

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

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

30 SEPTEMBER 2024



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 2024, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months 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 months period ended 30 September 2024 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 audit, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority “CMA” and organization of security activity and its executive regulations, as amended, during the nine months period ended 30 September 2024 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

30 October 2024
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 2024

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		2024	2023	2024	2023
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Rental income		1,144,215	1,079,489	3,473,787	3,147,868
Other services and operating income		(639)	(1,070)	12,344	10,082
Property operating expenses		(76,659)	(60,355)	(231,741)	(178,676)
Net investment properties income		1,066,917	1,018,064	3,254,390	2,979,274
Sale of inventory properties		-	-	551,566	-
Cost of sales of inventory properties		-	-	(282,621)	-
Net inventory properties income		-	-	268,945	-
Share of results of an associate	5	62,593	49,509	181,013	144,834
Profit from Wakala investment deposits		-	24,569	22,986	59,428
Net investment income		62,593	74,078	203,999	204,262
Total operating income		1,129,510	1,092,142	3,727,334	3,183,536
Other income		-	-	1,290	782
Administrative expenses		(216,767)	(195,806)	(757,134)	(688,200)
(Provision) reversal for expected credit losses on accounts receivable		(35,592)	(96,822)	80,520	(121,179)
Foreign exchange (loss) gain		(50,422)	49,393	(53,330)	65,411
Net operating income		826,729	848,907	2,998,680	2,440,350
Finance costs		(468,728)	(441,585)	(1,406,882)	(1,254,816)
PROFIT FOR THE PERIOD BEFORE PROVISION FOR CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		358,001	407,322	1,591,798	1,185,534
KFAS		(3,222)	(3,666)	(14,326)	(10,670)
NLST		(10,498)	(13,222)	(40,212)	(34,574)
Zakat		(4,199)	(5,289)	(16,085)	(13,830)
PROFIT FOR THE PERIOD		340,082	385,145	1,521,175	1,126,460
BASIC AND DILUTED EARNINGS PER SHARE	3	0.92 fils	1.04 fils	4.11 fils	3.04 fils

The attached notes 1 to 12 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 2024

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2024	2023	2024	2023
<i>Note</i>	KD	KD	KD	KD
PROFIT FOR THE PERIOD	340,082	385,145	1,521,175	1,126,460
Other comprehensive (loss) 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	(44,410)	41,958	(47,506)	57,602
Exchange differences arising on translation of foreign associate	5 (42,474)	45,926	(44,946)	63,452
Other comprehensive (loss) income for the period	(86,884)	87,884	(92,452)	121,054
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	253,198	473,029	1,428,723	1,247,514


The attached notes 1 to 12 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 2024

		<i>30 September</i> 2024	<i>(Audited)</i> <i>31 December</i> 2023	<i>30 September</i> 2023
	<i>Notes</i>	KD	KD	KD
ASSETS				
Cash and cash equivalents	4	1,380,194	3,438,124	3,512,951
Accounts receivable and prepayments		1,589,728	497,999	422,656
Inventory properties		-	282,621	282,621
Investment in an associate	5	6,875,372	6,857,142	7,326,886
Investment properties	6	66,741,389	64,516,062	63,548,028
Property and equipment		25,645	35,992	39,583
TOTAL ASSETS		76,612,328	75,627,940	75,132,725
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accruals	7	1,059,183	1,100,421	930,174
Islamic financing payables	8	32,550,533	31,570,850	31,875,638
Employees' end of service benefits		1,323,066	1,225,846	1,201,774
Total liabilities		34,932,782	33,897,117	34,007,586
Equity				
Share capital	9	37,000,000	37,000,000	37,000,000
Statutory reserve		1,007,856	1,007,856	813,310
General reserve		813,310	813,310	813,310
Share options reserve		142,253	142,253	142,253
Foreign currency translation reserve		297,849	390,301	493,688
Treasury shares reserve		18,132	18,132	18,132
Retained earnings		2,400,146	2,358,971	1,844,446
Total equity		41,679,546	41,730,823	41,125,139
TOTAL LIABILITIES AND EQUITY		76,612,328	75,627,940	75,132,725



 Tareq Fareed Al Othman
 Vice Chairman and Executive President

The attached notes 1 to 12 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 2024

	<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 2024	37,000,000	1,007,856	813,310	142,253	390,301	18,132	2,358,971	41,730,823
Profit for the period	-	-	-	-	-	-	1,521,175	1,521,175
Other comprehensive loss for the period	-	-	-	-	(92,452)	-	-	(92,452)
Total comprehensive (loss) income for the period	-	-	-	-	(92,452)	-	1,521,175	1,428,723
Dividend (Note 9)	-	-	-	-	-	-	(1,480,000)	(1,480,000)
As at 30 September 2024	37,000,000	1,007,856	813,310	142,253	297,849	18,132	2,400,146	41,679,546
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
Dividend (Note 9)	-	-	-	-	-	-	(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

The attached notes 1 to 12 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 2024

	Notes	Nine months ended 30 September	
		2024 KD	2023 KD
OPERATING ACTIVITIES			
Profit for the period before provision for KFAS, NLST and Zakat		1,591,798	1,185,534
Adjustments to reconcile profit for the period before KFAS, NLST and Zakat to net cash flows:			
Profit from Wakala investment deposits		(22,986)	(59,428)
(Reversal) provision for expected credit losses on accounts receivable		(80,520)	121,179
Realised gain from sale of inventory properties		(268,945)	-
Share of results of an associate	5	(181,013)	(144,834)
Depreciation		11,788	11,175
Provision for employees' end of service benefits		97,220	82,248
Foreign exchange loss (gain)		53,330	(65,411)
Finance costs		1,406,882	1,254,816
		<u>2,607,554</u>	<u>2,385,279</u>
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(723,448)	(148,629)
Accounts payable and accruals		(107,499)	(131,125)
		<u>1,776,607</u>	<u>2,105,525</u>
Cash flows from operations		1,776,607	2,105,525
Employees' end of service benefits paid		-	(5,997)
Taxes paid		(79,925)	(107,567)
		<u>1,696,682</u>	<u>1,991,961</u>
INVESTING ACTIVITIES			
Placement of Wakala investment deposits		1,300,000	(1,300,000)
Proceeds from sale an inventory property		551,566	-
Additions to investment properties	6	(2,323,000)	(1,888,300)
Advance paid on acquisition of an investment property	6	(300,000)	-
Advance received on account of sale of an investment property	6	70,000	-
Proceeds from capital redemption of investment in an associate	5	117,837	-
Wakala income received		33,720	40,629
Additions to property and equipment		(1,441)	(24,148)
		<u>(551,318)</u>	<u>(3,171,819)</u>
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Proceeds from Islamic financing payables		11,690,000	4,666,600
Repayment of Islamic financing payables		(10,828,340)	(4,371,382)
Finance costs paid		(1,288,859)	(1,227,352)
Dividend paid		(1,472,966)	(1,461,896)
		<u>(1,900,165)</u>	<u>(2,394,030)</u>
Net cash flows used in financing activities			
NET DECREASE IN CASH AND CASH EQUIVALENTS		(754,801)	(3,573,888)
Net foreign exchange differences		(3,129)	1,428
Cash and cash equivalents at 1 January		2,138,124	5,785,411
		<u>1,380,194</u>	<u>2,212,951</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	1,380,194	2,212,951

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

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 2024 were authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 30 October 2024.

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved by the shareholders of the Parent Company in the annual general assembly meeting held on 27 March 2024.

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 2024 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 2023.

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 2023, except for the adoption of new standards effective as of 1 January 2024. 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 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial information.

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>	
	2024	2023	2024	2023
Profit for the period (KD)	340,082	385,145	1,521,175	1,126,460
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)	0.92	1.04	4.11	3.04

* 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 2024

4 CASH AND CASH EQUIVALENTS

	<i>30 September 2024 KD</i>	<i>31 December 2023 KD</i>	<i>30 September 2023 KD</i>
Cash on hand	4,062	2,445	4,058
Bank balances	1,376,132	1,035,679	2,208,893
Wakala investment deposits	-	2,400,000	1,300,000
	<hr/>	<hr/>	<hr/>
Bank balances and cash as disclosed in interim condensed consolidated statement of financial position	1,380,194	3,438,124	3,512,951
Less: Wakala investment deposits with original maturity of more than 3 months	-	(1,300,000)	(1,300,000)
	<hr/>	<hr/>	<hr/>
Bank balances and cash for the purpose of interim condensed consolidated statement of cash flow	1,380,194	2,138,124	2,212,951
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Wakala investment deposits are denominated in Kuwaiti Dinars, placed with a local financial institution, carry an average profit rate of Nil (31 December 2023: 4.35% and 30 September 2023: 4.32%) per annum.

5 INVESTMENT IN AN ASSOCIATE

The Group has the following investment in an associate:

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Equity interest as at</i>			<i>Principal activities</i>
		<i>30 September 2024 %</i>	<i>31 December (Audited) 2023 %</i>	<i>30 September 2023 %</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:

	<i>30 September 2024 KD</i>	<i>31 December 2023 (Audited) KD</i>	<i>30 September 2023 KD</i>
At the beginning of the period / year	6,857,142	7,118,600	7,118,600
Proceeds from capital redemption of investment in an associate	(117,837)	-	-
Share of results	181,013	(271,559)	144,834
Foreign currency translation adjustment	(44,946)	10,101	63,452
	<hr/>	<hr/>	<hr/>
At the end of the period / year	6,875,372	6,857,142	7,326,886
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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 2024

6 INVESTMENT PROPERTIES

	<i>30 September</i> <i>2024</i> <i>KD</i>	<i>31 December</i> <i>2023</i> <i>(Audited)</i> <i>KD</i>	<i>30 September</i> <i>2023</i> <i>KD</i>
At the beginning of the period / year	64,516,062	61,527,033	61,527,033
Additions	2,323,000	1,888,300	1,888,300
Change in fair value of investment properties	-	1,078,612	-
Net foreign exchange gain	(97,673)	22,117	132,695
At the end of the period / year	66,741,389	64,516,062	63,548,028

As at 30 September 2024, the Group paid total amount of KD 300,000 as advance for acquisition of an investment property included as part of accounts receivable and prepayments.

As at 30 September 2024, the Group received KD 70,000 as advance on account of sale of an investment property included as part of accounts payable and accruals (Note 7).

As at 30 September 2024, certain investment properties amounting to KD 7,063,000 (31 December 2023: KD 4,740,000 and 30 September 2023: KD 4,560,000) are held in the name of a third party under Ijara agreement amounting to KD 4,374,086 (31 December 2023: KD 2,816,612 and 30 September 2023: KD 2,815,659) (Note 8).

As at 30 September 2024, certain investment properties of KD 31,083,500 (31 December 2023: KD 34,627,000 and 30 September 2023: KD 33,835,980) are pledged as a security against Murabaha agreement of KD 23,858,938 (31 December 2023: KD 24,350,000 and 30 September 2023: KD 24,350,000) (Note 8).

The valuations of the local investment properties were performed at 31 December 2023 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 ACCOUNT PAYABLES AND ACCRUALS

	<i>30 September</i> <i>2024</i> <i>KD</i>	<i>31 December</i> <i>2023</i> <i>(Audited)</i> <i>KD</i>	<i>30 September</i> <i>2023</i> <i>KD</i>
Rent received in advance from tenants	248,874	143,983	192,757
Deposits from tenants	270,085	276,755	274,495
Accrued expenses	212,808	392,466	208,236
Accrued KFAS*	14,326	17,509	10,670
Advance received on account of sale of an investment property (Note 6)	70,000	-	-
Other payables	243,090	269,708	244,016
At the end of the period / year	1,059,183	1,100,421	930,174

*The amount paid to KFAS during the period is KD 17,509 (31 December 2023: KD 20,433 and 30 September 2023: KD 20,433).

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 2024

8 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>
30 September 2024				
Gross amount	5,329,870	5,272,152	33,904,102	44,506,124
Less: deferred profit	(955,784)	(954,643)	(10,045,164)	(11,955,591)
	<u>4,374,086</u>	<u>4,317,509</u>	<u>23,858,938</u>	<u>32,550,533</u>
31 December 2023 (Audited)				
Gross amount	3,237,307	5,570,152	30,987,988	39,795,447
Less: deferred profit	(420,695)	(1,165,914)	(6,637,988)	(8,224,597)
	<u>2,816,612</u>	<u>4,404,238</u>	<u>24,350,000</u>	<u>31,570,850</u>
30 September 2023				
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)
	<u>2,815,659</u>	<u>4,709,979</u>	<u>24,350,000</u>	<u>31,875,638</u>

Islamic financing payables represent facilities obtained from Islamic financial institutions and carry an average profit rate of from: 1.25% to 2.25% (31 December 2023: 1.25% to 2.25% and 30 September 2023: 1.25% to 2.25%) per annum over Central Bank of Kuwait discount rate. Islamic financing payables are mainly due within range of 1 to 9 years from the reporting date.

As at 30 September 2024, Ijara payable amounting to KD 4,374,086 (31 December 2023: KD 2,816,612 and 30 September 2023: KD 2,815,659) are secured by the investment properties amounting to KD 7,063,000 (31 December 2023: KD 4,740,000 and 30 September 2023: KD 4,560,000) (Note 6).

As at 30 September 2024, Murabaha payable amounting to KD 23,858,938 (31 December 2023: KD 24,350,000 and 30 September 2023: KD 24,350,000) are secured by the investment properties amounting to KD 31,083,500 (31 December 2023: KD 34,627,000 and 30 September 2023: KD 33,835,980) (Note 6).

9 SHARE CAPITAL

At 30 September 2024, the authorised, issued and fully paid-up capital of the Parent Company comprises of 370,000,000 (31 December 2023: 370,000,000 and 30 September 2023: 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 27 March 2024 approved the consolidated financial statements for the year ended 31 December 2023. The AGM approved distribution of cash dividends 4 fils per share of KD 1,480,000 for the year ended 31 December 2023 (2022: 4 fils per share of KD 1,480,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

10 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.

No transactions with related parties during the period ended 30 September 2024. No balances with related parties included in the interim condensed consolidated financial position as at the reporting date.

The Annual General Assembly "AGM" of the shareholders of the Parent Company held on 27 March 2024 approved the board of directors' remuneration for the year ended 31 December 2023.

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>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	89,850	78,750	269,550	236,250
Employees' end of service benefits	16,635	15,740	50,082	52,702
	106,485	94,490	319,632	288,952

11 FAIR VALUE MEASUREMENT

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 2024, 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.

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.

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 2024

12 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 2024</i>				<i>Nine months ended 30 September 2023</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	3,254,390	-	-	3,254,390	2,979,274	-	-	2,979,274
Net inventory properties income	268,945	-	-	268,945	-	-	-	-
Net investment income	-	203,999	-	203,999	-	204,262	-	204,262
Other income	-	-	1,290	1,290	-	-	782	782
Administrative expenses	(757,134)	-	-	(757,134)	(688,200)	-	-	(688,200)
Reversal (provision) for expected credit losses	80,520	-	-	80,520	(121,179)	-	-	(121,179)
Foreign exchange (loss) gain	-	-	(53,330)	(53,330)	-	-	65,411	65,411
Finance costs	(1,406,882)	-	-	(1,406,882)	(1,254,816)	-	-	(1,254,816)
KFAS, NLST and Zakat	-	-	(70,623)	(70,623)	-	-	(59,074)	(59,074)
Profit for the period	1,439,839	203,999	(122,663)	1,521,175	915,079	204,262	7,119	1,126,460

	<i>30 September 2024</i>				<i>31 December 2023 (Audited)</i>				<i>30 September 2023</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	69,711,311	6,875,372	25,645	76,612,328	67,434,806	8,157,142	35,992	75,627,940	66,466,256	8,626,886	39,583	75,132,725
Total liabilities	33,609,716	-	1,323,066	34,932,782	32,671,271	-	1,225,846	33,897,117	32,805,812	-	1,201,774	34,007,586

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