

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

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

**31 MARCH 2019**



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## **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 31 March 2019 and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three 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 REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF TIJARA & REAL ESTATE INVESTMENT COMPANY K.S.C.P. (continued)**

**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 during the three months period ended 31 March 2019 that might have had a material effect on the business of the Parent Company or on its financial position.



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BADER A. AL-ABDULJADER  
LICENSE NO. 207 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

29 April 2019  
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 31 March 2019

	Notes	Three months ended 31 March	
		2019 KD	2018 KD
Rental income		1,011,114	1,027,434
Other services and operating income		6,976	4,776
Property operating expenses		(73,114)	(43,249)
<b>Net profit on investment properties</b>		<b>944,976</b>	<b>988,961</b>
Sale of inventory properties		181,379	-
Cost of sales		(118,925)	-
<b>Net gain on sale of inventory properties</b>		<b>62,454</b>	<b>-</b>
Share of results of an associate	4	(9,007)	(46,295)
<b>Net investment loss</b>		<b>(9,007)</b>	<b>(46,295)</b>
Administrative expenses		(262,418)	(215,849)
Foreign exchange gain (loss)		23,112	(60,737)
Other income		6,111	5,212
<b>Operating profit</b>		<b>765,228</b>	<b>671,292</b>
Finance costs		(444,307)	(427,108)
<b>PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST), ZAKAT AND BOARD OF DIRECTORS' REMUNERATION</b>		<b>320,921</b>	<b>244,184</b>
KFAS		(2,888)	(2,198)
NLST		(8,574)	(3,313)
Zakat		(3,430)	(1,325)
Board of directors' remuneration	8	(30,000)	(30,000)
<b>PROFIT FOR THE PERIOD</b>		<b>276,029</b>	<b>207,348</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	3	<b>0.75 fils</b>	<b>0.56 fils</b>

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 31 March 2019

	<i>Three months ended</i>	
	<i>31 March</i>	
<i>Note</i>	<b>2019</b>	<b>2018</b>
	<b>KD</b>	<b>KD</b>
<b>PROFIT FOR THE PERIOD</b>	<b>276,029</b>	<b>207,348</b>
<b>Other comprehensive income (loss):</b>		
<i>Items that are (or) may be subsequently reclassified to interim condensed consolidated statement of income in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	20,468	(46,629)
Exchange differences arising on translation of foreign associate	4 18,578	(46,011)
<b>Other comprehensive income (loss) for the period</b>	<b>39,046</b>	<b>(92,640)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>315,075</b>	<b>114,708</b>

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 31 March 2019

		<i>(Audited)</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2019</i>	<i>2018</i>	<i>2018</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Notes</i>			
<b>ASSETS</b>			
Bank balances and cash	<b>824,610</b>	1,229,252	1,379,218
Accounts receivable and prepayments	<b>1,951,378</b>	1,667,601	765,690
Inventory properties	<b>2,137,062</b>	2,255,987	3,115,869
Investment in an associate	<b>4 6,317,894</b>	6,278,732	6,146,883
Investment properties	<b>5 60,229,257</b>	60,179,738	59,929,814
Property and equipment	<b>29,169</b>	26,727	27,533
<b>TOTAL ASSETS</b>	<b><u>71,489,370</u></b>	<u>71,638,037</u>	<u>71,365,007</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<b>37,000,000</b>	37,000,000	37,000,000
Statutory reserve	<b>260,718</b>	260,718	157,551
General reserve	<b>260,718</b>	260,718	157,551
Share options reserve	<b>142,253</b>	142,253	142,253
Foreign currency translation reserve	<b>299,303</b>	260,257	114,902
Treasury shares reserve	<b>18,132</b>	18,132	18,132
Retained earnings	<b>1,096,485</b>	820,456	280,323
<b>Total equity</b>	<b><u>39,077,609</u></b>	<u>38,762,534</u>	<u>37,870,712</u>
<b>Liabilities</b>			
Accounts payable and accruals	<b>746,021</b>	801,842	1,662,782
Islamic financing payables	<b>6 30,863,184</b>	31,289,925	31,127,172
Employees' end of service benefits	<b>802,556</b>	783,736	704,341
<b>Total liabilities</b>	<b><u>32,411,761</u></b>	<u>32,875,503</u>	<u>33,494,295</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>71,489,370</u></b>	<u>71,638,037</u>	<u>71,365,007</u>

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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 31 March 2019

	Share capital KD	Statutory reserve KD	General reserve KD	Share options reserve KD	Foreign currency translation reserve KD	Treasury shares reserve KD	Retained earnings KD	Total KD
As at 1 January 2019	37,000,000	260,718	260,718	142,253	260,257	18,132	820,456	38,762,534
Profit for the period	-	-	-	-	-	-	276,029	276,029
Other comprehensive income for the period	-	-	-	-	39,046	-	-	39,046
Total comprehensive income for the period	-	-	-	-	39,046	-	276,029	315,075
<b>As at 31 March 2019</b>	<b>37,000,000</b>	<b>260,718</b>	<b>260,718</b>	<b>142,253</b>	<b>299,303</b>	<b>18,132</b>	<b>1,096,485</b>	<b>39,077,609</b>
As at 1 January 2018	37,000,000	157,551	157,551	142,253	207,542	18,132	1,182,975	38,866,004
Profit for the period	-	-	-	-	-	-	207,348	207,348
Other comprehensive loss for the period	-	-	-	-	(92,640)	-	-	(92,640)
Total comprehensive (loss) income for the period	-	-	-	-	(92,640)	-	207,348	114,708
Distribution of dividends ( Note 8)	-	-	-	-	-	-	(1,110,000)	(1,110,000)
As at 31 March 2018	37,000,000	157,551	157,551	142,253	114,902	18,132	280,323	37,870,712

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 31 March 2019

	Notes	Three months ended 31 March	
		2019 KD	2018 KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period before KFAS, NLST, Zakat and board of directors' remuneration		320,921	244,184
Adjustments to reconcile profit for the period before KFAS, NLST, Zakat and board of directors' remuneration to net cash flows:			
Depreciation		2,618	3,946
Provision for employees' end of service benefits		32,408	31,502
Realised gain on sale of inventory properties		(62,454)	-
Share of results of an associate	4	9,007	46,295
Finance costs		444,307	427,108
Foreign exchange (gain) loss		(23,112)	60,737
		<u>723,695</u>	<u>813,772</u>
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(97,231)	(6,522)
Accounts payable and accruals		(93,807)	(126,940)
		<u>532,657</u>	<u>680,310</u>
Cash flows from operations		532,657	680,310
Employees' end of service benefits paid		(13,588)	(143,791)
Board of directors' remuneration paid		-	(30,000)
		<u>519,069</u>	<u>506,519</u>
<b>INVESTMENT ACTIVITIES</b>			
Additions to property and equipment		(5,060)	(17,987)
Additions to investment in an associate	4	(29,591)	(115,533)
Additions to investment properties	5	-	(2,323,000)
		<u>(34,651)</u>	<u>(2,456,520)</u>
Net cash flows used in investing activities			
<b>FINANCING ACTIVITIES</b>			
Proceeds from islamic financing payables		15,331,000	2,323,000
Repayment of islamic financing payables		(15,343,458)	(150,000)
Finance costs paid		(868,719)	(619,376)
Dividends paid		(7,226)	(41,550)
		<u>(888,403)</u>	<u>1,512,074</u>
Net cash flows (used in) from financing activities			
<b>NET DECREASE IN BANK BALANCES AND CASH</b>		<b>(403,985)</b>	<b>(437,927)</b>
Net foreign exchange differences		(657)	(3,717)
Bank balances and cash at 1 January		1,229,252	1,820,862
		<u>824,610</u>	<u>1,379,218</u>
<b>BANK BALANCES AND CASH AT THE END OF THE PERIOD</b>		<b>824,610</b>	<b>1,379,218</b>

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

### INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2019

#### 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 three months period ended 31 March 2019 were authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 29 April 2019.

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.

#### 2 BASIS OF PREPARATION AND ACCOUNTING POLICES

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD"), which is also the functional currency of the Parent Company.

The interim condensed consolidated financial information of the Group has been prepared in accordance with ("IAS 34"), 'Interim Financial Reporting'. The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2018 except for the changes described below arising from the adoption of IFRS 16 'Leases' ("IFRS 16") effective from 1 January 2019. However, there is no material impact of IFRS 16 on the interim condensed consolidated financial information of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued and not yet effective. Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2019 did not have any material impact on the accounting policies, financial position or performance of the Group.

The interim condensed consolidated financial information does not contain all information and disclosures required for annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018. In addition, results for the three months period ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

#### Changes in accounting policies

The key changes to the Group's accounting policies resulting from its adoption of IFRS 16 is summarised below:

#### IFRS 16: Leases ("IFRS 16")

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance cost and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the consolidated statement of income on a straight-line basis over the lease term.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2019

**2 BASIS OF PREPARATION AND ACCOUNTING POLICES (continued)**

**Changes in accounting policies (continued)**

**IFRS 16: Leases (“IFRS 16”) (continued)**

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases where the Group is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019 and accordingly, the comparative information is not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

**Summary of new accounting policies**

The accounting policies of the Group upon adoption of IFRS 16 are as follows:

**a) Right of use assets**

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

**b) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental profit rate at the lease commencement date if the profit rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of profit and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**c) Significant judgement in determining the lease term of contracts with renewal options**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy)

The adoption of this standard did not result in any material change in accounting policies of the Group and does not have any material effect on the Group's interim condensed consolidated financial information.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2019 did not have any material impact on the accounting policies, financial position or performance of the Group.

# 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 31 March 2019

### 3 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted earnings per share 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 at the reporting date, the Group had no outstanding dilutive potential ordinary shares.

	<i>Three months ended 31 March</i>	
	<i>2019</i>	<i>2018</i>
	<i>KD</i>	<i>KD</i>
Profit for the period	<b>276,029</b>	207,348
Weighted average number of shares outstanding during the period (excluding treasury shares)	<b>370,000,000</b>	370,000,000
Basic and diluted earnings per share	<b>0.75 fils</b>	0.56 fils

### 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 (Audited)</i>			<i>Principal activities</i>
		<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	
		<i>2019</i>	<i>2018</i>	<i>2018</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>31 March</i>	<i>(Audited) 31 December</i>	<i>31 March</i>
	<i>2019</i>	<i>2018</i>	<i>2018</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
At the beginning of the period / year	<b>6,278,732</b>	6,123,656	6,123,656
Additions to investment in an associate	<b>29,591</b>	315,452	115,533
Share of results	<b>(9,007)</b>	(185,181)	(46,295)
Foreign currency translation adjustment	<b>18,578</b>	24,805	(46,011)
At the end of the period / year	<b>6,317,894</b>	6,278,732	6,146,883

The share of results of an associate for the period ended 31 March 2019 have been recorded based on the management accounts.

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 31 March 2019

**5 INVESTMENT PROPERTIES**

	<i>31 March 2019 KD</i>	<i>(Audited) 31 December 2018 KD</i>	<i>31 March 2018 KD</i>
At the beginning of the period / year	60,179,738	57,733,468	57,733,468
Additions	-	2,323,000	2,323,000
Change in fair value of investment properties	-	56,477	-
Net foreign exchange gain (loss)	49,519	66,793	(126,654)
	<u>60,229,257</u>	<u>60,179,738</u>	<u>59,929,814</u>

As at 31 March 2019, investment properties of KD 24,661,662 (31 December 2018: KD 24,637,547 and 31 March 2018: KD 24,618,158) are held in the name of a third party under Ijara agreement (Note 6).

As at 31 March 2019, investment properties of KD 18,713,000 (31 December 2018: KD 18,713,000 and 31 March 2018: KD 17,848,000) are pledged as a security against Murabaha agreement of KD 22,415,700 (31 December 2018: KD 7,524,700 and 31 March 2018: KD 7,524,700) (Note 6).

The fair value of the investment properties have been determined on 31 December 2018 based on valuations obtained from two independent valuers, who are an industry specialised in valuing these types of properties. One of these valuers is a local bank who has valued the local investment properties using the income capitalization approach. The other is a local reputable accredited valuers who has valued the local investment properties using the income capitalization approach.

For the foreign properties, the valuation has been performed by a reputable accredited valuer who has valued these properties using income capitalization approach.

For the valuation purpose, the Group has selected the lower value of these two valuations as required by the Capital Market Authority.

**6 ISLAMIC FINANCING PAYABLES**

<b>31 March 2019</b>	<i>Ijara KD</i>	<i>Tawarruq KD</i>	<i>Murabaha KD</i>	<i>Total KD</i>
Gross amount	4,817,632	5,507,480	29,385,931	39,711,043
Less: deferred profit	(1,257,919)	(531,029)	(7,058,911)	(8,847,859)
	<u>3,559,713</u>	<u>4,976,451</u>	<u>22,327,020</u>	<u>30,863,184</u>
	<i>Ijara KD</i>	<i>Tawarruq KD</i>	<i>Murabaha KD</i>	<i>Total KD</i>
31 December 2018 (Audited)				
Gross amount	20,079,458	5,724,993	9,386,338	35,190,789
Less: deferred profit	(1,406,127)	(616,147)	(1,878,590)	(3,900,864)
	<u>18,673,331</u>	<u>5,108,846</u>	<u>7,507,748</u>	<u>31,289,925</u>
	<i>Ijara KD</i>	<i>Tawarruq KD</i>	<i>Murabaha KD</i>	<i>Total KD</i>
31 March 2018				
Gross amount	19,891,532	5,546,478	9,537,164	34,975,174
Less: deferred profit	(1,367,314)	(444,187)	(2,036,501)	(3,848,002)
	<u>18,524,218</u>	<u>5,102,291</u>	<u>7,500,663</u>	<u>31,127,172</u>

# 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 31 March 2019

### 6 ISLAMIC FINANCING PAYABLES (continued)

Islamic financing payables represent facilities obtained from Islamic financial institutions and carry an average profit rate of 1.5% to 3.25 % (31 December 2018: 1.875% to 3.25% and 31 March 2018: 1.875% to 3.25%) 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 31 March 2019, Ijara payable of KD 3,550,000 (31 December 2018: KD 17,550,000 and 31 March 2018: KD 17,481,874) are secured by the investment properties of KD 24,661,662 (31 December 2018: KD 24,637,547 and 31 March 2018: KD 24,618,158) (Note 5).

As at 31 March 2019, Murabaha payable of KD 22,415,700 (31 December 2018: KD 7,524,700 and 31 March 2018: KD 7,524,700) are secured by the investment properties of KD 18,713,000 (31 December 2018: KD 18,713,000 and 31 March 2018: KD 17,848,000) (Note 5).

### 7 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 and balances with related parties included in the interim condensed consolidated statement of income and interim condensed consolidated statement of financial position are as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2019</i>	<i>2018</i>
	<i>KD</i>	<i>KD</i>
<b>Interim condensed consolidated statement of income</b>		
<b>Key management compensation</b>		
Salaries and other short term benefits	70,050	58,800
Employees' end of service benefits	21,199	11,029
	<u>91,249</u>	<u>69,829</u>
Board of directors' remuneration	(30,000)	(30,000)
Foreign currency exchange differences *	30,670	(58,874)
	<u>670</u>	<u>(88,874)</u>

\*The Group has recognized a gain of KD 30,670 (31 March 2018: loss of KD 58,874) in the interim condensed consolidated statement of income for the period ended 31 March 2019 on foreign exchange rate fluctuation in SAR relating to the amounts due from one of the Group's subsidiary of SAR 127,158,503 (31 March 2018: SAR 92,837,890).

### 8 ANNUAL GENERAL MEETING

The Directors of the Parent Company in the meeting held on 20 March 2019 proposed to distribute a cash dividend of 2 fils per share of KD 740,000 for the year ended 31 December 2018 (2017: 3 fils per share of KD 1,110,000).

In addition, the Board of Directors proposed directors' fees of KD 30,000 (2017: KD 30,000) for the year ended 31 December 2018.

### 9 CONTINGENT LIABILITIES

The Group has contingent liabilities representing a letter of guarantee amounting to KD Nil (31 December 2018: KD Nil and 31 March 2018: KD 3,593,407) and from which it is anticipated that no material liability will arise.

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

As at and for the period ended 31 March 2019

## 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.

	Three months ended 31 March 2019			Three months ended 31 March 2018		
	Real estate activities KD	Investment activities KD	Total KD	Real estate activities KD	Investment activities KD	Total KD
Segment revenue	1,018,090	-	1,018,090	1,032,210	-	1,032,210
Segment results	500,669	-	500,669	561,853	-	561,853
Net gain on sale of inventory properties	62,454	-	62,454	-	-	-
Share of result from an associate	-	(9,007)	(9,007)	-	(46,295)	(46,295)
Other income	-	-	6,111	-	-	5,212
Unallocated expenses – net	-	-	(284,198)	-	-	(313,422)
<b>Result – profit (loss)</b>	<b>563,123</b>	<b>(9,007)</b>	<b>276,029</b>	<b>561,853</b>	<b>(46,295)</b>	<b>207,348</b>

	31 March 2019			31 December 2018 (Audited)			31 March 2018		
	Real estate activities KD	Investment activities KD	Total KD	Real estate activities KD	Investment activities KD	Total KD	Real estate activities KD	Investment activities KD	Total KD
Total assets	65,142,307	6,317,894	71,489,370	65,332,578	6,278,732	71,638,037	65,190,591	6,146,883	71,365,007
Total liabilities	31,609,205	-	32,411,761	32,091,767	-	32,875,503	32,789,954	-	33,494,295