Jordan International Investment Company
(Public Limited Shareholding Company)

Amman – The Hashemite Kingdom of Jordan
Consolidated Financial Statements and
Independent Auditor's Report
For the year ended in December 31, 2023

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Independent Auditor's Report

To, The Shareholders
Jordan International Investment Company
(Public Limited Shareholding Company)
Amman - the Hashemite Kingdom of Jordan

Opinion

We have reviewed the accompanying consolidated statement of financial position of **Jordan International Investment Company ("the Company")** as of December 31, 2023 and the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity, and cash flows for the year ended in that date and a summary of significant accounting policies and other explanatory notes from 1 to 22.

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

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 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other relevant independence requirements in addition to our audit-related responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and were not for the purpose of expressing a separate opinion on these matters

Key Audit Matter	Scope of Audit to Address Key Audit Matter
Assessment of Investment properties: The investment properties represent 79.7% of the total assets of the company as of December 31, 2023. Investment properties are measured at cost less accumulated impairment. The carrying amount shown in the financial statement as of December 31, 2023, was 7,395,313 Jordanian Dinars. The company is required to determine the fair value for disclosure purposes and to assess whether there is any impairment. The fair value of investment properties is determined as of each reporting date by external appraisers. Our focus was on the valuation process, which requires a specific methodology for determining the valuation approach used and the significant estimates considered. Therefore, it was considered a key audit matter. The accounting policy for real estate investments is presented in Note 5 - Significant Accounting Policies	**Below are the key audit procedures we performed for this matter:** Among the key audit procedures, we performed were: Evaluating the company's internal control procedures related to the assessment of investment properties. Assessing the effectiveness of the procedures surrounding the evaluation of investment properties. Evaluating the efficiency, independence, skill, and capabilities of the external appraisers. Reviewing the engagement letter with the external appraiser to determine if the scope was sufficient for audit purposes. Reviewing property deeds to confirm ownership of these investment properties and their full registration in the company's records. Reviewing the amounts disclosed in the financial statements against the estimates. Reviewing the disclosures in the financial statements related to this matter and assessing their compliance with International Financial Reporting Standards requirements

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Independent Auditor's Report (continued)

Management's and Auditors' Responsibilities for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Management is also responsible for the design and implementation of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern and, where appropriate, disclosing 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.

Governance personnel are responsible for overseeing the financial reporting process in the company

The Auditor's Responsibility for Auditing the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements 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 financial statements. As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit and we must also:

Identifying and assessing the risks of material misstatement in the financial statements, whether due to fraud or error, and designing and implementing audit procedures to address those risks, and obtaining sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.

- Obtaining an understanding of relevant internal control systems for auditing purposes, in order to design appropriate audit procedures under the circumstances, not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of the accounting policies used, the reasonableness of accounting estimates, and related disclosures made by management.
- Drawing conclusions on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude there is a material uncertainty, we are required to draw attention in our report to the related disclosures in the financial statements, and if those disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the company to cease operations based on the going concern assumption.
- Evaluating the overall presentation, structure, and content of the financial statements, including disclosures, to ensure that the financial statements present transactions and events in a manner that achieves a fair presentation.
- We inform governance personnel – among other matters – about the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control systems identified during the audit.

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Independent Auditor's Report (continued)

The Auditor's Responsibility for Auditing the Consolidated Financial Statements (Continued)

We also provide governance personnel with a statement that we have complied with relevant ethical requirements regarding independence, and disclose to them all relationships and other matters that may reasonably be thought to affect our independence, and provide related safeguards if required.

Among the matters communicated to governance personnel, we identify those matters that were of most significance in the audit of the financial statements of the current year and consider them key audit matters. We explain these matters in our report unless laws and regulations prohibit public disclosure or, in extremely rare circumstances, we determine that it is not appropriate to disclose them in our report due to the negative consequences of disclosure that would outweigh, on a reasonable basis, the public interest in that disclosure.

Report on Legal and Regulatory Requirements

Jordan International Investment Company maintains organized accounting records as of December 31, 2023, and these records agree in all material respects with the accompanying consolidated financial statements. We recommend the General Assembly to approve them

Date: February 28,2024

Alothman Group International - Certified Public Accountants
(Independent Member of Moore Global)

Hassan Amin Othman
(License No. 674)

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Jordan International Investment Company
(Public Limited Shareholding Company)
Consolidated statement of financial position
For the year ended in December 31, 2023
(Jordanian Dinars)

	Note	2023	2022
Assets			
Non–current assets:			
Property and equipment, net	6	**26,300**	27,706
Investment properties, net	7	**7,395,313**	7,409,035
Financial assets at fair value through other comprehensive income	8	**121,998**	71,767
Deferred tax assets	16	**112,380**	104,020
Total non-current assets:		**7,655,991**	7,612,528
Current assets:			
Account receivables and other receivables, net	9	**43,461**	35,529
Financial assets at fair value through profit or loss	10	**877,815**	930,999
Cash and cash equivalent	11	**704,972**	690,577
Total current assets		**1,626,248**	1,657,105
Total Assets		**9,282,239**	9,269,633
Shareholders' Equity and liabilities			
Shareholders' equity			
Paid in capital	12	**10,000,000**	10,000,000
Statutory reserve		**50,015**	48,676
special reserve		**2,225**	2,225
Change in fair value reserve through other comprehensive income		**(27,185)**	(15,608)
Accumulated losses		**(761,523)**	(779,652)
Total shareholders' equity		**9,263,532**	9,255,641
Liabilities:			
Current liabilities:			
Account payable and other payables	13	**17,202**	12,909
Due to related party	15	**617**	-
Provision for Income tax	14	**888**	1,083
Total current liabilities		**18,707**	13,992
Total shareholders' equity and liabilities		**9,282,239**	9,269,633

The accompanying notes from 1 to 22 are an integral part of these consolidated financial statements

Jordan International Investment Company
(Public Limited Shareholding Company)
Consolidated Statement of Profit or Loss and other comprehensive income
For the year ended in December 31, 2023
(Jordanian Dinars)

	Note	2023	2022
Rent revenue, net		**8,650**	6,000
General and administrative expenses	18	**(113,671)**	(157,914)
Loss from operation		**(105,021)**	(151,914)
Losses of valuation of financial assets at fair value through statement of profit or loss		**(39,810)**	(62,150)
Dividends from financial assets at fair value through profit or loss		**43,175**	38,311
Gain from sale of financial assets at fair value through profit or loss		**74,398**	81,492
Interest income		**34,064**	28,393
Other income		**4,302**	4,098
Net income (loss)/ before tax		**11,108**	(61,770)
Income tax	14	**8,360**	12,690
Net income/ (loss)		**19,468**	(49,080)
Earnings/ (loss) per share:			
Earnings/ (loss) per share for the year	17	**0.002**	(0.005)

	2023	2022
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss statements:		
Change in financial assets valuation reserve through other comprehensive income	**(11,577)**	11,994
Total comprehensive income/ (Loss) for the year.	**7,891**	(37,086)

The accompanying notes from 1 to 22 are an integral part of these consolidated financial statement

Jordan International Investment Company
(Public Limited Shareholding Company)
Consolidated Statement of Changes in Shareholders' Equity
For the year ended in December 31, 2023
(Jordanian Dinars)

	Paid in Capital	Statuary Reserve	special Reserve	Change in fair Value Reserve	Accumulated losses	Total
2022						
Balance as of December 31, 2021	10,000,000	48,676	2,225	(27,602)	(730,572)	9,292,727
Net loss for the year	-	-	-	-	(49,080)	(49,080)
Change in reserve for evaluation of financial assets through Consolidated other comprehensive	-	-	-	11,994	-	11,994
2023						
Balance as of December 31, 2022	10,000,000	48,676	2,225	(15,608)	(779,652)	9,255,641
Net income for the year	-	-	-	-	**19,468**	**19,468**
Transfer to Statutory Reserve	-	**1,339**	-	-	**(1,339)**	
Change in reserve for evaluation of financial assets through Consolidated other comprehensive	-	-	-	**(11,577)**	-	**(11,577)**
Balance as of December 31, 2023	**10,000,000**	**50,015**	**2,225**	**(27,185)**	**(761,523)**	**9,263,532**

The accompanying notes from 1 to 22 are an integral part of these consolidated financial statements

Jordan International Investment Company
(Public Limited Shareholding Company)
Consolidated Statement of Cash Flows
For the year ended in December 31, 2023
(Jordanian Dinars)

	2023	2022
Cash Flows from Operating Activities:		
Net income/(loss) for the year before tax	**11,108**	(61,770)
Adjustments to reconcile net income (loss) for the year before income tax to net cash flows used in operating activities:		
Depreciations	**15,906**	16,424
Interest income	**(34,064)**	(28,393)
Loss of valuation of financial assets at fair value through profit of loss	**39,810**	62,150
Gain from sale financial assets at fair value through profit or loss	**(74,398)**	(81,492)
Dividends from financial assets at fair value through profit or loss	**(43,175)**	(38,311)
	(84.813)	(131.392)
Changes in working capital items:		
Account receivables and other receivables	**(3,376)**	(9,337)
Account Payables and other payables	**4,913**	734
Income tax paid	**(4,754)**	(2,371)
Net cash flows used in operating activities:	**(88,030)**	(142,366)
Cash Flows from Investing Activities		
Purchase of property and equipment	**(778)**	(2,400)
Interest income	**34,064**	28,393
Gains from the Sale of Financial Assets at Fair Value through Profit or Loss	**1,622,238**	18,067
Purchase of Financial Assets at Fair Value through Other Comprehensive Income	**(62,596)**	-
Dividends from financial assets at fair value through the profit or loss statement	**43,175**	38,311
Gains from the Sale of Financial Assets at Fair Value through Other Comprehensive Income	**788**	41,984
Purchase of Financial Assets at Fair Value through Profit or Loss	**(1,534,466)**	-
Cash flow used in investing activities	**102,425**	124,355
Net cash provided / (used) during the year	**14,395**	(18,011)
Cash on hand and at banks at the beginning of the year	**690,577**	708,588
Cash on hand and at banks at the end of the year	**704,972**	690,577

The accompanying notes from 1 to 22 are an integral part of these consolidated financial statements

1- Legal Status and Activities

Jordan International Investment Company (the "Company") is a public limited shareholding company that operates under Commercial Registration No. (412) Issued in Amman on July 13, 2006.

The main activity of the company is represented in the purchase of lands and the establishment of industrial projects, craft and residential cities, tourist hotels, residential buildings, import and export, and commercial agencies.

The company is wholly owned by Jordan International Insurance Company - a public shareholding limited company.

2- Basis of Preparation:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and other applicable standards and interpretations.

The consolidated financial statements are presented in Jordanian Dinar, which is the functional currency of the company, and all amounts are stated in Jordanian Dinar.

The preparation of the consolidated financial statements in accordance with International Financial Reporting Standards requires the use of certain significant accounting estimates. It also requires management to exercise judgment in the application of the company's accounting policies. The significant judgments and estimates applied in the preparation of the consolidated financial statements will be disclosed in a separate section below

3- Application of International Financial Reporting Standards for the Preparation of New and Amended Financial Statements

The accounting policies applied in the preparation of the financial statements are consistent shall be with those followed in the preparation of the financial statements for the year ended December 31, 2022, except that the Company has applied the following amendments effective January 1, 2023, if applicable:

A. New And Amended Accounting Standards Effective For The Current Year:

- International Financial Reporting Standard (IFRS) 17 Insurance Contracts (including amendments issued in June 2020 and December 2021 to IFRS 17).
- Amendments to International Accounting Standard (IAS) 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.
- Amendments to International Accounting Standard (IAS) 12 Income Taxes - Deferred Tax related to a Single Asset and Single Liability.
- Amendments to International Accounting Standard (IAS) 12 Income Taxes - International Tax Reform - Second Pillar Model Rules.
- Amendments to International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.

3- Application of International Financial Reporting Standards for the Preparation of New and Amended Financial Statements (Continued):

B- Standards Issued but Not Yet Effective

Standards	Effective Date
Amendments to International Financial Reporting Standard (IFRS) 10 and International Accounting Standard (IAS) 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	Not yet determined, with early application permitted.
Amendments to International Accounting Standard (IAS) 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-current.	On or after January 1, 2024, with early application permitted.
Amendments to International Accounting Standard (IAS) 1 - Presentation of Financial Statements - Non-current Liabilities with Covenants.	On or after January 1, 2024, with early application permitted.
Amendments to International Accounting Standard (IAS) 7 Statement of Cash Flows and International Financial Reporting Standard (IFRS) 7 Financial Instruments: Disclosures - Funding Arrangements for Suppliers.	On or after January 1, 2024, with early application permitted.
Amendment to International Financial Reporting Standard (IFRS) 16 Leases - Lease Liabilities in a Sale and Leaseback.	On or after January 1, 2024, with early application permitted.
International Financial Reporting Standard (IFRS) 1 - General Requirements for Disclosure of Financial Information related to Sustainability.	On or after January 1, 2024, with early application permitted.
International Financial Reporting Standard (IFRS) 2 - Disclosures related to Climate	On or after January 1, 2024, with early application permitted

4- Significant Accounting Estimates and Assumptions

Preparing the consolidated financial statements requires the use of judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, as well as the accompanying disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require adjustments to the carrying amounts of assets and liabilities in future periods.

The following are the key assumptions regarding the future and other principal sources of estimation uncertainty as of the date of the consolidated financial statements, which represent significant risks that could lead to material adjustments to the carrying amounts of assets and liabilities in the next financial year. The company bases its assumptions and estimates on available standards when preparing the financial statements, and these assumptions, estimates, and future developments may change due to market changes and conditions beyond the company's control. Any changes in these assumptions will be disclosed when they occur.

4- Significant Accounting Estimates and Assumptions (Continued)

Going Concern Principle:
The company's management has conducted an assessment of the company's ability to continue its operations, which showed that the company has the necessary resources to continue its operations in the foreseeable future. Additionally, the company's management does not have any uncertainty that could cast significant doubt on the company's ability to continue. Therefore, the condensed interim financial statements have been prepared on a going concern basis.

Determining the Discount Rate for Present Value Calculation:
The discount rate represents an assessment of the current market risks on the company, taking into account the duration of the agreement and the individual risks of the related assets. The calculation of the discount rate is based on the surrounding circumstances of the company.

Estimated Useful Life of Property and Equipment:
The cost of property and equipment is depreciated over the expected service life, which has been estimated based on expected usage, obsolescence, and considerations of asset recoverability. The company's management has not estimated any residual values for the assets as they are deemed immaterial.

Allowance for Credit Losses:
The allowance for credit losses is determined by referring to a range of factors to ensure that the receivables are not overstated due to the possibility of non-collection. This includes the quality and ages of the receivables, ongoing credit evaluations of customers' financial conditions, and any required collateral from customers under certain circumstances

Fair Value Measurement:
Fair value is the value that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the assumption that the assets or liabilities will be sold:
- In the principal market for the assets or liabilities, or
- In the most advantageous market for the assets or liabilities in the absence of a principal market.

The principal or most advantageous markets should be accessible to the entity.

The fair value measurement is made using the assumptions that market participants would use when pricing the assets or liabilities, assuming that market participants act in their economic best interest. Fair value measurement of non-financial assets considers the market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant.

The company uses valuation methods that are appropriate for the circumstances and the availability of sufficient data to measure fair value, maximizing the use of observable inputs and minimizing the use of unobservable inputs. All assets and liabilities measured at fair value are classified or disclosed in the financial statements based on a hierarchy of the fair value levels mentioned below and based on significant inputs for the entire fair value measurement:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques using significant observable inputs directly or indirectly.
- Level 3: Valuation techniques using significant unobservable inputs.

The fair value measurement of financial assets available for sale and non-recurring fair value measurements, such as assets held for distribution in a discontinued operation, are assessed periodically.

For disclosure of fair value, the company has identified categories of assets and liabilities based on the nature and characteristics of the asset or liability, and the level of fair value hierarchy as described above.

5- Significant accounting policies

Property and equipment

A- Recognition and Measurement:
Property, plant, and equipment are presented at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of acquiring assets includes all costs directly related to the acquisition transaction. The cost of assets manufactured includes the cost of materials, direct labor, and all direct costs that make the assets ready for their intended use. Also added are the costs of dismantling, installing, and transporting the assets and the costs of preparing the site where they will be placed, in addition to borrowing costs allocated to assets eligible for capitalization.

Purchased software that is an integral part of the related hardware functions is also capitalized as part of that hardware. If a significant part of one of the components of an asset within the property, plant, and equipment has a different productive life from that asset, it is considered as a separate item of property, plant, and equipment.

Any revenues or losses incurred as a result of the disposal of an item of property, plant, and equipment are recognized in profit or loss and other comprehensive income. The cost of replacing any part of an item of property, plant, and equipment and any subsequent expenditure is capitalized in the book value when it results in an increase in future productive benefits to the company and the cost can be reliably measured. The book value of the asset replaced is written off. Routine maintenance expenses of property, plant, and equipment are recognized in the profit or loss statement

B- Subsequent Capital Expenditures:
The cost of replacing a part of an item of property, plant, and equipment, and any other subsequent capital expenditures, is capitalized in the book value of the item if:
- It is likely that future economic benefits will flow to the company from that added part, expense, or expenditure.
- The cost can be reliably measured. The book value of the asset that has been replaced is written off.

C- Depreciation
Depreciation is calculated on the basis of the cost of the assets minus the remaining value of the assets after the end of their useful life (salvage value) using the straight-line method over the useful life of the assets and by adopting the following percentages and number of years:

Furniture and decoration	10%	Buildings	2%
vehicles	15%	Equipment and tools	10% -5%

The residual values (residual value), remaining useful lives, and depreciation methods are reviewed on the date of issuance of the financial report and are amended in, if necessary.

5- Significant Accounting Policies (continued):

Financial Instruments

Classification and Measurement:
The classification of financial assets is based on the company's business model for managing its financial assets and the contractual cash flow characteristics, the company classifies its financial assets as follows:
- Financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss.
- Financial assets measured at fair value through other comprehensive income.

Gains or losses on financial assets measured at fair value are recognized either through profit or loss and other comprehensive income. Loans and receivables held for contractual cash flow collections expected to result in cash flows representing repayment of the principal amount and interest only are measured at amortized cost.

Initial Measurement:
Financial assets are initially measured at their fair value, plus transaction costs in the case of financial assets not measured at fair value through profit or loss. Transaction costs related to financial assets measured at fair value through profit or loss are recognized at fair value through profit or loss and other comprehensive income.

Financial assets that include listed derivatives are fully recognized when determining whether their cash flows meet the requirements of representing only the repayment of the principal amount and interest.

Subsequent Measurement:

Debt Instruments:
The company recognizes three categories for subsequent measurement of its debt instruments.

• Amortized Cost:
Financial assets acquired to collect contractual cash flows that represent solely payments of principal and interest are measured at amortized cost. The gains or losses arising from the investment in debt instruments subsequently measured at amortized cost and not part of a risk-hedging instrument in the statement of comprehensive income are recognized within finance income using the effective interest rate method.

• Fair Value through Consolidated Profit or Loss:
Financial assets that do not meet the criteria for subsequent measurement at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. Also, the gains and losses arising from the investment in debt instruments subsequently measured at fair value through profit or loss and not part of a risk-hedging instrument are recognized and shown net in the statement of comprehensive income in the period in which they arise.

• Fair Value through Other Comprehensive Income:
Financial assets acquired to collect contractual cash flows and held for sale, where the cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying amount of these assets are recognized through other comprehensive income, except for impairment losses, commission income, and foreign exchange gains and losses, which are recognized in the statement of comprehensive income. Upon derecognition of the financial asset, any previously recognized cumulative gains or losses within other comprehensive income are reclassified from equity to the statement of comprehensive income and recognized within other gains/ (losses). Commission income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are included in other income/expenses.

5- Significant Accounting Policies (continued):
Financial Instruments (Continued)
investments properties
investments properties are initially recognized at cost, less accumulated depreciation (excluding land). These investments are depreciated over their useful life at a rate of 2% annually, with any impairment in their value recognized in the statement of comprehensive income. Operating revenues or expenses related to these investment properties are recorded in the statement of comprehensive income. The fair value of real estate investments is disclosed in the financial statement notes and is assessed by independent property appraisers based on market prices.

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, balances with banks, and deposits held at banks.

Statutory Reserve
In accordance with the company's articles of association and company law requirements, the company is required to allocate 10% of the net profit before tax to a statutory reserve until this reserve reaches 25% of the company's capital. This reserve is not available for distribution.

special Reserve
As per the decision of the company's board of directors, the company is required to allocate 20% of the net profit before tax to a discretionary reserve. This reserve is available for distribution.

Revenue Recognition
The company recognizes revenue from contracts with customers based on a five-step model as outlined in International Financial Reporting Standard (IFRS) 15 - Revenue from Contracts with Customers. The steps are as follows:

- **Step 1**: Identify the Contract(s) with the Customer.
- **Step 2**: Identify the Performance Obligations in the Contract.
- **Step 3**: Determine the Transaction Price, which includes fixed or variable considerations.
- **Step 4**: Allocate the Transaction Price to the Performance Obligations in the Contract.
- **Step 5**: Recognize Revenue when (or as) the Entity Satisfies a Performance Obligation.

According to IFRS 15, revenue is recognized by the entity when a performance obligation is satisfied. This occurs when control of the goods or services, which are subject to a specific performance obligation, is transferred to the customer.

Administrative and General Expenses
These are expenses related to administration, which are not directly related to the main operational activities or sales and marketing functions. These costs are allocated between the cost of revenues and administrative and general expenses, if necessary, in a systematic manner.

Income Tax Provision
The company makes a provision for income tax in accordance with Income Tax Law No. (34) of 2014, and in accordance with International Accounting Standard (IAS) 12. This standard dictates the recording of deferred tax arising from the differences between the accounting and tax values of assets and liabilities.
The provision for income taxes is calculated based on taxable profits, which may differ from the profits reported in the interim financial statements (unaudited) because reported profits include non-taxable revenues or non-deductible expenses in the current financial period but rather in future years, or accepted tax-deductible accumulated losses or items not subject to or acceptable for tax deduction purposes.

5- Significant Accounting Policies (continued):

Provisions

Provisions are recognized when the company has obligations, whether legal or constructive, as a result of past events, and it is probable that settlement of these obligations will be required and a reliable estimate of the amount can be made. The amount recognized as a provision is the best estimate of the current obligations required to settle at the end of the reporting period, taking into account risks and uncertainties surrounding these obligations.

Principles of Preparation of Consolidated Financial Statements

The consolidated financial information includes the financial statements of the company and its subsidiaries under its control. Control exists when the company has the ability to govern the financial and operating policies of its subsidiaries to obtain benefits from their activities. Transactions, balances, revenues, and expenses between the company and its subsidiaries are eliminated.

The results of operations of subsidiaries are consolidated into the consolidated statement of profit or loss from the date of acquisition, which is the date when the company effectively gains control over the subsidiaries. The results of operations of subsidiaries that have been disposed of are consolidated into the consolidated statement of profit or loss up to the date of disposal, which is the date when the company loses control over the subsidiaries.

Control is deemed to exist when the company:

- Has the ability to govern the financial and operating policies of the investee.
- Is exposed to, or has rights to, variable returns from its involvement with the investee.
- Has the ability to use its power to affect the returns from the investee.

The company reassesses its control over the investees. If facts and circumstances indicate that there are changes to one or more of the above-mentioned control points.

In the event that the company's voting rights decrease below the majority of the voting rights in any of its investees, it still has the ability to control when its voting rights are sufficient to give it the power to direct the relevant activities of the investee unilaterally. The company considers all facts and circumstances when assessing whether it has voting rights in the investee sufficient to give it the power to control.

Among the facts and circumstances considered are:

- The size of the voting rights held by the company in relation to the size and distribution of other voting rights.
- Potential voting rights held by the company and any other holders of voting rights or other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicating whether the company has, or does not have, the current ability to direct the relevant activities and make the required decisions, including how to vote in prior general meetings.

5- Significant Accounting Policies (continued):

Principles of Preparation of Consolidated Financial Statements (continued)

When the company loses control over any of its subsidiaries, it undertakes the following:

- Cease recognition of the assets of the subsidiary (including goodwill) and its liabilities.
- Cease recognition of the carrying amount of any non-controlling interest.
- Cease recognition of the accumulated translation differences recorded in equity.
- Cease recognition of the fair value of consideration received.
- Cease recognition of the fair value of any investment retained.
- Cease recognition of any surplus or deficit in the consolidated statement of profit or loss.
- Reclassify previously recognized equity items from the consolidated statement of other comprehensive income to the consolidated statement of profit or loss or retained earnings as appropriate.
  The financial information for subsidiaries is prepared for the same reporting period as the company using the same accounting policies as the company. If the subsidiaries have accounting policies that differ from those of the company, necessary adjustments are made to the financial statements of the subsidiaries to align with the accounting policies of the company. Top of Form

Non-controlling interests represent the part of the subsidiaries' equity that is not owned by the Company.

Company name	industry	Ownership percentage	Share Capital	Year Founded
Tilal Salem Real Estate Company	Real estate investments	%99.99	150,000	2008

The most important financial information of the subsidiary for the year ending on December 31, 2023 is as follows:

Company Name	Total Assets	Total Liabilities	Total Revenue	Total Expenses
Tilal Salem Real Estate Company	302,946	65,708	2,435	4,713

6-Property and equipment

	Buildings	Tools and equipment	Furniture and decoration	vehicles	Water well	Total
Cost						
Balance as of December 31, 2022	28,710	42,699	7,776	396	7,064	86,645
Additions	-	778	-	-	-	778
Balance as of December 31, 2023	**28,710**	**43,477**	**7,776**	**396**	**7,064**	**87,423**
Accumulated depreciation						
Balance as of December 31, 2022	(8,940)	(34,769)	(7,775)	(395)	(7,060)	(58,939)
Charge of the year	(574)	(1,610)	-	-	-	(2,184)
Balance as of December 31, 2023	**(9,514)**	**(36,379)**	**(7,775)**	**(395)**	**(7,060)**	**(61,123)**
Net book value:						
As of December 31, 2023	**19,196**	**7,098**	**1**	**1**	**4**	**26,300**
As of December 31, 2022	19,770	7,930	1	1	4	27,706

7- Investment Properties

	2023	2022
Lands	**6,933,490**	6,933,490
Buildings	**467,119**	467,119
Apartments	**120,697**	120,697
Wadi Saqra office	**88,433**	88,433
	7,609,739	7,609,739
Less:		
Accumulated depreciation	**(208,300)**	(194,578)
Impairment of fair value of investments	**(6,126)**	(6,126)
	7,395,313	7,409,035

- The fair value of real estate investments was estimated by real estate experts at 8,400,746dinars as of December 31, 2023 (8,699,293dinars as of December 31, 2022).

8- Financial Assets at Fair Value through Other Comprehensive Income

	2023	2022
Shares listed on the Amman Stock Exchange	**121,998**	71,020
Shares listed and not Traded on Amman Stock Exchange *	**-**	747
	121,998	71,767

* These shares have been revalued according to the latest available published price, which represents fair value based on management estimates.

9- Account Receivables and Other Receivables

	2023	2022
Account Receivables	**71,250**	75,283
Withholding Income tax and a national contribution	**22,341**	17,785
Accrued revenues	**7,800**	-
Prepaid expenses	**2,767**	2,388
Letters of guarantee	**1,800**	1,800
Accrued expense interest	**-**	770
Recovered deposits	**30**	30
Other	**224**	224
Provision for expected credit losses	**(62,751)**	(62,751)
	43,461	35,529

The movement in the allowance for expected credit losses is as follows:

	2023	2022
The balance at the beginning of the year	**62,751**	62,751
Provided during the year	**-**	-
Balance at the end the year	**62,751**	62,751

9- Account Receivables and Other Receivables (Continued)

The company applies the simplified approach under IFRS No. (9) Whereby the company measures the allowance for credit losses for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses for trade receivables are estimated using a provisioning matrix based on the debtor's previous defaults and an analysis of its current financial position and its adjustment according to specific factors for the debtors and the general economic conditions of the industrial sector in which the debtors operate and an estimate of both the movement of current or expected conditions as at the date of preparing the consolidated financial statements.

The Company writes off any commercial receivable if there is information indicating that the debtor is in acute financial hardship from which there is no realistic prospect of recovery, for example when the debtor is placed in liquidation or is subject to bankruptcy proceedings.

10- Financial Assets at Fair Value through Profit or Loss

	2023	2022
Shares listed on Amman Stock Exchange	**877,815**	930,999

11- Cash on Hands and at Banks

	2023	2022
Cash on hands	**200**	-
Cash at banks	**38,772**	24,577
Bank deposits	**666,000**	666,000
	704,972	690.577

12- Paid in Capital

The authorized and fully paid-up capital of the company is 10,000,000 Jordanian dinars consisting of 10,000,000 shares of 1 Jordanian dinar each.

13- Account Payable and Other Payables

	2023	2022
Accounts payable	**10,296**	2,305
Legal Provision	**5,449**	5,449
Deposits and accrued expenses	**822**	3,655
Unearned revenue	**-**	1,500
Others	**635**	-
	17,202	12,909

14- Provision for Income Tax

A- Summary of reconciliation accounting profit to tax profit:

	2023	2022
Accounting loss	**11,108**	(61,770)
Tax adjustments	**(13,387)**	34,941
Adjusted loss	**(2,279)**	(26,829)
Income tax of the year 20%	**-**	-
National Contribution Account 1%	**-**	-
Total income tax and national contribution	**-**	-

.4- Provision for Income Tax (counties)

a- summary of the movement of the tax provision during the year: (counties)

	2023	2022
Balance at the beginning of the year	**1,083**	3,092
Component during the year	**-**	362
Paid during the year	**(195)**	(2,371)
Balance at the end of the year	**888**	1,083

B- Tax Status:

The tax status of the company and its subsidiary (Tilal Salem Industrial Real Estate Company) has been terminated and settled until the end of the fiscal year 2022.

15- Related party transactions

Related party	Relationship	Nature of transaction	2023	2022
Due to related party				
Jordan Global Insurance	Mother Co	Financing	**617**	-

During the year, the company conducted transactions with the above related party, which were financing transactions. These transactions were completed with the approval of the Board of Directors. The above balances are not subject to commission and there are no specific conditions for payment.

16-Deferred tax assets

					Deferred tax	
	Balance at the beginning of the year	amounts released	amounts added	balance at the end of the year	2023	2022
Provision for expected credit losses	62,751	-	-	**62,751**	**13,178**	13,178
Provision for impairment of investment probation	6,126	-	-	**6,126**	**1,286**	1,286
Impairment of the change in financial assets at fair value through the statement of profit or loss	409,063	-	**39,810**	**448,873**	**94,263**	85,903
Impairment in the value of changes in financial assets at fair value through other comprehensive income	11,941	-	-	**11,941**	**2,508**	2,508
Law suits provision	5,449	-	-	**5,449**	**1,145**	1,145
	495,330	-	**39,810**	**535,140**	**112,380**	104,020

16-Deferred tax assets (counties)

Summary of movement on deferred tax assets during the year:

	2023	2022
Balance at the beginning of the year	**104,020**	90,968
Added during the year	**8,360**	13,052
Released during the year	**-**	-
Balance at the end of the year	**112,380**	104,020

16-Deferred tax assets (Continued)

The company calculated deferred tax assets at a rate of 21% as of December 31, 2022 and 2023, according to Income Tax Law No. (38) Of 2018, and in the opinion of the tax advisor, the company will be able to benefit from deferred tax assets in the future.

17- Earnings per Share for the net income of the year

Earnings /(loss) Per share is calculated year by dividing the net income /(loss) for the year by the weighted average number of shares during the year, the details of which are as follows:

	2023	2022
Net income /(loss) for the year	**19,266**	(49,080)
Weighted average number of shares	**10,000,000**	10,000,000
Earnings Per share of net income for the year	**0.002**	(0.005)

18-General and administrative expenses

	2023	2022
Employee salaries and benefits	**45,153**	42,246
Depreciations	**15,906**	16,424
Consultations	**10,946**	37,320
Subscriptions	**10,303**	10,485
Professional fees	**9,730**	11,565
Governmental fees	**5,686**	3,263
The company's contribution to social security	**3,760**	4,305
Company car expenses	**3,352**	791
electricity and water	**1,638**	1,734
Judicial expenses	**1,400**	2,700
Maintenance	**1,112**	3,185
Advertising	**864**	961
Insurance	**729**	950
Mail Telegraph Telephone	**681**	753
Stationery and publications	**283**	189
hospitality	**247**	178
Banking expenses	**141**	228
Movement of board members	**-**	12,000
Other	**1,740**	8,637
	113,671	157,914

19-Contingent liabilities

The Company has the following contingent liabilities:

	2023	**2022**
Bank guarantee	**30,000**	30,000

20- Lawsuits

There is a case brought by the Jordan International Investment Company against others for a value of 35,405 Jordanian dinars, and according to the opinion of the company's lawyer, it is still pending before the court.

21- Financial instruments – risk management

Fair Value:

Is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transactions. As the Company's financial instruments are compiled under the historical cost method, differences can arise between the book amounts and the fair value estimates. Management believes that fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

Credit Risk:

Is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. There is no major risk on the Company regarding credit risk. The Company's bank accounts placed with reputed financial institutions. Trade receivables are stated at net of allowance for impairment estimated by the management based on prior experience and current economic environment.

Currency Risk:

Is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are predominantly in Jordanian Dinars, Euros, and United States Dollars.

Transaction conducted in Euros are not high in materiality. Furthermore, the Jordanian Dinar is connected with the United States Dollar therefore the currency risk is being well managed by the Company.

Liquidity Risk:

Is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value The Company's management monitors liquidity requirements on a regular basis and ensures that sufficient funds are available to meet any future commitments.

22- Approval of the Financial Statements

These financial statements were approved by the Company's Management on February 28, 2024.