

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

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

31 MARCH 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 31 March 2024 and the related interim condensed consolidated statement of profit or loss, 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-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 three-month period ended 31 March 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 three-month period ended 31 March 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

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AL AIBAN, AL OSAIMI & PARTNERS

29 April 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 31 March 2024

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		2024	2023
		KD	KD
Rental income		1,164,808	1,037,875
Other services and operating income		12,587	7,546
Property operating expenses		(69,037)	(57,834)
Net investment properties income		1,108,358	987,587
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	75,770	59,010
Profit from Wakala investment deposits		19,882	11,341
Net investment income		95,652	70,351
Total operating income		1,472,955	1,057,938
Other income		1,290	782
Administrative expenses		(247,540)	(250,824)
(Provision) reversal for expected credit losses on accounts receivable		(10,746)	12,111
Foreign exchange gain		17,337	6,193
Net operating income		1,233,296	826,200
Finance costs		(472,331)	(394,685)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		760,965	431,515
KFAS		(6,849)	(3,884)
NLST		(19,927)	(11,248)
Zakat		(7,971)	(4,499)
PROFIT FOR THE PERIOD		726,218	411,884
BASIC AND DILUTED EARNINGS PER SHARE	3	1.96 Fils	1.11 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 31 March 2024

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Note</i>	2024	2023
		KD	KD
PROFIT FOR THE PERIOD		726,218	411,884
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		14,156	5,208
Exchange differences arising on translation of foreign associate	5	14,501	5,839
Other comprehensive income for the period		28,657	11,047
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		754,875	422,931

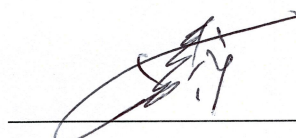
The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2024

		31 March 2024	<i>(Audited)</i> 31 December 2023	31 March 2023
	<i>Notes</i>	KD	KD	KD
ASSETS				
Cash and cash equivalents	4	3,009,027	3,438,124	4,484,187
Accounts receivable and prepayments		581,363	497,999	516,175
Inventory properties		-	282,621	282,621
Investment in an associate	5	6,947,413	6,857,142	7,183,449
Investment properties	6	66,870,763	64,516,062	61,539,382
Property and equipment		32,989	35,992	41,494
TOTAL ASSETS		77,441,555	75,627,940	74,047,308
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accruals	7	2,487,897	1,100,421	2,364,127
Islamic financing payables	8	32,696,742	31,570,850	30,226,602
Employees' end of service benefits		1,251,218	1,225,846	1,156,023
Total liabilities		36,435,857	33,897,117	33,746,752
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		418,958	390,301	383,681
Treasury shares reserve		18,132	18,132	18,132
Retained earnings		1,605,189	2,358,971	1,129,870
Total equity		41,005,698	41,730,823	40,300,556
TOTAL LIABILITIES AND EQUITY		77,441,555	75,627,940	74,047,308



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 31 March 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	-	-	-	-	-	-	726,218	726,218
Other comprehensive income for the period	-	-	-	-	28,657	-	-	28,657
Total comprehensive income for the period	-	-	-	-	28,657	-	726,218	754,875
Dividends (Note 9)	-	-	-	-	-	-	(1,480,000)	(1,480,000)
As at 31 March 2024	37,000,000	1,007,856	813,310	142,253	418,958	18,132	1,605,189	41,005,698
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	-	-	-	-	-	-	411,884	411,884
Other comprehensive income for the period	-	-	-	-	11,047	-	-	11,047
Total comprehensive income for the period	-	-	-	-	11,047	-	411,884	422,931
Dividends (Note 9)	-	-	-	-	-	-	(1,480,000)	(1,480,000)
As at 31 March 2023	37,000,000	813,310	813,310	142,253	383,681	18,132	1,129,870	40,300,556

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 31 March 2024

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	2024	2023
		KD	KD
OPERATING ACTIVITIES			
Profit for the period before KFAS, NLST and Zakat		760,965	431,515
Adjustments to reconcile profit for the period before KFAS, NLST and Zakat to net cash flows:			
Profit from Wakala investment deposits		(19,882)	(11,341)
Provision (Reversed) for expected credit losses on accounts receivable		10,746	(12,111)
Realised gain from sale of inventory properties		(268,945)	-
Share of results of an associate	5	(75,770)	(59,010)
Depreciation		3,902	3,384
Provision for employees' end of service benefits		25,372	30,500
Finance costs		472,331	394,685
Foreign exchange gain		(17,337)	(6,193)
		891,382	771,429
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(86,026)	(116,831)
Accounts payable and accruals		(100,622)	(204,004)
Cash flows from operations		704,734	450,594
Taxes paid		(17,509)	(20,433)
Net cash flows from operating activities		687,225	430,161
INVESTING ACTIVITIES			
Placement of Wakala investment deposits	4	-	(1,000,000)
Proceeds from sale an inventory property		551,566	-
Additions to investment properties	6	(2,323,000)	-
Wakala income received		11,835	-
Additions to property and equipment		(899)	(18,268)
Net cash flows used in investing activities		(1,760,498)	(1,018,268)
FINANCING ACTIVITIES			
Proceeds from Islamic financing payables		1,690,000	-
Repayment of Islamic financing payables		(587,500)	(1,350,000)
Finance costs paid		(448,940)	(363,395)
Dividends paid		(9,497)	(970)
Net cash flows from (used in) financing activities		644,063	(1,714,365)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(429,210)	(2,302,472)
Net foreign exchange differences		113	1,248
Cash and cash equivalents at 1 January		2,138,124	5,785,411
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	1,709,027	3,484,187

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 31 March 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 three months period ended 31 March 2024 were authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 29 April 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 three months ended 31 March 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 31 March 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>31 March</i>	
	2024	2023
Profit for the period (KD)	726,218	411,884
Weighted average number of shares outstanding (Shares)*	370,000,000	370,000,000
Basic and diluted earnings per share (fils)	1.96	1.11

* 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 31 March 2024

4 CASH AND CASH EQUIVALENTS

	31 March 2024 KD	31 December 2023 KD	31 March 2023 KD
Cash on hand	4,232	2,445	3,405
Bank balances	1,204,795	1,035,679	1,080,782
Wakala investment deposits	1,800,000	2,400,000	3,400,000
Cash and cash equivalents as disclosed in interim condensed consolidated statement of financial position	3,009,027	3,438,124	4,484,187
Less: Wakala investment deposits with original maturity of more than 3 months	(1,300,000)	(1,300,000)	(1,000,000)
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flow	1,709,027	2,138,124	3,484,187

Wakala investment deposits are denominated in Kuwaiti Dinars, placed with a local financial institution, carry an average profit rate of 4.33% (31 December 2023: KD 4.35% and 31 March 2023: KD 4.39%) 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
		31 March 2024	31 December (Audited) 2023	31 March 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:

	31 March 2024 KD	31 December 2023 (Audited) KD	31 March 2023 KD
At the beginning of the period / year	6,857,142	7,118,600	7,118,600
Share of results	75,770	(271,559)	59,010
Foreign currency translation adjustment	14,501	10,101	5,839
At the end of the period / year	6,947,413	6,857,142	7,183,449

The share of results from an associate for the period ended 31 March 2024 have been recorded based on the management accounts as at 31 March 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

6 INVESTMENT PROPERTIES

	31 March 2024 KD	31 December 2023 (Audited) KD	31 March 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	31,701	22,117	12,349
At the end of the period / year	66,870,763	64,516,062	61,539,382

As at 31 March 2024, certain investment properties amounting to KD 7,063,000 (31 December 2023: KD 4,740,000 and 31 March 2023: KD 4,560,000) are held in the name of a third party under Ijara agreement amounting to KD 4,530,445 (31 December 2023: KD 2,816,612 and 31 March 2023: KD 2,971,580) (Note 8).

As at 31 March 2024, certain investment properties of KD 34,627,000 (31 December 2023: KD 34,627,000 and 31 March 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 31 March 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

	31 March 2024 KD	31 December 2023 (Audited) KD	31 March 2023 KD
Rent received in advance from tenants	80,609	143,983	51,117
Deposits from tenants	272,910	276,755	267,000
Accrued expenses	385,782	392,466	321,569
Accrued KFAS*	6,849	17,509	3,884
Other payables	1,741,747	269,708	1,720,557
At the end of the period / year	2,487,897	1,100,421	2,364,127

*The amount paid to KFAS during the period is KD 17,509 (31 December 2023: KD 14,346 and 31 March 2023: KD 14,346).

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 2024

8 ISLAMIC FINANCING PAYABLES

	<i>Ijara KD</i>	<i>Tawarruq KD</i>	<i>Murabaha KD</i>	<i>Total KD</i>
31 March 2024				
Gross amount	5,664,080	5,521,770	30,066,592	41,252,442
Less: deferred profit	(1,133,635)	(1,117,973)	(6,304,092)	(8,555,700)
	<u>4,530,445</u>	<u>4,403,797</u>	<u>23,762,500</u>	<u>32,696,742</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>
31 March 2023				
Gross amount	3,531,580	3,048,257	31,752,052	38,331,889
Less: deferred profit	(560,000)	(243,235)	(7,302,052)	(8,105,287)
	<u>2,971,580</u>	<u>2,805,022</u>	<u>24,450,000</u>	<u>30,226,602</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 31 March 2023: 1.25% to 2.5%) 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 31 March 2024, Ijara payable amounting to KD 4,530,445 (31 December 2023: KD 2,816,612 and 31 March 2023: KD 2,971,580) are secured by the investment properties amounting to KD 7,063,000 (31 December 2023: KD 4,740,000 and 31 March 2023: KD 4,560,000) (Note 6).

As at 31 March 2024, Murabaha payable amounting to KD 23,762,500 (31 December 2023: KD 24,350,000 and 31 March 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 31 March 2023: KD 33,835,980) (Note 6).

9 SHARE CAPITAL

At 31 March 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 31 March 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).

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 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</i> <i>31 March</i>	
	2024	2023
	KD	KD
Foreign currency exchange differences	17,766	8,273

The Group has recognized a gain of KD 17,766 (31 March 2023: KD 8,273) 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 100,533,090 (31 March 2023: SAR 107,046,969).

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>31 March</i>	
	2024	2023
	KD	KD
Salaries and other short-term benefits	89,850	78,750
Employees' end of service benefits	16,443	21,612
	106,293	100,362

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 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>Three months ended 31 March 2024</i>				<i>Three months ended 31 March 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	1,108,358	-	-	1,108,358	987,587	-	-	987,587
Net inventory properties income	268,945	-	-	268,945	-	-	-	-
Net investment income	-	95,652	-	95,652	-	70,351	-	70,351
Other income	-	-	1,290	1,290	-	-	782	782
Administrative expenses	(247,540)	-	-	(247,540)	(250,824)	-	-	(250,824)
Provision for expected credit losses	(10,746)	-	-	(10,746)	12,111	-	-	12,111
Foreign exchange gain	-	-	17,337	17,337	-	-	6,193	6,193
Finance costs	(472,331)	-	-	(472,331)	(394,685)	-	-	(394,685)
KFAS, NLST and Zakat	-	-	(34,747)	(34,747)	-	-	(19,631)	(19,631)
Profit for the period	646,686	95,652	(16,120)	726,218	354,189	70,351	(12,656)	411,884

	<i>31 March 2024</i>				<i>31 December 2023 (Audited)</i>				<i>31 March 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	69,161,153	8,247,413	32,989	77,441,555	67,434,806	8,157,142	35,992	75,627,940	65,822,365	8,183,449	41,494	74,047,308
Total liabilities	35,184,639	-	1,251,218	36,435,857	32,671,271	-	1,225,846	33,897,117	32,590,729	-	1,156,023	33,746,752

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 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 31 March 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.

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