

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

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

**30 SEPTEMBER 2022**

## **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 2022, 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 2022 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 2022 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

26 October 2022

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 2022

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Rental income		<b>973,556</b>	951,819	<b>2,965,756</b>	2,898,819
Other services and operating income		<b>1,063</b>	1,091	<b>16,869</b>	21,896
Property operating expenses		<b>(50,203)</b>	(95,756)	<b>(233,899)</b>	(230,813)
Realised gain from sale of an investment properties	5	-	-	<b>430,000</b>	-
<b>Net investment properties income</b>		<b>924,416</b>	857,154	<b>3,178,726</b>	2,689,902
Sale of an inventory properties		-	-	<b>452,220</b>	-
Cost of sales of an inventory properties		-	-	<b>(251,905)</b>	-
<b>Net inventory properties income</b>		-	-	<b>200,315</b>	-
Share of results of an associate	4	<b>39,776</b>	32,580	<b>128,027</b>	103,232
<b>Net investment income</b>		<b>39,776</b>	32,580	<b>128,027</b>	103,232
<b>Total operating income</b>		<b>964,192</b>	889,734	<b>3,507,068</b>	2,793,134
Administrative expenses		<b>(193,130)</b>	(221,207)	<b>(697,818)</b>	(695,287)
Foreign exchange gain (loss)		<b>89,169</b>	14,298	<b>171,755</b>	(43,537)
Other income		<b>51</b>	3,170	<b>51</b>	3,270
<b>Net operating income</b>		<b>860,282</b>	685,995	<b>2,981,056</b>	2,057,580
Finance costs		<b>(320,879)</b>	(252,700)	<b>(843,694)</b>	(754,308)
Provision for expected credit losses on accounts receivable		<b>(114,660)</b>	(32,155)	<b>(97,237)</b>	(258,888)
<b>PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT</b>		<b>424,743</b>	401,140	<b>2,040,125</b>	1,044,384
KFAS		<b>(3,823)</b>	(3,610)	<b>(18,361)</b>	(9,399)
NLST		<b>(13,945)</b>	(11,583)	<b>(54,863)</b>	(34,452)
Zakat		<b>(5,578)</b>	(4,633)	<b>(21,945)</b>	(13,781)
<b>PROFIT FOR THE PERIOD</b>		<b>401,397</b>	381,314	<b>1,944,956</b>	986,752
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	3	<b>1.08 fils</b>	1.03 fils	<b>5.26 fils</b>	2.67 fils

The attached notes 1 to 10 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 2022

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
<i>Note</i>	<b><i>KD</i></b>	<i>KD</i>	<b><i>KD</i></b>	<i>KD</i>
<b>PROFIT FOR THE PERIOD</b>	<b>401,397</b>	381,314	<b>1,944,956</b>	986,752
<b>Other comprehensive income (loss):</b>				
<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	<b>94,974</b>	14,548	<b>179,628</b>	(36,959)
Exchange differences arising on translation of foreign associate	4 <b>109,408</b>	15,594	<b>210,661</b>	(43,483)
<b>Other comprehensive income (loss) for the period</b>	<b>204,382</b>	30,142	<b>390,289</b>	(80,442)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>605,779</b>	411,456	<b>2,335,245</b>	906,310

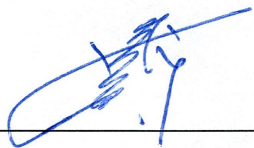
The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2022

		<i>(Audited)</i>	
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>ASSETS</b>			
Bank balances and cash	5,329,437	4,627,469	4,575,084
Accounts receivable and prepayments	540,403	565,216	561,424
Inventory properties	282,621	534,526	608,732
Investment in an associate	4 8,335,966	8,133,453	8,096,395
Investment properties	5 60,510,550	60,612,161	60,262,655
Property and equipment	28,428	15,056	22,870
<b>TOTAL ASSETS</b>	<b>75,027,405</b>	<b>74,487,881</b>	<b>74,127,160</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Accounts payable and accruals	934,200	973,230	853,541
Islamic financing payables	6 31,596,723	32,300,564	32,606,547
Employees' end of service benefits	1,102,237	1,045,087	1,033,047
<b>Total liabilities</b>	<b>33,633,160</b>	<b>34,318,881</b>	<b>34,493,135</b>
<b>Equity</b>			
Share capital	7 37,000,000	37,000,000	37,000,000
Statutory reserve	586,276	586,276	426,876
General reserve	586,276	586,276	426,876
Share options reserve	142,253	142,253	142,253
Foreign currency translation reserve	597,068	206,779	163,723
Treasury shares reserve	18,132	18,132	18,132
Retained earnings	2,464,240	1,629,284	1,456,165
<b>Total equity</b>	<b>41,394,245</b>	<b>40,169,000</b>	<b>39,634,025</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>75,027,405</b>	<b>74,487,881</b>	<b>74,127,160</b>

  
 Tareq Fareed Al Othman  
 Vice Chairman and Executive President

The attached notes 1 to 10 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 2022

	<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 2022	<b>37,000,000</b>	<b>586,276</b>	<b>586,276</b>	<b>142,253</b>	<b>206,779</b>	<b>18,132</b>	<b>1,629,284</b>	<b>40,169,000</b>
Profit for the period	-	-	-	-	-	-	<b>1,944,956</b>	<b>1,944,956</b>
Other comprehensive income for the period	-	-	-	-	<b>390,289</b>	-	-	<b>390,289</b>
Total comprehensive income for the period	-	-	-	-	<b>390,289</b>	-	<b>1,944,956</b>	<b>2,335,245</b>
Dividends (Note 7)	-	-	-	-	-	-	<b>(1,110,000)</b>	<b>(1,110,000)</b>
<b>As at 30 September 2022</b>	<b>37,000,000</b>	<b>586,276</b>	<b>586,276</b>	<b>142,253</b>	<b>597,068</b>	<b>18,132</b>	<b>2,464,240</b>	<b>41,394,245</b>
As at 1 January 2021	37,000,000	426,876	426,876	142,253	244,165	18,132	469,413	38,727,715
Profit for the period	-	-	-	-	-	-	986,752	986,752
Other comprehensive loss for the period	-	-	-	-	(80,442)	-	-	(80,442)
Total comprehensive (loss) income for the period	-	-	-	-	(80,442)	-	986,752	906,310
As at 30 September 2021	37,000,000	426,876	426,876	142,253	163,723	18,132	1,456,165	39,634,025

The attached notes 1 to 10 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 2022

		<i>Nine months ended</i>	
		<i>30 September</i>	
		<b>2022</b>	<b>2021</b>
<i>Notes</i>		<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>			
	Profit for the period before KFAS, NLST and Zakat	<b>2,040,125</b>	1,044,384
	Adjustments to reconcile profit for the period before KFAS, NLST and Zakat to net cash flows:		
	Provision for expected credit losses on accounts receivable	<b>97,237</b>	258,888
	Realized gain on sale of an inventory properties	<b>(200,315)</b>	-
4	Share of results of an associate	<b>(128,027)</b>	(103,232)
5	Realized gain from sale of an investment properties	<b>(430,000)</b>	-
	Depreciation	<b>7,641</b>	7,992
	Provision for employees' end of service benefits	<b>84,242</b>	77,213
	Finance costs	<b>843,694</b>	754,308
	Foreign exchange (gain) loss	<b>(171,755)</b>	43,537
		<b>2,142,842</b>	2,083,090
	Changes in operating assets and liabilities:		
	Accounts receivable and prepayments	<b>(65,904)</b>	(165,013)
	Accounts payable and accruals	<b>(151,301)</b>	17,890
	Cash flows from operations	<b>1,925,637</b>	1,935,967
	Employees' end of service benefits paid	<b>(27,092)</b>	(2,406)
	Net cash flows from operating activities	<b>1,898,545</b>	1,933,561
<b>INVESTMENT ACTIVITIES</b>			
	Proceeds from sale an inventory properties	<b>452,220</b>	-
4	Proceeds from capital redemption of investment in an associate	<b>136,175</b>	135,068
5	Proceeds from sale of an investment properties	<b>4,450,000</b>	-
5	Additions to investment properties	<b>(3,508,872)</b>	-
	Additions to property and equipment	<b>(21,013)</b>	(18,040)
	Net cash flows from investing activities	<b>1,508,510</b>	117,028
<b>FINANCING ACTIVITIES</b>			
	Repayment of Islamic financing payables	<b>(811,481)</b>	(583,094)
	Finance costs paid	<b>(814,394)</b>	(744,493)
	Dividends paid	<b>(1,097,396)</b>	(18,345)
	Net cash flows used in financing activities	<b>(2,723,271)</b>	(1,345,932)
	<b>NET INCREASE IN BANK BALANCES AND CASH</b>	<b>683,784</b>	704,657
	Net foreign exchange differences	<b>18,184</b>	(11,919)
	Bank balances and cash at 1 January	<b>4,627,469</b>	3,882,346
	<b>BANK BALANCES AND CASH AT THE END OF THE PERIOD</b>	<b>5,329,437</b>	4,575,084

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

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

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

### 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 2022 were authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 26 October 2022.

The consolidated financial statements of the Group for the year ended 31 December 2021 were approved by the shareholders of the Parent Company in the annual general assembly meeting held on 23 March 2022.

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

The interim condensed consolidated financial information for the nine months ended 30 September 2022 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 financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

#### 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 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The adoption of these standards did not have any effect on the financial performance or financial position of the Group.

### 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.



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 2022

**3 BASIC AND DILUTED EARNINGS PER SHARE (EPS) (continued)**

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>2021</i>	<i>30 September</i>	<i>2021</i>
	<b>2022</b>		<b>2022</b>	
Profit for the period (KD)	<b>401,397</b>	381,314	<b>1,944,956</b>	986,752
Weighted average number of shares outstanding (Shares)*	<b>370,000,000</b>	370,000,000	<b>370,000,000</b>	370,000,000
Basic and diluted earnings per share (fils)	<b>1.08</b>	1.03	<b>5.26</b>	2.67

\* 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.

**4 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 2022</i>	<i>31 December (Audited) 2021</i>	<i>30 September 2021</i>	
		<i>%</i>	<i>%</i>	<i>%</i>	
Al Madar Al Thahabia Company W.L.L. ("Al Madar")	Kingdom of Saudi Arabia	<b>24%</b>	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 2022</i>	<i>31 December (Audited) 2021</i>	<i>30 September 2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
At the beginning of the period / year	<b>8,133,453</b>	8,171,714	8,171,714
Share of results	<b>128,027</b>	156,248	103,232
Proceeds from capital redemption of investment in an associate	<b>(136,175)</b>	(173,367)	(135,068)
Foreign currency translation adjustment	<b>210,661</b>	(21,142)	(43,483)
At the end of the period / year	<b>8,335,966</b>	8,133,453	8,096,395

The share of results from an associate for the period ended 30 September 2022 have been recorded based on the management accounts as at 30 September 2022.

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 2022

**5 INVESTMENT PROPERTIES**

	<i>30 September 2022 KD</i>	<i>31 December 2021 (Audited) KD</i>	<i>30 September 2021 KD</i>
At the beginning of the period / year	<b>60,612,161</b>	60,347,404	60,347,404
Additions	<b>3,508,872</b>	74,206	-
Disposal*	<b>(4,020,000)</b>	-	-
Change in fair value of investment properties	-	230,351	-
Net foreign exchange gain (loss)	<b>409,517</b>	(39,800)	(84,749)
At the end of the period / year	<b>60,510,550</b>	60,612,161	60,262,655

\*During the period, the Group sold certain investment properties with carrying value of KD 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 2022, certain investment properties amounting to KD 4,450,000 (31 December 2021: KD 4,450,000 and 30 September 2021: KD 4,250,000) are held in the name of a third party under Ijara agreement (Note 6).

As at 30 September 2022, certain investment properties of KD 32,005,000 (31 December 2021: KD 32,005,000 and 30 September 2021: KD 31,953,000) are pledged as a security against Murabaha agreement of KD 24,550,000 (31 December 2021: KD 24,750,000 and 30 September 2021: KD 25,250,000) (Note 6).

The valuations of the local investment properties were performed at 31 December 2021 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 10.

**6 ISLAMIC FINANCING PAYABLES**

	<i>Ijara KD</i>	<i>Tawarruq KD</i>	<i>Murabaha KD</i>	<i>Total KD</i>
<i>30 September 2022</i>				
Gross amount	<b>3,481,148</b>	<b>4,477,317</b>	<b>31,359,764</b>	<b>39,318,229</b>
Less: deferred profit	<b>(516,941)</b>	<b>(394,801)</b>	<b>(6,809,764)</b>	<b>(7,721,506)</b>
	<b>2,964,207</b>	<b>4,082,516</b>	<b>24,550,000</b>	<b>31,596,723</b>
<i>31 December 2021 (Audited)</i>				
Gross amount	3,573,206	4,560,745	29,322,846	37,456,797
Less: deferred profit	(473,746)	(296,792)	(4,385,695)	(5,156,233)
	3,099,460	4,263,953	24,937,151	32,300,564
<i>30 September 2021</i>				
Gross amount	3,599,470	4,566,795	29,822,846	37,989,111
Less: deferred profit	(500,328)	(309,390)	(4,572,846)	(5,382,564)
	3,099,142	4,257,405	25,250,000	32,606,547

# 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 2022

### 6 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 3.25% (31 December 2021: 1.5% to 3.25% and 30 September 2021: 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 8 years from the reporting date.

As at 30 September 2022, Ijara payable amounting to KD 2,940,862 (31 December 2021: KD 3,095,644 and 30 September 2021: KD 3,095,644) are secured by the investment properties amounting to KD 4,450,000 (31 December 2021: KD 4,450,000 and 30 September 2021: KD 4,250,000) (Note 5).

As at 30 September 2022, Murabaha payable amounting to KD 24,550,000 (31 December 2021: KD 24,750,000 and 30 September 2021: KD 25,250,000) are secured by the investment properties amounting to KD 32,005,000 (31 December 2021: KD 32,005,000 and 30 September 2021: KD 31,953,000) (Note 5).

### 7 SHARE CAPITAL

At 30 September 2022, the authorised, issued and fully paid-up capital of the Parent Company comprises of 370,000,000 (31 December 2021: 370,000,000 and 30 September 2021: 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 23 March 2022 approved the consolidated financial statements for the year ended 31 December 2021. The AGM approved distribution of cash dividends 3 fils per share of KD 1,110,000 for the year ended 31 December 2021 (2020: Nil).

### 8 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>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Foreign currency exchange differences	<b>126,080</b>	18,349	242,012	(49,512)

The Group has recognized a gain of KD 242,012 (30 September 2021: loss of KD 49,512) 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 115,352,536 (30 September 2021: SAR 114,607,396).

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>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	<b>77,550</b>	76,050	<b>230,150</b>	228,150
Employees' end of service benefits	<b>15,373</b>	15,152	<b>56,573</b>	44,961
	<b>92,923</b>	91,202	<b>286,723</b>	273,111

# 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 2022

### 9 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 2022</i>				<i>Nine months ended 30 September 2021</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	3,178,726	-	-	3,178,726	2,689,902	-	-	2,689,902
Net inventory properties income	200,315	-	-	200,315	-	-	-	-
Net investment income	-	128,027	-	128,027	-	103,232	-	103,232
Administrative expenses	(697,818)	-	-	(697,818)	(695,287)	-	-	(695,287)
Foreign exchange gain (loss)	-	-	171,755	171,755	-	-	(43,537)	(43,537)
Other income	-	-	51	51	-	-	3,270	3,270
Finance costs	(843,694)	-	-	(843,694)	(754,308)	-	-	(754,308)
Provision for expected credit losses on accounts receivable	(97,237)	-	-	(97,237)	(258,888)	-	-	(258,888)
KFAS, NLST and Zakat	-	-	(95,169)	(95,169)	-	-	(57,632)	(57,632)
<b>Profit (loss) for the period</b>	<b>1,740,292</b>	<b>128,027</b>	<b>76,637</b>	<b>1,944,956</b>	<b>981,419</b>	<b>103,232</b>	<b>(97,899)</b>	<b>986,752</b>

	<i>30 September 2022</i>				<i>31 December 2021 (Audited)</i>				<i>30 September 2021</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	66,663,011	8,335,966	28,428	75,027,405	66,339,372	8,133,453	15,056	74,487,881	66,007,895	8,096,395	22,870	74,127,160
Total liabilities	32,530,923	-	1,102,237	33,633,160	33,273,794	-	1,045,087	34,318,881	33,460,088	-	1,033,047	34,493,135

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

**10 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 2022, 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 5.