

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

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

30 JUNE 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 June 2024, 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 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 six-month period ended 30 June 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

17 July 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 June 2024

	<i>Notes</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2024 KD</i>	<i>2023 KD</i>	<i>2024 KD</i>	<i>2023 KD</i>
Rental income		1,164,764	1,030,504	2,329,572	2,068,379
Other services and operating income		396	3,606	12,983	11,152
Property operating expenses		(86,045)	(60,487)	(155,082)	(118,321)
Net investment properties income		1,079,115	973,623	2,187,473	1,961,210
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	42,650	36,315	118,420	95,325
Profit from Wakala investment deposits		3,104	23,518	22,986	34,859
Net investment income		45,754	59,833	141,406	130,184
Total operating income		1,124,869	1,033,456	2,597,824	2,091,394
Other income		-	-	1,290	782
Administrative expenses		(292,827)	(241,570)	(540,367)	(492,394)
Reversal (provision) for expected credit losses on accounts receivable		126,858	(36,468)	116,112	(24,357)
Foreign exchange (loss) gain		(20,245)	9,825	(2,908)	16,018
Net operating income		938,655	765,243	2,171,951	1,591,443
Finance costs		(465,823)	(418,546)	(938,154)	(813,231)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		472,832	346,697	1,233,797	778,212
KFAS		(4,255)	(3,120)	(11,104)	(7,004)
NLST		(9,787)	(10,104)	(29,714)	(21,352)
Zakat		(3,915)	(4,042)	(11,886)	(8,541)
PROFIT FOR THE PERIOD		454,875	329,431	1,181,093	741,315
BASIC AND DILUTED EARNINGS PER SHARE	3	1.23 Fils	0.89 Fils	3.19 Fils	2.00 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 June 2024

	<i>Note</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		2024	2023	2024	2023
		KD	KD	KD	KD
PROFIT FOR THE PERIOD		454,875	329,431	1,181,093	741,315
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		(17,252)	10,435	(3,096)	15,643
Exchange differences arising on translation of foreign associate	5	(16,973)	11,688	(2,472)	17,527
Other comprehensive income for the period		(34,225)	22,123	(5,568)	33,170
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		420,650	351,554	1,175,525	774,485

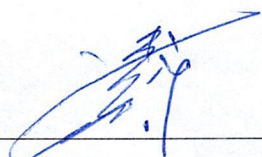
The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2024

		30 June 2024 KD	(Audited) 31 December 2023 KD	30 June 2023 KD
	Notes			
ASSETS				
Cash and cash equivalents	4	1,795,194	3,438,124	5,300,998
Accounts receivable and prepayments		818,640	497,999	472,254
Inventory properties		-	282,621	282,621
Investment in an associate	5	6,973,090	6,857,142	7,231,452
Investment properties	6	66,834,114	64,516,062	61,563,892
Property and equipment		29,213	35,992	43,272
TOTAL ASSETS		76,450,251	75,627,940	74,894,489
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accruals	7	1,062,042	1,100,421	930,426
Islamic financing payables	8	32,665,132	31,570,850	32,134,905
Employees' end of service benefits		1,296,729	1,225,846	1,177,048
Total liabilities		35,023,903	33,897,117	34,242,379
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		384,733	390,301	405,804
Treasury shares reserve		18,132	18,132	18,132
Retained earnings		2,060,064	2,358,971	1,459,301
Total equity		41,426,348	41,730,823	40,652,110
TOTAL LIABILITIES AND EQUITY		76,450,251	75,627,940	74,894,489


 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 June 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	-	-	-	-	-	-	1,181,093	1,181,093
Other comprehensive income for the period	-	-	-	-	(5,568)	-	-	(5,568)
Total comprehensive income for the period	-	-	-	-	(5,568)	-	1,181,093	1,175,525
Dividends (Note 9)	-	-	-	-	-	-	(1,480,000)	(1,480,000)
As at 30 June 2024	37,000,000	1,007,856	813,310	142,253	384,733	18,132	2,060,064	41,426,348
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 9)	-	-	-	-	-	-	(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

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 June 2024

		Six months ended 30 June	
	Notes	2024 KD	2023 KD
OPERATING ACTIVITIES			
Profit for the period before KFAS, NLST and Zakat		1,233,797	778,212
Adjustments to reconcile profit for the period before KFAS, NLST and Zakat to net cash flows:			
Profit from Wakala investment deposits		(22,986)	(34,859)
(Reversal) provision for expected credit losses on accounts receivable		(116,112)	24,357
Realised gain from sale of inventory properties		(268,945)	-
Share of results of an associate	5	(118,420)	(95,325)
Depreciation		7,852	7,146
Provision for employees' end of service benefits		70,883	57,522
Finance costs		938,154	813,231
Foreign exchange gain		2,908	(16,018)
		1,727,131	1,534,266
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(215,730)	(103,603)
Accounts payable and accruals		(19,978)	(112,841)
		1,491,423	1,317,822
Cash flows from operations			
Employees' end of service benefits paid		-	(5,997)
Taxes paid		(79,925)	(107,567)
		1,411,498	1,204,258
INVESTING ACTIVITIES			
Placement of Wakala investment deposits		1,300,000	(2,300,000)
Proceeds from sale an inventory property		551,566	-
Additions to investment properties	6	(2,323,000)	-
Wakala income received		33,720	17,698
Additions to property and equipment		(1,073)	(23,808)
		(438,787)	(2,306,110)
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Proceeds from Islamic financing payables		1,690,000	1,900,000
Repayment of Islamic financing payables		(618,295)	(1,350,000)
Finance costs paid		(915,577)	(778,132)
Dividends paid		(1,471,260)	(1,456,242)
		(1,315,132)	(1,684,374)
Net cash flows used in financing activities			
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange differences		(509)	1,813
Cash and cash equivalents at 1 January		2,138,124	5,785,411
		1,795,194	3,000,998
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4		

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
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 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 six months period ended 30 June 2024 were authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 17 July 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 six months ended 30 June 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 June 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>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Profit for the period (KD)	454,875	329,431	1,181,093	741,315
Weighted average number of shares outstanding (Shares)*	370,000,000	370,000,000	370,000,000	370,000,000
Basic and diluted earnings per share (fils)	1.23	0.89	3.19	2.00

* 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 2024

4 CASH AND CASH EQUIVALENTS

	30 June 2024 KD	31 December 2023 KD	30 June 2023 KD
Cash on hand	2,620	2,445	3,224
Bank balances	1,792,574	1,035,679	2,997,774
Wakala investment deposits	-	2,400,000	2,300,000
Cash and cash equivalents as disclosed in interim condensed consolidated statement of financial position	1,795,194	3,438,124	5,300,998
Less: Wakala investment deposits with original maturity of more than 3 months	-	(1,300,000)	(2,300,000)
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flow	1,795,194	2,138,124	3,000,998

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 June 2023: 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 2024	31 December (Audited) 2023	30 June 2023	
		%	%	%	
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 2024 KD	31 December 2023 (Audited) KD	30 June 2023 KD
At the beginning of the period / year	6,857,142	7,118,600	7,118,600
Share of results	118,420	(271,559)	95,325
Foreign currency translation adjustment	(2,472)	10,101	17,527
At the end of the period / year	6,973,090	6,857,142	7,231,452

The share of results from an associate for the period ended 30 June 2024 have been recorded based on the management accounts as at 30 June 2024.

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 2024

6 INVESTMENT PROPERTIES

	30 June 2024 KD	31 December 2023 (Audited) KD	30 June 2023 KD
At the beginning of the period / year	64,516,062	61,527,033	61,527,033
Additions	2,323,000	1,888,300	-
Change in fair value of investment properties	-	1,078,612	-
Net foreign exchange gain	(4,948)	22,117	36,859
At the end of the period / year	66,834,114	64,516,062	61,563,892

As at 30 June 2024, certain investment properties amounting to KD 7,063,000 (31 December 2023: KD 4,740,000 and 30 June 2023: KD 4,560,000) are held in the name of a third party under Ijara agreement amounting to KD 4,530,442 (31 December 2023: KD 2,816,612 and 30 June 2023: KD 2,970,351) (Note 8).

As at 30 June 2024, certain investment properties of KD 34,627,000 (31 December 2023: KD 34,627,000 and 30 June 2023: KD 33,835,980) are pledged as a security against Murabaha agreement of KD 23,762,500 (31 December 2023: KD 24,350,000 and 30 June 2023: KD 24,450,000) (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 12.

7 ACCOUNT PAYABLES AND ACCRUALS

	30 June 2024 KD	31 December 2023 (Audited) KD	30 June 2023 KD
Rent received in advance from tenants	235,718	143,983	234,640
Deposits from tenants	272,465	276,755	270,010
Accrued expenses	219,750	392,466	166,216
Accrued KFAS*	11,104	17,509	7,004
Other payables	323,005	269,708	252,556
At the end of the period / year	1,062,042	1,100,421	930,426

*The amount paid to KFAS during the period is KD 17,509 (31 December 2023: KD 20,433 and 30 June 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 June 2024

8 ISLAMIC FINANCING PAYABLES

	<i>Ijara KD</i>	<i>Tawarruq KD</i>	<i>Murabaha KD</i>	<i>Total KD</i>
30 June 2024				
Gross amount	5,594,330	5,435,432	29,740,753	40,770,515
Less: deferred profit	(1,063,888)	(1,063,242)	(5,978,253)	(8,105,383)
	<u>4,530,442</u>	<u>4,372,190</u>	<u>23,762,500</u>	<u>32,665,132</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 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)
	<u>2,970,351</u>	<u>4,714,554</u>	<u>24,450,000</u>	<u>32,134,905</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 June 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 8 years from the reporting date.

As at 30 June 2024, Ijara payable amounting to KD 4,530,442 (31 December 2023: KD 2,816,612 and 30 June 2023: KD 2,970,351) are secured by the investment properties amounting to KD 7,063,000 (31 December 2023: KD 4,740,000 and 30 June 2023: KD 4,560,000) (Note 6).

As at 30 June 2024, Murabaha payable amounting to KD 23,762,500 (31 December 2023: KD 24,350,000 and 30 June 2023: KD 24,450,000) are secured by the investment properties amounting to KD 34,627,000 (31 December 2023: KD 34,627,000 and 30 June 2023: KD 33,835,980) (Note 6).

9 SHARE CAPITAL

At 30 June 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 June 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 June 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.

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

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2024	2023	2024	2023
	KD	KD	KD	KD
Foreign currency exchange differences	(19,808)	14,224	(2,042)	22,497

The Group has recognized a loss of KD 2,042 (30 June 2023: gain of KD 22,497) 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 98,742,383 (30 June 2023: SAR 106,931,817).

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 30 June</i>		<i>Six months ended 30 June</i>	
	2024	2023	2024	2023
	KD	KD	KD	KD
Salaries and other short-term benefits	89,850	78,750	179,700	157,500
Employees' end of service benefits	17,004	15,350	33,447	36,962
	106,854	94,100	213,147	194,462

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 2024

11 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>Six months ended 30 June 2024</i>				<i>Six months ended 30 June 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	2,187,473	-	-	2,187,473	1,961,210	-	-	1,961,210
Net inventory properties income	268,945	-	-	268,945	-	-	-	-
Net investment income	-	141,406	-	141,406	-	130,184	-	130,184
Other income	-	-	1,290	1,290	-	-	782	782
Administrative expenses	(540,367)	-	-	(540,367)	(492,394)	-	-	(492,394)
Provision for expected credit losses	116,112	-	-	116,112	(24,357)	-	-	(24,357)
Foreign exchange (loss) gain	-	-	(2,908)	(2,908)	-	-	16,018	16,018
Finance costs	(938,154)	-	-	(938,154)	(813,231)	-	-	(813,231)
KFAS, NLST and Zakat	-	-	(52,704)	(52,704)	-	-	(36,897)	(36,897)
Profit for the period	1,094,009	141,406	(54,322)	1,181,093	631,228	130,184	(20,097)	741,315

	<i>30 June 2024</i>				<i>31 December 2023 (Audited)</i>				<i>30 June 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	69,447,948	6,973,090	29,213	76,450,251	67,434,806	8,157,142	35,992	75,627,940	65,319,765	9,531,452	43,272	74,894,489
Total liabilities	33,727,174	-	1,296,729	35,023,903	32,671,271	-	1,225,846	33,897,117	33,065,331	-	1,177,048	34,242,379

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

12 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 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.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over.

We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

The MENA practice of EY has been operating in the region since 1923. For more than 90 years, we have grown to more than 6,000 people united across 20 offices and 15 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

© 2017 EYGM Limited.

All Rights Reserved.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com/mena