	19	38	789
Tamdeen Holding Company – KSC (Holding)	Kuwait	-	-	-	-	-	-	30	40	30,007
Fucom for Central Markets – KSC (Closed)	Kuwait	25	-	708	25	-	634	25	-	568
Tamdeen Shopping Centers Company – KSC (Closed)	Kuwait	30	-	42,045	30	-	41,517	30	-	40,337
Al Maysam Combined General Trading Company – WLL (a)	Kuwait	20	40	2,239	20	40	2,248	20	40	2,395
Kuwait National Cinema Company – KPSC	Kuwait	-	47	55,083	-	47	54,776	-	47	53,296
Tamdeen Pearl Real Estate Company – KSC (Closed)	Kuwait	-	31	27,538	-	31	27,540	-	31	27,532
Tamdeen for Real Estate Development Company – KSC (Closed) (a)	Kuwait	15	37	2,519	15	37	2,516	15	35	5,595
Gulf and Asia Holding Company – (Holding)	Kuwait	-	20	436	-	20	436	-	20	436
				131,230			130,332			160,955

* Indirect holding through two subsidiaries [Tamdeen Investment Company – KPSC and Manshar Real Estate Company – KSC (Closed)].

Notes to the interim condensed consolidated financial information (continued)

7 Investments in associates (continued)

- (a) The Parent Company's management confirms that the Group do not exercise control over the decisions of Ajmal Holding Company – BSC, Al Maysam Combined General Trading Company – WLL and Tamdeen for Real Estate Development – KSC (Closed) either directly or in participation with the indirect shares. Accordingly, the financial statements of these companies were not consolidated, and they were accounted for using the equity method within the associates above.
- (b) The Group's share of results of associates has been recorded based on the latest unaudited financial information prepared by the managements of these associates for the period ended 31 March 2016.

8 Investment properties under development

	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Cost			
At beginning of the period/year	56,046	41,302	41,302
Additions during the period/year	3,360	14,744	3,283
At end of the period/year	59,406	56,046	44,585
Impairment in value			
At beginning of the period/year	2,774	2,361	2,361
Additions during the period/year	-	413	-
At end of the period/year	2,774	2,774	2,361
Net book value			
At end of the period/year	56,632	53,272	42,224

The additions to the investment properties under development mainly represent the amounts expensed during the period/year for the redevelopment of Al-Kout Mall project through one of the subsidiaries [Manshar Real Estate Company – KSC (Closed)].

Investment Properties under development with a carrying value of KD56,582 thousand (31 December 2015: KD53,250 thousand and 31 March 2015: KD41,810 thousand) (Al-Kout Mall project) are totally mortgaged against term loans (Note 11).

Due to difficulty of obtaining a reliable fair value of the investment properties under development, the management decided to maintain the cost method for all investment properties under development until the implementation stages are completed, unless there are signs of decline in the value of these properties.

Finance costs of KD291 thousand (31 December 2015: KD896 thousand and 31 March 2015: KD205 thousand) have been capitalized during the current period.

Notes to the interim condensed consolidated financial information (continued)

9 Available for sale investments

	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Local managed portfolios	-	-	4,580
Participations in local companies shares	8,647	7,975	4,788
Participations in capital of companies located outside Kuwait	114,882	125,076	136,295
	123,529	133,051	145,663

Participations in capital of companies located outside Kuwait include the investments of the subsidiary company [Tamdeen Investment Company – KPSC], in shares listed outside Kuwait. These participations include investments with a total fair value of KD63,635 thousand (31 December 2015: KD68,168 thousand and 31 March 2015: KD81,325 thousand) mortgaged against term loans (Note 11).

10 Accounts receivable and other debit balances

	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Receivable from tenants	660	555	498
Staff receivable	96	101	98
Prepaid expenses	424	200	308
Due from related parties(a)	2,763	2,412	2,774
Due from sale of trading properties (a)	5,621	5,621	6,184
Advance payments to contractors (b)	7,817	8,394	5,273
Dividend income receivable	7,764	-	6,779
Other debit balances	1,401	842	1,085
	26,546	18,125	22,999
Provision for doubtful debts	(276)	(270)	(242)
	26,270	17,855	22,757

- a) The balances due above (from related parties and from sale of trading properties) are mainly represented by the amounts due from the sale transaction previously performed by the Group for some of its real estate plots which have been invested in for trading purpose to related parties for an amount of KD9,103 thousand and other third parties for an amount of KD10,030 thousand. The Group's management confirms that these due amounts are totally collectible from the concerned parties.
- b) The advance payments to contractors include amounts of KD7,651 thousand (31 December 2015: KD8,230 thousand and 31 March 2015: KD5,261 thousand) which represent the balance out of an amount KD9,711 thousand paid during the years 2014 and 2015 to local contractors as advance payments from the total signed contract value for Al-Kout Mall project (Fahaheel, Kuwait) which is classified under investment properties under development and Tamdeen Square Project which is classified under trading properties under development. The Group has recovered an amount of KD2,060 thousand (till 31 December 2015: KD1,481 thousand and till 31 March 2015: KD450 thousand) from these advance payments till the end of this period against payments made to the contractors.

Notes to the interim condensed consolidated financial information (continued)

11 Term loans

The settlement due dates of loans have been classified by the Parent Company's management as follows:

	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Within one year	5,000	5,000	5,000
Over one year	179,107	174,287	153,250
	184,107	179,287	158,250

The loans which due dates are classified over one year, included loan balances of KD72,857 thousand (31 December 2015: KD73,037 thousand and 31 March 2015: KD65,000 thousand) which represent revolving loans which can be renewed annually without preconditions at the request of the Parent Company's management, accordingly, it has been classified by the Parent Company's management as non-current loans.

The loans are denominated in Kuwaiti Dinars with annual interest rate ranging between 0.75% and 1.75% (31 December 2015: ranging between 0.75% and 1.75% and 31 March 2015: ranging between 0.75% and 1.75%) over the discount rate announced by the Central Bank of Kuwait. The total amount of the instalments relating to the loans which are to be repaid within twelve months from the date of the interim condensed consolidated statement of financial position is shown as a current liability.

The loans granted to the subsidiary companies are against the mortgage of investments in shares with a fair value of KD63,635 thousand (31 December 2015: KD68,168 thousand and 31 March 2015: KD81,325 thousand) (Note 9), mortgage of investments in associates by an amount of KD41,902 thousand (31 December 2015: KD41,667 thousand and 31 March 2015: KD41,007 thousand), and mortgage of investment properties and investment properties under development (Note 8).

12 Accounts payable and other credit balances

	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Retentions for executed works	2,360	1,844	785
Income received in advance	596	468	450
Accrued leave and expenses	3,085	2,626	3,903
Due to related parties	469	563	88
Dividends payable to shareholders	292	316	272
Other creditors	-	-	13,689
Advance received from customers	3,950	293	-
Other credit balances	6,350	6,140	5,710
	17,102	12,250	24,897

13 Due to banks

Due to banks represent the balances of overdraft facilities which are granted to the Group by local banks to finance the working capital and the real estate activities. They are repayable on demand with annual floating interest rate which is equal to the current interest rate in the market.

Notes to the interim condensed consolidated financial information (continued)

14 Cash and cash equivalents

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

	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Cash and bank balances	12,404	11,927	5,264
Short term deposits	929	928	5,663
	13,333	12,855	10,927

15 Segmental analysis

The Group activities are concentrated in three main segments: Real Estate, Investment and other. 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	Other KD'000	Total KD'000
Period ended at 31 March 2016 (Unaudited)				
Gross income	2,594	10,744	250	13,588
(Loss)/profit for the period	(115)	9,326	11	9,222
Total assets	122,212	269,164	25,943	417,319
Total liabilities	(118,565)	(85,314)	(7,586)	(211,465)
Total equity	3,647	183,850	18,357	205,854
Period ended at 31 March 2015 (Unaudited)				
Gross income	2,620	10,190	-	12,810
(Loss)/profit for the period	(111)	8,752	-	8,641
Total assets	94,133	323,449	-	417,582
Total liabilities	(90,008)	(96,828)	-	(186,836)
Total equity	4,125	226,621	-	230,746

16 Appropriations

The General Assembly of shareholders held on 11 May 2016 approved the consolidated financial statements for the year ended 31 December 2015 and directors' proposal to distribute cash dividends of 10% or equivalent to 10 Kuwaiti Fils per share from the paid-up share capital and bonus shares dividends of 5% from the paid-up share capital to the shareholders, and to pay a remuneration to the board of directors of amount KD60 thousand for the year ended 31 December 2015 (the General Assembly of shareholders held on 29 April 2015 approved to distribute cash dividends of 10% or equivalent to 10 Kuwaiti Fils per share from the paid-up share capital to the shareholders and bonus shares dividends of 5% from the paid-up share capital to the shareholders, and to pay a remuneration to the board of directors of amount KD60 thousand for the year ended 31 December 2014).

Notes to the interim condensed consolidated financial information (continued)

17 Related party transactions

Related parties represent associates, directors and key management personnel of the Group, and other related parties such as major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

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

	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Interim condensed consolidated statement of financial position			
Accounts receivable and other debit balances (Note 10)	2,763	2,412	2,774
Accounts payable and other credit balances (Note 12)	469	563	88
Purchase of trading properties under development and other additions	-	7,000	-
Additions to investment properties under development and trading properties under development	159	730	145
	Three months ended 31 March 2016 (Unaudited) KD'000	Year ended 31 Dec. 2015 (Audited) KD'000	Three months ended 31 March 2015 (Unaudited) KD'000
Interim condensed consolidated statement of profit or loss			
Management fees and consultancy income (included in other operating income)	257	1,070	241
Cost of revenue	179	667	185
General and administrative expenses	99	511	128
Benefits of key management personnel of the Group:			
Short term employee benefits and board of directors' remuneration	138	965	240
	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (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 company)	281,267	309,189	261,343

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 amount KD1,071 thousand (31 December 2015: KD1,071 thousand and 31 March 2015: KD1,096 thousand).

The Group had capital commitments amounting to KD70,667 thousand (31 December 2015: KD73,560 thousand and 31 March 2015: KD47,355 thousand) for its two projects classified under properties under development.

Notes to the interim condensed consolidated financial information (continued)

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

19.1 Summary of financial assets and liabilities by Category

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

	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Financial assets			
Financial assets at amortised cost:			
- Accounts receivable and other debit balances (excluding prepaid expenses)	25,846	17,655	22,449
- Cash and cash equivalents	13,333	12,855	10,927
	39,179	30,510	33,376
Investments at fair value through profit or loss :			
- At fair value	635	703	787
Available for sale investments :			
-At fair value	116,555	126,865	133,864
-Carried at cost less impairment in value, if any *	6,974	6,186	11,799
	123,529	133,051	145,663
Total financial assets	163,343	164,264	179,826
Financial liabilities			
Financial liabilities at amortised cost:			
- Due to banks	5,110	8,279	1,586
- Accounts payable and other credit balances	17,102	12,250	24,897
-Term loans	184,107	179,287	158,250
- Refundable rental deposits	3,794	2,623	1,156
Total financial liabilities	210,113	202,439	185,889

* It was not possible to reliably measure the fair value of available for sale investments amounting to KD6,974 thousand (31 December 2015: KD6,186 thousand and 31 March 2015: KD11,799 thousand) due to non availability of reliable method that could be used to determine the fair value of such investments, accordingly, these were stated at cost less impairment, if any. Management is not aware of any circumstances that would indicate any impairment/further impairment, in the value of these investments as of the reporting date.

19.2 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 profit or loss and available for sale investments (excluding certain available for sale investments which are carried at cost/cost less impairment for reasons specified in note 19.1 to the interim condensed consolidated financial information) are carried at fair value and measurement details are disclosed in note 19.3 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)

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

19.3 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:

31 March 2016 (Unaudited)	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
Financial assets at fair value				
Investments at fair value through profit or loss				
• Quoted shares	635	-	-	635
Available for sale investments				
- Participations in local companies shares				
• Quoted shares	4,222	-	-	4,222
- Participations in capital of companies located outside Kuwait				
• Quoted shares	108,851	-	-	108,851
• Unquoted shares	-	-	3,482	3,482
	113,708	-	3,482	117,190
31 December 2015 (Audited)				
Financial assets at fair value				
Investments at fair value through profit or loss				
• Quoted shares	703	-	-	703
Available for sale investments				
- Participations in local companies shares				
• Quoted shares	4,222	-	-	4,222
- Participations in capital of companies located outside Kuwait				
• Quoted shares	118,661	-	-	118,661
• Unquoted shares	-	-	3,982	3,982
	123,586	-	3,982	127,568

Notes to the interim condensed consolidated financial information (continued)

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

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

	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
31 March 2015 (Unaudited)				
Financial assets at fair value				
Investments at fair value through profit or loss				
• Quoted shares	787	-	-	787
Available for sale investments				
- Local managed portfolios				
• Quoted shares	12	-	-	12
- Participations in local companies shares				
• Quoted shares	4,568	-	-	4,568
- Participations in capital of companies located outside Kuwait				
• Quoted shares	121,817	-	-	121,817
• Unquoted shares	-	-	7,467	7,467
	127,184	-	7,467	134,651

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

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

Level 3 fair value measurements

Reconciliation of level 3 fair value measurements is as follows:

	31 March 2016 (Unaudited) KD'000	31 Dec. 2015 (Audited) KD'000	31 March 2015 (Unaudited) KD'000
Balance at the beginning of period/year	3,982	4,126	4,126
Transfer to level 3	-	1,388	3,341
Impairment in value – recognised in consolidated statement of profit or loss	(500)	(294)	-
Transfer outside level 3	-	(1,238)	-
Balance at the end of period/year	3,482	3,982	7,467

20 Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation of the interim condensed consolidated financial information. This reclassification has no effect on the consolidated financial statements for the previous year and the interim condensed consolidated financial information for the previous period including equity, net profit and cash and cash equivalents.