

**AL-DULAYL INDUSTRIAL PARK REAL ESTATE COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders of AL-DULAYL INDUSTRIAL PARK REAL ESTATE COMPANY– PUBLIC SHAREHOLDING COMPANY**

#### **Amman – Jordan**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Al-Dulayl Industrial Park Real Estate Company– Public Shareholding Company (the Company), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB).

#### **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' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other matter**

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on 28 March 2024.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 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 we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<b><u>1. Recognition of Building Rental Revenues:</u></b>	<b><u>How the key audit matter was addressed in the audit</u></b>
<p>The recognition of building rental revenue has been considered a key audit matter due to the significance of revenue generated from lease agreements, which serve as the company's primary source of income. One of the risks associated with this matter is the potential misalignment between recognized rental revenue and the contractual terms outlined in lease agreements with tenants. Additionally, risks may include the possibility of recording deferred revenue or revenue that has already been collected but not accurately recognized, which could result in either an overstatement or understatement of revenues.</p> <p>Rental revenue is a key indicator of the company's performance; therefore, any misstatement in its recognition or errors in approving lease agreements could have a material impact on the financial statements.</p>	<p>Our audit procedures included, among others, an evaluation of the accounting policies applied for rental revenue recognition in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). We obtained an understanding of the company's internal controls over revenue recognition, including key internal control elements within the revenue recognition process. We selected a sample of lease agreements and tested their recognition to determine whether rental revenue was recorded in accordance with the contractual terms and the company's accounting policies.</p> <p>We performed additional analytical procedures on accrued revenue, to compare recognized revenue with actual lease agreements to assess whether deferred revenue adjustments were appropriately recorded in line with contractual terms. Furthermore, we evaluated the adequacy of the disclosures related to rental revenue, with details of investment properties presented in Note (15) to the financial statements.</p>

## **Other information included in the Company's 2024 annual report**

Other information consists of the information included in the Company's 2024 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable 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, 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.

## **Auditor's Responsibilities for the Audit of the 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 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 financial statements.

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 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 exist, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's 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 reasonable be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

The Company maintains proper books of accounts which are in agreement with the financial statements.

The partner in charge of the audit resulting in this auditor's report was Osama Fayeze Shakhateh; license number 1079.

**ERNST & YOUNG**  
Amman - Jordan

Amman – Jordan  
25 March 2025

**AL-DULAYL INDUSTRIAL PARK REAL ESTATE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

	Notes	31 December 2024 JD	31 December 2023 JD	1 January 2023 JD
<b><u>ASSETS</u></b>			(Restated note 26)	(Restated note 26)
<b>Non-current assets -</b>				
Property and equipment	4	90,718	98,082	139,943
Investment properties	5	38,974,543	39,208,281	43,609,862
Financial assets at fair value through other comprehensive income	6	1,329,373	278,580	-
		40,394,634	39,584,943	43,749,805
<b>Current assets -</b>				
Other current assets and checks under collection	8	709,737	407,973	1,147,017
Accounts receivable	7	94,798	194,637	258,286
Cash on hand and at banks	9	369,139	1,243,493	153,408
<b>Total current assets</b>		1,173,674	1,846,103	1,558,711
<b>Total assets</b>		41,568,308	41,431,046	45,308,516
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Equity -</b>				
Paid in capital	1	22,278,900	22,278,900	22,278,900
Statutory reserve		1,448,337	1,286,324	1,129,161
Voluntary reserve		319,176	157,163	-
Fair value reserve	6	1,410	8,199	-
Other reserves (valuation differences) - unrealized	21	8,223,844	8,223,844	12,898,974
Retained earnings - realized		3,631,659	2,522,152	2,262,360
<b>Total equity</b>		35,903,326	34,476,582	38,569,395
<b>Liabilities</b>				
<b>Non-current liabilities -</b>				
Deferred revenues - long-term	13	1,054,791	1,298,544	1,022,391
Long-term loans	10	1,992,272	2,413,135	1,393,650
<b>Total non-current liabilities</b>		3,047,063	3,711,679	2,416,041
<b>Current liabilities -</b>				
Other current liabilities	12	387,040	430,421	333,519
Income tax provision	19	118,152	112,981	93,575
Accounts payable	11	81,507	365,157	2,286,653
Deferred revenues - short-term	13	1,610,338	2,151,249	1,134,444
Overdrafts	9	-	-	214,889
Current portion of long-term loans	10	420,882	182,977	260,000
<b>Total current liabilities</b>		2,617,919	3,242,785	4,323,080
<b>Total liabilities</b>		5,664,982	6,954,464	6,739,121
<b>Total equity and liabilities</b>		41,568,308	41,431,046	45,308,516

The attached notes from 1 to 27 form part of these financial statements

**AL-DULAYL INDUSTRIAL PARK REAL ESTATE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 JD	2023 JD (Restated note 26)
Buildings leases revenue	15	2,384,933	2,048,119
Net income from services fees and others	16	163,352	155,534
Leased buildings depreciation	5	(314,453)	(271,853)
Buildings maintenance and services		(69,677)	(60,629)
<b>Net operating profit</b>		<b>2,164,155</b>	<b>1,871,171</b>
Administrative expenses	18	(350,384)	(292,345)
Finance costs		(199,123)	(183,837)
Ministry of Investment fees	17	(71,548)	(71,058)
Board of directors' remuneration		(10,500)	(10,500)
Other income and expenses, net		-	(2,474)
Interest income		13,388	5,571
Dividends income		74,138	-
Gain from the sale of land from investment properties		-	320,470
Fair value impairment differences of investment properties	5	-	(4,290,047)
<b>Profit (loss) for the year before tax</b>		<b>1,620,126</b>	<b>(2,653,049)</b>
Income tax for the year	19	(186,593)	(171,724)
<b>Profit (loss) for the year</b>		<b>1,433,533</b>	<b>(2,824,773)</b>
<b>Add: other comprehensive income Items not to be reclassified to profit or loss in subsequent periods:</b>			
Net change in fair value reserve	6	(6,789)	8,199
<b>Total comprehensive income for the year</b>		<b>1,426,744</b>	<b>(2,816,574)</b>
		<b>Fils/JD</b>	<b>Fils/JD</b>
<b>Basic and diluted earnings per share of the profit (loss) for year to the Company's shareholders</b>	20	<b>0/064</b>	<b>(0/127)</b>

The attached notes from 1 to 27 form part of these financial statements



**AL-DULAYL INDUSTRIAL PARK REAL ESTATE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Paid in capital	Statutory reserve	Voluntary reserve	Fair Value reserve *	Retained earnings Other reserves (Valuation differences) - unrealized	Retained Earnings - realized	Total equity
	JD	JD	JD	JD	JD (Note 21)	JD (Restated note 26)	JD
<b>For the year ended 31 December 2024 -</b>							
<b>Balance as at 1 January 2024</b>	22,278,900	1,286,324	157,163	8,199	8,223,844	2,522,152	34,476,582
Profit for the year	-	-	-	-	-	1,433,533	1,433,533
Other comprehensive income items for the year	-	-	-	(6,789)	-	-	(6,789)
Total comprehensive income for the year	-	-	-	(6,789)	-	1,433,533	1,426,744
Voluntary reserve	-	-	162,013	-	-	(162,013)	-
Statutory reserve	-	162,013	-	-	-	(162,013)	-
<b>Balance as at 31 December 2024</b>	<u>22,278,900</u>	<u>1,448,337</u>	<u>319,176</u>	<u>1,410</u>	<u>8,223,844</u>	<u>3,631,659</u>	<u>35,903,326</u>
<b>For the year ended 31 December 2023 -</b>							
<b>Balance as at 1 January 2023</b>	22,278,900	1,129,161	-	-	12,898,974	2,262,360	38,569,395
Loss for the year (Restated note 26)	-	-	-	-	(4,290,047)	1,465,274	(2,824,773)
Other comprehensive income items for the year	-	-	-	8,199	-	-	8,199
Total comprehensive income for the year	-	-	-	8,199	(4,290,047)	1,465,274	(2,816,574)
Revaluation differences resulting from land sales	-	-	-	-	(385,083)	-	(385,083)
Voluntary reserve	-	-	157,163	-	-	(157,163)	-
Statutory reserve	-	157,163	-	-	-	(157,163)	-
Dividends paid (note 14)	-	-	-	-	-	(891,156)	(891,156)
<b>Balance as at 31 December 2023</b>	<u>22,278,900</u>	<u>1,286,324</u>	<u>157,163</u>	<u>8,199</u>	<u>8,223,844</u>	<u>2,522,152</u>	<u>34,476,582</u>

\* An amount of JD 1,410 of the retained earnings is restricted which represents the net negative balance of the fair value reserve as at 31 December 2024 (JD 8,199 as at 31 December 2023).

The attached notes from 1 to 27 form part of these financial statements

**AL-DULAYL INDUSTRIAL PARK REAL ESTATE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>Notes</u>	<u>2024</u> JD	<u>2023</u> JD (Restated note 26)
<b><u>Operating Activities</u></b>			
Profit (loss) for the year before tax		1,620,126	(2,653,049)
<b>Adjustments -</b>			
Depreciation	4,5	322,984	281,189
Fair value impairment differences of investment properties	5	-	4,290,047
Dividends income		(74,138)	-
Finance costs		199,123	183,837
Loss from sale of property and equipment		-	1,420
Gain from the Sale of Land from investment properties		-	(320,470)
Interest Income		(13,388)	(5,571)
<b>Changes in working capital -</b>			
Accounts receivable		(209,054)	(466,355)
Other current assets and checks under collection		7,129	(337,338)
Accounts payable		(283,650)	1,921,497
Other current liabilities		(61,981)	96,902
Deferred revenues		(784,664)	(1,292,958)
Income tax paid	19	(181,422)	(152,318)
<b>Net cash flows from operating activities</b>		<u>541,065</u>	<u>1,546,833</u>
<b><u>INVESTING ACTIVITIES</u></b>			
Additions to investment properties	5	(80,715)	(1,479,750)
Additions to property and equipment	4	(1,167)	(2,894)
Purchases of financial assets at fair value through other comprehensive income	6	(1,057,582)	(270,381)
Proceeds from sale of property and equipment		-	34,000
Dividends income received		74,138	-
Proceeds from the sale of investment properties		-	1,254,818
Received Interest Income		13,388	5,571
<b>Net cash flows used in investing activities</b>		<u>(1,051,938)</u>	<u>(458,636)</u>
<b><u>Financing Activities</u></b>			
Dividends paid		-	(891,156)
Proceeds from loans		-	1,593,269
Repayments of loans		(182,958)	(301,499)
Finance costs paid		(180,523)	(183,837)
<b>Net cash flows (used in) from financing activities</b>		<u>(363,481)</u>	<u>216,777</u>
<b>Net (decrease) increase in cash and cash equivalents</b>		(874,354)	1,304,974
Cash and cash equivalents at the beginning of the year	9	<u>1,243,493</u>	<u>(61,481)</u>
<b>Cash and cash equivalents at the end of the year</b>	9	<u>369,139</u>	<u>1,243,493</u>

The attached notes from 1 to 27 form part of these financial statements

**(1) GENERAL**

Al-Dulayl Industrial Park Real Estate Company was established on 3 August 1995 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (290). The Company registered in the Hashemite Kingdom of Jordan. The Company's authorized and paid in capital amounted to JD 22,278,900 divided into 22,278,900 shares with a par value of JD 1 per share.

The Company's main objectives is to establish and manage industrial areas and cities within the Kingdom, as well as to sell and lease them to third parties. The Company also manages factories and service institutions such as meal services and housing within industrial cities and areas. Additionally, it focuses on creating complementary and supportive industries for the garment manufacturing sector. The Company is also involved in the establishment, ownership and management of free zones, providing various essential services for these areas. Furthermore, it engages in the development and management of residential and tourism projects, parks, and other related activities, including their purchase, sale, lease, and investment in all possible aspects.

The Company shares are listed in Amman Stock Exchange – Jordan.

The financial statements were authorized for issuance by the Company's Board of Directors at its meeting held on 23 March 2025 and the financial statement are subject to the approval of the General Assembly.

**(2-1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB).

The financial statements have been presented in Jordanian Dinar which is the functional currency of the Company.

The financial statements have been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income which are presented at fair value.

**(2-2) CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

**Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback**

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Company financial statements.

**Amendments to IAS 1 - Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no material impact on the Company financial statements.

**Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Company has provided additional disclosures about its supplier finance.

The amendments had no material impact on the Company financial statements.

**(2-3) SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. 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 changes in such provisions.

**Useful Lives of Property and Equipment**

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives annually and future depreciation charges would be adjusted where management believes the useful lives differ from previous estimates.

**Income Tax Provision**

The Company's management calculates the tax expense for the year based on reasonable estimates of potential audit results by the Income and Sales Tax Department. The value of the tax provision depends on various factors, including the Company's experience with tax audits from previous years. Additionally, the Company engages an independent tax advisor to review the tax provision calculation.

**Provision for expected credit loss**

Allowance for expected credit loss on receivables is reviewed in accordance with the simplified approach and under the principles and assumptions approved by the Company's management to estimate the allowance amount in accordance with IFRS requirements.

**(3) MATERIAL ACCOUNTING POLICIES INFORMATION**

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any impairment in value.

Lands are not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful life of assets as follows:

	<u>%</u>
Hanger	4
Tools and equipment	4-6
Vehicles	7-15
Furniture, fixtures and devices	4-20

When the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount and an impairment is recorded in the statement of comprehensive income.

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognized.

**Investment Properties**

Investment properties are investments in land and buildings held either to earn rental income or for capital appreciation. Investment properties do not include land and buildings used in the Company's ordinary activities or for administrative purposes.

Investment properties are carried at cost, net of accumulated depreciation and any impairment allowance. Investment properties (excluding land) are depreciated using the straight-line method over their estimated useful lives once they are ready for use.

The carrying amount of investment properties is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indicators exist and the carrying amount exceeds the recoverable amount, the investment properties are written down to their recoverable amount, and an impairment loss is recognized in the statement of comprehensive income.

Gains or losses arising from the disposal of investment properties (calculated as the difference between the proceeds received and the carrying amount of the asset) are recognized in the statement of comprehensive income upon derecognition of the investment property.

The useful lives and depreciation method are reviewed periodically to ensure they remain appropriate in reflecting the expected economic benefits derived from investment properties.

### **Financial assets at fair value through other comprehensive income**

This represents investments in equity instruments held for long-term purposes.

Financial assets at fair value through other comprehensive income are recorded at fair value plus acquisition costs at the date of acquisition and subsequently measured at fair value. Changes in fair value are reported as a separate component in the statement of other comprehensive income and in the statement of equity including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded at the statement of profit and loss and in the statement of equity and the valuation reserve balance for sold assets will be transferred directly to retained earnings. And not through the statement of comprehensive income.

These investments are not subject to impairment testing.

Any dividends received from these investments are recognized in the statement of comprehensive income.

### **Fair value**

The Company measures financial instruments such as financial assets at fair value through other comprehensive income at fair value on the date of the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**AL-DULAYL INDUSTRIAL PARK REAL ESTATE COMPANY– PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**Offsetting**

Offsetting between financial assets and financial liabilities and presenting the net amount on the statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

**Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.



### **Impairment of Financial Assets**

The Company performs an assessment as of the preparation date of the statement of financial position to determine whether there is objective evidence that any financial asset or Company of financial assets has experienced a permanent decline in value. The value of a financial asset or Company of financial assets is considered to be impaired only if there is objective evidence of impairment resulting from one or more events that occurred after the initial recognition of the asset (a 'loss event'), and this event has an impact on the future expected cash flows of the financial asset or Company of financial assets that can be reasonably estimated. Indicators of permanent impairment may include signs that the borrower or a Company of borrowers is facing significant financial difficulties or neglect or default in interest payments or principal amounts, and they are likely to be subject to bankruptcy or another form of financial restructuring. When observable data indicates a measurable decline in the estimated future cash flows, such as changes in economic conditions associated with the default.

### **Derecognition of Financial Assets**

A financial asset (or, if applicable, part of a financial asset or a Company of similar financial assets) is derecognized in the records in the following cases:

- The right to receive any cash flows from the financial asset has expired.
- The Company transfers its rights to receive cash flows from the financial asset or has committed to paying the full cash flows without delay to a third party by including them in agreements: and whether (a) the Company has substantially transferred all risks and rewards associated with the asset, or (b) the Company has not transferred or substantially retained all the risks and rewards associated with the asset but has transferred the right to control it.

If the Company transfers its right to receive cash flows from the assets or includes them in agreements and does not transfer or substantially retain all the risks and rewards associated with the financial assets, and has not transferred control over them; the asset is recognized to the extent that the Company retains its relationship with it. In this case, the Company also recognizes the associated liabilities. The associated liabilities and transferred assets are measured in a way that reflects the rights and obligations retained by the Company.

### **Trade receivables**

Accounts receivable represent amounts due from customers for goods sold or services rendered in the ordinary course of business.

Trade receivables are stated at original invoice amount less allowance for the expected credit loss. The expected credit loss provision is calculated using the simplified approach of IFRS (9).

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, bank balances, and short-term deposits with maturities of three months or less, subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less.

### **Trade payables and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### **Loans**

All loans are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

### **Derecognition of Financial Liabilities**

Financial liabilities are derecognized when the obligation is discharged, canceled, or expires. If an existing financial liability is replaced by another from the same lender with substantially different terms, or if the terms of an existing liability are substantially modified, such replacement or modification is accounted for as a derecognition of the original liability and recognition of a new liability. The difference in the carrying amount is recognized in the statement of comprehensive income.

### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event and the cost to settle the obligation is both probable and able to be reliably measured.

### **Borrowing cost**

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the assets. All other borrowing costs are expensed in the period they occur. Borrowing cost consists of interest and other cost that an entity incurs in connection with the borrowing.

### **Revenue recognition**

Lease revenues are recognized when the significant economic benefits of the leased property are transferred to the lessee according to the terms of the contract. The revenue is recognized on an accrual basis in accordance with International Financial Reporting Standard (IFRS) 16 "Leases," with lease revenues recognized on a straight-line basis over the lease term, unless another method better reflects the pattern of consumption of the economic benefits of the leased asset.

Service fees and maintenance fees are recognized in accordance with IFRS 15 "Revenue from Contracts with Customers," when the services or maintenance are provided to tenants and performance obligations specified in the contract are met.

Other revenues are recognized based on the accrual principle.

**Bank interest income**

Bank interest income is recognized on an accrual basis, reflecting the effective interest on the assets.

**Dividend distributions**

Dividend distributions are recognized when approved by the general assemblies of the invested companies.

**Income tax**

Tax expenses represent the amounts of taxes payable.

Income tax is calculated based on the stated tax rates in accordance with the Income Tax Laws in Jordan and IAS 12.

**Segment Information**

A business segment represents a Company of assets and operations that work together to provide products or services subject to risks and returns that differ from those of other business segments. These segments are measured according to the reports used by the CEO or the chief decision maker of the Company, if available.

**Foreign Currency**

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the Company statement of comprehensive income.

**Current vs Non-Current Classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when:

- It is expected to be realized or intended to be sold or consumed in the normal operating cycle.
- It is held primarily for trading purposes.
- It is expected to be realized within twelve months after the reporting period, or
- It is cash or a cash equivalent unless restricted from exchange or use to settle a liability for at least twelve months after the reporting period.

Liabilities are classified as current when:

- They are expected to be settled in the normal operating cycle.
- They are held primarily for trading purposes.
- They are expected to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

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**(4) PROPERTY AND EQUIPMENT**

	Hangers	Tools and equipment	Vehicles	Furniture, fixtures and devices	Total
	JD	JD	JD	JD	JD
<b>2024 -</b>					
<b>Cost:</b>					
Balance at 1 January 2024	9,429	137,993	53,475	26,463	227,360
Additions	-	-	-	1,167	1,167
Disposals	-	-	-	-	-
Balance as at 31 December 2024	9,429	137,993	53,475	27,630	228,527
<b>Accumulated depreciation:</b>					
Balance at 1 January 2024	5,649	61,444	41,180	21,005	129,278
Depreciation for the year	377	2,487	3,192	2,475	8,531
Disposals	-	-	-	-	-
Balance as at 31 December 2024	6,026	63,931	44,372	23,480	137,809
<b>Net book value as at 31 December 2024</b>	<b>3,403</b>	<b>74,062</b>	<b>9,103</b>	<b>4,150</b>	<b>90,718</b>
<b>2023 -</b>					
<b>Cost:</b>					
Balance at 1 January 2023	9,429	232,552	53,475	23,569	319,025
Additions	-	-	-	2,894	2,894
Disposals	-	(94,559)	-	-	(94,559)
Balance as at 31 December 2023	9,429	137,993	53,475	26,463	227,360
<b>Accumulated depreciation:</b>					
Balance at 1 January 2023	5,272	116,481	38,705	18,623	179,081
Depreciation for the year	377	4,102	2,475	2,382	9,336
Disposals	-	(59,139)	-	-	(59,139)
Balance as at 31 December 2023	5,649	61,444	41,180	21,005	129,278
<b>Net book value as at 31 December 2023</b>	<b>3,780</b>	<b>76,549</b>	<b>12,295</b>	<b>5,458</b>	<b>98,082</b>

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**(5) INVESTMENT PROPERTIES**

	Investments in industrial land	Investments in leased buildings	Total
	JD	JD	JD
<b>2024 -</b>			
<b>Cost:</b>			
Balance at 1 January 2024	24,176,270	29,314,922	53,491,192
Additions	-	80,715	80,715
Disposals	-	-	-
Balance as at 31 December 2024	24,176,270	29,395,637	53,571,907
<b>Accumulated depreciation:</b>			
Balance at 1 January 2024	-	14,282,911	14,282,911
Depreciation for the year	-	314,453	314,453
Balance as at 31 December 2024	-	14,597,364	14,597,364
<b>Net book value as at 31 December 2024</b>	<b>24,176,270</b>	<b>14,798,273</b>	<b>38,974,543</b>
<b>2023 -</b>			
<b>Cost:</b>			
Balance at 1 January 2023	24,827,701	28,503,172	53,330,873
Additions	668,000	811,750	1,479,750
Disposals	(1,319,431)	-	(1,319,431)
Balance as at 31 December 2023	24,176,270	29,314,922	53,491,192
<b>Accumulated depreciation:</b>			
Balance at 1 January 2023	-	9,721,011	9,721,011
Depreciation for the year	-	271,853	271,853
Fair value impairment differences of investment properties*	-	4,290,047	4,290,047
Balance as at 31 December 2023	-	14,282,911	14,282,911
<b>Net book value as at 31 December 2023</b>	<b>24,176,270</b>	<b>15,032,011</b>	<b>39,208,281</b>

- The credit facilities granted to the Company are secured by mortgaging some of the Company's lands and buildings.
- The fair value of these investment properties as at 31 December 2024, amounted to JD 40,659,320 (31 December 2023: 40,659,320 JD).
- \* During the year 2023, the Company revalued its investments in leased land and buildings through licensed real estate appraisers, resulting in a decrease in their fair value by JD 4,290,047.

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**(6) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	31 December 2024 JD	31 December 2023 JD
Investment in companies shares – listed on Amman Stock Exchange*	1,329,373	278,580

\* The Company has investments in shares of companies listed on the Amman Stock Exchange, holding 295,416 shares in Arab Bank as at 31 December 2024 (31 December 2023: 61,092 shares). The market value of these shares was JD 4.50 per share as at 31 December 2024 (31 December 2023: JD 4.56 per share).

Movement on the financial assets at fair value through other comprehensive income are as follows:

	31 December 2024 JD	31 December 2023 JD
<b>Balance as at 1 January</b>	278,580	-
Investment during the year	1,057,582	270,381
Net change in fair value reserve**	(6,789)	8,199
<b>Balance at the end of the year</b>	1,329,373	278,580

\*\* Below is the summary of the accumulated changes in the fair value reserve for financial assets was as follows:

	31 December 2024 JD	31 December 2023 JD
Balance as at 1 January	8,199	-
Net change in fair value during the year	(6,789)	8,199
Balance at the end of the year	1,410	8,199

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**(7) ACCOUNTS RECEIVABLE**

	31 December 2024 JD	31 December 2023 JD (Restated note 26)	1 January 2023 JD (Restated note 26)
Accounts receivable	251,618	351,457	415,106
Provision for expected credit losses*	(156,820)	(156,820)	(156,820)
	<u>94,798</u>	<u>194,637</u>	<u>258,286</u>

\*Below is the movement on provision of expected credit losses was as follows:

	31 December 2024 JD	31 December 2023 JD
Balance as at 1 January	156,820	156,820
Provision for the year	-	-
Balance at the end of the year	<u>156,820</u>	<u>156,820</u>

The Company's management expects to collect the full amount of the accounts receivable. The Company does not obtain collateral for these receivables; therefore, they are unsecured.

Below is a table of the aging of accounts receivable that are not overdue as at 31 December 2024:

	Less than 120 days JD	121-360 Days JD	More than 360 days JD	Total JD
2024	62,319	32,479	-	94,798
2023	127,438	67,199	-	194,637

**(8) OTHER CURRENT ASSETS AND CHECKS UNDER COLLECTION**

	31 December 2024 JD	31 December 2023 JD	1 January 2023 JD
Checks under collection (Restated note 26)	677,008	368,115	769,821
Refundable Deposits	18,989	21,510	21,510
Prepaid Expenses	5,941	5,348	342,686
Bank Guarantee Deposits (Note 23)	5,000	12,800	12,800
Employees' Receivables	2,799	200	200
	<u>709,737</u>	<u>407,973</u>	<u>1,147,017</u>

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**(9) CASH ON HAND AND AT BANKS**

	31 December 2024	31 December 2023	1 January 2023
	JD	JD	JD (Restated note 26)
Cash on hand	9,917	1,259	8,671
Current bank accounts *	359,222	1,242,234	144,737
	<u>369,139</u>	<u>1,243,493</u>	<u>153,408</u>

\* This balance represents an overdraft account at Invest Bank with an annual interest rate of 3% as at 31 December 2024 (31 December 2023: 3%). Interest is calculated based on the average daily balance during the month and is payable monthly.

For the purpose of preparing the cash flow statement, the details of cash and cash equivalents are as follows:

	31 December 2024	31 December 2023	1 January 2023
	JD	JD	JD (Restated note 26)
Cash on hand and bank balances	369,139	1,243,493	153,408
Less: Bank overdraft *	-	-	(214,889)
	<u>369,139</u>	<u>1,243,493</u>	<u>(61,481)</u>

\* This balance represents an overdrafts account with Arab Jordan Investment Bank with a ceiling of JD 500,000, bearing an interest rate of 9% as at 31 December 2023. The account was settled during the year ended 31 December 2023.



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**(10) LOANS**

This item includes a loan from the Arab Jordan Investment Bank, which is a commercial bank, and a loan from the Jordan Islamic Bank, which is an Islamic bank.

These loans have been classified according to their maturity dates into two separate items, as follows:

**Loan (1) - Arab Jordan Investment Bank**

	31 December 2024		31 December 2023	
	Current portion of long-term loan	Long- term loan	Current portion of long-term loan	Long-term loan
	JD	JD	JD	JD
Arab Jordan Investment Bank	125,020	31,250	163,401	156,250

- The Company signed a loan agreement during July 2021 with the Arab Jordan Investment Bank for an amount of JD 500,000, including a grace period of one year from the date of the first withdrawal, for the purpose of financing the Company project of capital and operating expenditures. The loan is to be repayable in 16 quarterly installments of JD 31,250 each, excluding interest. The first installment was due on 30 June 2022, and the last installment is due on 31 March 2026. The total interest rate amounted to 8.5% annually and it is subject to change according to market conditions and instructions issued by the Central Bank of Jordan.
- Subsequently, the interest rate increased to 12% per annum. However, on 11 April 2024, the Company signed an addendum agreement with the bank to reduce the interest rate back to 8.5% per annum. The remaining principal balance at the time of signing the addendum was JD 250,000.

The annual payments amounts and maturities for the long-term loans are as follows:

Period	JD
1 January 2026 – 31 March 2026	31,250
	31,250

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**Loan (2) - Jordan Islamic Bank**

	31 December 2024		31 December 2023	
	Current portion of long-term loan	Long-term loan	Current portion of long-term loan	Long-term loan
	JD	JD	JD	JD
Jordan Islamic Bank	446,625	2,275,875	195,000	2,722,500
Deferred Murabaha charges	(150,763)	(314,853)	(175,424)	(465,615)
	<u>295,862</u>	<u>1,961,022</u>	<u>19,576</u>	<u>2,256,885</u>

- The Company signed an agreement during November 2022 for a one-time purchase of goods (financing the cost of building and finishing materials) with Jordan Islamic Bank, to cover the full invoice for the purchase of building and finishing materials with a credit limit including Murabaha amounted to JD 3,037,500, In contrast with an agreed annual Murabaha rate of 5% for 7 years, where the principal of the financing amounted to JD 2,250,000.
- According to the agreement, it was previously determined that the first 24 months would be a grace period. The Company signed an appendix to the agreement dated 22 November 2022, to pay a monthly amount of JD 15,000 during the grace period to reduce the Murabaha balance. The first installment was due on 25 April 2023, and the last installment is due on 25 March 2025. The repayment schedule was adjusted after the grace period, such that the loan is to be repayable in 20 quarterly installments of JD 133,875 per installment, including the Murabaha balance. The first installment is due on 25 June 2025, and the last installment is due on 25 March 2030.

The annual payments amounts and maturities for the long-term loans are as follows:

Period	JD
1 January 2026 – 31 December 2026	411,157
1 January 2027 – 31 December 2027	440,042
1 January 2028 – 31 December 2028	471,397
1 January 2029 – 31 December 2029	506,127
1 January 2030 – 31 March 2030	132,299
	<u>1,961,022</u>

The aggregate details of these items are as follows:

	Current portion of long-term loans	Long-term loans	Total
	JD	JD	JD
31 December 2024	420,882	1,992,272	2,413,154
31 December 2023	182,977	2,413,135	2,596,112

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The movement on the loans, was as follows:

	2024	2023
	JD	JD
Beginning of the year	2,596,112	1,304,342
Repayments of loans	(182,958)	(301,499)
Proceeds from loans	-	1,593,269
	2,413,154	2,596,112

**(11) ACCOUNTS PAYABLE**

	2024	2023
	JD	JD
Accounts payable	81,507	365,157

**(12) OTHER CURRENT LIABILITIES**

	2024	2023
	JD	JD
Shareholders deposits	288,777	341,325
Provision for Ministry of investment fees	71,548	71,058
Accrued expenses	13,345	10,254
Provision for lawsuits	10,000	-
Social security deposits	3,370	4,864
Employees payable	-	2,920
	387,040	430,421

**(13) DEFERRED REVENUES**

This item represents the balance of leases paid in advance from the tenants, revenue recognized when services are provided to the tenants.

The below represent the movement on deferred revenues:

	31 December 2024	31 December 2023	1 January 2023
	JD	JD	JD
		(Restated note 26)	(Restated note 26)
Balance as at 1 January	3,449,793	2,156,835	2,000,485
Rentals received during the year	1,600,269	3,341,077	2,156,074
Rentals earned during the year	(2,384,933)	(2,048,119)	(1,999,724)
Balance as at end of the year	2,665,129	3,449,793	2,156,835

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The details of this item are as follows:

	Short-term deferred revenues JD	Long-term deferred revenues JD	Total JD
31 December 2024	1,610,338	1,054,791	2,665,129
31 December 2023	2,151,249	1,298,544	3,449,793

**(14) EQUITY**

**Share Capital**

The authorized and paid in capital amounted to JD 22,278,900, divided into 22,278,900 shares with a nominal value of JD 1 per share as at 31 December 2024 and 2023.

**Statutory Reserve**

The amounts accumulated in this account represent transfers from annual pre-tax profits at a rate of 10% during the current and previous years. This reserve is not distributable to shareholders.

**Voluntary Reserve**

The amounts accumulated in this account represent transfers from annual pre-tax profits at a rate not exceeding 20% during the year. This reserve is distributable to shareholders.

**Dividends Distribution**

In the ordinary meeting held on 14 May 2023, the General Assembly of the Company approved the distribution of cash dividends at a rate of 4% of the capital, by a total amount of JD 891,156 for the year 2022, to shareholders. This amount was deducted from retained earnings. No cash dividends were distributed in 2024.

**(15) BUILDINGS LEASES REVENUE**

The Company signed 41 lease contracts with 23 tenants as at 31 December 2024 (31 December 2023: 36 lease contracts with 21 tenants), with varying contract terms. The occupancy rate reached 50% of the total complex area at the end of the year.

The details of this item are as follow:

	2024 JD	2023 JD
Buildings leases revenue	2,384,933	2,048,119

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**(16) NET REVENUES FROM SERVICES AND OTHERS**

This item represents the earned revenue for services provided to tenants and owners, which ranges from (0/05 – 0/07) Fils/JD per square meter of the leased space on a monthly basis.

**(17) MINISTRY OF INVESTMENT FEES**

This item represents the Ministry of Investment fees in accordance with the agreement between the Ministry of Investment and Al-Dulayl Industrial Park Real Estate Company, which stipulates that 3% of the revenue generated from the sale or lease of lands or buildings within the development zone shall be payable to the Ministry.

Below is the calculation method for the Ministry of Investment fees:

	2024	2023
	JD	JD
Building Rental Revenues (Note 15)	2,384,933	2,048,119
Add: Revenues from the sale of lands or buildings in the Development Zone	-	320,470
<b>Total</b>	<b>2,384,933</b>	<b>2,368,589</b>
Ministry of Investment fees	71,548	71,058
Ministry of Investment fees percentage	3%	3%

**(18) ADMINISTRATIVE EXPENSES**

	2024	2023
	JD	JD
Salaries and wages*	222,219	182,044
Professional fees	31,727	21,020
Fees and licenses	22,931	22,396
Customs expenses	15,646	10,078
Rentals	12,750	12,750
Legal expenses	10,000	-
Depreciation (Note 4)	8,531	9,336
Health insurance	5,729	5,376
Vehicle expenses	5,552	9,948
Postage, telephone, and internet	4,933	4,267
Electricity and water	3,777	3,757
Hospitality	1,025	1,597
Advertising and promotion	890	2,942
Other	4,674	6,834
	<b>350,384</b>	<b>292,345</b>

\* The salaries and bonuses of the key management amounted to JD 104,917 and JD 74,400 for the years ended as at 31 December 2024 and 2023, respectively.

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**(19) INCOME TAX**

The amount of income tax expense shown in the statement of comprehensive income represents the following:

	2024 JD	2023 JD
Income tax expense for the year	157,452	156,113
National contribution tax for the year	15,745	15,611
Prior year tax expense	13,396	-
	<u>186,593</u>	<u>171,724</u>

Movement on the income tax provision was as follows:

	31 December 2024 JD	31 December 2023 JD
Balance at 1 January	112,981	93,575
Provided during the year	186,593	171,724
Income tax paid	(181,422)	(152,318)
Balance at the end of the year	<u>118,152</u>	<u>112,981</u>

The Company has reached a final settlement up to 2019. The Income tax returns for the years 2020 up to 2023 has been filed with the Income and Sales Tax Department, Therefore, the Department has not reviewed the Company's records till the date of the financial statements.

The Income tax provision for the year ended 2024 and 2023 was calculated in accordance with the Income tax law No. (34) for the year 2014 and its amendments.

Below is a summary of the reconciliation between accounting profit (loss) and taxable profit:

	2024 JD	2023 JD (Restated note 26)	2023 JD (Restated note 26)
<b>Accounting profit (loss) before tax</b>	1,620,126	(2,653,049)	1,561,125
Less: Non-taxable income	(74,138)	-	-
Add: Non-deductible expenses	28,535	4,290,047	-
<b>Taxable profit</b>	<u>1,574,523</u>	<u>1,636,998</u>	<u>1,561,125</u>
Income tax for the year	<u>173,197</u>	<u>180,070*</u>	<u>171,724</u>
Legal income tax rate	10%	10%	10%
National Contribution Tax	1%	1%	1%
Actual Income Tax Rate	11%	11%	11%

\* The tax impact resulting from the restatement of the financial statements for the year ended 31 December 2023, was adjusted during 2024 and included under prior year's tax expense.

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**(20) BASIC AND DILUTED EARNINGS PER SHARE OF THE PROFIT (LOSS) FOR YEAR TO THE COMPANY'S SHAREHOLDERS**

	2024	2023 (Restated note 26)
Profit (loss) for the year (JD)	1,433,533	(2,824,773)
Weighted average number of shares outstanding (Share)	22,278,900	22,278,900
Basic and diluted earnings per share (Fils/JD)*	0/064	(0/127)

\* The diluted earnings per share of the profit (loss) for the year is equal to the basic earnings per share of the profit (loss) for the year.

**(21) OTHER RESERVES (VALUATION DIFFERENCES)**

This item represents the balance of other reserves resulting from the merger of the former subsidiary company, "Middle East for Agriculture and Trade" Limited Liability Company, with Al-Dulayl Industrial Park Real Estate Public Shareholding Company in 2007, which originally represented the revaluation balance of investment properties. In accordance with the instructions of the Jordan Securities Commission regarding the recognition and treatment of revaluation surplus issued under Article (12) of the Securities Law No. (18) of 2017, the Commission permitted the use of the revaluation model for public shareholding companies in 2022. If the fair value model is adopted, any gains from fair value differences cannot be utilized in any form and must be presented as unrealized gains in a separate line item within the statement of changes in equity under retained earnings. Additionally, an annual revaluation must be conducted by licensed and accredited real estate appraisers, with the revaluation difference recognized in the statement of profit or loss. The utilization of fair value gains in any manner is strictly prohibited until the assets are either disposed of or sold.

**(22) FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and at banks, accounts receivable, checks under collection and some other current assets. Financial liabilities consist of deferred revenues, loans, overdraft, accounts payable and some other current liabilities. Book values of financial instruments are not materially different from their fair values.

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The Company uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	JD	JD	JD	JD
<b>31 December 2024 -</b>				
Financial Assets:				
Financial assets at fair value through other comprehensive income	<u>1,329,373</u>	<u>-</u>	<u>-</u>	<u>1,329,373</u>
<b>31 December 2023 -</b>				
Financial Assets:				
Financial assets at fair value through other comprehensive income	<u>278,580</u>	<u>-</u>	<u>-</u>	<u>278,580</u>

**(23) CONTINGENT LIABILITIES**

**Letters of guarantee -**

The balance of Company's letters of guarantee amounted to JD 50,000 as at 31 December 2024 (31 December 2023: JD 50,300), and its cash margin amounted to JD 5,000 as at 31 December 2024 (31 December 2023: JD 12,800).

**Legal Claims against the Company -**

The Company is a defendant in several lawsuits in the amount of JD 48,501 as at 31 December 2024. In the estimation of the Company's management and its legal advisor, there will be no additional obligations on the Company arising from these cases other than what has been recorded in these financial statements.

There were lawsuits filed against the Company amounting to JD 999,543 as at 31 December 2023, involving a claim filed by Al-Diyar for Prefabricated Buildings LLC objecting to the judgment issued by the Amman Court of First Instance in civil case No. (1430/2016). The case involved a ruling requiring Al-Jidar Al-Hadith Company to pay JD 999,543 to Al-Dulayl Industrial Park Real Estate Company. A final court decision rejected the objection was issued on 28 September 2023, the court's decision is in favor of the Company. In the opinion of the Company's management and its legal advisor, no additional obligations will arise for the company concerning these cases, other than the provision that has been recorded in these financial statements, amounting to JD 10,000 as at 31 December 2024 (As there was no provision balance as at 31 December 2023).



**(24) RISK MANAGEMENT**

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rate.

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities, bank overdrafts and bank loans.

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates as at 31 December 2024 and 2023.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

	Increase (Decrease) in basis points	Effect on profit for the year
	<i>Points</i>	<i>JD</i>
<b>2024-</b>		
Currency		
JD	100	(24,132)
	(50)	12,066
	Increase (Decrease) in basis points	Effect on loss for the year
	<i>Points</i>	<i>JD</i>
<b>2023-</b>		
Currency		
JD	100	(25,961)
	(50)	12,981

If the interest rate decreases, it will have the same financial impact as shown above, with the direction reversed.

### **Risk of Changes in Stock Prices**

The following table illustrates the sensitivity of changes in the fair value reserve due to possible reasonable changes in stock prices, with all other influencing variables held constant.

#### **2024-**

Index	Change in the Index	Effect on the Statement of Comprehensive Income and Equity
	<u>%</u>	<u>JD</u>
Amman stock exchange	5	66,469

#### **2023-**

Index	Change in the Index	Effect on the Statement of Comprehensive Income and Equity
	<u>%</u>	<u>JD</u>
Amman stock exchange	5	13,929

If there is a negative change in the index, the effect will be equal to the above change but with the opposite sign.

### **Credit risk**

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.

The Company seeks to limit its credit risk with respect to customers by settings credit limits for individual customers and monitoring outstanding receivables, and with respect to banks by only dealing with reputable banks.

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**Liquidity risk**

The Company limits its liquidity risk by ensuring adequate financing is available from banks facilities.

The table below summarizes the maturities of the Company's (undiscounted) financial liabilities at 31 December

	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Total
	JD	JD	JD	JD
<b>2024-</b>				
Deferred revenues	-	1,610,338	1,054,791	2,665,129
Loans	74,079	210,980	2,622,642	2,907,701
Other current liabilities	-	387,040	-	387,040
Trade payables	81,507	-	-	81,507
<b>Total</b>	<u>155,586</u>	<u>2,208,358</u>	<u>3,677,433</u>	<u>6,041,377</u>
<b>2023-</b>				
Deferred revenues	-	2,151,249	1,298,544	3,449,793
Loans	82,227	242,695	3,269,817	3,594,739
Other current liabilities	-	430,421	-	430,421
Trade payables	365,157	-	-	365,157
<b>Total</b>	<u>447,384</u>	<u>2,824,365</u>	<u>4,568,361</u>	<u>7,840,110</u>

**Currency risk**

Most of the Company's transactions are in Jordanian Dinar and US Dollars. The Jordanian Dinar is pegged to the US Dollar (USD 1.41 for each 1 JD). The Company is not therefore exposed to

**(25) SEGMENT ANALYSIS**

The Company operates in the main business sector which consists of the construction and management of industrial areas and cities in the Kingdom, and their sale and lease to others. It also works on establishing, owning, and managing free zones and providing various services necessary for these areas. Additionally, the Company engages in establishing and managing housing and tourism projects, complexes, and others, as well as purchasing, selling, leasing, and investing in them in all possible aspects. The Company operates in a single geographic sector within the Hashemite Kingdom of Jordan.

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**(26) PRIOR YEARS ADJUSTMENT**

The Company's management have adjusted during the year ended 31 December 2024, the comparative figures for the year ended as at 31 December 2023, in accordance with International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates, and Errors.' The adjustments included revising the statement of comprehensive income by capitalizing the costs of roof installation in accordance with International Accounting Standard (IAS) 40 'Investment Property.' Previously, these costs were recorded during prior year as expenses. This new treatment resulted in an increase in assets under the investment properties category as at 31 December 2023, and a corresponding reduction in the expenses recorded during the year when the roof was installed. Thus, instead of recording the installation costs as operating expenses, they were added to the book value of the asset, leading to reduced expenses for the year ended as at 31 December 2023 and increased retained earnings for the year ended as at 31 December 2023.

The adjustments also addressed the overstatement of accounts receivable and deferred revenues on the statement of financial position. Previously, the Company recorded future rental payments as receivables and deferred revenues, whereas they should have been recorded as deferred revenues in accordance with International Financial Reporting Standard (IFRS) 16. This treatment resulted in recording rental payments received as deferred revenues and recognizing revenues on a straight-line basis over the lease term.

The impact of the adjustment on the statement of financial position as at 1 January 2023, was as follows:

	Before adjustment JD	Adjustment impact JD	After Adjustment JD
<b><u>Assets</u></b>			
<b>Non-current assets -</b>			
Accounts receivable - long term	3,118,159	(3,118,159)	-
<b>Current assets -</b>			
Accounts receivable - short term	2,297,784	(2,039,498)	258,286
Checks under collection	770,821	(1,000)	769,821
Cash on hand and balances at banks	152,408	1,000	153,408
	<u>3,221,013</u>	<u>(2,039,498)</u>	<u>1,181,515</u>
	<u>6,339,172</u>	<u>(5,157,657)</u>	<u>1,181,515</u>
<b><u>Liabilities</u></b>			
<b>Non-current liabilities -</b>			
Deferred revenues - long term	5,398,334	(4,375,943)	1,022,391
<b>Current liabilities -</b>			
Deferred revenues - short term	1,916,158	(781,714)	1,134,444
	<u>7,314,492</u>	<u>(5,157,657)</u>	<u>2,156,835</u>

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The impact of the adjustment on the statement of financial position as at 31 December 2023, was as follows:

	Before adjustment JD	Adjustment impact JD	After Adjustment JD
<b><u>Assets</u></b>			
<b>Non-current assets -</b>			
Accounts receivable - long term	6,304,704	(6,304,704)	-
Investment properties	39,132,408	75,873	39,208,281
<b>Current assets -</b>			
Accounts receivable - short term	836,966	(642,329)	194,637
<b><u>Equity and liabilities</u></b>			
<b>Equity -</b>			
Retained earnings - realized	2,446,279	75,873	2,522,152

The effect of the adjustment on the statement of comprehensive income for the year ended 31 December 2023 is as follows:

	Before adjustment JD	Adjustment impact JD	After Adjustment JD
Building maintenance and services	(136,629)	76,000	(60,629)
Depreciation of leased buildings	271,726	127	271,853
Net profit (loss) for the year	1,389,401	(4,214,174)	(2,824,773)

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The impact of the adjustment on the cash flow statement for the year ended 31 December 2023, was as follows:

	Before adjustment JD	Adjustment impact JD	After Adjustment JD
<b><u>Operating activities</u></b>			
Profit (loss) for the year before tax	1,569,324	(4,222,373)	(2,653,049)
<b>Changes in working capital -</b>			
Accounts receivable	(1,324,022)	857,667	(466,355)
Other current balances	86,408	10,494	96,902
Deferred revenues	3,082,334	(4,375,292)	(1,292,958)
	<u>3,414,044</u>	<u>(7,729,504)</u>	<u>(4,315,460)</u>
<b><u>Investing activities</u></b>			
Additions to property and equipment	31,106	(34,000)	(2,894)
	<u>31,106</u>	<u>(34,000)</u>	<u>(2,894)</u>
<b><u>Financing activities</u></b>			
Bank overdrafts	(214,889)	214,889	-
<b>Net change in cash and cash equivalents</b>	<u>1,090,085</u>	<u>214,889</u>	<u>1,304,974</u>

**(27) STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

**Amendments to the Classification and Measurement of Financial Instruments—  
Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Company is currently not intending to early adopt the Amendments.

**Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts. The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

**Lack of exchangeability – Amendments to IAS 21**

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statement**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.



**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the Company's financial statements.