

**Jordanian Real Estate Company
for Development
Public shareholding company
Amman - The Hashemite Kingdom of Jordan**

**Consolidated financial statements
as of December 31, 2023**

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Independent Auditors' Report
To general assembly
The Jordanian Real Estate Company for Development
Public Shareholder Company
Report on the Audit of the consolidated Financial Statements

Auditing scope

We have audited the accompanying Consolidated financial statements of **The company** which comprise:

- the consolidated statement of financial position as at 31 December 2023.
- Statement of consolidated comprehensive income at the end of that date.
- statement of consolidated changes in owners' equity at the end of that date.
- statement of consolidated cash flows for the year ended of that date.
- notes, comprising significant accounting policies and other explanatory information.

the opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report.

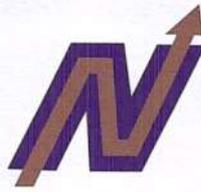
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

the independency

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matters

It is also stated in Note No. (9) about the attached consolidated financial statements, that some lands at a cost of 3,103,717 dinars as on December 31, 2023 are not registered in the name of the company, but are registered in the name of the previous owners of those.



Continued - Independent auditors' Report of the Jordan Real Estate Development Company for the year ended on December 31, 2023

properties. The company's ownership of real estate is proven through contracts, mortgage bonds and non-isolable agencies signed with these parties.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

• **Lands and available for sale**

The company owns lands available for sale with amount of JD 15,194,765 as at December 31, 2023(note 9).

In accordance with the requirements of IFRS, the company should recognize the cost or net realizable value of these lands available for sale whichever is lower and measure any lowering in its value (if any). Such matter requires a significant judgment and estimates from the management to determine the net realizable value, as the company exercise the judgment and estimates over the observable inputs used to determine the fair value/lowering including the valuation from real estate valutors and the discount of future cash flow.

Accordingly, the determination of net realizable value of these assets by management is considered a key audit matter.

The audit procedures included the:

Our audit procedures include the assessment of the Company's internal controls to determine the fair value of lands available for sale and compare the fair value to the carrying amount for the purpose of identify lowering (if any), in addition to the assessment of the estimates used by management to determine the net realizable value over lands and available for sale including the fair value estimate from reliable real estate valutors.

We have compared these estimates with the requirements of IFRS and discussed with management based on the available information.

Furthermore, our audit procedures included the assessment of the mythology used, the acceptability of the measurement models and the observable inputs to determine the net realizable value of the valuations provided by the real estate's valutors and others, also we assessed the sufficiency of disclosure made by management over the lands and apartments ready for sale.



Continued - Independent auditors' Report of the Jordan Real Estate Development Company for the year ended on December 31, 2022

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. We expected that we will give the annual report after our report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when its available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

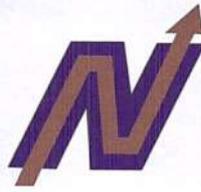
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Continued - Independent auditors' Report of the Jordan Real Estate Development Company for the year ended on December 31, 2022

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Continued - Independent auditors' Report of the Jordan Real Estate Development Company for the year ended on December 31, 2022

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting books of accounts and the accompanying consolidated Financial Statements agree with the consolidated Financial Statements incorporated, and we recommend the General Assembly to approve the Accompanying consolidated Financial Statements.

For Obeidat & alsalih

Nabil M. Obeidat
License No. 877



Amman in
January 22, 2024

**Jordanian Real Estate Company
for Development**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated financial position
as of December 31, 2023

<u>Assets</u>	Note	2023 JD	2022 JD
<u>Current assets</u>			
Cash and cash equivalents	6	5,465,369	7,731,045
Accounts receivable & cheques under collection - net	7	332,425	807,360
Due from related parties	24 A	210,001	216,988
Available for sale apartments - net	8	-	672,158
Good for trust		1,519,678	-
Available for sale lands - net	9	15,194,765	15,630,067
Other debit balances	10	277,931	276,848
Total current assets		23,000,169	25,334,466
<u>Non - current assets</u>			
Financial assets at fair value through comprehensive income	11	9,262,595	6,948,953
Investments in associate	12	9,332	10,321
Projects under construction	13	5,490	54,235
Real-estate investments - net	14	4,536,941	4,578,482
Property , plants & equipments - net	15	86,304	121,608
Total non - current assets		13,900,662	11,713,599
Total assets		36,900,831	37,048,065
<u>Liabilities & owners' equity</u>			
<u>Current liabilities</u>			
Accounts payable		82,572	110,684
Due to related parties	24 B	313,711	29,525
Income tax provision	16	-	19,978
Other credit balances	17	1,293,147	1,443,684
Total current liabilities		1,689,430	1,603,871
<u>Owners' equity</u>			
Paid up apital	18	34,500,000	34,500,000
Issuance premium	18	36,479	36,479
Statutory reserve	18	2,220,625	2,181,177
Fair value reserve	18	(2,363,505)	(1,846,527)
Retained earnings	18	817,802	573,065
Net owners' equity		35,211,401	35,444,194
Total liabilities & owners' equity		36,900,831	37,048,065

The accompanying notes form from (1) to (31) is an integral part of these statements

**Jordanian Real Estate Company
for Development
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated comprehensive income
for the year ended December 31, 2023**

	Note	2023 JD	2022 JD
<u>Revenues</u>			
Net profit from selling lands	19	105,461	232,985
Bank deposits revenues	20	359,423	304,154
Dividends income		217,401	94,467
Rent revenues		378,784	336,841
Other income	21	192,825	43,763
Total revenues		1,253,894	1,012,210
<u>Expenses</u>			
General & administrative expenses	22	(628,735)	(595,471)
Lands sales, purchases and estimate commissions		(12,664)	(24,455)
Projects expenses		(8,164)	(5,679)
Losses on termination of contracts and other expenses		(11,961)	-
Loss from apartment selling		(172,158)	-
Impairment debts	7	-	(70,000)
Available for sale apartments lowering loss	8	-	(243,600)
Available for sale lands lowering loss	9	-	(448,747)
Company's share of associate (losses)	12	(989)	(1,302)
Contingent liabilities		-	(320,000)
Total expenses		(834,671)	(1,709,254)
profit(Loss) for the year before tax		419,223	(697,044)
Income tax	16	(25,203)	(34,820)
Returned from the national contribution of previous years	16	-	475
profit(Loss) for the year		394,020	(731,389)
<u>Add: other comprehensive income items</u>			
Net changes in fair value for financial assets through comprehensive income statement		(516,978)	(102,890)
Profit (loss) from selling financial assets through comprehensive income		(109,835)	16,656
Total comprehensive (loss) income for the year		(232,793)	(817,623)
		Fils/Dinar	Fils/Dinar
Basic and diluted earning per share	23	0.011	(0.021)

The accompanying notes form from (1) to (31) is an integral part of these statements

**Jordanian Real Estate Company
for Development
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated owners' equity
for the year ended December 31, 2023**

Description	Paid up capital		Issuance premium	Statutory reserve	Fair value reserve		Retained earnings	Net
	JD	JD			JD	JD		
For the year ended December 31, 2023								
Balance as of January 1, 2023	34,500,000	-	36,479	2,181,177	(1,846,527)	-	573,065	35,444,194
Profit for the year after tax	-	-	-	-	-	-	394,020	394,020
Profit from selling financial assets through comprehensive income	-	-	-	-	-	-	(109,835)	(109,835)
Fair value reserve	-	-	-	-	(516,978)	-	-	(516,978)
Total comprehensive (loss)	-	-	-	-	(516,978)	-	284,185	(232,793)
Transfer to statutory reserve	-	-	-	39,448	-	-	(39,448)	-
Balance as of December 31, 2023	34,500,000	-	36,479	2,220,625	(2,363,505)	-	817,802	35,211,401
For the year ended December 31, 2022								
Balance as of January 1, 2022	34,500,000	-	36,479	2,181,177	(1,743,637)	-	1,287,798	36,261,817
Profit for the year after tax	-	-	-	-	-	-	(731,389)	(731,389)
(Loss) from selling financial assets through comprehensive income	-	-	-	-	-	-	16,656	16,656
Fair value reserve	-	-	-	-	(102,890)	-	-	(102,890)
Total comprehensive income	-	-	-	-	(102,890)	-	(714,733)	(817,623)
Balance as of December 31, 2022	34,500,000	-	36,479	2,181,177	(1,846,527)	-	573,065	35,444,194

In accordance with the instructions of the Securities Commission, it is prohibited to dispose of the fair value reserve balance of financial assets by distribution to the company's shareholders, capitalization, amortization of losses, or any other way of disposal.

The accompanying notes form from (1) to (31) is an integral part of these statements

**Jordanian Real Estate Company
for Development**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated cash flows
for the year ended December 31, 2023

	Note	2023 JD	2022 JD
<u>Cash flows from operating activities</u>			
profit(Loss) for the year after tax		419,223	(697,044)
Depreciation	14 & 15	141,575	135,013
Impairment debts	7	-	70,000
Available for sale apartments lowering loss	8	-	243,600
Available for sale lands lowering loss		-	448,747
Profits from the sale of property and equipment		(4,375)	-
Losses from selling real estate investment assets		-	1,150
Company's share of associate losses	12	989	1,302
Bank deposits revenues		(359,423)	(304,154)
Operating profit (loss) income before changes in working capital		197,989	(101,386)
<u>(Increase) decrease in current assets</u>			
Accounts receivable & cheques under collection		474,935	(404,833)
Due from related parties		6,987	216,208
Available for sale apartments - net		672,158	
Available for sale lands		435,302	2,248,143
Other debit balances		(1,519,678)	
		(1,083)	(91,992)
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		(28,112)	(38,536)
Due to related parties		284,186	20,808
Other credit balances		(150,537)	311,527
Net cash flows from operating activities before paid tax		372,147	2,159,939
Paid tax	16	(62,706)	(78,948)
Net cash flows from operating activities		309,441	2,080,991
<u>Cash flows from investing activities</u>			
Proceeds from financial assets at fair value through comprehensive income		721,096	1,084,027
Acquisitions to purchase financial assets at fair value through comprehensive income		(3,644,026)	(3,709,804)
Proceeds from the sale of property and equipment		13,150	-
Acquisitions of projects under constructions		48,745	(720)
Acquisitions of property , plants & equipments	14	(3,543)	(1,343)
Acquisitions of real estate investments	15	(69,962)	(37,488)
Proceeds from selling real estate investment assets		-	697
Bank deposits revenues		359,423	304,154
Net cash flows from investing activities		(2,575,117)	(2,360,477)
Net changes in cash		(2,265,676)	(279,486)
Cash and cash equivalents at beginning of year		7,731,045	8,010,531
Cash and cash equivalents at end of year		5,465,369	7,731,045

The accompanying notes form from (1) to (31) is an integral part of these statements

**Jordanian Real Estate Company
for Development
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the consolidated financial statements**

1- Company's registration and objectives

The **Jordanian Real Estate Company for Development** was established in accordance with the companies law number (22) of 1997 & registered as a public shareholding company under number (361) on **April 4, 2005**.

General assembly decided in the extraordinary meeting held on **March 27, 2006** to increase its capital by JD/Share **15** million to become JD/Share **30** million through offering JD/Share **15** to the private subscription for the company's shareholders at **1 JD** per share.

In addition, General assembly decided in the extraordinary meeting held on **September 24, 2009** to increase its capital by JD/Share **4,5** million to become JD/Share **34,5** million through stock dividends by **15%** of the company's paid capital.

The most important objectives of the company :

- Purchase and sale lands after develop, improve, divise, sort and delivery all necessary services to it, according to applicable laws.
- Investments in other companies to achieve company's onjectives.
- Buying lands and building apartments on them and selling them without interests.
- Investment company's funds in stocks and bonds for the purposes of the company.
- Finance lease.

The financial statements were approved by the board of directors at their meeting held on 21 January 2024 , these financial statements needs subject to the approval of the general assembly of shareholders.

2- Basis of preparation of consolidated financial statements

The consolidated financial statements of the company have been prepared in accordance to International Financial Reporting Standards.

The consolidated financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value (if exist).

The consolidated financial statements are presented in Jordanian Dinars (JD) which is the company's functional and presentation currency.

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Notes to the consolidated financial statements

3- Basis of consolidation of the financial statements

- The consolidated financial statements consist of assets, liabilities, revenues & expenses of **The Jordanian Real estate Company for development and I**

Company's name	Legal form	Date of control	Capital	Ownership rate	Company's	
					share of subsidiary's profit	Investment's net book value
		JD	JD	%	JD	JD
Hamam real estate company	L.L.C	26-Nov-2018	5,000	100	253,442	5,000
Hamam Brokerage and Project Development Company	L.L.C	5-Nov-2023	5,000	100	(410)	5,000
- Summary for Subsidiary's Assets & Liabilities & Revenues & Profits :						
Company's name	Assets	Liabilities	Revenues	Profit for the year		
	JD	JD	JD	JD		
Hamam real estate company	9,749,091	9,502,777	515,679	253,442		
Hamam Brokerage and Project Development Company	88,660	83,878	-	(410)		

Control realized when company has ability of control the financial and operation policies for subsidiaries for obtained benefits from its activities .

Subsidiaries' income results is being consolidated in statement of consolidated income from date of control up to stop that control on subsidiaries when the actual control on subsidiaries move to company or from company .

The financial statements for the mother company and subsidiaries are prepared for the period of the same accounting policies which used in the mother company (**The Jordanian Real estate Company for development**) , if subsidiary used different policies some adjusting must made on its financial statements to be applicable to the policies used in the mother company (**The Jordanian Real estate Company for development**) .

Minority interests represents part non owned by company from subsidiaries' owner's equity , minority interests stated in net company's assets as a separated item from shares owner's equity of the company .

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Notes to the consolidated financial statements**

4- Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities . These estimates and assumptions also affect the revenues and expenses and the resultant provisions and particular , considerable judgement by management is required in the estimation of the amount and timing of future cash flows . Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ, resulting in future change in such provisions .

Management believe that the estimates are reasonable and are as follows :

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable . For individually significant amounts , this estimation is performed on an individual basis . Amounts which are not individually significant , but which are past due , are assessed collectively and a provision applied according to the length of time past due , based on historical recovery rates .

- Inventories are held at the lower of either cost or net realizable value . When inventories become old or obsolete , an estimate is made of their realizable value . For individually significant amounts this estimation is performed on an individual basis . Amounts which are not individually significant , but which are old or obsolete , are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence , based on historical selling prices.

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of comprehensive income.

5- Significant accounting policies

Changes in accounting policies

Accounting policies followed in financial statements' preparation for this year are consistent with the policies followed the last year, except for the company's application of the following standards :

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Notes to the consolidated financial statements**

It is valid for annual periods beginning on January 1, 2023.

- * Amendments to International Accounting Standard No. 1 - Presentation of Financial Statements - Classification of Liabilities.
- * Deferred tax assets and liabilities arising from a single transaction - Amendments to IAS 12.
- * Sale or contribution of assets between an investor and his subsidiary or joint venture - Amendments to International Financial Reporting Standard No. 10 and International Accounting Standard No. 28.
- * Amendments to IFRS 17 (Insurance Contracts)
- * Amendments to IAS 8 (Defining Accounting Estimates)
- * Amendments to International Accounting Standard No. 1 (Disclosure of Accounting Policies) and Statement of Practice No. 2 related to international financial reporting standards

In the opinion of the management, the new standards, amendments and interpretations did not have a material impact on the company during the current or future year and on the expected future transactions.

Cash & cash equivalent

Cash and cash equivalents includes cash in hand , deposits held at call with banks, other short - term highly liquid investments with original maturities of three months or less.

Accounts receivable

Accounts receivable are stated at their net realizable value net of a provision for impairment debts, bad debts where written off when identified deduct of its stated provision and the collected amounts from debts which identified to revenues .

Impairment of financial assets

The company recognizes a provision for expected credit losses for all debt instruments that are not held at fair value through the statement of profit or loss. The expected credit losses are based on the difference between the contractual flows due in accordance with the contract and all the cash flows that the company expects to receive, it discounted when estimating the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit improvements that are part of the contractual terms (if any).

The management of the company calculates the provision based on its historical experience in credit loss adjusted according to future factors of debtors and the economic environment.

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Notes to the consolidated financial statements**

Available for sale land & apartments

Land and apartments available for sale are recognized at cost or net realizable value, whichever is lower. Land and apartments available for sale include all financing costs and other costs incurred for the acquisition of lands and apartments and construction costs. The net realizable value represents the estimated sale price at normal activity context.

Real estate investments

Real estate investment is real estate that is acquired either to earn rental income or to increase its value or both, but not for the purpose of selling it through the company's normal activities, and it is not used in the production or supply of goods or services or for administrative purposes.

Real estate investments are shown initially at cost, and their fair value is disclosed in the notes to the financial statements, which are estimated annually by an independent real estate expert based on the market prices of those real estate within an active real estate market.

Real estate investments are recognized as assets only if it is probable that future economic benefits associated with them will flow to the company and the cost of real estate investments can be measured reliably and are initially recorded at their cost including transaction costs in the initial measurement. Real estate investments are treated according to the cost model minus the estimated costs of completing the sale.

It is depreciated with the exception of (land) when it is ready for use over its expected useful life using the **straight-line** method and in percentages as follows:

Buildings	2	Electrical appliances	15
Building improvements	2	Office equipment and supplies	25
Furniture & fixtures	15	Studio kitchens	15

Projects under construction

Projects under construction are shown at cost and include land cost (if any), development cost and direct expenses. Projects under construction are not depreciated until they are completed and ready for use.

Property, plant & equipments

Property, plant & equipments are recorded at cost and depreciated exception of (lands) over its estimated useful lives under the **straight line** method by using annual depreciation rates as follows:

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Furniture & fixtures	15
Computer & office machines	25-15
Vehicle	15

An assets carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, the impairment record in statement of comprehensive income.

The expected production life for assets is reviewed at end of the year , whenever ther are changes between the expected life and the estimated, the depreciation method is changed to depreciate on net book value based on the remaining production life after re-estimation from the year re-estimated on .

When there are no expected economic benifits from usage, that item will be written down immediately.

Financial assets at fair value through comprehensive income

Financial assets at fair value through comprehensive income are non derivative financial assets, the purpose of the acquisition is to keep them available for sale and not to trade or keep them until maturity.

The differences in the change in fair value of financial assets carried at fair value are recorded through the statement of comprehensive income.

Financial assets at fair value through comprehensive income that is available to quoted market prices in active markets at fair value, net of accumulated impairment losses in the fair value appear.

Gains and losses arising from differences foreign currency debt instruments that bear interest within the specified financial assets at fair value through comprehensive income transfer register, while the registration of foreign exchange rate changes ownership of the tools included in the cumulative change in fair value in equity.

If the company did not adopt the recognition of the fair value changes of financial assets in equity instruments in the list of other comprehensive income must be an option then these assets are measured at fair value and recognize changes in fair value in the statement of comprehensive income.

Investments in associate

Associates companies are the companies which the company owned over **20%** to **50%** of its right to vote, the company has effect effective on its decisions bout financial and operation policeis.

Associates investments appear in financial statements at cost, in addition of company's share of changes in net assets according to equity method, the goodwill resulting of the associates investment record in account of associates investment and not amortize when exist of changes in associates owners' equity, that changes appear in owners' equity of the company.

When preparing separated financial statements for the company as independent establishment, the associates investment appear in fair value.

**Jordanian Real Estate Company
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Notes to the consolidated financial statements**

Accounts payable & accrued amounts

The accounts Payable and accrued amounts are recognized upon receipt of the goods by the company, whether billed by the supplier or not.

Income tax

Accrued taxes expenses are calculated according to taxable gains in accordance to law (38) for the year **2018**, taxable gains are different from declared gains in income statement because declared gains include non-taxable revenues or non-reduction expenses at the current year but in coming years, or acceptable taxable accumulated loss, or non-taxable items or reducing for tax purposes.

Taxes are calculated according to decision tax rate in accordance with laws, systems and instructions.

Revenues recognition

The company generates revenue according to IFRS 15 using the following five-step model:

The first step: determine the contract with the customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets standards for each contract that must be fulfilled.

The second step: Determine performance obligations

A performance obligation is a promise in a contract with a customer to transfer a good or perform service to a customer

Step Three: Determine the transaction price

The transaction price is the amount of the consideration that the company expects to receive in exchange for transferring the goods or services promised by the customer except for amounts collected on behalf of third parties.

The fourth step: allocating the transaction price

For a contract that contains more than a performance obligation, the company distributes the transaction price to each performance obligation in an amount that specifies the corresponding amount that the company expects to obtain in return for fulfilling each performance obligation.

Offsetting

Offsetting of financial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legaly enforceable right to offset the recognized amounts and the bank intends to either settle them on a net basis , or to realize the assets and settle the liability simultaneously

Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow or resource will be required to settle the obligation, and a reliable estimate of the amount can be made . Where the company expect a provision to be reimbursed, for example under an insurance contract , the reimbursed is recognized as a seperate asset but only when the reimbursement is virtually certain.

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Fair value

The closing prices (purchase of assets / sale of liabilities) on the date of the financial statements in active markets represent the fair value of financial instruments and derivatives that have market prices.

In the event that declared prices are not available, or there is no active trading of some financial instruments and derivatives, or market inactivity, their fair value is estimated in several ways, including:

- Comparing it with the current market value of a financial instrument that is very similar to it.
- Analyzing future cash flows and discounting the expected cash flows at a rate used in a similar financial instrument.
- Comparing it with the current market value of a financial instrument that is largely similar to it.
- Options pricing models.
- Evaluation of long-term financial assets and liabilities that do not accrue interest according to the cash flow discount and according to the effective interest rate, and the discount / premium is amortized within the interest income received / paid in the statement of comprehensive income for the year.

Valuation methods aim to obtain a fair value that reflects market expectations and takes into account market factors and any expected risks or benefits when estimating the value of financial instruments. In the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any impairment in their value.

The date the financial assets are recognized

Purchase and sale of financial assets are recognized on the trading date (the date of the company's commitment to buy or sell financial assets).

Dividends distributed

Dividends are recognized when announced by the investee companies.

Foreign currency translation

Foreign currency transactions are translated into Jordanian Dinars at the exchange rates prevailing at the date of transaction. Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at the exchange rates prevailing as at the balance sheet date. Exchange differences arising from these translations are included in the statement of income.

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6- Cash and cash equivalents

A. This Item Consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Cash on hand	10,901	8,090
Cash at banks - current accounts	94,845	222,955
Cash at banks - deposits accounts (6 B)	5,359,623	7,500,000
Total	<u>5,465,369</u>	<u>7,731,045</u>

B. The calculated profit rate on bank deposits reached **6%** and on deposits with finance companies **6.06%**, and these deposits are due annually.

7- Accounts receivable & cheques under collection - net

A. This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Accounts receivable	2,851,923	2,611,545
Cheques under collection - short term (7 B)	6,161	20,785
Promise to sell (7 C)	(2,326,036)	(1,619,521)
Tenants and other debts	20,377	14,551
Total	<u>552,425</u>	<u>1,027,360</u>
Deduct : provision for impairment debts (7 D)	(220,000)	(220,000)
Net	<u>332,425</u>	<u>807,360</u>

B. Cheques under collection (Short & long Term) due dates extend to **April 30, 2024** .

C. The company sign promise to sell contract with its customers in wich it oblige to transfer the ownership of the sold item to the customer upon receiving the agreed amount in accordance with the contract which reveals the whole deal terms. The promise to sell account recognized as a receivable account on the customer at full amount and then, the amount decreased by the collected amounts from customer. The promise to sell account remain fixed and when receive th whole amount due from customer, the promise to sell account closed and debited to the sold property and revenue accounts.

D. **The movement of provision for impairment debts is summarized as follow :**

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance beginning of the year	220,000	150,000
Additions	-	70,000
Balance ending of the year	<u>220,000</u>	<u>220,000</u>

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8- **Available for sale apartments - net**

A. This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Additions	-	1,040,258
Deduct : provision for available for sale apartments lowering loss (8 C)	-	(368,100)
Net	-	672,158

B. All apartments were sold during 2023, resulting in losses amounting to (172,158) dinars.

C. **The movement of provision for available for sale apartments lowering loss is summarized as follows:**

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance beginning of the year	368,100	124,500
Additions	-	243,600
Disposals	(368,100)	-
Balance ending of the year	-	368,100

9- **Available for sale lands -net**

A. This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Available for sale lands (sorted plots)	7,237,379	7,787,085
Available for sale lands under development	8,032,705	8,291,729
Total	15,270,084	16,078,814
Deduct : provision for available for sale lands lowering loss (9 D)	(75,319)	(448,747)
Net	15,194,765	15,630,067

B. The available for sale lands include sorted plots with a value of JD **1,349,410** and unsorted lands with a value of JD **3,103,717** . They are not registered in the name of the company, but are registered in the name of the previous owners of those properties. The company's ownership of real estate is proven through contracts, mortgage bonds and non-isolable agencies signed by those parties.

C. The market value of the available for sale lands, sorted JD **9,480,195** , and unsorted JD **11,891,417** (total real estate estimations JD **21,371,612**), according to an estimate of licensed real estate experts during the year **2022**.

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D. The movement of provision for available for sale lands lowering loss is summarized as follows:

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance beginning of the year	448,747	-
Additions	-	448,747
Disposals	(373,428)	-
Balance ending of the year	<u><u>75,319</u></u>	<u><u>448,747</u></u>

10- Other debit balances

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Prepaid expenses	18,716	8,519
Due to income tax	7,418	31,727
Refundable deposits	6,797	24,697
Employees receivable	2,047	2,029
Expenses advanced	4,130	2,776
Deposit profits accrued	220,024	201,254
Others	1,274	5,846
Income tax provision	17,525	
Total	<u><u>277,931</u></u>	<u><u>276,848</u></u>

11- Financial assets at fair value through comprehensive income

A. This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
<u>Local</u>		
<u>Public shareholding companies (listed)</u>		
Financial Asset Portfolio	10,440,024	8,432,312
<u>Public shareholding companies (unlisted)</u>		
Financial Asset Portfolio	305,846	363,168
<u>Outside</u>		
<u>Public shareholding companies (listed)</u>		
Financial Asset Portfolio	548,716	-
Total	<u><u>11,294,586</u></u>	<u><u>8,795,480</u></u>
Fair value reserve	(2,031,991)	(1,846,527)
Net	<u><u>9,262,595</u></u>	<u><u>6,948,953</u></u>

B. For the purposes of the company's membership in the boards of directors of the invested companies, the number of reserved shares of the shares owned in the capital of the listed companies amounted to **70,000** shares, with a market value of **JD 41,700** .

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12- **Investments in associate**

A. **The movement of investment in associate is summarized as follows:**

	<u>2023</u>	<u>2022</u>
	JD	JD
<u>Local</u>		
<u>Al Thania Real Estate Company - limited liability company - unlisted</u>		
Balance beginning of the year	10,321	11,623
The company's share in (losses) of the associate company	(989)	(1,302)
Balance ending of the year	<u>9,332</u>	<u>10,321</u>

B. The number of shares owned in the capital of the associate company is **25,000** shares, with ownership rate of **50%** of the capital.

C. **The following summary of assets, liabilities, revenues and companys' share of associates P/L :**

	<u>2023</u>	<u>2022</u>
	JD	JD
Assets	423,333	425,602
Liabilities	404,669	404,959
Revenues	-	-
Company's share of business results	(989)	(1,302)

13- **Projects under construction**

A. This item consists of :

	<u>Completion rate</u>	<u>Expected completion date</u>	<u>2023</u>	<u>2022</u>
	%		JD	JD
building elevators	100	Feb-23	-	48,863
Building improvements	10 - 95	Apr-23	5,490	5,372
Total			<u>5,490</u>	<u>54,235</u>

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14- Real-estate investments - Net

A. This item consists of the following :

	Lands		Buildings		Buildings improvements		Furniture & fixtures		Electrical appliances		Office equipment and		Studios' kitchens'		Total JD
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		
Cost															
Balance beginning of the year	1,467,218	3,096,185		121,203	165,035	63,019	9,513	42,638		4,964,811					
Additions for the year	-	-	8,128		1,277	650	9,664		69,962						
Balance ending of the year	1,467,218	3,096,185	129,331	166,312	63,669	19,177	42,638	5,034,773							
Accumulated depreciations															
Balance beginning of the year	-	247,695	4,328	73,640	30,157	5,467	25,042	386,329							
Depreciation for the year	-	61,923	2,350	24,858	9,476	2,732	6,396	111,503							
Balance ending of the year	-	309,618	6,678	98,498	39,633	8,199	31,438	497,832							
Book value as of December 31, 2023	1,467,218	2,786,567	122,653	67,814	24,036	10,978	11,200	4,536,941							
Book value as of December 31, 2022	1,467,218	2,848,490	116,875	91,395	32,862	4,046	17,596	4,578,482							

B. Real estate investments are represented in the buildings, properties and equipment they contain, which are located on plot No. 2013, Basin No. 6, Dhaiba, Badran village, from the lands of northern Amman. The construction, finishing and other works were completed during the month of June

C. The market value of real estate investments amounted to JD 4,664,099, based on an estimate by a licensed real estate expert during the year 2023.

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15- Property, plants & equipments - Net

A. This item consists of the following :

	<u>Furniture & fixtures</u> JD	<u>Computer & office machines</u> JD	<u>Vehicles</u> JD	<u>Total</u> JD
<u>Cost</u>				
Balance beginning of the year	103,286	60,838	59,050	223,174
Additions for the year	1,140	2,403	-	3,543
Disposals for the year	-	-	(18,000)	(18,000)
Balance ending of the year	<u>104,426</u>	<u>63,241</u>	<u>41,050</u>	<u>208,717</u>
<u>Accumulated depreciations</u>				
Balance beginning of the year	39,350	31,573	30,643	101,566
Depreciation for the year	13,922	7,293	8,857	30,072
Disposals for the year	-	-	(9,225)	(9,225)
Balance ending of the year	<u>53,272</u>	<u>38,866</u>	<u>30,275</u>	<u>122,413</u>
Book value as of December 31, 2023	<u>51,154</u>	<u>24,375</u>	<u>10,775</u>	<u>86,304</u>
Book value as of December 31, 2022	<u>63,936</u>	<u>29,265</u>	<u>28,407</u>	<u>121,608</u>

B. The cost of fully depreciated property and equipment that is still in use is JD **27,375** as of December 31, 2023 (JD 27,175 as of December 31, 2022).

16- Income tax provision

A. **The movement of income tax provision is summarized as follows:**

	<u>2023</u> JD	<u>2022</u> JD
Balance at beginning of the year	19,978	85,740
Tax for the year (16 B)	25,203	34,820
Paid tax during the year	(23,019)	(64,106)
A semi-annual national contribution paid during the year	(152)	(14,842)
Returned from the national contribution of previous years	-	(475)
Closed income tax deposits' profit in the tax provision	(39,535)	(21,159)
Balance at ending of the year (transferred to othes accounts receivable)	<u>(17,525)</u>	<u>19,978</u>

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B. Summary of accounting (loss) reconciliation with tax profit:

	<u>2023</u>	<u>2022</u>
	JD	JD
Recorded profit (loss)	419,223	(697,044)
Non-taxable income	(523,090)	(237,295)
Non-taxable expenses	34,782	1,027,687
Taxable income	(69,085)	93,348
Parent company's income tax	-	17,787
Subsidiary's income tax	25,203	17,033
Income tax provision	25,203	34,820

C. The income tax of the parent company for the end of **2022** was accepted within the sample system, and the self-assessment statements for the years **2019** and **2020** were submitted and not yet reviewed by the Income and Sales Tax Department.

The income tax of the subsidiary company for the year **2022** was accepted within the sample system, and for the year **2021**, a self-assessment statement was submitted for it and it has not been reviewed yet.

17- Other credit balances

This item consists of :	<u>2023</u>	<u>2022</u>
	JD	JD
Due to shareholders	795,593	797,059
Accrued expenses	62,563	73,817
Provision for jordanian universities fees	-	158,680
Provision for scientific research and professional training	-	25,060
Due to others	8,292	5,758
Due to social security & income & sales tax	4,213	3,409
Remuneration for members of the board of directors	39,397	-
Tenant deposits withheld	24,575	21,373
Unearned revenues	38,514	38,528
Contingent liabilities provision	320,000	320,000
Total	1,293,147	1,443,684

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18- **Owners' equity**

- **Capital**

Declared & Paid capital amounted of JD **34,500,000** distributed on **34,500,000** shares, of Nominal value for each share of one JD .

- **Issuance premium**

The share premium represents the difference between the nominal value of the share and the issue value of that share.

- **Statutory reserve**

This item represents what has been transferred from the profits of previous years at the rate of **10%** of the annual profits, and it is not permissible to distribute it to the shareholders. It will be rebuilt in accordance with the law.

- **Fair value reserve**

Fair value reserve represents of Decrease or increase of financial assets fair value as follows :

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance at beginning of the year	(1,846,527)	(1,743,637)
Net changes during the year	(516,978)	(102,890)
Balance at ending of the year	<u>(2,363,505)</u>	<u>(1,846,527)</u>

- **Retained earnings**

The movement of retained earnings during the year as follow :

	<u>2023</u>	<u>2022</u>
	JD	JD
Retained earnings at beginning of the year	573,065	1,287,798
(Loss) profit for the year	394,020	(731,389)
Profit (loss) from selling financial assets through comprehensive income	(109,835)	16,656
Transfer to statutory reserve	(39,448)	-
Retained earnings at ending of the year	<u>817,802</u>	<u>573,065</u>

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19- **Net profit from selling lands**

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Profit from sale of lands	106,976	241,024
Deduct : discount allowed	(1,515)	(8,039)
Net	<u>105,461</u>	<u>232,985</u>

20- **Murabaha revenues**

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Profit from local banks deposits	359,423	304,154
Total	<u>359,423</u>	<u>304,154</u>

21- **Other income**

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Other	188,450	44,913
(Losses) from selling real estate investment assets	-	(1,150)
	4,375	-
Total	<u>192,825</u>	<u>43,763</u>

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22- **General and administrative expenses**

This item consists of :	2023	2022
	JD	JD
Salaries, wages and bonuses	193,104	187,175
Company's share of social security	21,167	19,459
Administrative fees	16,250	
Depreciation	141,576	135,013
Governmental fees	24,461	32,493
Advertising	3,656	3,152
Medical insurance	3,528	2,776
Water, electricity & fuel & internet	43,876	30,891
Lawyer and legal fees	11,739	37,777
Vehicles expenses & transportations	9,474	9,699
Stationary & printing	3,912	2,852
Board of directors transportations	32,400	32,400
Remuneration for members of the board of directors	39,397	-
Professional fees	11,931	11,742
Entertainment & cleaning	12,653	13,126
Maintenance	7,561	17,746
Others	9,537	7,188
Income tax	11,500	14,038
Building tax	24,301	24,354
Building insurance	2,708	2,610
Escort expenses	1,288	3,596
Traveling	-	7,384
Bad debts	2,716	
Total	628,735	595,471

23- **Basic and diluted earning per share**

This item consists of :	2023	2022
	JD	JD
profit (Loss) of the period after tax (JD)	394,020	(731,389)
Weighted average shares (share)	34,500,000	34,500,000
Basic and diluted earning per share	0.011	(0.021)

The diluted earning per share is equal to the basic earning per share.

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24- **Related parties transactions**

Realated parties include key shareholders , key management personnel, key managers, associates and subciidiaries and controlled companies. The company's management has approved the pricing policies and terms of transactions with related parties.

A. **Details of due from related parties appear on consolidated financial position**

	Type of transaction	2023 JD	2022 JD
<u>Associate</u>			
Al-thaneya Real estate Co.	Finance	195,138	195,138
<u>Sisters Co.</u>			
Alomana' for investment & portfolio management	Brokerage & rent		-
Iernational Co. for medical investments	Finance & rent		-
Arab international company for education & investment	Finance & rent	-	1,471
International Arab Factories Company for Food and Investment	Rent	-	70
Applied Energy Company	Rent	4,563	4,563
<u>Company owned by the Chairman of the Board of Directors</u>			
Al-Zofa Trading Company	Rent	10,300	15,746
Total		210,001	216,988
Deduct : unrealized deferred revenue		-	-
Net		210,001	216,988

B. **Details of due to related parties appear on consolidated financial position**

	Type of transaction	2023 JD	2022 JD
<u>Sisters Co.</u>			
Ibn Alhaytham Hospital Co.	Medical insurance	2,174	11,489
Iernational Co. for medical investments	Finance & rent	1,317	877
Alomana' for investment & portfolio management	Brokerage & rent	293,495	17,159
	Finance	13,373	-
Arab international company for education & investment	Finance & rent	3,352	-
Total		313,711	29,525

C. **Details of due from related parties appear on consolidated income statement**

	Type of transaction	2023 JD	2022 JD
<u>Sisters Co.</u>			
Alomana' for investment & portfolio management	Rent revenue	27,675	27,675
Iernational Co. for medical investments	Rent revenue	1,800	1,800
Arab international company for education & investment	Dividend income	78,571	78,571
Arab international company for education & investment	Rent revenue	32,715	32,715
International Arab Factories Company for Food and Investment	Rent revenue	6,300	6,300
Applied Energy Company	Rent revenue	-	2,925
Ibn Alhaytham Hospital Co.	Medical insurance	(3,528)	(2,772)
<u>Company owned by the Chairman of the Board of Directors</u>			
Al-Zofa Company for Computer Software Development	Rent revenue	5,025	5,025
Al-Zofa Trading Company	Rent	20,400	5,000
Total		168,958	157,239

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D. Wages, allowances and other benefits for senior executive managements :

	<u>2023</u>	<u>2022</u>
	JD	JD
Wages & other benefits	108,754	106,071

25- Legal situation

There are cases filed by the parent company against a number of clients with a value of JD **140,145** , which are still pending before the courts. There are also cases filed by third parties against the parent company, amounting to JD **54,437**, which are still pending before the courts as well.

26- Sectors classification

The company has several sectors as shown below, which are strategic sectors in the company. Strategic divisions offer various products and services, and are managed separately as they require different technical and marketing strategies.

Information regarding the results of each segment is included in the report below. Performance is measured based on the sector's profit before tax, as received by the internal management reports that are reviewed by the company's management. The sector's profit is used to measure performance, as management believes that this information is the most important in evaluating the results of some sectors related to other enterprises operating within these sectors. .

When information is presented on a geographical basis, segment revenue depends on the geographical location of customers, and segment assets depend on the geographical location of the assets.

The company's operating sectors include real estate, investment and other activities. The company carries out its activities within the Hashemite Kingdom of Jordan only.

	<u>2023</u>			
	<u>Real estate</u>	<u>Investments</u>	<u>Others</u>	<u>Total</u>
	JD	JD	JD	JD
Revenues	484,245	217,401	552,248	1,253,894
<u>Assets & liabilities</u>				
Assets	22,163,535	9,271,927	5,465,369	36,900,831
Liabilities	125,652	-	1,563,778	1,689,430
<u>Other sectors informations</u>				
Contracts cancellation losses	-	-	73,505	73,505
Depreciation & amortization	-	-	141,575	141,575

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27- **Follow - sectors classification**

	2022			
	Real estate	Investments	Others	Total
	JD	JD	JD	JD
Revenues	569,826	94,467	347,917	1,012,210
<u>Assets & liabilities</u>				
Assets	22,357,746	6,959,274	7,731,045	37,048,065
Liabilities	133,718	-	1,470,153	1,603,871
<u>Other sectors informations</u>				
Contracts cancellation losses	-	-	38,831	38,831
Depreciation & amortization	-	-	135,013	135,013

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27- Assets & liabilities accrual analysis

The following table shows the analysis of assets and liabilities according to the expected period of their recovery or settlement:

	2023		Total JD
	Until 1 year	More than 1	
	JD	year JD	
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	5,465,369	-	5,465,369
Accounts receivable & cheques under collection - net	332,425	-	332,425
Due from related parties	210,001	-	210,001
goods	1,519,678	-	1,519,678
Available for sale ands - net	15,194,765	-	15,194,765
Other debit balances	277,931	-	277,931
Total current assets	23,000,169	-	23,000,169
<u>Non - current assets</u>			
Financial assets at fair value through comprehensive income	-	9,262,595	9,262,595
Investments in associate	-	9,332	9,332
Projects under construction	-	5,490	5,490
Real-estate investments - net	-	4,536,941	4,536,941
Property , plants & equipments - net	-	86,304	86,304
Total non - current assets	-	13,900,662	13,900,662
Total assets	23,000,169	13,900,662	36,900,831
<u>Current liabilities</u>			
Accounts payable	82,572	-	82,572
Due to related parties	313,711	-	313,711
Other credit balances	1,293,147	-	1,293,147
Total current liabilities	1,689,430	-	1,689,430
Net	21,310,739	13,900,662	35,211,401

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27- **Follow - assets & liabilities accrual analysis**

	2022		
	<u>Until 1 year</u>	<u>More than 1</u>	<u>Total</u>
	JD	year JD	JD
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	7,731,045	-	7,731,045
Accounts receivable & cheques under collection - net	807,360	-	807,360
Due from related parties	216,988	-	216,988
Available for sale apartments - net	672,158	-	672,158
Available for sale ands - net	15,630,067	-	15,630,067
Other debit balances	276,848	-	276,848
Total current assets	<u>25,334,466</u>	-	<u>25,334,466</u>
<u>Non - current assets</u>			
Financial assets at fair value through comprehensive income	-	6,948,953	6,948,953
Investments in associate	-	10,321	10,321
Projects under construction	-	54,235	54,235
Real-estate investments - net	-	4,578,482	4,578,482
Property , plants & equipments - net	-	121,608	121,608
Total non - current assets	-	<u>11,713,599</u>	<u>11,713,599</u>
Total assets	<u>25,334,466</u>	<u>11,713,599</u>	<u>37,048,065</u>
<u>Current liabilities</u>			
Accounts payable	110,684	-	110,684
Due to related parties	29,525	-	29,525
Income tax provision	19,978	-	19,978
Other credit balances	1,443,684	-	1,443,684
Total current liabilities	<u>1,603,871</u>	-	<u>1,603,871</u>
Net	<u>23,730,595</u>	<u>11,713,599</u>	<u>35,444,194</u>

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28- Financial instruments

The financial instruments include of financial assets and liabilities, the financial assets include balances at banks, cash on hand, accounts receivable and securities, the financial liabilities include facilities given to company and accounts payable.

Fair value

Assets and liabilities fair value not substantially different of book value, whereas most of financial instruments either be short term as their nature or they are constantly re-priced.

Credit risks

These risks rise inability of other party of financial instrument which may cause defaults from parties to pay their commitments, which cause loss of credit risks basically on deposits at banks. The management believes that there are no credit risk facing the company because it is dealing with banks with good reputation.

Interest price risk

Interest price risks resulted from prospect the affect of changes in interest prices on company's profit or fair value, whereas most financial instruments have fixed interest price and appear in amortized cost, the profit and owners' equity sensitivity for these changes is not material.

Liquidity risks

Liquidity risks represents of inability making sure of facilities availability to performance its obligations in due dated.

To avoid these risks, the company has several finance sources and managing assets and liabilities and adjusting its maturity, and keep enough balance of cash and cash equivalents and securities

The following schedule summarizes distribution of financial liabilities (non-discounted) as of **December 31, 2023** based on remaining period for contractual entitlement :

	2023			Total
	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	
	JD	JD	JD	JD
Accounts payable	82,572	-	-	82,572
Due to related parties	313,711	-	-	313,711
Other credit balances	114,465	1,178,682	-	1,293,147
Total	510,748	1,178,682	-	1,689,430

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28- **Follow - risk management**

Follow - liquidity risks

	2022			
	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	Total
	JD	JD	JD	JD
Accounts payable	110,684	-	-	110,684
Due to related parties	29,525	-	-	29,525
Income tax provision	-	19,978	-	19,978
Other credit balances	82,984	1,360,700	-	1,443,684
Total	223,193	1,380,678	-	1,603,871

The company manages liquidity risk by maintaining reserves and continuous control of actual cash flows and matching the maturities of financial assets with financial liabilities. The management believes that liquidity risks are not significant.

The liquidity of the company as at the date of the financial statements is as follows:

	2023	2022
	JD	JD
Current assets	23,000,169	25,334,466
Current liabilities	(1,689,430)	(1,603,871)
Working capital	21,310,739	23,730,595

Currency risk

Most of the company's transactions are in Jordanian dinars, and therefore the impact of currency risks is not significant on the financial statements.

29- **Subsequent events**

There are no events subsequent to the date of the financial statements that materially affect its financial position.

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30- Capital management

The main objective with regard to the company's capital management is to ensure that appropriate capital ratios are maintained in a way that supports the company's activity and maximizes property rights.

The company manages the capital structure and makes the necessary adjustments to it in light of changes in business conditions. The company has not made any adjustments to the objectives, policies and procedures related to the capital structure during the current and previous fiscal year.

The items included in the capital structure are the paid-up capital, issue premium, statutory reserve and retained earnings, totaling **37,574,906 JD** as on **December 31, 2023** compared to **JD37,290,72** as on **December 31, 2022**.

31- Comparative figures

Some comparative figures have been reclassified and classified to match the classification and classification of the figures for the current financial period, and the reclassification and classification did not have any effect on the profit or equity for the previous year.