

**Tijara & Real Estate Investment
Company K.S.C.P. and its subsidiaries**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

30 SEPTEMBER 2023



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF TIJARA & REAL ESTATE INVESTMENT COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tijara & Real Estate Investment Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 September 2023, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-months and nine-month periods then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-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 the 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 IAS 34.

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, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2023 that might have had a material effect on the business of the Parent Company or on its financial position.



ABDULKARIM ALSAMDAN

LICENSE NO. 208 A

EY

AL AIBAN, AL OSAIMI & PARTNERS

29 October 2023

Kuwait

Tijara & Real Estate Investment Company K.S.C.P. and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 September 2023

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		2023	2022	2023	2022
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Rental income		1,079,489	973,556	3,147,868	2,965,756
Other services and operating income		(1,070)	1,063	10,082	16,869
Property operating expenses		(60,355)	(50,203)	(178,676)	(233,899)
Realised gain from sale of an investment properties	6	-	-	-	430,000
Net investment properties income		1,018,064	924,416	2,979,274	3,178,726
Sale of an inventory property		-	-	-	452,220
Cost of sales of inventory property		-	-	-	(251,905)
Net inventory properties income		-	-	-	200,315
Share of results of an associate	5	49,509	39,776	144,834	128,027
Net investment income		49,509	39,776	144,834	128,027
Total operating income		1,067,573	964,192	3,124,108	3,507,068
Administrative expenses		(195,806)	(193,130)	(688,200)	(697,818)
Foreign exchange gain		49,393	89,169	65,411	171,755
Other income		24,569	51	60,210	51
Net operating income		945,729	860,282	2,561,529	2,981,056
Finance costs		(441,585)	(320,879)	(1,254,816)	(843,694)
Provision for expected credit losses on accounts receivable		(96,822)	(114,660)	(121,179)	(97,237)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		407,322	424,743	1,185,534	2,040,125
KFAS		(3,666)	(3,823)	(10,670)	(18,361)
NLST		(13,222)	(13,945)	(34,574)	(54,863)
Zakat		(5,289)	(5,578)	(13,830)	(21,945)
PROFIT FOR THE PERIOD		385,145	401,397	1,126,460	1,944,956
BASIC AND DILUTED EARNINGS PER SHARE	3	1.04 Fils	1.08 fils	3.04 Fils	5.26 fils

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Tijara & Real Estate Investment Company K.S.C.P. and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2023

	Note	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		2023	2022	2023	2022
		KD	KD	KD	KD
PROFIT FOR THE PERIOD		385,145	401,397	1,126,460	1,944,956
Other comprehensive income:					
<i>Items that are (or) may be subsequently reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</i>					
Exchange differences arising on translation of foreign operations		41,958	94,974	57,602	179,628
Exchange differences arising on translation of foreign associate	5	45,926	109,408	63,452	210,661
Other comprehensive income for the period		87,884	204,382	121,054	390,289
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		473,029	605,779	1,247,514	2,335,245

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Tijara & Real Estate Investment Company K.S.C.P. and its subsidiaries
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (UNAUDITED)**

As at 30 September 2023

		<i>(Audited)</i>	
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS			
Cash and cash equivalents	4	3,512,951	5,785,411
Accounts receivable and prepayments		422,656	375,848
Inventory properties		282,621	282,621
Investment in an associate	5	7,326,886	7,118,600
Investment properties	6	63,548,028	61,527,033
Property and equipment		39,583	26,610
TOTAL ASSETS		75,132,725	75,116,123
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable and accruals		930,174	1,089,825
Islamic financing payables	7	31,875,638	31,543,150
Employees' end of service benefits		1,201,774	1,102,237
Total liabilities		34,007,586	33,758,498
Equity			
Share capital	8	37,000,000	37,000,000
Statutory reserve		813,310	813,310
General reserve		813,310	813,310
Share options reserve		142,253	142,253
Foreign currency translation reserve		493,688	372,634
Treasury shares reserve		18,132	18,132
Retained earnings		1,844,446	2,197,986
Total equity		41,125,139	41,357,625
TOTAL LIABILITIES AND EQUITY		75,132,725	75,116,123

Tareq Fareed Al Othman
Vice Chairman and Executive President

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Tijara & Real Estate Investment Company K.S.C.P. and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2023

	<i>Share capital KD</i>	<i>Statutory Reserve KD</i>	<i>General reserve KD</i>	<i>Share options reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Treasury shares reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
As at 1 January 2023	37,000,000	813,310	813,310	142,253	372,634	18,132	2,197,986	41,357,625
Profit for the period	-	-	-	-	-	-	1,126,460	1,126,460
Other comprehensive income for the period	-	-	-	-	121,054	-	-	121,054
Total comprehensive income for the period	-	-	-	-	121,054	-	1,126,460	1,247,514
Dividends (Note 8)	-	-	-	-	-	-	(1,480,000)	(1,480,000)
As at 30 September 2023	37,000,000	813,310	813,310	142,253	493,688	18,132	1,844,446	41,125,139
As at 1 January 2022	37,000,000	586,276	586,276	142,253	206,779	18,132	1,629,284	40,169,000
Profit for the period	-	-	-	-	-	-	1,944,956	1,944,956
Other comprehensive income for the period	-	-	-	-	390,289	-	-	390,289
Total comprehensive income for the period	-	-	-	-	390,289	-	1,944,956	2,335,245
Dividends (Note 8)	-	-	-	-	-	-	(1,110,000)	(1,110,000)
As at 30 September 2022	37,000,000	586,276	586,276	142,253	597,068	18,132	2,464,240	41,394,245

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Tijara & Real Estate Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 September 2023

		<i>Nine months ended</i>	
		<i>30 September</i>	
		2023	2022
<i>Notes</i>		KD	KD
OPERATING ACTIVITIES			
	Profit for the period before KFAS, NLST and Zakat	1,185,534	2,040,125
	Adjustments to reconcile profit for the period before KFAS, NLST and Zakat to net cash flows:		
	Profit from Wakala investment deposits	(59,428)	-
	Provision for expected credit losses on accounts receivable	121,179	97,237
	Realized gain on sale of an inventory properties	-	(200,315)
5	Share of results of an associate	(144,834)	(128,027)
6	Realized gain from sale of an investment property	-	(430,000)
	Depreciation	11,175	7,641
	Provision for employees' end of service benefits	82,248	84,242
	Finance costs	1,254,816	843,694
	Foreign exchange gain	(65,411)	(171,755)
		2,385,279	2,142,842
	Changes in operating assets and liabilities:		
	Accounts receivable and prepayments	(148,629)	(65,904)
	Accounts payable and accruals	(238,692)	(151,301)
	Cash flows from operations	1,997,958	1,925,637
	Employees' end of service benefits paid	(5,997)	(27,092)
	Net cash flows from operating activities	1,991,961	1,898,545
INVESTING ACTIVITIES			
4	Placement of Wakala investment deposits	(1,300,000)	-
	Proceeds from sale an inventory property	-	452,220
5	Proceeds from capital redemption of investment in an associate	-	136,175
6	Proceeds from sale of investment properties	-	4,450,000
	Additions to investment properties	(1,888,300)	(3,508,872)
	Wakala income received	40,629	-
	Additions to property and equipment	(24,148)	(21,013)
	Net cash flows (used in) from investing activities	(3,171,819)	1,508,510
FINANCING ACTIVITIES			
	Proceeds from Islamic financing payables	4,666,600	-
	Repayment of Islamic financing payables	(4,371,382)	(811,481)
	Finance costs paid	(1,227,352)	(814,394)
	Dividends paid	(1,461,896)	(1,097,396)
	Net cash flows used in financing activities	(2,394,030)	(2,723,271)
	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,573,888)	683,784
	Net foreign exchange differences	1,428	18,184
	Cash and cash equivalents at 1 January	5,785,411	4,627,469
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,212,951	5,329,437

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Tijara & Real Estate Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Tijara & Real Estate Investment Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively the “Group”) for the nine months period ended 30 September 2023 were authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 29 October 2023.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved by the shareholders of the Parent Company in the annual general assembly meeting held on 15 March 2023.

The Parent Company is a Kuwaiti public shareholding company registered and incorporated in Kuwait on 18 April 1983. The Group operates in accordance with the Islamic Sharia. The registered office of the Parent Company is P.O. Box 5655, Safat, 13057 Kuwait. The Parent Company was listed on the Kuwait Stock Exchange on 26 September 2005.

The Parent Company is engaged in the following activities:

- ▶ Purchase and sale of land and real estate and exchange thereof; constructing buildings, commercial and residential complexes, and lease and rental thereof.
- ▶ Management of own properties and of third parties both inside and outside Kuwait.
- ▶ Sale and purchase of securities of companies carrying on similar activities.
- ▶ Development and building of real estate properties for the Group and for third parties.
- ▶ Maintenance works of buildings and real estate properties owned by the Group, including civil, mechanical, air-conditioning works to preserve all buildings and properties.
- ▶ Investing in equities and other investments.

2.1 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

The interim condensed consolidated financial information for the nine months ended 30 September 2023 has been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*”.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern. The directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial information of the Group.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group’s interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial statements, as it does not have assets or liabilities in scope of IAS 12 as at the reporting date.

3 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted EPS is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Profit for the period (KD)	385,145	401,397	1,126,460	1,944,956
Weighted average number of shares outstanding (Shares)*	370,000,000	370,000,000	370,000,000	370,000,000
Basic and diluted earnings per share (fils)	1.04	1.08	3.04	5.26

* The weighted average of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the authorisation of this interim condensed consolidated financial information.

Tijara & Real Estate Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

4 CASH AND CASH EQUIVALENTS

	30 September 2023 KD	31 December 2022 KD	30 September 2022 KD
Cash on hand	4,058	2,703	4,159
Bank balances	2,208,893	5,782,708	5,325,278
Wakala investment deposits	1,300,000	-	-
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents as disclosed in interim condensed consolidated statement of financial position	3,512,951	5,785,411	5,329,437
Less: Wakala investment deposits with original maturity of more than 3 months	(1,300,000)	-	-
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flow	2,212,951	5,785,411	5,329,437
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Wakala investment deposits are denominated in Kuwaiti Dinars, placed with a local financial institution, carry an average profit rate of 4.32% per annum.

5 INVESTMENT IN AN ASSOCIATE

The Group has the following investment in an associate:

		<i>Equity interest as at</i>			
		30 September 2023 %	31 December (Audited) 2022 %	30 September 2022 %	
<i>Name of company</i>	<i>Country of incorporation</i>				<i>Principal activities</i>
Al Madar Al Thahabia Company W.L.L. ("Al Madar")	Kingdom of Saudi Arabia	24%	24%	24%	Sale, purchase, rent and lease of real estate properties and lands

Movement in the carrying value of investment in an associate is as follows:

	30 September 2023 KD	31 December 2022 (Audited) KD	30 September 2022 KD
At the beginning of the period / year	7,118,600	8,133,453	8,133,453
Share of results	144,834	(860,827)	128,027
Proceeds from capital redemption of investment in an associate	-	(244,625)	(136,175)
Foreign currency translation adjustment	63,452	90,599	210,661
	<hr/>	<hr/>	<hr/>
At the end of the period / year	7,326,886	7,118,600	8,335,966
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The share of results from an associate for the period ended 30 September 2023 have been recorded based on the management accounts as at 30 September 2023.

Tijara & Real Estate Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

6 INVESTMENT PROPERTIES

	<i>30 September</i> <i>2023</i> <i>KD</i>	<i>31 December</i> <i>2022</i> <i>(Audited)</i> <i>KD</i>	<i>30 September</i> <i>2022</i> <i>KD</i>
At the beginning of the period / year	61,527,033	60,612,161	60,612,161
Additions	1,888,300	3,508,872	3,508,872
Disposal*	-	(4,020,000)	(4,020,000)
Change in fair value of investment properties	-	1,250,722	-
Net foreign exchange gain	132,695	175,278	409,517
At the end of the period / year	63,548,028	61,527,033	60,510,550

*During the prior period, the Group sold certain investment properties with carrying value 4,020,000 for a total consideration of KD 4,450,000 resulting in a realised gain on disposal of KD 430,000.

As at 30 September 2023, certain investment properties amounting to KD 4,560,000 (31 December 2022: KD 4,560,000 and 30 September 2022: KD 4,450,000) are held in the name of a third party under Ijara agreement amounting to KD 2,786,080 (31 December 2022: KD 2,940,862 and 30 September 2022: KD 2,940,862) (Note 7).

As at 30 September 2023, certain investment properties of KD 33,835,980 (31 December 2022: KD 33,835,980 and 30 September 2022: KD 32,005,000) are pledged as a security against Murabaha agreement of KD 24,350,000 (31 December 2022: KD 24,550,000 and 30 September 2022: KD 24,550,000) (Note 7).

The valuations of the local investment properties were performed at 31 December 2022 by two accredited independent valuers with recognised and relevant professional qualification and experience in the locations and categories of the investment properties being valued. The fair value was determined to be the lower of the two values using the income capitalisation approach. For the foreign properties, the valuation has been performed by a reputable accredited valuer who has valued these properties using income capitalization approach.

Fair value hierarchy disclosures for investment properties are provided in Note 11.

7 ISLAMIC FINANCING PAYABLES

	<i>Ijara</i> <i>KD</i>	<i>Tawarruq</i> <i>KD</i>	<i>Murabaha</i> <i>KD</i>	<i>Total</i> <i>KD</i>
<i>30 September 2023</i>				
Gross amount	3,283,741	5,876,486	31,325,552	40,485,779
Less: deferred profit	(468,082)	(1,166,507)	(6,975,552)	(8,610,141)
	2,815,659	4,709,979	24,350,000	31,875,638
<i>31 December 2022 (Audited)</i>				
Gross amount	3,522,815	4,317,342	31,807,007	39,647,164
Less: deferred profit	(555,727)	(291,280)	(7,257,007)	(8,104,014)
	2,967,088	4,026,062	24,550,000	31,543,150
<i>30 September 2022</i>				
Gross amount	3,481,148	4,477,317	31,359,764	39,318,229
Less: deferred profit	(516,941)	(394,801)	(6,809,764)	(7,721,506)
	2,964,207	4,082,516	24,550,000	31,596,723

Tijara & Real Estate Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

7 ISLAMIC FINANCING PAYABLES (continued)

Islamic financing payables represent facilities obtained from Islamic financial institutions and carry an average profit rate of from 1.5% to 2.25% (31 December 2022: 1.5% to 3.25% and 30 September 2022: 1.5% to 3.25%) per annum over Central Bank of Kuwait discount rate. Islamic financing payables are mainly due within range of 1 to 6 years from the reporting date.

As at 30 September 2023, Ijara payable amounting to KD 2,786,080 (31 December 2022: KD 2,940,862 and 30 September 2022: KD 2,940,862) are secured by the investment properties amounting to KD 4,560,000 (31 December 2022: KD 4,560,000 and 30 September 2022: KD 4,450,000) (Note 6).

As at 30 September 2023, Murabaha payable amounting to KD 24,350,000 (31 December 2022: KD 24,550,000 and 30 September 2022: KD 24,550,000) are secured by the investment properties amounting to KD 33,835,980 (31 December 2022: KD 33,835,980 and 30 September 2022: KD 32,005,000) (Note 6).

8 SHARE CAPITAL

At 30 September 2023, the authorised, issued and fully paid-up capital of the Parent Company comprises of 370,000,000 (31 December 2022: 370,000,000 and 30 September 2022: 370,000,000) shares of 100 fils each. All shares are paid in cash.

The Annual General Assembly "AGM" of the shareholders of the Parent Company held on 15 March 2023 approved the consolidated financial statements for the year ended 31 December 2022. The AGM approved distribution of cash dividends 4 fils per share of KD 1,480,000 for the year ended 31 December 2022 (2021: 3 fils per share of KD 1,110,000).

9 RELATED PARTY TRANSACTIONS

These represent transactions with major shareholders, directors, executive officers and key management personnel of the Group, close members of their families and companies of which they are principal owners or over which they are able to exercise control or significant influence entered into by the Group in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Transactions with related parties included in the interim condensed consolidated statement of profit or loss are as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Foreign currency exchange differences	52,886	126,080	75,383	242,012

The Group has recognized a gain of KD 75,383 (30 September 2022: KD 242,012) in the interim condensed consolidated statement of profit or loss on foreign exchange rate fluctuation in SAR relating to the amounts due from one of the Group's subsidiaries of SAR 102,733,452 (30 September 2022: SAR 115,352,536).

No balance with related parties included in the interim condensed consolidated statement of financial position as at the reporting date.

Key management personnel:

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and balances related to key management personnel were as follow:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	78,750	77,550	236,250	230,150
Employees' end of service benefits	15,740	15,373	52,702	56,573
	94,490	92,923	288,952	286,723

Tijara & Real Estate Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

10 SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services, and has two reportable operating segments as follows:

- Real Estate management: comprises investment and trading in real estate and construction or development of real estate for the sale in the ordinary course of business and the provision of other related real estate services.
- Investment management: comprises participation in financial and real estate funds and managing the Group's liquidity requirements.
- Other: comprises other activities rather than real estate and investment activities.

	<i>Nine months ended 30 September 2023</i>				<i>Nine months ended 30 September 2022</i>			
	<i>Real estate activities KD</i>	<i>Investment activities KD</i>	<i>Others KD</i>	<i>Total KD</i>	<i>Real estate activities KD</i>	<i>Investment activities KD</i>	<i>Others KD</i>	<i>Total KD</i>
Net investment properties income	2,979,274	-	-	2,979,274	3,178,726	-	-	3,178,726
Net inventory properties income	-	-	-	-	200,315	-	-	200,315
Net investment income	-	144,834	-	144,834	-	128,027	-	128,027
Administrative expenses	(688,200)	-	-	(688,200)	(697,818)	-	-	(697,818)
Foreign exchange gain	-	-	65,411	65,411	-	-	171,755	171,755
Other income	-	59,428	782	60,210	-	-	51	51
Finance costs	(1,254,816)	-	-	(1,254,816)	(843,694)	-	-	(843,694)
Provision for expected credit losses on accounts receivable	(121,179)	-	-	(121,179)	(97,237)	-	-	(97,237)
KFAS, NLST and Zakat	-	-	(59,074)	(59,074)	-	-	(95,169)	(95,169)
Profit (loss) for the period	915,079	204,262	7,119	1,126,460	1,740,292	128,027	76,637	1,944,956

	<i>30 September 2023</i>				<i>31 December 2022 (Audited)</i>				<i>30 September 2022</i>			
	<i>Real estate activities KD</i>	<i>Investment activities KD</i>	<i>Others KD</i>	<i>Total KD</i>	<i>Real estate activities KD</i>	<i>Investment activities KD</i>	<i>Others KD</i>	<i>Total KD</i>	<i>Real estate activities KD</i>	<i>Investment activities KD</i>	<i>Others KD</i>	<i>Total KD</i>
Total assets	66,466,256	8,626,886	39,583	75,132,725	67,970,913	7,118,600	26,610	75,116,123	66,663,011	8,335,966	28,428	75,027,405
Total liabilities	32,805,812	-	1,201,774	34,007,586	32,632,975	-	1,125,523	33,758,498	32,530,923	-	1,102,237	33,633,160

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

11 FAIR VALUE MEASUREMENT

Investment properties have been stated at fair values. For other financial assets and financial liabilities carried at amortized cost, the carrying value is not significantly different from their fair values as most of these assets and liabilities are of short-term maturity or repriced immediately based on market movement in interest rates.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ 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; and
- ▶ Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group's investment properties is valued using level 3 of the fair value measurements.

During the period ended 30 September 2023, there were no transfers into and out of level 3 fair value measurements. The reconciliation of the opening and closing amount of Level 3 are presented in Note 6.

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