

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

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

31 MARCH 2020



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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tijara & Real Estate Investment Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2020 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 months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance, with IAS 34.

Report on 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 months period ended 31 March 2020 that might have had a material effect on the business of the Parent Company or on its financial position.

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

13 August 2020
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 2020

	Notes	Three months ended 31 March	
		2020 KD	2019 KD
Rental income		1,034,529	1,011,114
Other services and operating income		7,902	6,976
Property operating expenses		(51,884)	(73,114)
Net profit on investment properties		990,547	944,976
Sale of inventory properties		-	181,379
Cost of sales		-	(118,925)
Net gain on sale of inventory properties		-	62,454
Share of results of an associate	4	26,355	(9,007)
Net investment profit (loss)		26,355	(9,007)
Administrative expenses		(220,345)	(262,418)
Foreign exchange gain		129,488	23,112
Other income		14	6,111
Operating profit		926,059	765,228
Finance costs		(379,305)	(444,307)
Reversal of expected credit losses on accounts receivable		3,524	-
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST), ZAKAT AND BOARD OF DIRECTORS' REMUNERATION		550,278	320,921
KFAS		(4,953)	(2,888)
NLST		(14,269)	(8,574)
Zakat		(5,707)	(3,430)
Board of directors' remuneration	8	(30,000)	(30,000)
PROFIT FOR THE PERIOD		495,349	276,029
BASIC AND DILUTED EARNINGS PER SHARE	3	1.34 Fils	0.75 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 31 March 2020

		<i>Three months ended</i>	
		<i>31 March</i>	
		2020	2019
<i>Note</i>		KD	KD
	PROFIT FOR THE PERIOD	495,349	276,029
	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	128,745	20,468
4	Exchange differences arising on translation of foreign associate	149,557	18,578
	Other comprehensive income for the period	278,302	39,046
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	773,651	315,075


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 31 March 2020

		<i>(Audited)</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Notes</i>			
ASSETS			
Bank balances and cash	3,306,352	3,142,357	824,610
Accounts receivable and prepayments	1,679,003	1,353,732	1,951,378
Inventory properties	608,732	608,732	2,137,062
Investment in an associate	4 8,364,559	8,310,925	6,317,894
Investment properties	5 60,690,142	60,396,066	60,229,257
Property and equipment	21,088	23,474	29,169
TOTAL ASSETS	74,669,876	73,835,286	71,489,370
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable and accruals	794,492	820,149	746,021
Islamic financing payables	6 32,802,673	32,740,068	30,863,184
Employees' end of service benefits	896,442	872,451	802,556
Total liabilities	34,493,607	34,432,668	32,411,761
Equity			
Share capital	37,000,000	37,000,000	37,000,000
Statutory reserve	413,180	413,180	260,718
General reserve	413,180	413,180	260,718
Share options reserve	142,253	142,253	142,253
Foreign currency translation reserve	512,110	233,808	299,303
Treasury shares reserve	18,132	18,132	18,132
Retained earnings	1,677,414	1,182,065	1,096,485
Total equity	40,176,269	39,402,618	39,077,609
TOTAL LIABILITIES AND EQUITY	74,669,876	73,835,286	71,489,370


 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 31 March 2020

	<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 2020	37,000,000	413,180	413,180	142,253	233,808	18,132	1,182,065	39,402,618
Profit for the period	-	-	-	-	-	-	495,349	495,349
Other comprehensive income for the period	-	-	-	-	278,302	-	-	278,302
Total comprehensive income for the period	-	-	-	-	278,302	-	495,349	773,651
As at 31 March 2020	37,000,000	413,180	413,180	142,253	512,110	18,132	1,677,414	40,176,269
As at 1 January 2019	37,000,000	260,718	260,718	142,253	260,257	18,132	820,456	38,762,534
Profit for the period	-	-	-	-	-	-	276,029	276,029
Other comprehensive income for the period	-	-	-	-	39,046	-	-	39,046
Total comprehensive income for the period	-	-	-	-	39,046	-	276,029	315,075
As at 31 March 2019	37,000,000	260,718	260,718	142,253	299,303	18,132	1,096,485	39,077,609

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 31 March 2020

	<i>Three months ended</i>	
	<i>31 March</i>	
Notes	2020	2019
	KD	KD
OPERATING ACTIVITIES		
Profit for the period before KFAS, NLST, Zakat and board of directors' remuneration	550,278	320,921
Adjustments to reconcile profit for the period before KFAS, NLST, Zakat and board of directors' remuneration to net cash flows:		
Depreciation	2,926	2,618
Provision for employees' end of service benefits	23,991	32,408
Realised gain on sale of investment property	-	(62,454)
Share of results of an associate	4 (26,355)	9,007
Reversal of expected credit losses on accounts receivable	(3,524)	-
Finance costs	379,305	444,307
Foreign exchange gain	(129,488)	(23,112)
	797,133	723,695
Changes in operating assets and liabilities:		
Accounts receivable and prepayments	(309,767)	(97,231)
Accounts payable and accruals	(43,493)	(93,807)
Cash flows from operations	443,873	532,657
Employees' end of service benefits paid	-	(13,588)
Board of directors' remuneration paid	(30,000)	-
Net cash flows from operating activities	413,873	519,069
INVESTMENT ACTIVITIES		
Additions to property and equipment	(540)	(5,060)
Additions to investment in an associate	4 -	(29,591)
Proceeds from capital redemption of investment in an associate	4 122,278	-
Net cash flows from (used in) investing activities	121,738	(34,651)
FINANCING ACTIVITIES		
Proceeds from Islamic financing payables	-	15,331,000
Repayment of Islamic financing payables	(50,000)	(15,343,458)
Finance costs paid	(323,853)	(868,719)
Dividends paid	(9,107)	(7,226)
Net cash flows used in financing activities	(382,960)	(888,403)
NET INCREASE (DECREASE) IN BANK BALANCES AND CASH	152,651	(403,985)
Net foreign exchange differences	11,344	(657)
Bank balances and cash at 1 January	3,142,357	1,229,252
BANK BALANCES AND CASH AT THE END OF THE PERIOD	3,306,352	824,610

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 31 March 2020

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 2020 were authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 13 August 2020.

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.

The consolidated financial statements of the Group for the year ended 31 December 2019 were approved by the shareholders of the Parent Company in the annual general assembly meeting held on 25 June 2020.

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

2.1 Basis of preparation

The interim condensed consolidated financial information for the three months ended 31 March 2020 has been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*”.

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

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation 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 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2020, but do not have a material impact on the interim condensed consolidated financial information of the Group.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim condensed consolidated financial information of the Group, but may impact future periods should the Group enter into any business combinations.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2020

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)*****Amendments to IAS 1 and IAS 8: Definition of Material***

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial information, nor is there expected to be any future impact to the Group.

These amendments had no impact on the interim condensed consolidated financial information of the Group.

3 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

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

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2020</i>	<i>2019</i>
Profit for the period (KD)	495,349	276,029
Weighted average number of shares outstanding (shares)*	370,000,000	370,000,000
Basic and diluted EPS (fils)	1.34	0.75

* The weighted average of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the authorisation of this interim condensed consolidated financial information.

4 INVESTMENT IN AN ASSOCIATE

The Group has the following investment in an associate:

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Equity interest as at</i>			<i>Principal activities</i>
		<i>(Audited)</i>			
		<i>31 March 2020</i>	<i>31 December 2019</i>	<i>31 March 2019</i>	
		<i>%</i>	<i>%</i>	<i>%</i>	
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

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 2020

4 INVESTMENT IN AN ASSOCIATE (continued)

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

	31 March 2020 KD	<i>(Audited)</i> 31 December 2019 KD	31 March 2019 KD
At the beginning of the period / year	8,310,925	6,278,732	6,278,732
Additions to investment in an associate	-	2,026,186	29,591
Share of results	26,355	25,478	(9,007)
Proceeds from capital redemption of investment in an associate	(122,278)	-	-
Foreign currency translation adjustment	149,557	(19,471)	18,578
	8,364,559	8,310,925	6,317,894

The share of results from an associate for the period ended 31 March 2020 have been recorded based on the management accounts as at 31 March 2020.

5 INVESTMENT PROPERTIES

	31 March 2020 KD	<i>(Audited)</i> 31 December 2019 KD	31 March 2019 KD
At the beginning of the period / year	60,396,066	60,179,738	60,179,738
Additions	-	50,000	-
Disposal	-	(550,000)	-
Change in fair value of investment properties	-	730,152	-
Net foreign exchange gain	294,076	(13,824)	49,519
	60,690,142	60,396,066	60,229,257

As at 31 March 2020, certain investment properties amounting to KD 4,160,000 (31 December 2019: KD 4,160,000 and 31 March 2019: KD 24,661,662) are held in the name of a third party under Ijara agreement (Note 6).

As at 31 March 2020, certain investment properties amounting to KD 31,850,000 (31 December 2019: KD 31,850,000 and 31 March 2019: KD 18,713,000) are pledged as a security against Murabaha agreement amounting to KD 24,950,000 (31 December 2019: KD 25,000,000 and 31 March 2019: KD 22,415,700) (Note 6).

The valuations of the local investment properties were performed at 31 December 2019 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.

For the reasons described in Note 11, Management believes that there is no significant change in the fair value of investment properties since the latest valuation performed as at 31 December 2019.

Fair value hierarchy disclosures for investment properties are provided in Note 10.

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 2020

6 ISLAMIC FINANCING PAYABLES

31 March 2020	<i>Ijara</i> KD	<i>Tawarruq</i> KD	<i>Murabaha</i> KD	<i>Total</i> KD
Gross amount	3,769,228	4,943,734	30,633,575	39,346,537
Less: deferred profit	(671,357)	(178,514)	(5,693,993)	(6,543,864)
	<u>3,097,871</u>	<u>4,765,220</u>	<u>24,939,582</u>	<u>32,802,673</u>
31 December 2019 (Audited)	<i>Ijara</i> KD	<i>Tawarruq</i> KD	<i>Murabaha</i> KD	<i>Total</i> KD
Gross amount	4,045,035	4,988,808	33,272,492	42,306,335
Less: deferred profit	(946,423)	(304,039)	(8,315,805)	(9,566,267)
	<u>3,098,612</u>	<u>4,684,769</u>	<u>24,956,687</u>	<u>32,740,068</u>
31 March 2019	<i>Ijara</i> KD	<i>Tawarruq</i> KD	<i>Murabaha</i> KD	<i>Total</i> KD
Gross amount	4,817,632	5,507,480	29,385,931	39,711,043
Less: deferred profit	(1,257,919)	(531,029)	(7,058,911)	(8,847,859)
	<u>3,559,713</u>	<u>4,976,451</u>	<u>22,327,020</u>	<u>30,863,184</u>

Islamic financing payables represent facilities obtained from Islamic financial institutions and carry an average profit rate of 1.5% to 3.25% (31 December 2019: 1.5% to 3.25 % and 31 March 2019: 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 9 years from the reporting date.

As at 31 March 2020, Ijara payable amounting to KD 3,095,644 (31 December 2019: KD 3,095,644 and 31 March 2019: KD 3,550,000) are secured by the certain investment properties amounting to KD 4,160,000 (31 December 2019: KD 4,160,000 and 31 March 2019: KD 24,661,662) (Note 5).

As at 31 March 2020, Murabaha payable of KD 24,950,000 (31 December 2019: KD 25,000,000 and 31 March 2019: KD 22,415,700) are secured by certain investment properties amounting to KD 31,850,000 (31 December 2019: KD 31,850,000 and 31 March 2019: KD 18,713,000) (Note 5).

7 RELATED PARTY TRANSACTIONS

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

Transactions 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>	
	2020	2019
	KD	KD
Foreign currency exchange differences	<u>177,052</u>	<u>30,670</u>

The Group has recognized a gain of KD 177,052 (31 March 2019: gain of KD 30,670) 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 subsidiary of SAR 121,149,685 (31 March 2019: SAR 127,158,503).

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 2020

7 RELATED PARTY TRANSACTIONS (continued)

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>	
	<i>2020</i>	<i>2019</i>
	<i>KD</i>	<i>KD</i>
Salaries and other short term benefits	76,050	70,050
Employees' end of service benefits	14,986	21,199
	91,036	91,249

The Directors of the Parent Company in the meeting held on 12 Feb 2020 proposed remuneration amounting to KD 30,000 for the year ended 31 December 2019 (31 December 2018: KD 30,000), paid subsequently.

8 ANNUAL GENERAL MEETING

The Annual General Assembly of the shareholders of the Parent Company held on 25 Jun 2020 approved the consolidated financial statements for the year ended 31 December 2019 and the distribution of cash dividends of 2 fils (2018: 2 fils) per share of KD 740,000 (2018: KD 740,000) for shareholders registered on that date.

In addition, the Annual General Assembly of the shareholders of the Parent Company approved the directors' remuneration of KD 30,000 for the year ended 31 December 2019 (2018: KD 30,000).

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 2020

9 SEGMENT INFORMATION

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

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

	<i>Three months ended 31 March 2020</i>				<i>Three months ended 31 March 2019</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 profit on investment properties	990,547	-	-	990,547	944,976	-	-	944,976
Net gain on sale of inventory properties	-	-	-	-	62,454	-	-	62,454
Share of result from an associate	-	26,355	-	26,355	-	(9,007)	-	(9,007)
Administrative expenses	(220,345)	-	-	(220,345)	(262,418)	-	-	(262,418)
Other income	-	-	14	14	-	-	6,111	6,111
Foreign exchange gain	-	-	129,488	129,488	-	-	23,112	23,112
Finance costs	(379,305)	-	-	(379,305)	(444,307)	-	-	(444,307)
Reversal of expected credit losses on accounts receivable	3,524	-	-	3,524	-	-	-	-
Unallocated expenses	-	-	(54,929)	(54,929)	-	-	(44,892)	(44,892)
Net results	394,421	26,355	74,573	495,349	300,705	(9,007)	(15,669)	276,029

	<i>31 March 2020</i>				<i>31 December 2019 (Audited)</i>				<i>31 March 2019</i>			
	<i>Real estate activities KD</i>	<i>Investment activities KD</i>	<i>Others KD</i>	<i>Total KD</i>	<i>Real estate activities KD</i>	<i>Investment activities KD</i>	<i>Others KD</i>	<i>Total KD</i>	<i>Real estate activities KD</i>	<i>Investment activities KD</i>	<i>Others KD</i>	<i>Total KD</i>
Total assets	66,284,229	8,364,559	21,088	74,669,876	65,500,887	8,310,925	23,474	73,835,286	65,142,307	6,317,894	29,169	71,489,370
Total liabilities	33,597,165	-	896,442	34,493,607	33,560,217	-	872,451	34,432,668	31,609,205	-	802,556	32,411,761

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

10 FAIR VALUE MEASUREMENT

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

Fair value hierarchy

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

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

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

During the period ended 31 March 2020, there were no transfers into and out of level 3 fair value measurements. The reconciliation of the opening and closing amount of Level 3 are presented in note 5.

11 IMPACT OF COVID-19

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by the State of Kuwait and the Kingdom of Saudi Arabia to contain the virus have affected economic activity and the Group's business in various significant ways. This note describes the impact of the outbreak on the Group's operations and the significant estimates and judgements applied by management in assessing the values of assets and liabilities as at 31 March 2020.

Investment properties

The economic impact of COVID-19 has impacted the rental income earned during the period. The relevant authorities ordered the closure of commercial, certain industrial and other properties, including the Group's properties for a certain period of time. As at the date of the issuance of this interim condensed consolidated financial information, restrictive measures to contain the spread of the COVID-19 have been progressively eased leading to the gradual reopening of the Group's properties. While the near term cash flows and rental income were immediately impacted by the pandemic due to the short term rent concessions granted on case by case basis, Management is of the believe based on an internal assessment that the fair values determined by the external independent valuers at 31 December 2019 still represents the most reliable valuations for the purpose of preparing the interim condensed consolidated financial information for 31 March 2020 in the context of uncertainties associated with the lack of market transactions since the outbreak of the COVID-19, the limitation of availability of reliable market data relating to conditions as at 31 March 2020, the difficulties to estimate future market prospects after the gradual reopening, and the current stability in the rent and occupancy rates. Due to limited available market data, a high degree of judgment has been applied in the internal assessment of the fair value of investment properties. Consequently, a higher level of uncertainty exists in the valuations than would normally be the case.

The Group's exposure to tenant credit risk is influenced mainly by the individual characteristics of each tenant. Tenant credit risk is managed by requiring tenants to pay rent advances leading to substantially minimizing the Group's credit risk in this respect.

Depending on the duration of the COVID-19 crisis and any further restrictive measures by the relevant authorities, the Group may conduct another internal assessment or obtain independent fair value assessment of its investment properties on regular basis.

Investment in associate

As at the reporting date, the Group is not aware of any impairment indicators to the carrying value of its investment in associate based on the current available observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.