Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim Condensed Consolidated Financial Information and Review Report

Tamdeen Real Estate Company – KPSC

and its Subsidiaries

Kuwait

31 March 2022 (Unaudited)

Contents

Grant Thornton
Al-Qatami, Al-Aiban & Partners

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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 2022 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the 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 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 2022 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of law no 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2022 that might have had a material effect on the business or financial position of the Parent Company.

Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
12 May 2022

Interim condensed consolidated statement of profit or loss

	Note	**Three months ended 31 March 2022 (Unaudited) KD'000**	Three months ended 31 March 2021 (Unaudited) KD'000
Revenue			
Operating revenue		**6,234**	4,845
Cost of revenue		**(1,446)**	(1,614)
Net income		**4,788**	3,231
Management and consultancy fees		**218**	199
Net income from investments	6	**23**	2,752
Share of results of associates		**2,424**	842
Profit from sale of trading properties		**21**	-
Foreign currency exchange gain/(loss)		**91**	(82)
Other income		**264**	10
		7,829	6,952
Expenses and other charges			
Staff costs		**(903)**	(909)
General, administrative and other expenses		**(1,147)**	(1,088)
Finance costs		**(1,645)**	(1,686)
		(3,695)	(3,683)
Profit for the period before provision for contribution to KFAS, provision for Zakat and provision for NLST		**4,134**	3,269
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		**(28)**	(26)
Provision for Zakat		**(46)**	(53)
Provision for National Labour Support Tax (NLST)		**(107)**	(123)
Profit for the period		**3,953**	3,067
Attributable to:			
Owners of the Parent Company		**3,278**	2,257
Non-controlling interests		**675**	810
		3,953	3,067
Basic and diluted earnings per share attributable to the owners c the Parent Company	7	**8.2 Fils**	5.6 Fils

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

	Three months ended 31 March 2022 (Unaudited) KD'000	Three months ended 31 March 2021 (Unaudited) KD'000
Profit for the period	**3,953**	3,067
Other comprehensive income/(loss):		
Items to be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:		
Exchange differences arising on translation of foreign operations	**9**	(6)
	9	(6)
Items will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:		
Net change in fair value of equity investments designated at FVOCI	**36,961**	(5,317)
Share of other comprehensive income/(loss) of associates	**435**	(936)
	37,396	(6,253)
Total other comprehensive income/(loss) for the period	**37,405**	(6,259)
Total comprehensive income/(loss) for the period	**41,358**	(3,192)
Total comprehensive income / (losses) for:		
Owners of the Parent Company	**24,351**	(1,457)
Non-controlling interests	**17,007**	(1,735)
	41,358	(3,192)

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	**31 March 2022 (Unaudited) KD'000**	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Assets				
Cash and bank balances	14	**68,937**	32,592	27,814
Short term deposits	14	**75**	75	606
Accounts receivable and other debit balances	8	**13,068**	8,145	8,161
Investments at fair value through other comprehensive income	9	**216,314**	219,708	165,931
Investment property under development		**19,040**	18,378	-
Trading properties under development		**-**	-	62,094
Trading properties		**27,166**	29,055	-
Investment properties	10	**162,246**	162,246	162,526
Investments in associates	11	**141,923**	140,482	131,661
Intangible assets		**5,336**	1,131	1,916
Other assets		**6,607**	6,668	5,198
Total assets		**660,712**	618,480	565,907
Liabilities and equity				
Liabilities				
Due to banks		**6,670**	7,171	26,800
Term loans	12	**243,061**	246,081	235,718
Accounts payable and other credit balances	13	**34,059**	29,638	36,174
Refundable rental deposits		**7,955**	7,986	7,994
Provision for end of service indemnity		**1,837**	1,777	1,639
Total liabilities		**293,582**	292,653	308,325
Equity				
Share capital		**43,193**	43,193	43,193
Share premium		**11,132**	11,132	11,132
Treasury shares		**(11,981)**	(11,926)	(11,922)
Reserve on sale of treasury shares		**756**	756	756
Legal reserve		**14,799**	14,799	13,629
Voluntary reserve		**16,197**	16,197	15,027
Foreign currency translation reserve		**378**	369	368
Cumulative changes in fair value		**118,069**	97,005	64,823
Retained earnings		**25,921**	22,643	15,847
Equity attributable to the owners of the Parent Company		**218,464**	194,168	152,853
Non-controlling interests		**148,666**	131,659	104,729
Total equity		**367,130**	325,827	257,582
Total liabilities and equity		**660,712**	618,480	565,907

Meshal Jassim Al-Marzouq
Chairman

Abdulwahab Marzouq Al-Marzouq
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	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 2022 (Audited)	43,193	11,132	(11,926)	756	14,799	16,197	369	97,005	22,643	194,168	131,659	325,827
Purchase of treasury shares	-	-	(55)	-	-	-	-	-	-	(55)	-	(55)
Transactions with the owners	-	-	(55)	-	-	-	-	-	-	(55)	-	(55)
Profit for the period	-	-	-	-	-	-	-	-	3,278	3,278	675	3,953
Other comprehensive income for the period	-	-	-	-	-	-	9	21,064	-	21,073	16,332	37,405
Total comprehensive income for the period	-	-	-	-	-	-	9	21,064	3,278	24,351	17,007	41,358
Balance as at 31 March 2022 (Unaudited)	43,193	11,132	(11,981)	756	14,799	16,197	378	118,069	25,921	218,464	148,666	367,130

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	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 2021 (Audited)	43,193	11,132	(11,922)	756	13,629	15,027	374	68,531	13,590	154,310	106,464	260,774
Profit for the period	-	-	-	-	-	-	-	-	2,257	2,257	810	3,067
Other comprehensive loss for the period	-	-	-	-	-	-	(6)	(3,708)	-	(3,714)	(2,545)	(6,259)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(6)	(3,708)	2,257	(1,457)	(1,735)	(3,192)
Balance as at 31 March 2021 (Unaudited)	43,193	11,132	(11,922)	756	13,629	15,027	368	64,823	15,847	152,853	104,729	257,582

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	**Three months ended 31 March 2022 (Unaudited) KD'000**	Three months ended 31 March 2021 (Unaudited) KD'000
OPERATING ACTIVITIES			
Profit for the period		**3,953**	3,067
Adjustments:			
Depreciation and amortisation		**560**	587
Provision for employees' end of service indemnity		**144**	75
Profit from sale of trading properties		**(21)**	-
Share of results of associates		**(2,424)**	(842)
Dividends income		**(4)**	(2,746)
Interest income		**(19)**	(6)
Finance costs		**1,645**	1,686
		3,834	1,821
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		**(262)**	(571)
Accounts payable and other credit balances		**(292)**	1,360
Refundable rental deposits		**(31)**	(83)
Employees' end of service indemnity		**(84)**	(22)
Net cash from operating activities		**3,165**	2,505
INVESTING ACTIVITIES			
Proceed from sale of investment at fair value through other comprehensive income		**40,355**	-
Paid to incorporate an associate		**(2,600)**	-
Proceed from sale of trading properties		**1,910**	-
Additions to investment properties		**-**	(780)
Additions to investment properties under development		**(662)**	-
Additions to trading properties under development		**-**	(773)
Additions to other assets and intangible assets		**(499)**	(303)
Dividends income received		**4**	7
Interest income received		**19**	6
Net cash from / (used in) investing activities		**38,527**	(1,843)
FINANCING ACTIVITIES			
Cash dividends paid		**(5)**	(22)
Change in due to banks		**(501)**	533
Change in term loans		**(3,020)**	(2,035)
Purchase of treasury shares		**(55)**	-
Finance costs paid		**(1,766)**	(1,994)
Net cash used in financing activities		**(5,347)**	(3,518)
Net increase / (decrease) in cash and cash equivalents		**36,345**	(2,856)
Cash and cash equivalents at beginning of the period	14	**32,667**	31,276
Cash and cash equivalents at end of the period	14	**69,012**	28,420

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 three-month period ended 31 March 2022 was authorised for issue by the Parent Company's board of directors on 12 May 2022.

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2022 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting polices used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021, except for the changes described in note 3.

The annual consolidated financial statements for the year ended 31 December 2021 were prepared in accordance with the International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board ("IASB"), and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional and presentation currency of the Parent Company.

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

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

3 Changes in accounting policies

3.1 New and amended standards adopted by the Group

The following new amendments or standards were effective for the current period.

Standard or Interpretation	*Effective for annual periods beginning*
IFRS 3 Amendment – Reference to the conceptual framework	1 January 2022
IAS 16 – Amendments – Proceeds before intended use	1 January 2022
Annual Improvements 2018-2020 Cycle	1 January 2022

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended standards adopted by the Group

IFRS 3 – Reference to the conceptual framework

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

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

IAS 16 Amendments - Proceeds before intended use

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

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

Annual Improvements 2018-2020 Cycle

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

Amendment to IFRS 9 relates to the '10 per cent' Test for Derecognition of Financial Liabilities – In determining whether to derecognise a financial liability that has been modified or exchanged, an entity assesses whether the terms are substantially different. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

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

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

3.2 IASB Standards issued but not yet effective

At the date of authorisation of this interim condensed consolidated financial information, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's interim condensed consolidated financial information is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's interim condensed consolidated financial information.

Standard or Interpretation	*Effective for annual periods beginning*
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments	No stated date
IAS 1 Amendments- Classification of current and non-current	1 January 2023
IAS 1 Amendments- Disclosure of accounting policies	1 January 2023
IAS 8 Amendments- Definition of accounting estimates	1 January 2023

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

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

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

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

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

IAS 1 Amendments - Classification of current or non-current

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

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

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

IAS 1 Amendments – Disclosure of accounting policies
The amendments to IAS 1 require entities to disclose material accounting policies instead of significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

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

IAS 8 Amendments – Definition of accounting estimates
The amendments to IAS 8 inserted the definition of accounting estimates replacing the definition of a change in accounting estimates. Accounting estimates are now defined as monetary amounts in financial statements that are subject to measurement uncertainty.

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

4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2021.

5 Subsidiaries

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

Subsidiaries	Percentage of ownership in subsidiaries			Country of incorporation	Principal activity	Date of incorporation	Date of control
	31 March 2022 (Unaudited) %	31 Dec. 2021 (Audited) %	31 March 2021 (Unaudited) %				
Tamdeen Investment Company – KPSC*	**55.94**	55.94	55.94	Kuwait	Investment	3 March 1997	11 January 2003
Manshar Real Estate Company - KSC (Closed)	**77.97**	77.97	77.97	Kuwait	Real estate	17 March 2007	17 March 2007
Al Adiyat International Real Estate Company - KSC (Closed)	**98.98**	98.98	98.98	Kuwait	Real estate	25 June 2006	1 April 2012
Tamdeen Real Estate Development Company – KSC (Closed)**	**33**	33	33	Kuwait	Real estate	21 July 2008	1 April 2016

Notes to the interim condensed consolidated financial information (continued)

5 Subsidiary companies (continued)

* This investment is carried out through investment portfolio managed by a specialized investment company.

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

6 Net income from investments

	Three months ended 31 March 2022 (Unaudited) KD'000	Three months ended 31 March 2021 (Unaudited) KD'000
Dividends income	**4**	2,746
Interest income	**19**	6
	23	2,752

7 Basic and diluted earnings per share attributable to the owners of the Parent Company

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the Parent Company by the weighted average number of the outstanding shares during the period as follows:

	Three months ended 31 March 2022 (Unaudited)	Three months ended 31 March 2021 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD'000)	**3,278**	2,257
Weighted average number of the outstanding shares (excluding treasury shares) (in thousands)	**401,649**	401,668
Basic and diluted earnings per share attributable to the owners of the Parent Company	**8.2 Fils**	5.6 Fils

Notes to the interim condensed consolidated financial information (continued)

8 Accounts receivable and other debit balances

	31 March 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Trade receivable	**770**	877	803
Due from related parties	**815**	736	229
Cheques under collection	**859**	1,367	-
Due from sale of trading properties (a)	**1,347**	1,294	2,167
Due from sale of real estate voucher (b)	**1,949**	1,949	-
Dividends income receivable	**1,940**	-	2,740
Advance payments to contractors	**799**	1,101	813
Accrued income	**180**	173	143
Advance payment for incorporation of an associate	**2,600**	-	-
Prepaid expenses	**809**	309	594
Other debit balances	**1,429**	771	948
	13,497	8,577	8,437
Provision for ECLs	**(429)**	(432)	(276)
	13,068	8,145	8,161

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 to related parties and other external parties. The Group's management considers that the credit risk of these amounts is low since the parties are reputable with no previous default, and confirms that these amounts owed are fully collectible from the concerned parties. These balances are guaranteed by a related party.

9 Investments at fair value through other comprehensive income

	31 March 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Local managed portfolios	**88**	86	68
Participations in local companies shares	**8,497**	7,266	7,051
Participations in capital of companies located outside Kuwait	**207,729**	212,356	158,812
	216,314	219,708	165,931

Participations in capital of companies located outside Kuwait include the investments of the subsidiary [Tamdeen Investment Company – KPSC] in shares listed outside Kuwait. These participations include investments with a total fair value of KD152,509 thousand (31 December 2021: KD128,575 thousand and 31 March 2021: KD87,399 thousand) mortgaged against term loans (Note 12).

Notes to the interim condensed consolidated financial information (continued)

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

During the current period, a subsidiary of the Group sold part of an investment classified at fair value through other comprehensive income. The fair value of the disposed shares as at the date of de-recognition is KD41,251 thousand and the Group's share of the related cumulative gain of KD32,908 thousand is carried in the cumulative changes in fair value (as a result of the disposal the cumulative gain carried in the cumulative changes in fair value amounted to KD23,454 thousand at 31 March 2022 and KD5,047 thousand at 31 December 2021 and KD4,567 thousand at 31 March 2021).

Refer note 20.3 for further details relating to the carrying value and fair value of the above investments.

10 Investment properties

	31 March 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Balance at beginning of the period/year	**162,246**	161,746	161,746
Additions during the period/year – (a)	**-**	802	780
Change in fair value during the period/year – (b)	**-**	(302)	-
Balance at end of the period/year	**162,246**	162,246	162,526

a) The additions to investment properties represent the costs incurred during the period/year for the redevelopment of Al-Kout Complex.

b) The fair value of investment properties at 31 December 2021 was determined based on valuations obtained from two independent valuers. Investment properties are represented by the carrying values of Al-Kout Mall and Hyatt Regency Al-Kout Mall (collectively referred to as "Al-Kout Complex"). Souq Al-Kout is subject to a B.O.T contract signed with the Government of Kuwait where the contract terms end in 2024.

c) Investment properties with a carrying value of KD161,146 thousand at 31 March 2022 (31 December 2021: KD161,146 thousand and 31 March 2021: KD161,026 thousand) ["Al-Kout Complex"] are totally mortgaged against term loans (Note 12).

Notes to the interim condensed consolidated financial information (continued)

11 Investments in associates

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

		31 March 2022 (Unaudited)			31 December 2021 (Audited)			31 March 2021 (Unaudited)		
		Ownership %			Ownership %			Ownership %		
Company's name	**Place of incorporation**	**Direct**	**Indirect***	**Value KD'000**	Direct	Indirect*	Value KD'000	Direct	Indirect*	Value KD'000
Tamdeen Shopping Centers Company – KSC (Closed)	Kuwait	**30**	**2**	**52,184**	30	2	52,207	30	2	47,228
Kuwait National Cinema Company – KPSC**	Kuwait	**-**	**48**	**59,364**	-	48	57,907	-	48	54,278
Tamdeen Pearl Real Estate Company – KSC (Closed)	Kuwait	**-**	**31**	**27,544**	-	31	27,553	-	31	27,550
Others	Kuwait	**-**	**-**	**2,831**	-	-	2,815	-	-	2,605
				141,923			140,482			131,661

* 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 12b).

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 2022.

Notes to the interim condensed consolidated financial information (continued)

12 Term loans

	31 March 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Term loans (a)	**243,061**	246,081	235,718
Average interest rate – range (above CBK discount rate)	**1% - 1.25%**	1% - 1.25%	0.75% - 1.25%

a) Term loans of KD75,000 thousand (31 December 2021: KD77,000 thousand and 31 March 2021: KD79,500 thousand) are contractually due after more than one year, and the remaining term loans of KD168,061 thousand (31 December 2021: KD169,081 thousand and 31 March 2021: KD156,218 thousand) are maturing within one year and renewed periodically.

b) Loans granted to the subsidiary companies totalling to KD160,290 thousand (31 December 2021: KD162,290 thousand and 31 March 2021: KD164,355 thousand) are against the mortgage of investments in shares with a fair value of KD152,509 thousand (31 December 2021: KD128,575 thousand and 31 March 2021: KD87,339 thousand) (Note 9), mortgage of investments in associates by an amount of KD41,347 thousand (31 December 2021: KD33,850 thousand and 31 March 2021: KD25,657 thousand) (Note 11), and mortgage of investment properties by an amount of KD161,146 thousand (31 December 2021: KD161,146 thousand and 31 March 2021: KD161,026 thousand) (Note 10).

c) Loans granted to a subsidiary amounting to KD11,383 thousand (31 December 2021: KD11,383 thousand and 31 March 2021: KD11,440 thousand) are guaranteed against a promise of mortgage of investment properties under development.

13 Accounts payable and other credit balances

	31 March 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Retentions for executed works	**11,897**	12,012	11,954
Rental received in advance	**657**	741	633
Accrued interest, leave and other expenses	**3,343**	3,747	1,875
Lease liability	**1,239**	1,651	158
Due to related parties	**627**	311	296
Dividends payable to shareholders	**300**	305	353
Advance payments received from customers	**1,568**	1,492	8,188
Accrued construction costs	**2,179**	2,197	3,503
Provisions and other credit balances	**12,249**	7,182	9,214
	34,059	29,638	36,174

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 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Cash and bank balances	**68,937**	32,592	27,814
Short term deposits	**75**	75	606
	69,012	32,667	28,420

Notes to the interim condensed consolidated financial information (continued)

15 Segmental analysis

The Group activities are concentrated in two main segments: Real Estate and Investment. The segments' results are reported to the top management in the Group. The activities of the Group are principally carried out within the State of Kuwait; With the exception of participations in capital of companies located outside Kuwait (Note 9), all of the assets and liabilities are located inside Kuwait.

The following is the segments information, which conforms with the internal reporting presented to management:

	Real estate KD'000	Investment KD'000	Total KD'000
Period ended at 31 March 2022 (Unaudited)			
Gross income	**6,457**	**2,818**	**9,275**
Profit for the period	**2,335**	**1,618**	**3,953**
Total assets	**225,996**	**434,716**	**660,712**
Total liabilities	**(197,933)**	**(95,649)**	**(293,582)**
Total equity	**28,063**	**339,067**	**367,130**
Period ended at 31 March 2021 (Unaudited)			
Gross income	5,034	3,522	8,556
Profit for the period	1,062	2,005	3,067
Total assets	234,446	331,461	565,907
Total liabilities	(218,356)	(89,969)	(308,325)
Total equity	16,090	241,492	257,582

16 Annual general assembly of shareholders and appropriations

The general assembly of shareholders, held on 12 April 2022, approved the consolidated financial statements for the year ended 31 December 2021 and the board of directors' proposal to distribute cash dividends to shareholders at 10%, or the equivalent of 10 Kuwaiti fils per share, of the paid-up share capital for the year ended 31 December 2021. Furthermore, it approved the board of directors' remuneration of KD 60 thousand (the general assembly of shareholders held on 5 May 2021 approved the consolidated financial statements for the year ended 31 December 2020 and the board of directors' proposal not to distribute any cash dividends and not pay the board of directors' remuneration for the year ending 31 December 2020).

17 Related party transactions

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

Notes to the interim condensed consolidated financial information (continued)

17 Related party transactions (continued)

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

	31 March 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Interim condensed consolidated statement of financial position			
Accounts receivable and other debit balances (Note 8)	**815**	736	229
Accounts payable and other credit balances (Note 13)	**627**	311	296
Additions to investment properties and trading properties under development	**-**	146	150

	Three months ended 31 March 2022 (Unaudited) KD'000	Year ended 31 Dec. 2021 (Audited) KD'000	Three months ended 31 March 2021 (Unaudited) KD'000
Interim condensed consolidated statement of profit or loss			
Operating revenue	**188**	275	6
Income from management and consultancy fees	**218**	748	199
Cost of revenue	**418**	1,972	560
General, administrative and other expenses	**586**	951	204
Benefits of key management personnel of the Group:			
Short term employee benefits and board of directors' remuneration	**269**	920	232

	31 March 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (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)	**157,645**	168,182	91,969

18 Capital commitments and contingent liabilities

At the date of the interim condensed consolidated statement of financial position, the Group had contingent liabilities against letters of guarantee issued in favour of third parties of KD2,031 thousand (31 December 2021: KD2,031 thousand and 31 March 2021: KD1,925 thousand).

19 Contra accounts off the interim condensed consolidated statement of financial position items

One of the subsidiaries [Tamdeen Investment Company K.P.S.C.] manages investment portfolios to the third parties, whose net carrying amount as at 31 March 2022 amounted to KD221,317 thousand (31 December 2021: KD 189,739 thousand and 31 March 2020: KD 116,286 thousand) out of which the amount of KD157,645 thousand (31 December 2021: KD 168,182 thousand and March 2020: KD91,969 thousand) is attributable to related parties. Such balances have not been recognized under the interim condensed consolidated statement of financial position.

Notes to the interim condensed consolidated financial information (continued)

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

20.1 Summary of financial assets and liabilities by Category

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

	31 March 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Financial assets			
Financial assets at amortised cost:			
- Accounts receivable and other debit balances (excluding advance payments to contractors, prepaid expenses and Advance payment for incorporation of an associate)	**8,860**	6,735	6,754
- Cash and cash equivalents	**69,012**	32,667	28,420
Financial assets at fair value:			
- Investments at fair value through other comprehensive income	**216,314**	219,708	165,931
Total financial assets	**294,186**	259,110	201,105
Financial liabilities			
Financial liabilities at amortised cost:			
- Due to banks	**6,670**	7,171	26,800
- Term loans	**243,061**	246,081	235,718
- Accounts payable and other credit balances	**34,059**	29,638	36,174
- Refundable rental deposits	**7,955**	7,986	7,994
Total financial liabilities	**291,745**	290,876	306,686

20.2 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments at fair value through other comprehensive income are carried at fair value and measurement details are disclosed in note 20.3 to the interim condensed consolidated financial information. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are at amortised costs are considered a reasonable approximation of their fair values.

20.3 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets into three levels based on the significance of inputs used in measuring the fair value of the financial assets. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets that are not based on observable market data (unobservable inputs).

Notes to the interim condensed consolidated financial information (continued)

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

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

The level within which the financial assets are classified is determined based on the lowest level of significant inputs which lead to the fair value measurement.

The financial assets measured at fair value in the interim condensed consolidated statement of financial position according to the fair value hierarchy are as follows:

	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
31 March 2022 (Unaudited)				
Financial assets at fair value				
Investments at fair value through other comprehensive income				
- Local managed portfolios				
• Quoted shares	**88**	**-**	**-**	**88**
- Participations in local companies shares				
• Quoted shares	**8,260**	**-**	**-**	**8,260**
• Unquoted shares	**-**	**-**	**237**	**237**
- Participations in capital of companies located outside Kuwait				
• Quoted shares	**206,237**	**-**	**-**	**206,237**
• Unquoted shares	**-**	**-**	**1,492**	**1,492**
	214,585	**-**	**1,729**	**216,314**
31 December 2021 (Audited)				
Financial assets at fair value				
Investments at fair value through other comprehensive income				
- Local managed portfolios				
• Quoted shares	86	-	-	86
- Participations in local companies shares				
• Quoted shares	7,029	-	-	7,029
• Unquoted shares	-	-	237	237
- Participations in capital of companies located outside Kuwait				
• Quoted shares	210,864	-	-	210,864
• Unquoted shares	-	-	1,492	1,492
	217,979	-	1,729	219,708

Notes to the interim condensed consolidated financial information (continued)

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

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

	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
31 March 2021 (Unaudited)				
Financial assets at fair value				
Investments at fair value through other comprehensive income				
- Local managed portfolios				
• Quoted shares	68	-	-	68
- Participations in local companies shares				
• Quoted shares	6,814	-	-	6,814
• Unquoted shares	-	-	237	237
- Participations in capital of companies located outside Kuwait				
• Quoted shares	156,713	-	-	156,713
• Unquoted shares	-	-	2,099	2,099
	163,595	-	2,336	165,931

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:

	31 March 2022 (Unaudited) KD'000	31 Dec. 2021 (Audited) KD'000	31 March 2021 (Unaudited) KD'000
Balance at the beginning of period/year	**1,729**	2,336	2,336
Change in fair value during the period/year	-	(607)	-
Balance at the end of period/year	**1,729**	1,729	2,336

21 Covid19 pandemic impact

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

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