

**TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P.
AND ITS SUBSIDIARIES AND
STATE OF KUWAIT**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2024
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

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STATE OF KUWAIT

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CONTENTS

Report on review of interim condensed consolidated financial information	
	<u>Page</u>
Interim condensed consolidated statement of financial position (unaudited)	3
Interim condensed consolidated statement of profit or loss (unaudited)	4
Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)	5
Interim condensed consolidated statement of changes in equity (unaudited)	6
Interim condensed consolidated statement of cash flows (unaudited)	7
Notes to the interim condensed consolidated financial information (unaudited)	8 – 16

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Taameer Real Estate Investment Company K.S.C.P.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Taameer Real Estate Investment Company - K.S.C. (Public) (the "Parent Company") and its subsidiaries (the "Group") as at March 31, 2024 and the 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. The management of the Parent Company 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 Condensed Consolidated Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting information, 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.

Basis for Qualified Conclusion

The interim condensed consolidated financial information for the period ended March 31, 2024, includes an investment in an associate (Al Massaleh Real Estate K.S.C.P.) amounting to KD 709,422 (December 31, 2023: KD 714,276, March 31, 2023: KD 1,415,459), which represents 4.61% of the Group's total consolidated assets (December 31, 2023: 4.64%, March 31, 2023 - 6.25%). This investment has been accounted for based on equity method according to the interim condensed consolidated financial information which has included a qualified conclusion in its review report relating to the following:

- The subsidiaries of the associate whose assets and liabilities represent 1.7% and 7.8% (December 31, 2023: 1.7% and 8.1%, March 31, 2023: 3.2% and 7.1%) of the associate's total assets and liabilities respectively have been consolidated based on management accounts prepared by the management of these subsidiaries, we were not able to verify balances, transactions and disclosures of these subsidiaries, because we were unable to obtain the financial information, nor to have access to the management and auditors of these subsidiaries.
- Associates whose assets represent 5.5% (December 31, 2023: 5.5%, March 31, 2023: 5.2%) of the total assets of the associate were accounted for using the equity method. The associate did not account for its share of these associates business result as at March 31, 2024 because of the unavailability of reviewal of the financial information of these associates.
- The interim condensed consolidated financial information for the comparative period ended March 31, 2023 include an amount of KD 923,630 resulting from the disposal of discontinued operations. We were unable to obtain sufficient appropriate audit evidence with respect to the disposal of discontinued operations, nor to verify the contract conditions which give rise to decrease the Group's outstanding obligations, nor to account for the gain on disposal of these discontinued operations.

Consequently, we were unable to determine any adjustments that might be necessary regarding these matters on the carrying value of the Group's investment in an associate, or the consequential impact on the Group's share of results and share of other comprehensive income to the accompanying interim condensed consolidated financial information.

Qualified Conclusion

Based on our review, except for the possible effect of the matters described in the Basis for Qualified Conclusion section, 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".

Material Uncertainty Related to Ongoing Concern

We draw attention to Note (13) to the interim condensed consolidated financial information which indicate that the Group incurred a loss for the period ended March 31, 2024 amounting to KD 34,095 (December 31, 2023: KD 1,469,692, March 31, 2023: KD 146,883) and the Group's accumulated losses amounting to KD 14,888,584 (December 31, 2023: KD 14,855,700, March 31, 2023: KD 13,542,959), and the Group's current liabilities exceeded its current assets by an amount of KD 4,266,403 (December 31, 2023: KD 4,249,409, March 31, 2023: KD 2,695,951). These events indicate that a significant doubt about the Group's ability to continue as a going concern. Further, our conclusion is not qualified in respect of this matter.

Emphasis of matter

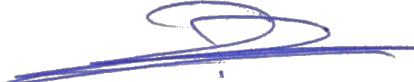
We draw attention to Note (5) to the Group's interim condensed consolidated financial information which indicates that the Group has investment properties amounting to KD 4,664,000 (December 31, 2023: KD 4,664,000, March 31, 2023: KD 4,573,667) that are registered in the name of a related party who signed and executed preliminary sale contract in favor of the Group, provided that the Seller retains ownership of property until the consideration is paid in full. Further, our conclusion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, except for the matter described in the "Basis for Qualified Conclusion" paragraph above, we have not become aware of any violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the three month period ended March 31, 2024, that might have had a material effect on the Parent Company's financial position or result of its operations.

Also, based on our review, we have not become aware of any material violations of Law No. 7 of 2010 concerning the Establishment of the Capital Markets Authority and Organization of Securities Activities, and its Executive Regulations and their subsequent amendments during the three month period March 31, 2024, that might have had a material effect on the Parent Company's financial position or results of its operations, except for the matter described in Note 6 that the Group holds treasury shares exceeding 10% of its total issued shares.

State of Kuwait
May 15, 2024



Dr. Shuaib A. Shuaib
License No. 33-A
RSM Albazie & Co.

شركة التعمير للاستثمار العقاري - ش.م.ك. (عامة)
وشركاتها التابعة
بيان المركز المالي المرحلي المكتف المجمع (غير مدقق)
كما في 31 مارس 2024
(جميع المبالغ بالدينار الكويتي)

31 مارس 2023	31 ديسمبر 2023 (مدقق)	31 مارس 2024	إيضاح	الموجودات
796,717	242,734	248,120		الموجودات المتداولة:
40,356	41,280	41,834		نقد ونقد معادل
667,555	114	114	3	مدنيون وأرصدة مدينة أخرى مستحق من أطراف ذات صلة
1,504,628	284,128	290,068		مجموع الموجودات المتداولة
203,569	197,417	197,424		الموجودات غير المتداولة:
1,415,459	10,246,543	10,248,962	4	موجودات مالية بالقيمة العادلة من خلال الدخل الشامل الآخر
8,722,668	4,664,000	4,664,000	5	استثمار في شركات زميلة عقارات استثمارية
10,804,290	5,202	4,527		ممتلكات وعقارات ومعدات
21,145,986	15,113,162	15,114,913		مجموع الموجودات غير المتداولة
22,650,614	15,397,290	15,404,981		مجموع الموجودات
				المطلوبات وحقوق الملكية
2,423,080	2,419,533	2,378,168		المطلوبات المتداولة:
1,777,499	2,114,004	2,178,303	3	دائنون وأرصدة دائنة أخرى مستحق إلى أطراف ذات صلة
4,200,579	4,533,537	4,556,471		مجموع المطلوبات المتداولة
5,750,000	-	-	3	المطلوبات غير المتداولة:
32,744	37,538	38,515		مستحق إلى شركة زميلة
5,782,744	37,538	38,515		مخصص مكافأة نهاية الخدمة
9,983,323	4,571,075	4,594,986		مجموع المطلوبات غير المتداولة
				حقوق الملكية:
24,000,000	24,000,000	24,000,000		رأس المال
3,383,153	3,383,153	3,383,153		علاوة إصدار
(1,094,266)	(1,436,019)	(1,436,019)	6	أسهم خزانة
16,963	16,963	16,963		احتياطي اجباري
16,963	16,963	16,963		احتياطي اختياري
(63,573)	(1,804)	(1,797)		التغيرات التراكمية في القيمة العادلة
(194,823)	(485,457)	(467,589)		احتياطي ترجمة عملات أجنبية
-	83,676	83,676		اثر انخفاض ملكية شركة زميلة في احدى الشركات التابعة لها
(13,542,959)	(14,855,700)	(14,888,584)		خسائر متراكمة
12,521,458	10,721,775	10,706,766		حقوق الملكية الخاصة بمساهمي الشركة الأم
145,833	104,440	103,229		الحصص غير المسيطرة
12,667,291	10,826,215	10,809,995		مجموع حقوق الملكية
22,650,614	15,397,290	15,404,981		مجموع المطلوبات وحقوق الملكية

إن الإيضاحات المرفقة من (1) إلى (14) تشكل جزءاً من المعلومات المالية المرحلية المكتفة المجمع.



زياد أحمد الدعيج
رئيس مجلس الإدارة

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2024
(All amounts are in Kuwaiti Dinar)

	Note	Three months ended March 31,	
		2024	2023
Operating income		17,886	94,597
Operating costs		(246)	(24,016)
Operating profit		17,640	70,581
General and administrative expenses		(58,193)	(78,140)
Depreciation		(675)	(681)
Share of result from associates	4	2,419	(52,871)
Other income		4,863	-
Interest income		43	1,284
Finance costs	3	(192)	(87,056)
Loss for the period		(34,095)	(146,883)
Attributable to:			
Shareholders of the Parent Company		(32,884)	(134,708)
Non-controlling interests		(1,211)	(12,175)
Loss for the period		(34,095)	(146,883)
Basic and diluted loss per share attributable to the Parent Company's Shareholders (fils)	7	(0.16)	(0.61)

The accompanying notes from (1) to (14) form an integral part of the interim condensed consolidated financial information.

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2024
(All amounts are in Kuwaiti Dinar)

	Note	<u>Three months ended March 31,</u>	
		<u>2024</u>	<u>2023</u>
Loss for the period		<u>(34,095)</u>	<u>(146,883)</u>
Other comprehensive income (loss):			
<u>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss</u>			
Foreign exchange differences		17,868	(95)
Group's share of other comprehensive loss of associates	4	-	(19,983)
<u>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss</u>			
Change in fair value of financial assets at fair value through other comprehensive income		<u>7</u>	<u>8</u>
Other comprehensive income (loss):		<u>17,875</u>	<u>(20,070)</u>
Total comprehensive loss for the period		<u>(16,220)</u>	<u>(166,953)</u>
Attributable to:			
Shareholders of the Parent Company		(15,009)	(154,778)
Non-controlling interests		<u>(1,211)</u>	<u>(12,175)</u>
		<u>(16,220)</u>	<u>(166,953)</u>

The accompanying notes from (1) to (14) form an integral part of the interim condensed consolidated financial information.

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2024
(All amounts are in Kuwaiti Dinar)

	Equity attributable to shareholders of the Parent Company											
	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Cumulative changes in fair value	Foreign currency translation reserve	Effect of decrease in an associate's ownership of a subsidiary	Accumulated losses	Subtotal	Non-controlling interests	Total Equity
Balance as at January 1, 2023	24,000,000	3,383,153	(1,094,266)	16,963	16,963	(63,581)	(174,745)	-	(13,408,251)	12,676,236	158,008	12,834,244
Loss for the period	-	-	-	-	-	-	-	-	(134,708)	(134,708)	(12,175)	(146,883)
Other comprehensive income (loss) for the period	-	-	-	-	-	8	(20,078)	-	-	(20,070)	-	(20,070)
Total comprehensive income (loss) for the period	-	-	-	-	-	8	(20,078)	-	(134,708)	(154,778)	(12,175)	(166,953)
Balance at March 31, 2023	24,000,000	3,383,153	(1,094,266)	16,963	16,963	(63,573)	(194,823)	-	(13,542,959)	12,521,458	145,833	12,667,291
Balance as at January 1, 2024	24,000,000	3,383,153	(1,436,019)	16,963	16,963	(1,804)	(485,457)	83,676	(14,855,700)	10,721,775	104,440	10,826,215
Loss for the period	-	-	-	-	-	-	-	-	(32,884)	(32,884)	(1,211)	(34,095)
Other comprehensive income for the period	-	-	-	-	-	7	17,868	-	-	17,875	-	17,875
Total comprehensive income (loss) for the period	-	-	-	-	-	7	17,868	-	(32,884)	(15,009)	(1,211)	(16,220)
Balance at March 31, 2024	24,000,000	3,383,153	(1,436,019)	16,963	16,963	(1,797)	(467,589)	83,676	(14,888,584)	10,706,766	103,229	10,809,995

The accompanying notes from (1) to (14) form an integral part of the interim condensed consolidated financial information.

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2024
(All amounts are in Kuwaiti Dinar)

	Three months ended March 31,	
	2024	2023
Cash flows from operating activities:		
Loss for the period	(34,095)	(146,883)
Adjustments for:		
Depreciation	675	681
Share of result from associates	(2,419)	52,871
Interest income	(43)	(1,284)
Finance costs	192	87,056
Provision for end of service indemnity	977	1,071
	<u>(34,713)</u>	<u>(6,488)</u>
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	(554)	734
Due from related parties	-	23,726
Accounts payable and other credit balances	(41,365)	(6,932)
Due to related parties	64,107	5,288
Net cash flows (used in) generated from operating activities	<u>(12,525)</u>	<u>16,328</u>
Cash flows from investing activities:		
Interest income received	43	1,284
Net cash flows generated from investing activities	<u>43</u>	<u>1,284</u>
Net (decrease) increase in cash and cash equivalents	(12,482)	17,612
Foreign currency translation adjustments	17,868	(95)
Cash and cash equivalents at the beginning of the period	<u>242,734</u>	<u>779,200</u>
Cash and cash equivalents at the end of the period	<u>248,120</u>	<u>796,717</u>

The accompanying notes from (1) to (14) form an integral part of the interim condensed consolidated financial information.

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

March 31, 2024

(All amounts are in Kuwaiti Dinar)

1- Parent Company's incorporation and activities:

Taameer Real Estate Investment Company K.S.C. (Public) (the "Parent Company") is a Kuwaiti Public Shareholding Company registered in the State of Kuwait and is listed on Boursa Kuwait. The Parent Company was incorporated based on a Memorandum of Incorporation No. 1168 / Volume 3 dated August 17, 1978, and its subsequent amendments, the latest of which was notarized in Commercial Registry on September 22, 2014.

The Parent Company's main activities based on the Memorandum of Incorporation are as follows:

- Acquire, sell and purchase shares and bonds of real estate companies for the Company's account only within Kuwait and abroad;
- Develop studies and provide consulting in all types of real estate fields provided that the persons providing this service shall meet the required conditions.
- Acquire, manage, rent and lease hotels, health clubs and touristic facilities;
- Manage, operate, invest, rent and lease hotels, health clubs, motels, hospitality houses, rest houses, parks, gardens, exhibitions, restaurants, cafeterias, housing complexes, touristic and health resorts, entertainment and sports projects and shops at all degrees and levels including all primary and auxiliary services, associated facilities and other necessary services;
- Organize real estate exhibitions related to Company's real estate projects in accordance with the Ministry's applicable regulations;
- Acquire and manage commercial markets and residential complexes;
- Hold real estate auctions in accordance with the Ministry's applicable regulations.

The registered address of the Parent Company is P.O. Box 29295 Safat, 13153, State of Kuwait.

The interim condensed consolidated financial information of the Group was authorized for issue by the Parent Company's Board of Directors on May 15, 2024.

2- Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34. The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2023.

The Group has not early adopted any other standard, interpretation or amendments that has been issued but is not effective. Amendments and interpretations which are effective for the first time in 2024, do not have material impact on the interim condensed consolidated financial information of the Group.

The interim condensed consolidated financial information does not include all of the information and notes required to complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period ended March 31, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended December 31, 2023.

3- Related party disclosures

The Group has entered into various transactions with related parties i.e. the Shareholders, key management personnel and certain other related parties. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows: Significant related party transactions and balances are as follows:

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

March 31, 2024

(All amounts are in Kuwaiti Dinar)

Balances included in the interim condensed consolidated statement of financial position:

	<u>Shareholders</u>	<u>Other related parties</u>	<u>March 31, 2024</u>	<u>December 31, 2023 (Audited)</u>	<u>March 31, 2023</u>
Due from related parties	18,680	523,972	542,652	542,652	1,210,093
Less: Provision for expected credit losses	<u>(18,566)</u>	<u>(523,972)</u>	<u>(542,538)</u>	<u>(542,538)</u>	<u>(542,538)</u>
	<u>114</u>	<u>-</u>	<u>114</u>	<u>114</u>	<u>667,555</u>
Due to related parties	2,074,648	103,655	2,178,303	2,114,004	1,777,499
Due to an associate	-	-	-	-	5,750,000

Amounts due from / (to) related parties are interest free and are receivable / payable on demand.

Transactions included in the interim condensed consolidated statement of profit or loss:

	<u>Shareholders</u>	<u>Three months ended March 31,</u>	
		<u>2024</u>	<u>2023</u>
Finance costs	192	192	87,056

4- **Investment in associates**

<u>Name of the associates</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Ownership interest %</u>	<u>March 31, 2024</u>	<u>December 31, 2023 (Audited)</u>	<u>March 31, 2023</u>
AL Massaleh Real Estate K.S.C.P.	Kuwait	Real Estate	21.052%	709,422	714,276	1,415,459
Phoenix International Holding Limited – Private Company Limited by Shares	United Arab Emirates	Real Estate	49.618%	<u>9,539,540</u>	<u>9,532,267</u>	-
				<u>10,248,962</u>	<u>10,246,543</u>	<u>1,415,459</u>

The movement during the period / year is as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023 (Audited)</u>	<u>March 31, 2023</u>
Balance at the beginning of the period / year	10,246,543	1,488,313	1,488,313
Acquisition of an associate	-	10,467,000	-
Share of result from associates	2,419	(1,150,708)	(52,871)
Share of other comprehensive loss of associates	-	(299,985)	(19,983)
Group's share of treasury shares from associates ("reciprocal interest") (a)	-	(341,753)	-
Effect of decrease in an associate's ownership of a subsidiary	-	83,676	-
Balance at the end of the period / year	<u>10,248,962</u>	<u>10,246,543</u>	<u>1,415,459</u>

(a) This item represents an interest in equity shares held by the associates in the Parent Company. The Group has elected to account for such interest using the treasury shares method.

(b) The Group's share in the associate's contingent liabilities as of March 31, 2024 amounted to KD 24,041 (December 31, 2023: KD 24,041, March 31, 2023: KD 24,041).

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

March 31, 2024

(All amounts are in Kuwaiti Dinar)

Summarized financial information for associates is as follows:

	Al Massaleh Real Estate K.S.C.P.			Phoenix International Holding Limited – Private Company Limited by Shares			Total		
	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023
Assets:									
Current assets	7,712,228	6,596,463	12,665,712	5,423,706	4,349,563	-	13,135,934	10,946,026	12,665,712
Non-current assets	72,390,835	72,599,372	64,058,109	66,812,273	67,033,142	-	139,203,108	139,632,514	64,058,109
Total assets	80,103,063	79,195,835	76,723,821	72,235,979	71,382,705	-	152,339,042	150,578,540	76,723,821
Liabilities:									
Current liabilities	8,856,877	7,925,799	9,610,575	872,980	34,363	-	9,729,857	7,960,162	9,610,575
Non-current liabilities	51,878,786	51,886,957	51,894,956	51,748,458	51,748,458	-	103,627,244	103,635,415	51,894,956
Total liabilities	60,735,663	59,812,756	61,505,531	52,621,438	51,782,821	-	113,357,101	111,595,577	61,505,531
Net assets	19,367,400	19,383,079	15,218,290	19,614,541	19,599,884	-	38,981,941	38,982,963	15,218,290
Attributable to									
Equity attributable to shareholders of the Parent Company	11,255,733	11,278,789	15,187,304	19,614,541	19,599,884	-	30,870,274	30,878,673	15,187,304
Non-controlling interests	8,111,667	8,104,290	30,986	-	-	-	8,111,667	8,104,290	30,986
Ownership interest	21.052%	21.052%	21.052%	49.618%	49.618%	-	-	-	-
Share in associates' net assets	2,369,557	2,374,411	3,197,231	9,732,343	9,725,070	-	12,101,900	12,099,481	3,197,231
Adjustment of Group's share of treasury shares from associates ("reciprocal interest")	(1,660,135)	(1,660,135)	(1,781,772)	(192,803)	(192,803)	-	(1,852,938)	(1,852,938)	(1,781,772)
Carrying value of investment in associates	709,422	714,276	1,415,459	9,539,540	9,532,267	-	10,248,962	10,246,543	1,415,459

Summarized consolidated statement of profit or loss and other comprehensive income:

	Al Massaleh Real Estate K.S.C.P.			Phoenix International Holding Limited – Private Company Limited by Shares			Total		
	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023
Revenue	1,353,899	6,563,397	2,295,379	1,358,885	4,841,476	-	2,712,784	11,404,873	2,295,379
Expenses	(1,369,578)	(13,805,107)	(2,560,582)	(1,344,227)	(5,843,830)	-	(2,713,805)	(19,648,937)	(2,560,582)
Net (loss) profit for the year	(15,679)	(7,241,710)	(265,203)	14,658	(1,002,354)	-	(1,021)	(8,244,064)	(265,203)
Attributable to:									
Equity attributable to shareholders of the Parent Company	(23,056)	(4,428,137)	(251,144)	14,658	(1,002,354)	-	(8,398)	(5,430,491)	(251,144)
Non-controlling interests	7,377	(2,813,573)	(14,059)	-	-	-	7,377	(2,813,573)	(14,059)
	(15,679)	(7,241,710)	(265,203)	14,658	(1,002,354)	-	(1,021)	(8,244,064)	(265,203)
Ownership interest %	21.052%	21.052%	21.052%	49.618%	-	-	-	-	21.052%
Share of result from associates	(4,854)	(932,211)	(52,871)	7,273	(218,497)	-	2,419	(1,150,708)	(52,871)

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

March 31, 2024

(All amounts are in Kuwaiti Dinar)

5- Investment properties

	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023
Balance at the beginning of the period / year	4,664,000	8,722,668	8,722,668
Additions	-	6,293	-
Disposals	-	(4,155,293)	-
Change in fair value of investment properties	-	90,332	-
Balance at the end of the period / year	4,664,000	4,664,000	8,722,668

During the year ended December 31, 2018, an investment property was purchased from a related party which has been classified as investment properties with a total consideration amounting to KD 5,000,000. This property is still registered in the name of the related party and the ownership has not yet been transferred to the Group pending the final settlement of the balance due to the related party amounting to KD 1,185,000 which is due no later than December 31, 2024.

6- Treasury shares

	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023
Number of shares	9,627,000	9,627,000	9,627,000
Treasury shares from associates ("reciprocal interest")(a)	23,724,651	23,724,651	10,066,411
	33,351,651	33,351,651	19,693,411
Percentage of paid up shares (%)	13.90%	13.90%	8.21%
Market value (KD)	453,582	453,582	275,708
Cost (KD)	1,436,019	1,436,019	1,094,266

The Parent Company's management has allotted an amount equal to treasury shares balance from the share premium as at March 31, 2024. This balance is not available for distribution during the Group's retention period of these treasury shares.

- (a) During the year ended December 31, 2023, the Parent Company acquired interests representing 49.618% of Phoenix International Holding Limited – Private Company Limited By Shares (associate), which, in turn, holds 35,000,000 shares of the Parent Company. Consequently, the reciprocal interest of treasury shares was accounted for and added to the treasury shares of the Group bringing the total to 23,724,651 shares representing total reciprocal interests with associates plus 9,627,000 shares which are directly held by the Parent Company and its subsidiaries. Accordingly, the total shares becomes 33,351,651 shares representing 13.90% of the issued shares.

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

March 31, 2024

(All amounts are in Kuwaiti Dinar)

7- Basic and diluted loss per share

There are no potential dilutive ordinary shares. The information necessary to calculate basic and diluted loss per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended March 31,	
	<u>2024</u>	<u>2023</u>
Loss for the period attributable to the shareholders of the Parent Company	<u>(32,884)</u>	<u>(134,708)</u>
<u>Number of shares outstanding:</u>		
Number of issued shares at the beginning of the period	240,000,000	240,000,000
Less: Weighted average number of treasury shares	(9,627,000)	(9,627,000)
Less: Weighted average of treasury shares relating to reciprocal ownership with the associates	<u>(23,724,651)</u>	<u>(10,066,411)</u>
Weighted average number of shares outstanding at the end of the period	<u>206,648,349</u>	<u>220,306,589</u>
Basic and diluted loss per share attributable to the Parent Company's Shareholders (fils)	<u>(0.16)</u>	<u>(0.61)</u>

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

MARCH 31, 2024

(All amounts are in Kuwaiti Dinar)

8- Segment information

Management has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

The Group is divided into divisions to manage its various activities. For the purposes of segment reporting, the Group's management has classified the Group's services into the following:

- Real estate operations: consisting of trading, developing, leasing and managing real estate and rental of investment properties.
- Investing operations: Investing in securities and associates.
- Health club operations: consisting of operations related to sports and health activities.

There are no inter-segmental transactions. The following table presents assets, liabilities, revenues, and expenses information regarding the Group's operating segments.

	Three months ended 31 March 2024				Three months ended 31 March 2023			
	Real estate operations	Investing operations	Health club operations	Total	Real estate operations	Investing operations	Health club operations	Total
Operating income	3,741	-	14,145	17,886	86,947	-	7,650	94,597
Operating costs	-	-	(246)	(246)	(20,716)	-	(3,300)	(24,016)
Operating profit	3,741	-	13,899	17,640	66,231	-	4,350	70,581
General and administrative expenses	(31,787)	-	(26,406)	(58,193)	(64,027)	-	(14,113)	(78,140)
Depreciation	(20)	-	(655)	(675)	(21)	-	(660)	(681)
Share of result from associates	-	2,419	-	2,419	-	(52,871)	-	(52,871)
Other income	4,863	-	-	4,863	-	-	-	-
Interest income	43	-	-	43	1,284	-	-	1,284
Finance costs	(192)	-	-	(192)	(87,056)	-	-	(87,056)
(Loss) profit for the period	(23,352)	2,419	(13,162)	(34,095)	(83,589)	(52,871)	(10,423)	(146,883)

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2024
(All amounts are in Kuwaiti Dinar)

	March 31, 2024				
	Real estate operations	Investing operations	Health club operations	Hospitality operations	Total
Total assets	2,592,655	10,446,386	2,349,327	16,613	15,404,981
Total liabilities	1,128,887	-	3,442,048	24,051	4,594,986
	December 31, 2023 (audited)				
	Real estate operations	Investing operations	Health club operations	Hospitality operations	Total
Total assets	2,585,226	10,443,960	2,351,037	17,067	15,397,290
Total liabilities	1,111,964	-	3,434,403	24,708	4,571,075
	March 31, 2023				
	Real estate operations	Investing operations	Health club operations	Hospitality operations	Total
Total assets	10,199,058	1,619,028	10,816,843	15,685	22,650,614
Total liabilities	982,331	-	8,978,285	22,707	9,983,323

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2024

(All amounts are in Kuwaiti Dinar)

9- Contingent liabilities

The contingent liabilities that have been contracted but not yet incurred are as follows:

	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023
Letter of guarantee	<u>5,406</u>	<u>5,406</u>	<u>5,406</u>

10- Fair value measurement of financial assets

The details of fair value measurement hierarchy are as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of captions recorded at fair value by level of the fair value hierarchy:

March 31, 2024	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income ("FVOCI")	-	197,424	197,424
Investment properties	4,664,000	-	4,664,000
Total	<u>4,664,000</u>	<u>197,424</u>	<u>4,861,424</u>
December 31, 2023 (Audited)	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income ("FVOCI")	-	197,417	197,417
Investment properties	4,664,000	-	4,664,000
Total	<u>4,664,000</u>	<u>197,417</u>	<u>4,861,417</u>
March 31, 2023	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income ("FVOCI")	-	203,569	203,569
Investment properties	7,123,668	1,599,000	8,722,668
Total	<u>7,123,668</u>	<u>1,802,569</u>	<u>8,926,237</u>

11- General Assembly

The Annual General Assembly of Parent Company's shareholders for the year ended December 31, 2023 had not been held until the date of preparation of this interim condensed consolidated financial information. Accordingly, the financial statements for the year then ended have not been approved by the General Assembly of the Parent Company's Shareholders. The interim condensed consolidated financial information for the three-month period ended March 31, 2024 does not include any adjustment which might have been required had the General Assembly of the Parent Company's shareholders approved the financial statements for the financial year then ended.

TAAMEER REAL ESTATE INVESTMENT COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2024

(All amounts are in Kuwaiti Dinar)

12- Legal claims

On October 20, 2020, the Touristic Enterprises Company "TEC" has filed a legal case (7713/2020) claiming Al-Corniche Marine Club Company K.S.C.C. (the subsidiary) for financial compensation for the utilization of the site (N-1) located at Arabian Gulf region amounting to KD 200,000, to be paid on monthly installments starting from date in which (TEC) has notified Al-Corniche Marine Club Company K.S.C.C. to evacuate the site until the date of actual evacuation on October 18, 2020. On February 18, 2021, the supreme court has issued a verdict to dismiss the legal case. During the year ended December 31, 2021, (TEC) has refiled a legal case (6270/2021) requesting the assignment of experts committee department to clarify the amounts owed by the subsidiary as monthly rental compensation amounting to KD 200,000. On December 2, 2021, the Court of First Instance - Commercial 19 ruled to obligate the Corniche Marine Club Company K.S.C.C. (the subsidiary) to pay KD 2,008,032, the subsidiary has recorded a provision for legal cases under accounts payable and other credit balances, noting that the subsidiary has appealed by the two appeals No. 29/2022 and 6880/2021 against the judgment issued, and a court session has been set on April 19, 2022 and the judgment of the appeal was to revoke the judgement, and the bring the case back to the Court of First Instance, a hearing has been scheduled on November 3, 2022 before the new commercial/first instance circuit (48).

The case was adjourned for the hearing of May 11, 2023 and it was referred to Expert Department and a hearing was set on September 21, 2023 to peruse the Experts' report. On November 2, 2023, the Court decided to set the case for adjudication on November 16, 2023, whereon it rendered a judgment obligating the Company to pay KD 2 million. Both Company and the Litigant have brought appeals against this judgment for which the hearing of March 19, 2024 was set to consider the appeal. The Court decided to schedule the appeal for adjudication on the hearing of April 23, 2024.

On, April 23, 2024, the Court of Appeal dismissed both appeals brought by the litigant against the subsidiary and it rendered a judgment obligating the subsidiary to pay KD 115,445 to Touristic Enterprises Company "TEC". The procedures are in progress to appeal against the judgment that was issued against the subsidiary. Accordingly, the Group's management is of the opinion to not reverse the previous recorded provision for the legal claims pending final decisions on the judgments issued in that case.

13- Going concern

The interim condensed consolidated financial information has been prepared on a going concern basis, which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business. The interim condensed consolidated financial information does not include any adjustments that might arise due to uncertainty of the Group's ability to continue as a going concern.

The Group incurred a loss for the period ended March 31, 2024 amounting to KD 34,095 (December 31, 2023: KD 1,469,692, March 31, 2023: KD 146,883) and the Group's accumulated losses amounting to KD 14,888,584 (December 31, 2023: KD 14,855,700, March 31, 2023: KD 13,542,959), and the Group's current liabilities exceeded its current assets by an amount of KD 4,266,403 (December 31, 2023: KD 4,249,409, March 31, 2023: KD 2,695,951).

The Group's ability to continue as a going concern depends on its ability to make profits, enhance its future cash flows, restructure its credit facilities, and the financial support of its major shareholders.

In the opinion of the Group's management, despite the existence of significant doubt about the Group's ability to continue as a going concern, which might result in the Group's inability to realize its assets and discharge its liabilities in the normal course of business, the Group's Management studies several strategies to improve and enhance the operational performance, financial position, and sufficiency of the Group's capital resource and it strongly believes that the Group will be able continue as a going concern.

14- Capital risk management

The Group's objectives when managing capital resources are to safeguard its ability to continue as a going concern in order to provide returns for equity holders and benefits for external users and to maintain an optimal capital resource structure to reduce the cost of capital.

In order to maintain or adjust the capital resource's structure, the Group may adjust the amount of cash dividends paid to shareholders, return paid up capital to shareholders, issue new shares, sell assets to reduce debt, repay facilities or obtain additional facilities.