

Interim Condensed Consolidated Financial Information and Review Report

**Tamdeen Real Estate Company – KPSC**

**and its Subsidiaries**

**Kuwait**

31 March 2015 (Unaudited)

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## Report on review of interim condensed consolidated financial information

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

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tamdeen Real Estate Company (Kuwaiti Public Shareholding Company) (the "Parent Company") and its Subsidiaries (collectively the "Group") as of 31 March 2015 and the related interim condensed consolidated statements of profit or loss, 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".

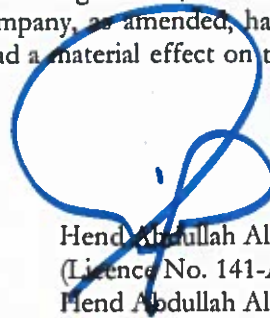
### **Report on review of other legal and regulatory requirements**

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. 25 of 2012 and its Executive Regulations, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the three-month period ended 31 March 2015 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 May 2015



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

## Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2015 (Unaudited) KD'000	Three months ended 31 March 2014 (Unaudited) KD'000
<b>Income</b>			
Operational income		2,272	2,104
Operational expenses		(897)	(794)
<b>Net operational income</b>		<b>1,375</b>	<b>1,310</b>
Other operational income		332	205
Fees from management of investment portfolios		27	10
Net income from investments	5	6,709	5,260
Share of results of associates		3,406	2,229
Other income		64	47
		<b>11,913</b>	<b>9,061</b>
<b>Expenses and other charges</b>			
Staff costs		936	576
General and administrative expenses		958	740
Finance costs		1,287	1,030
		<b>3,181</b>	<b>2,346</b>
<b>Profit for the period before provision for contribution to KFAS, provision for Zakat and provision for NLST</b>		<b>8,732</b>	<b>6,715</b>
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		-	-
Provision for Zakat		(17)	-
Provision for National Labour Support Tax (NLST)		(74)	(16)
<b>Profit for the period</b>		<b>8,641</b>	<b>6,699</b>
<b>Attributable to :</b>			
Owners of the parent company		5,275	3,794
Non-controlling interests		3,366	2,905
		<b>8,641</b>	<b>6,699</b>
<b>Basic and diluted earnings per share attributable to the owners of the parent company</b>	6	<b>13.9 Fils</b>	<b>9.8 Fils</b>

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

## Interim condensed consolidated statement of comprehensive income

	Three months ended 31 March 2015 (Unaudited) KD'000	Three months ended 31 March 2014 (Unaudited) KD'000
Profit for the period	8,641	6,699
<b>Other comprehensive income:</b>		
<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	77	(108)
Available for sale investments:		
- Net change in fair value during the period	11,593	11,031
- Transferred to interim condensed consolidated statement of profit or loss on sale	(398)	-
- Transferred to interim condensed consolidated statement of profit or loss on impairment in value	533	1,111
Share of other comprehensive income/(loss) of associates	1,684	(242)
<b>Total other comprehensive income</b>	<b>13,489</b>	<b>11,792</b>
<b>Total comprehensive income for the period</b>	<b>22,130</b>	<b>18,491</b>
<b>Attributable to:</b>		
Owners of the parent company	13,354	9,391
Non-controlling interests	8,776	9,100
	<b>22,130</b>	<b>18,491</b>

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

## Interim condensed consolidated statement of financial position

	Note	31 March 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		1,410	1,439	1,477
Investments in associates	7	160,955	155,790	86,728
Investment properties		21,250	21,250	21,100
Properties under development	8	42,224	38,941	35,077
Available for sale investments	9	145,663	134,612	133,572
		<b>371,502</b>	<b>352,032</b>	<b>277,954</b>
<b>Current assets</b>				
Accounts receivable and other debit balances	10	22,757	15,210	18,623
Investments at fair value through profit or loss		787	1,081	966
Investments in lands and real estate held for trading		11,609	11,609	11,341
Short term deposits	14	5,663	5,684	913
Cash and bank balances	14	5,264	5,555	2,840
		<b>46,080</b>	<b>39,139</b>	<b>34,683</b>
<b>Total assets</b>		<b>417,582</b>	<b>391,171</b>	<b>312,637</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		39,178	39,178	37,312
Share premium		11,132	11,132	11,132
Treasury shares		(3,426)	(3,462)	(944)
Reserve of profit on sale of treasury shares		756	739	739
Legal reserve		9,675	9,675	8,918
Voluntary reserve		11,073	11,073	10,316
Foreign currency translation reserve		350	273	162
Cumulative changes in fair value		57,924	49,922	37,704
Retained earnings		22,383	17,108	19,836
<b>Equity attributable to the owners of the parent company</b>		<b>149,045</b>	<b>135,638</b>	<b>125,175</b>
<b>Non-controlling interests</b>		<b>81,701</b>	<b>72,901</b>	<b>65,487</b>
<b>Total equity</b>		<b>230,746</b>	<b>208,539</b>	<b>190,662</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provision for end of service indemnity		947	851	758
Refundable rental deposits		1,156	1,155	1,217
Term loans	11	153,250	146,750	67,500
		<b>155,353</b>	<b>148,756</b>	<b>69,475</b>
<b>Current liabilities</b>				
Accounts payable and other credit balances	12	24,897	24,206	9,925
Term loans	11	5,000	5,000	41,250
Due to banks	13	1,586	4,670	1,325
		<b>31,483</b>	<b>33,876</b>	<b>52,500</b>
<b>Total liabilities</b>		<b>186,836</b>	<b>182,632</b>	<b>121,975</b>
<b>Total equity and liabilities</b>		<b>417,582</b>	<b>391,171</b>	<b>312,637</b>

Meshaal Jassim Al-Marzouq  
Chairman

Ali Yacoub Ghafil Al-Aryan  
Vice-Chairman

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

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

	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	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 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
Changes in Non-controlling interests	-	-	-	-	-	-	-	-	-	-	24	24
Transactions with owners	-	-	36	17	-	-	-	-	-	53	24	77
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	77	8,002	5,275	5,275	3,366	8,641
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

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

	Equity attributable to the owners of the parent company										Total KD'000	
	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
Balance as at 1 January 2014	37,312	11,132	(754)	739	8,918	10,316	245	32,024	13,885	113,817	56,568	170,385
Net change in treasury shares	-	-	(190)	-	-	-	-	-	-	(190)	(181)	(371)
Profit resulting from the share capital decrease of an associate	-	-	-	-	-	-	-	-	2,157	2,157	-	2,157
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	(83)	5,680	3,794	3,794	2,905	6,699
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(83)	5,680	3,794	9,391	6,195	11,792
Balance as at 31 March 2014	37,312	11,132	(944)	739	8,918	10,316	162	37,704	19,836	125,175	65,487	190,662

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



## Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2015 (Unaudited) KD'000	Three months ended 31 March 2014 (Unaudited) KD'000
<b>OPERATING ACTIVITIES</b>			
Profit for the period		8,641	6,699
Adjustments:			
Depreciation		58	55
Provision for end of service indemnity		110	46
Unrealised profit from investments at fair value through profit or loss		(30)	(62)
Net gain on sale of investments at fair value through profit or loss		(4)	-
Net gain on sale of available for sale investments		(417)	-
Impairment in value of available for sale investments		533	1,111
Dividends income		(6,779)	(6,303)
Interest income		(12)	(6)
Share of results of associates		(3,406)	(2,229)
Finance costs		1,287	1,030
		(19)	341
<b>Changes in operating assets and liabilities:</b>			
Accounts receivable and other debit balances		(768)	(969)
Accounts payable and other credit balances		922	296
Refundable rental deposits		1	11
End of service indemnity paid		(14)	(1)
<b>Net cash from/(used in) operating activities</b>		<b>122</b>	<b>(322)</b>
<b>INVESTING ACTIVITIES</b>			
Net purchase of available for sale investments		(100)	-
Proceeds from sale of available for sale investments		724	-
Proceeds from sale of Investments at fair value through profit or loss		327	-
Additions to properties under development		(3,283)	(363)
Net purchase of property, plant and equipment		(29)	(22)
Dividends income received		-	1
Interest income received		12	6
<b>Net cash used in investing activities</b>		<b>(2,349)</b>	<b>(378)</b>
<b>FINANCING ACTIVITIES</b>			
Change in non-controlling interests		24	(372)
Change in due to banks		(3,084)	388
Change in treasury shares		53	(190)
Change in term loans		6,500	938
Cash dividends paid		(40)	(15)
Finance costs paid		(1,538)	(1,282)
<b>Net cash from/(used in) financing activities</b>		<b>1,915</b>	<b>(533)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(312)</b>	<b>(1,233)</b>
Cash and cash equivalents at beginning of the period		11,239	4,986
<b>Cash and cash equivalents at end of the period</b>	14	<b>10,927</b>	<b>3,753</b>

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

# Notes to the interim condensed consolidated financial information

## 1 Incorporation and activities of the Parent Company

Tamdeen Real Estate Company – KPSC (the Parent Company) was incorporated in Kuwait on 16 December 1982 in accordance with the Companies Law. The shares of this Parent Company are listed 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 interim condensed consolidated financial information for the three months period ended 31 March 2015 was authorised for issue by the Parent Company's board of directors on 13 May 2015.

The annual consolidated financial statements for the year ended 31 December 2014 were approved by the shareholders at the Annual General Meeting held on 29 April 2015.

## 2 Basis of presentation

This interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

This interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

This 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 management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation for the interim condensed consolidated financial information 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 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 2014.

Operating results for the three months period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015. For further details, refer to the Group's consolidated financial statements and its related disclosures for the year ended 31 December 2014.

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

### 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 2014. The Group has not early adopted any other standard, interpretation and amendments that has been issued but is not yet effective.

Although there are certain new standards and amendments which apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial information of the Group.

### 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 2015 (Unaudited) %	31 Dec 2014 (Audited) %	31 March 2014 (Unaudited) %				
Tamdeen Investment Company – KPSC (effective holding 56.93%) (a)	51.37	51.37	51.37	Kuwait	Investment	3 March 1997	11 January 2003
Manshar Real Estate Company - KSC (Closed) (effective holding 78.47%)	75.69	75.69	75.69	Kuwait	Real estate	17 March 2007	17 March 2007
Tamdeen for Real Estate Development Company - KSC (Closed)	-	-	45.41	Kuwait	Real estate	21 July 2008	21 July 2008
Al Adiyat International Real Estate Company - KSC (Closed)	97.75	97.75	97.75	Kuwait	Real estate	25 June 2006	1 April 2012

- (a) The registered shareholdings of the Parent Company in this subsidiary is 51.37%. However, the effective ownership percentage in this subsidiary (Tamdeen Investment Company – KPSC) for consolidation purposes is 56.93% (31 December 2014: 56.93% and 31 March 2014: 51.37%) after due addition of the Group's share in the treasury shares held by this subsidiary to the registered shareholding of the Parent Company. The total cost of acquisition of its own shares by Tamdeen Investment Company – KPSC which is attributable to the Group amounted to KD3,805 thousand, and the cost of acquisition did not significantly differ from the net carrying value of the NCI.

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

### 5 Net income from investments

	Three months ended 31 March 2015 (Unaudited) KD'000	Three months ended 31 March 2014 (Unaudited) KD'000
Net gain on sale of available for sale investments	417	-
Net gain on sale of investments at fair value through profit or loss	4	-
Unrealised profit from investments at fair value through profit or loss	30	62
Impairment in value of available for sale investments	(533)	(1,111)
Dividends income	6,779	6,303
Interest income	12	6
	<b>6,709</b>	<b>5,260</b>

### 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 2015 (Unaudited)	Three months ended 31 March 2014 (Unaudited)
Profit for the period attributable to the owners of the parent company (KD'000)	5,275	3,794
Weighted average number of the outstanding shares (excluding treasury shares) (in thousands)	379,118	388,210
<b>Basic and diluted earnings per share attributable to the owners of the parent company</b>	<b>13.9 Fils</b>	<b>9.8 Fils</b>

The weighted average number of shares outstanding during the previous period has been restated to add the bonus shares issued during the second quarter of the previous year (refer note 16).

The earnings per share reported during the previous period for the three months ended 31 March 2014, before the bonus shares decided above, was 10.3 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 2015 (Unaudited)			31 Dec. 2014 (Audited)			31 March 2014 (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	789	19	38	682	19	19	431
Tamdeen Holding Company – KSC (Holding Closed) (a, b)	Kuwait	30	40	30,007	30	40	27,538	30	40	24,880
Fucom for Central Markets – KSC (Closed)	Kuwait	25	-	568	25	-	490	25	-	426
Tamdeen Shopping Centers Company – KSC (Closed)	Kuwait	30	-	40,337	30	-	39,479	30	-	38,304
Tamdeen Franchises Holding Company – KSC (Holding Closed)	Kuwait	-	-	-	-	-	-	20	20	14,698
Tamdeen Resorts Company – WLL	Kuwait	-	-	-	-	-	-	22	47	6,390
Al Maysam Combined General Trading Company – WLL (a)	Kuwait	20	40	2,395	20	40	2,398	20	20	1,599
Kuwait National Cinema Company – KPSC	Kuwait	-	47	53,296	-	45	51,600	-	-	-
Tamdeen Pearl Real Estate Company – KSC (Closed)	Kuwait	-	31	27,532	-	31	27,533	-	-	-
Tamdeen for Real Estate Development Company – KSC (Closed) (a)	Kuwait	15	35	5,595	15	35	5,599	-	-	-
Gulf and Asia Holding Company – (Holding)	Kuwait	-	20	436	-	20	471	-	-	-
				160,955			155,790			86,728

\* Indirect holding through two subsidiaries [Tamdeen Investment Company – KPSC and Manshar Real Estate Company – KSC (Closed) (Note 4)].

## 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, Tamdeen Holding Company – KSC (Holding Closed), 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) Subsequent to the date of the interim condensed consolidated statement of financial position, an application has been submitted for the merger between Tamdeen Investment Company – KPSC (Subsidiary) and Tamdeen Holding Company – KSCC (associate) by the combining method, and the Group is currently in the process of obtaining the necessary approvals to implement this.

### 8 Properties under development

	31 March 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
<b>Cost</b>			
At beginning of period/year	41,302	37,198	37,198
Additions during period/year	3,283	4,227	363
Disposals	-	(123)	-
<b>At end of period/year</b>	<b>44,585</b>	<b>41,302</b>	<b>37,561</b>
<b>Impairment in value</b>			
At beginning of period/year	2,361	2,484	2,484
Additions during period/year	-	-	-
Relating to disposals	-	(123)	-
<b>At end of period/year</b>	<b>2,361</b>	<b>2,361</b>	<b>2,484</b>
<b>Net book value</b>			
At end of period/year	42,224	38,941	35,077

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

Properties under development with a carrying value of KD41,810 thousand (31 December 2014: KD38,528 thousand and 31 March 2014: KD34,678 thousand) (Al-Kout Mall project) are totally mortgaged against term loans (Note 11).

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

Finance costs of KD205 thousand (31 December 2014: KD379 thousand and 31 March 2014: KD Nil) have been capitalized during the current period.

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

### 9 Available for sale investments

	31 March 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
Local managed portfolios	4,580	5,208	5,649
Participations in local companies shares	4,788	4,687	7,617
Participations in capital of companies located outside Kuwait	136,295	124,717	120,306
	<b>145,663</b>	<b>134,612</b>	<b>133,572</b>

Participations in capital of companies located outside Kuwait include the investment of the subsidiary company [Tamdeen Investment Company – KPSC], in shares listed outside Kuwait. These participations include investments with a total fair value of KD81,325 thousand (KD74,095 thousand at 31 December 2014 and KD65,817 thousand at 31 March 2014) mortgaged against term loans (Note 11).

### 10 Accounts receivable and other debit balances

	31 March 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
Receivable from tenants	498	543	1,456
Staff receivables	98	56	62
Prepaid expenses	308	157	356
Due from related parties (a)	2,774	2,190	3,568
Accrued income (b)	6,779	-	6,303
Advance payments to contractors (c)	5,273	5,535	-
Due from sale of investments in lands and real estate held for trading (a)	6,184	6,184	7,088
Other debit balances	1,085	803	844
	<b>22,999</b>	<b>15,468</b>	<b>19,677</b>
Provision for doubtful debts	(242)	(258)	(1,054)
	<b>22,757</b>	<b>15,210</b>	<b>18,623</b>

- a) The balances due above (from related parties and from sale of investments in lands and real estate held for trading) 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) Accrued income represents the dividend receivable from quoted investments and has been fully received subsequently in April 2015.
- c) The advance payments to contractors include an amount of KD5,261 thousand (31 December 2014: KD5,523 thousand and 31 March 2014: KD Nil) which represent the balance out of an amount KD5,711 thousand paid during the previous year to a local contractor as a 10% advance payment from the total signed contract value for Al-Kout Mall project (Fahaheel, Kuwait) which is classified under properties under development. The Group has recovered an amount of KD450 thousand (till 31 December 2014: KD188 thousand and till 31 March 2014: KD Nil) from this advance payment till the end of this period against payments made to the contractor.

## 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 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
Within one year	5,000	5,000	41,250
Over one year	153,250	146,750	67,500
	<b>158,250</b>	<b>151,750</b>	<b>108,750</b>

The loans which due dates are classified over one year, included loan balances of KD99,750 thousand (31 December 2014: KD 99,750 thousand and 31 March 2014: KD 68,750 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.

All the term loans are granted to the Group by local banks. These loans are denominated in Kuwaiti Dinars with annual interest rate ranging between 0.75% and 1.75% (31 December 2014: ranging between 1.75% and 2% and 31 March 2014: ranging between %1.75 and %2) 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 KD81,325 thousand (31 December 2014: KD74,095 thousand and 31 March 2014: KD65,817 thousand) (Note 9), mortgage of investments in associates by an amount of KD41,007 thousand (31 December 2014: KD39,708 thousand and 31 March 2014: KD Nil), and mortgage of investment properties and properties under development (Note 8).

### 12 Accounts payable and other credit balances

	31 March 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
Retentions for executed works	785	514	135
Income received in advance	450	583	521
Accrued leave and expenses	3,903	3,292	2,661
Due to related parties	88	66	82
Dividends payable to shareholders	272	330	289
Other creditors	13,689	13,689	-
Other credit balances	5,710	5,732	6,237
	<b>24,897</b>	<b>24,206</b>	<b>9,925</b>

### 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 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
Cash and bank balances	5,264	5,555	2,840
Short term deposits	5,663	5,684	913
	<b>10,927</b>	<b>11,239</b>	<b>3,753</b>

### 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 at 31 March 2015 (Unaudited)</b>			
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
<b>Period ended at 31 March 2014 (Unaudited)</b>			
Gross income	2,309	7,546	9,855
(Loss)/profit for the period	(51)	6,750	6,699
Total assets	81,543	231,094	312,637
Total liabilities	(83,887)	(38,088)	(121,975)
Total equity	(2,344)	193,006	190,662

### 16 Proposed appropriations

The general assembly of shareholders held on 29 April 2015 approved the consolidated financial statements for the year ended 31 December 2014 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 2014 (the general assembly of shareholders held on 23 June 2014 approved to distribute cash dividends of 8% or equivalent to 8 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 KD50 thousand for the year ended 31 December 2013).

## 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 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
<b>Interim condensed consolidated statement of financial position</b>			
Accounts receivable and other debit balances (Note 10)	2,774	2,190	3,568
Accounts payable and other credit balances (Note 12)	88	66	82
Purchase of additional shares in an associate (previously)	-	2,722	-
Purchase of additional shares in a subsidiary company	-	15,000	-
	Three months ended 31 March 2015 (Unaudited) KD'000	Year ended 31 Dec. 2014 (Audited) KD'000	Three months ended 31 March 2014 (Unaudited) KD'000
<b>Interim condensed consolidated statement of profit or loss</b>			
Management fees and consultancy income (included in other operational income)	241	643	136
Operational expenses	185	747	180
Benefits of key management personnel of the Group:			
Employee benefits	240	705	157
	31 March 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (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 company)	261,343	141,122	84,514

### 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 KD1,096 thousand (31 December 2014: KD1,096 thousand and 31 March 2014: KD2,271 thousand).

The Group had capital commitments amounting to KD47,355 thousand (31 December 2014: KD49,707 thousand and 31 March 2014: KD Nil) for its project 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 2015 (Unaudited) KD'000	31 Dec 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
<b>Financial assets</b>			
<b>Financial assets at amortised cost:</b>			
- Accounts receivable and other debit balances	22,757	15,210	18,623
- Cash and cash equivalents	10,927	11,239	3,753
	<b>33,684</b>	<b>26,449</b>	<b>22,376</b>
<b>Investments at fair value through profit or loss :</b>			
- At fair value	787	1,081	966
<b>Available for sale investments :</b>			
-At fair value	133,864	122,563	119,098
-Carrying at cost less impairment in value, if any *	11,799	12,049	14,474
	<b>145,663</b>	<b>134,612</b>	<b>133,572</b>
<b>Total financial assets</b>	<b>180,134</b>	<b>162,142</b>	<b>156,914</b>
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost:</b>			
- Accounts payable and other credit balances	24,897	24,206	9,925
- Term loans	158,250	151,750	108,750
- Due to banks	1,586	4,670	1,325
- Refundable rental deposits	1,156	1,155	1,217
<b>Total financial liabilities</b>	<b>185,889</b>	<b>181,781</b>	<b>121,217</b>

\* It was not possible to reliably measure the fair value of available for sale investments amounting to KD11,799 thousand (31 December 2014: KD12,049 thousand and 31 March 2014: KD14,474 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 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 is 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 2015 (Unaudited) Financial assets at fair value	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
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

## 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
<b>31 December 2014 (Audited)</b>				
<b>Financial assets at fair value</b>				
<b>Investments at fair value through profit or loss</b>				
• Quoted shares	1,081	-	-	1,081
<b>Available for sale investments</b>				
- Local managed portfolios				
• Quoted shares	246	-	-	246
- Participations in local companies shares				
• Quoted shares	4,961	-	-	4,961
- Participations in capital of companies located outside Kuwait				
• Quoted shares	113,230	-	-	113,230
• Unquoted shares	-	-	4,126	4,126
	<b>119,518</b>	<b>-</b>	<b>4,126</b>	<b>123,644</b>
<b>31 March 2014 (Unaudited)</b>				
<b>Financial assets at fair value</b>				
<b>Investments at fair value through profit or loss</b>				
• Quoted shares	966	-	-	966
<b>Available for sale investments</b>				
- Local managed portfolios				
• Quoted shares	399	-	-	399
• Unquoted shares	-	2,250	-	2,250
- Participations in local companies shares				
• Quoted shares	5,250	-	-	5,250
- Participations in capital of companies located outside Kuwait				
• Quoted shares	106,341	-	-	106,341
• Unquoted shares	-	-	4,858	4,858
	<b>112,956</b>	<b>2,250</b>	<b>4,858</b>	<b>120,064</b>

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.

## 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 3 fair value measurements

Reconciliation of level 3 fair value measurements is as follows:

	31 March 2015 (Unaudited) KD'000	31 Dec. 2014 (Audited) KD'000	31 March 2014 (Unaudited) KD'000
Balance at the beginning of period/year	4,126	4,703	4,703
Transfer inside level 3	3,341	(160)	155
Impairment in value – recognised in consolidated statement of profit or loss	-	(417)	-
<b>Balance at the end of period/year</b>	<b>7,467</b>	<b>4,126</b>	<b>4,858</b>

### 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.