

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

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

30 JUNE 2023



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

Introduction

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

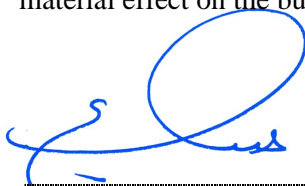
Conclusion

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 six-month period ended 30 June 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

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



ABDULKARIM ALSAMDAN

LICENSE NO. 208 A

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AL AIBAN, AL OSAIMI & PARTNERS

23 July 2023

Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(UNAUDITED)

For the period ended 30 June 2023

		<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 June</i>		<i>30 June</i>	
	<i>Notes</i>	2023	2022	2023	2022
		KD	KD	KD	KD
Rental income		1,030,504	992,915	2,068,379	1,992,200
Other services and operating income		3,606	5,385	11,152	15,806
Property operating expenses		(60,487)	(96,307)	(118,321)	(183,696)
Realised gain from sale of an investment properties	6	-	200,000	-	430,000
Net investment properties income		973,623	1,101,993	1,961,210	2,254,310
Sale of an inventory property		-	300,444	-	452,220
Cost of sales of inventory property		-	(156,620)	-	(251,905)
Net inventory properties income		-	143,824	-	200,315
Share of results of an associate	5	36,315	36,527	95,325	88,251
Net investment income		36,315	36,527	95,325	88,251
Total operating income		1,009,938	1,282,344	2,056,535	2,542,876
Administrative expenses		(241,570)	(247,700)	(492,394)	(504,688)
Foreign exchange gain		9,825	63,784	16,018	82,586
Other income		23,518	-	35,641	-
Net operating income		801,711	1,098,428	1,615,800	2,120,774
Finance costs		(418,546)	(274,949)	(813,231)	(522,815)
(Provision for) reversal of expected credit losses on accounts receivable		(36,468)	47,177	(24,357)	17,423
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		346,697	870,656	778,212	1,615,382
KFAS		(3,120)	(7,835)	(7,004)	(14,538)
NLST		(10,104)	(20,931)	(21,352)	(40,918)
Zakat		(4,042)	(8,372)	(8,541)	(16,367)
PROFIT FOR THE PERIOD		329,431	833,518	741,315	1,543,559
BASIC AND DILUTED EARNINGS PER SHARE	3	0.89 fils	2.25 fils	2.00 fils	4.17 fils

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 June 2023

		Three months ended 30 June		Six months ended 30 June	
		2023 KD	2022 KD	2023 KD	2022 KD
	Note				
PROFIT FOR THE PERIOD		329,431	833,518	741,315	1,543,559
Other comprehensive income:					
<i>Items that are (or) may be subsequently reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</i>					
Exchange differences arising on translation of foreign operations		10,435	62,614	15,643	84,654
Exchange differences arising on translation of foreign associate	5	11,688	74,665	17,527	101,253
Other comprehensive income for the period		22,123	137,279	33,170	185,907
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		351,554	970,797	774,485	1,729,466


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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

		30 June 2023 KD	(Audited) 31 December 2022 KD	30 June 2022 KD
	Notes			
ASSETS				
Cash and cash equivalents	4	5,300,998	5,785,411	5,843,537
Accounts receivable and prepayments		472,254	375,848	464,794
Inventory properties		282,621	282,621	282,621
Investment in an associate	5	7,231,452	7,118,600	8,186,782
Investment properties	6	61,563,892	61,527,033	60,297,198
Property and equipment		43,272	26,610	28,296
TOTAL ASSETS		74,894,489	75,116,123	75,103,228
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accruals		930,426	1,089,825	984,003
Islamic financing payables	7	32,134,905	31,543,150	32,246,915
Employees' end of service benefits		1,177,048	1,125,523	1,083,844
Total liabilities		34,242,379	33,758,498	34,314,762
Equity				
Share capital	8	37,000,000	37,000,000	37,000,000
Statutory reserve		813,310	813,310	586,276
General reserve		813,310	813,310	586,276
Share options reserve		142,253	142,253	142,253
Foreign currency translation reserve		405,804	372,634	392,686
Treasury shares reserve		18,132	18,132	18,132
Retained earnings		1,459,301	2,197,986	2,062,843
Total equity		40,652,110	41,357,625	40,788,466
TOTAL LIABILITIES AND EQUITY		74,894,489	75,116,123	75,103,228


 Tareq Fareed Al Othman
 Vice Chairman and Executive President

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2023

	<i>Share capital KD</i>	<i>Statutory Reserve KD</i>	<i>General reserve KD</i>	<i>Share options reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Treasury shares reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
As at 1 January 2023	37,000,000	813,310	813,310	142,253	372,634	18,132	2,197,986	41,357,625
Profit for the period	-	-	-	-	-	-	741,315	741,315
Other comprehensive income for the period	-	-	-	-	33,170	-	-	33,170
Total comprehensive income for the period	-	-	-	-	33,170	-	741,315	774,485
Dividends (Note 8)	-	-	-	-	-	-	(1,480,000)	(1,480,000)
As at 30 June 2023	37,000,000	813,310	813,310	142,253	405,804	18,132	1,459,301	40,652,110
As at 1 January 2022	37,000,000	586,276	586,276	142,253	206,779	18,132	1,629,284	40,169,000
Profit for the period	-	-	-	-	-	-	1,543,559	1,543,559
Other comprehensive income for the period	-	-	-	-	185,907	-	-	185,907
Total comprehensive income for the period	-	-	-	-	185,907	-	1,543,559	1,729,466
Dividends (Note 8)	-	-	-	-	-	-	(1,110,000)	(1,110,000)
As at 30 June 2022	37,000,000	586,276	586,276	142,253	392,686	18,132	2,062,843	40,788,466

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

Tijara & Real Estate Investment Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 June 2023

		<i>Six months ended</i>	
		<i>30 June</i>	
	<i>Notes</i>	2023	2022
		KD	KD
OPERATING ACTIVITIES			
Profit for the period before KFAS, NLST and Zakat		778,212	1,615,382
Adjustments to reconcile profit for the period before KFAS, NLST and Zakat to net cash flows:			
Profit from Wakala investment deposits		(34,859)	-
Provision for (Reversal of) expected credit losses on accounts receivable		24,357	(17,423)
Realized gain on sale of an inventory properties		-	(200,315)
Share of results of an associate	5	(95,325)	(88,251)
Realized gain from sale of an investment properties	6	-	(430,000)
Depreciation		7,146	4,926
Provision for employees' end of service benefits		57,522	59,844
Finance costs		813,231	522,815
Foreign exchange gain		(16,018)	(82,586)
		1,534,266	1,384,392
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(103,603)	(234,546)
Accounts payable and accruals		(220,408)	(200,098)
Cash flows from operations		1,210,255	949,748
Employees' end of service benefits paid		(5,997)	(21,087)
Net cash flows from operating activities		1,204,258	928,661
INVESTMENT ACTIVITIES			
Placement of Wakala investment deposits	4	(2,300,000)	-
Proceeds from sale an inventory property		-	452,220
Proceeds from capital redemption of investment in an associate	5	-	136,175
Proceeds from sale of an investment properties	6	-	4,450,000
Additions to investment properties		-	(3,030,000)
Wakala income received		17,698	-
Additions to property and equipment		(23,808)	(18,166)
Net cash flows (used in) from investing activities		(2,306,110)	1,990,229
FINANCING ACTIVITIES			
Proceeds from Islamic financing payables		1,900,000	-
Repayment of Islamic financing payables		(1,350,000)	(100,000)
Finance costs paid		(778,132)	(517,672)
Dividends paid		(1,456,242)	(1,096,503)
Net cash flows used in financing activities		(1,684,374)	(1,714,175)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(2,786,226)	1,204,715
Net foreign exchange differences		1,813	11,353
Cash and cash equivalents at 1 January		5,785,411	4,627,469
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	3,000,998	5,843,537
Non-cash items excluded from the statement of cash flows:			
Accounts receivable and prepayments		-	355,329
Additions to investment properties		-	(478,872)
Accounts payable and accruals		-	123,543

The attached notes 1 to 11 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 June 2023

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Tijara & Real Estate Investment Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") for the six months period ended 30 June 2023 were authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 23 July 2023.

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

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

The Parent Company is engaged in the following activities:

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

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

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*".

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

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

2.2 New standards, interpretations and amendments adopted by the Group

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

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

Definition of Accounting Estimates - Amendments to IAS 8

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

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

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

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

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

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

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

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

3 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

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

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2023	2022	2023	2022
Profit for the period (KD)	329,431	833,518	741,315	1,543,559
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)	0.89	2.25	2.00	4.17

* 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 June 2023

5 CASH AND CASH EQUIVALENTS

	30 June 2023 KD	31 December 2022 KD	30 June 2022 KD
Cash on hand	3,224	2,703	2,782
Bank balances	2997,774	5,782,708	5,840,755
Wakala investment deposits	2,300,000	-	-
Cash and cash equivalents as disclosed in interim condensed consolidated statement of financial position	5,300,998	5,785,411	5,843,537
Less: Wakala investment deposits with original maturity of more than 3 months	(2,300,000)	-	-
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flow	3,000,998	5,785,411	5,843,537

Wakala investment deposits are denominated in Kuwaiti Dinars, placed with a local financial institution, carry an average profit rate of 4.46% per annum.

5 INVESTMENT IN AN ASSOCIATE

The Group has the following investment in an associate:

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

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

	30 June 2023 KD	31 December 2022 (Audited) KD	30 June 2022 KD
At the beginning of the period / year	7,118,600	8,133,453	8,133,453
Share of results	95,325	(860,827)	88,251
Proceeds from capital redemption of investment in an associate	-	(244,625)	(136,175)
Foreign currency translation adjustment	17,527	90,599	101,253
At the end of the period / year	7,231,452	7,118,600	8,186,782

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

6 INVESTMENT PROPERTIES

	30 June 2023 KD	31 December 2022 (Audited) KD	30 June 2022 KD
At the beginning of the period / year	61,527,033	60,612,161	60,612,161
Additions	-	3,508,872	3,508,872
Disposal*	-	(4,020,000)	(4,020,000)
Change in fair value of investment properties	-	1,250,722	-
Net foreign exchange gain	36,859	175,278	196,165
At the end of the period / year	61,563,892	61,527,033	60,297,198

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

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

As at 30 June 2023, certain investment properties of KD 33,835,980 (31 December 2022: KD 33,835,980 and 30 June 2022: KD 32,005,000) are pledged as a security against Murabaha agreement of KD 24,450,000 (31 December 2022: KD 24,550,000 and 30 June 2022: KD 24,650,000) (Note 7).

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

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

7 ISLAMIC FINANCING PAYABLES

	Ijara KD	Tawarruq KD	Murabaha KD	Total KD
30 June 2023				
Gross amount	3,463,959	5,460,456	31,432,025	40,356,440
Less: deferred profit	(493,608)	(745,902)	(6,982,025)	(8,221,535)
	2,970,351	4,714,554	24,450,000	32,134,905
31 December 2022 (Audited)				
Gross amount	3,522,815	4,317,342	31,807,007	39,647,164
Less: deferred profit	(555,727)	(291,280)	(7,257,007)	(8,104,014)
	2,967,088	4,026,062	24,550,000	31,543,150
30 June 2022				
Gross amount	3,599,259	4,804,908	30,163,943	38,568,110
Less: deferred profit	(499,416)	(307,836)	(5,513,943)	(6,321,195)
	3,099,843	4,497,072	24,650,000	32,246,915

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 June 2023

7 ISLAMIC FINANCING PAYABLES (continued)

Islamic financing payables represent facilities obtained from Islamic financial institutions and carry an average profit rate of from 1.25% to 2.25% (31 December 2022: 1.5% to 3.25% and 30 June 2022: 1.5% to 3.25%) per annum over Central Bank of Kuwait discount rate. Islamic financing payables are mainly due within range of 1 to 8 years from the reporting date.

As at 30 June 2023, Ijara payable amounting to KD 2,940,862 (31 December 2022: KD 2,940,862 and 30 June 2022: KD 3,095,644) are secured by the investment properties amounting to KD 4,560,000 (31 December 2022: KD 4,560,000 and 30 June 2022: KD 4,450,000) (Note 6).

As at 30 June 2023, Murabaha payable amounting to KD 24,450,000 (31 December 2022: KD 24,550,000 and 30 June 2022: KD 24,650,000) are secured by the investment properties amounting to KD 33,835,980 (31 December 2022: KD 33,835,980 and 30 June 2022: KD 32,005,000) (Note 6).

8 SHARE CAPITAL

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

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

9 RELATED PARTY TRANSACTIONS

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

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

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
Foreign currency exchange differences	14,224	86,096	22,497	115,932

The Group has recognized a gain of KD 22,497 (30 June 2022: KD 115,932) 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 106,931,817 (30 June 2022: SAR 115,352,536).

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

Key management personnel:

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

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
Salaries and other short-term benefits	78,750	76,550	157,500	152,600
Employees' end of service benefits	15,350	26,378	36,962	41,200
	94,100	102,928	194,462	193,800

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 June 2023

10 SEGMENT INFORMATION

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

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

	Six months ended 30 June 2023				Six months ended 30 June 2022			
	Real estate activities KD	Investment activities KD	Others KD	Total KD	Real estate activities KD	Investment activities KD	Others KD	Total KD
Net investment properties income	1,961,210	-	-	1,961,210	2,254,310	-	-	2,254,310
Net inventory properties income	-	-	-	-	200,315	-	-	200,315
Net investment income	-	95,325	-	95,325	-	88,251	-	88,251
Administrative expenses	(492,394)	-	-	(492,394)	(504,688)	-	-	(504,688)
Foreign exchange gain	-	-	16,018	16,018	-	-	82,586	82,586
Other income	-	34,859	782	35,641	-	-	-	-
Finance costs	(813,231)	-	-	(813,231)	(522,815)	-	-	(522,815)
(Provision for) Reversal of expected credit losses on accounts receivable	(24,357)	-	-	(24,357)	17,423	-	-	17,423
KFAS, NLST and Zakat	-	-	(36,897)	(36,897)	-	-	(71,823)	(71,823)
Profit (loss) for the period	631,228	130,184	(20,097)	741,315	1,444,545	88,251	10,763	1,543,559

	30 June 2023				31 December 2022 (Audited)				30 June 2022			
	Real estate activities KD	Investment activities KD	Others KD	Total KD	Real estate activities KD	Investment activities KD	Others KD	Total KD	Real estate activities KD	Investment activities KD	Others KD	Total KD
Total assets	65,319,765	9,531,452	43,272	74,894,489	67,970,913	7,118,600	26,610	75,116,123	66,888,150	8,186,782	28,296	75,103,228
Total liabilities	33,065,331	-	1,177,048	34,242,379	32,632,975	-	1,125,523	33,758,498	33,230,918	-	1,083,844	34,314,762

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

11 FAIR VALUE MEASUREMENT

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

Fair value hierarchy

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

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

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

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

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