

Jordanian Real Estate Company for Development
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated interim Condensed Financial Statements
and Review Report
for the three months ended March 31, 2024

Jordanian Real Estate Company for Development
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

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Report on Review of Consolidated Interim Condensed Financial Information

To Messrs. Shareholders
Jordanian Real Estate Company for Development
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Introduction

We have reviewed the consolidated interim condensed statement of financial position of Jordanian Real Estate Company for Development (Public Shareholding Company), as at March 31, 2024, and the related consolidated interim condensed statements of comprehensive income, changes in equity and cash flows for the three months period then ended. Management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with International Financial Reporting Standard no. (34) "consolidated interim Financial Reporting". Our responsibility is to express a conclusion about this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement no. (2410) "Review of consolidated interim financial information performed by the independent auditor of the entity". A review of consolidated interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standard no. (34) "consolidated interim Financial Reporting".

Emphasis paragraph

As stated in note No (5) available for sale some of these lands with a cost of JD 4,453,127 as at March 31, 2024 are not registered in the name of the company, but are registered in the name of the previous owners of those properties the company's ownership of real estate is proven through irrevocable agreements, contracts, mortgage bonds, and agencies signed with those parties.

Other matter

The opening balances are audited by another certified auditor who issued unqualified report on them dated January 21, 2024.



Talal Abu-Ghazaleh & Co. International

Mohammad Al-Azraq

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Amman April 24, 2024

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فاكس: ٩٦٢ ٦ ٥١٠٠ ٦٠١
ص.ب: ٩٢١١٠٠ عمان ١١١٩٢، الأردن

Jordanian Real Estate Company for Development
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated interim condensed statement of financial position as at March 31, 2024 - (reviewed and unaudited)

		March 31, 2024	December 31, 2023
ASSETS	Notes	(reviewed and unaudited)	(audited)
Current Assets		JD	JD
Cash and cash equivalents	3	329,261	105,746
Deposits in banks	4	4,610,270	5,359,623
Accounts receivable		228,193	332,425
Due from related parties		221,594	210,001
Goods on assignment		1,519,678	1,519,678
Available for sale land - net	5	15,081,566	15,194,765
Other debit balances		350,155	277,931
Total Current Assets		22,340,717	23,000,169
Non-current Assets			
Financial assets at fair value through comprehensive income	6	8,960,505	9,262,595
Investments in associates		9,332	9,332
Investments property	7	4,508,649	4,536,941
Property and equipment		113,094	91,794
Total Non-Current Assets		13,591,580	13,900,662
Total Assets		35,932,297	36,900,831
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables		91,368	82,572
Due from related parties		19,425	313,711
Other credit balances		1,258,728	1,293,147
Total Liabilities		1,369,521	1,689,430
Equity			
Capital		34,500,000	34,500,000
Issuance premium		36,479	36,479
Statutory reserve		2,220,625	2,220,625
Financial assets fair value reserve		(3,389,798)	(2,644,333)
Retained earnings		1,195,470	1,098,630
Net equity		34,562,776	35,211,401
Total Liabilities and Equity		35,932,297	36,900,831

The accompanying notes form part of these Consolidated interim condensed financial statements

Jordanian Real Estate Company for Development
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Consolidated interim condensed statement of comprehensive income for the three months ended March 31, 2024
- (reviewed and unaudited)

	March 31, 2024	March 31, 2023
	JD	JD
Revenues		
Net profits from selling lands	88,715	10,422
Deposit income	70,076	85,219
Rental income	96,431	93,107
Other revenue	2,200	3,627
Total Revenues	257,422	192,375
Expenses		
Administrative expenses	(147,835)	(149,008)
Commission expenses, space and appraisal	-	(12,609)
Total Expenses	(147,835)	(161,617)
Profit before tax and national contribution	109,587	30,758
Income tax	(13,360)	(336)
National contribution	(1,096)	-
Pofit	95,131	30,422
Add: other comprehensive income items		
Changes in fair value for financial assets through OCI	(745,465)	(1,062.00)
Gains from selling financial assets throug OCI	1,709	2,192.00
Comprehensive income	(648,625)	31,552
Basic and diluted share of profit for the period	JD _/003	JD _/0001

The accompanying notes form part of these Consolidated interim condensed financial statements

Jordanian Real Estate Company for Development
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Consolidated interim condensed statement of changes in equity for the three months ended March 31, 2024

- (reviewed and unaudited)

	Capital	Issuance premium	Statutory reserve	Financial assets fair value reserve	Retained earnings	Net
For the three months ended March 31, 2024	JD		JD	JD	JD	JD
Balance as at January 1, 2024	34,500,000	36,479	2,220,625	(2,644,333)	1,098,630	35,211,401
Profit	-	-	-	-	95,131	95,131
Changes in fair value for financial assets through OCI	-	-	-	(745,465)	-	(745,465)
Gains from selling financial assets through OCI	-	-	-	-	1,709	1,709
Balance as at March 31, 2024	<u>34,500,000</u>	<u>36,479</u>	<u>2,220,625</u>	<u>(3,389,798)</u>	<u>1,195,470</u>	<u>34,562,776</u>
For the three months ended March 31, 2023						
Balance as at January 1, 2023	34,500,000	36,479	2,181,177	(1,846,527)	573,065	35,444,194
Profit	-	-	-	-	30,422	30,422
Changes in fair value for financial assets through OCI	-	-	-	(1,062)	-	(1,062)
Gains from selling financial assets through OCI	-	-	-	-	2,192	2,192
Balance as at March 31, 2023	<u>34,500,000</u>	<u>36,479</u>	<u>2,181,177</u>	<u>(1,847,589)</u>	<u>605,679</u>	<u>35,475,746</u>

The accompanying notes form part of these Consolidated interim condensed financial statements

Jordanian Real Estate Company for Development
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Consolidated interim condensed statement of cash flows for the three months ended March 31, 2024
- (reviewed and unaudited)

	March 31, 2024	March 31, 2023
	JD	JD
Cash flows from operating activities		
Profit before tax and national contribution	109,587	30,758
Adjustments for :		
Depreciation and amortization	35,337	34,294
Changes in operating assets and liabilities:		
Accounts receivable	104,232	136,620
Due from related parties	(11,593)	(68,017)
Available for sale land - net	113,199	632,153
Other debit balances	(72,224)	(74,668)
Trade payables	8,796	(7,967)
Other credit balances	(23,672)	(17,365)
Due from related parties	(294,286)	17,821
	(30,624)	683,629
Income tax paid	(25,203)	(19,978)
Net cash from operating activities	(55,827)	663,651
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits in banks	749,353	357,914
Financial assets at fair value through OCI	(441,666)	(276,670)
Addition to property and equipment	(1,450)	(3,858)
Paid on investments property	(26,895)	(6,128)
Net cash from investing activities	279,342	71,258
Net change in cash and cash equivalents	223,515	734,909
Cash and cash equivalents- beginning of period	105,746	231,045
Cash and cash equivalents- end of period	329,261	965,954

The accompanying notes form part of these Consolidated interim condensed financial statements

Jordanian Real Estate Company for Development
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Notes to the consolidated interim condensed financial statements

1. General

- Jordanian Real Estate Company was established on April 4, 2005 and registered as a public shareholding company in the companies control department at the Ministry of Industry and Trade under the number (361).
- The main activities of the Company are:
 - Purchase and sale lands after develop, improve, divide, sort and delivery all necessary services to it, according to applicable laws.
 - Investments in other companies to achieve company's objectives.
 - Buying lands and building apartments on them and selling them without interests.
 - Investment company's funds in stocks and bonds for the purposes of the company.
 - Finance lease.

2. Significant accounting policies

- The consolidated interim condensed financial information for the Company were prepared according to International Accounting Standard (34) "Consolidated interim Financial Reporting".
- Accounting policies used in preparing the consolidated Consolidated interim condensed financial statement are consistent with those policies used in preparing the financial statements for the year ended December 31, 2023.

3. Cash and cash equivalents

	March 31, 2024	December 31, 2023
	(reviewed and unaudited)	(audited)
	JD	JD
Current accounts at bank	319,462	94,845
Cash on hand	9,799	10,901
Total	329,261	105,746

4. Deposits in banks

Deposits are pegged annually and the company charges a 6% profit on them.

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Notes to the consolidated interim condensed financial statements for the three month ended March 31, 2024

5. Available for sale land – net

	March 31, 2024	December 31, 2023
	(reviewed and unaudited)	(audited)
	JD	JD
Available for sale lands (sorted plots)	7,912,348	8,032,705
Available for sale lands under development	7,244,537	7,237,379
Less: Impairment loss for available for sale lands	(75,319)	(75,319)
Net	15,081,566	15,194,765

- The Available for sale land include sorted plots with a value of 1,349,410 Jordanian dinars and unsorted lands with a value of 3,103,717 Jordanian dinars. They are not registered in the name of the company, but are registered in the name of the previous owners of those properties. The company's ownership of real estate is proven through irrevocable agreements, contracts, mortgage bonds, and agencies signed with those parties.
- The fair value of real estate investments, based on the evaluation of an independent real estate evaluator on June 30, 2022, amounted to 21,371,612 Jordanian dinars.

6. Financial assets at fair value through OCI

	March 31, 2024	December 31, 2023
	(reviewed and unaudited)	(audited)
	JD	JD
Inside Jordan		
Financial assets portfolio (listed)	11,488,376	10,440,024
Financial assets portfolio (unlisted)	305,846	305,846
Outside Jordan		
Financial assets portfolio (listed)	556,081	548,716
Total	12,350,303	11,294,586
Less: Accumulated change in Fair value	(3,389,798)	(2,031,991)
Net	8,960,505	9,262,595

- The number of reserved shares in listed companies is 70,000 shares.

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Notes to the consolidated interim condensed financial statements for the three month ended March 31, 2024

7. Investments property

	Lands	Building	Furniture, furnishings and decorations	Electrical equipment	Office devices and equipment	Studio kitchens	Total
March 31, 2024	JD	JD	JD	JD	JD	JD	JD
Cost							
Beginning of period balance	1,467,218	3,275,760	166,312	63,669	19,177	42,638	5,034,774
Addition	-	-	114	-	-	-	114
Balance as at March 31, 2023	1,467,218	3,275,760	166,426	63,669	19,177	42,638	5,034,888
Accumulated depreciation							
Beginning of period balance	-	320,065	98,498	39,633	8,199	31,438	497,833
Depreciation	-	17,338	6,237	2,387	845	1,599	28,406
Balance as at March 31, 2023	-	337,403	104,735	42,020	9,044	33,037	526,239
Net	1,467,218	2,938,357	61,691	21,649	10,133	9,601	4,508,649
December 31, 2023							
Cost							
Beginning of year balance	1,467,218	3,217,388	165,035	63,019	9,513	42,638	4,964,811
Addition	0	58,372	1,277	650	9,664	-	69,963
End of year balance	1,467,218	3,275,760	166,312	63,669	19,177	42,638	5,034,774
Accumulated depreciation							
Beginning of year balance	-	252,024	73,640	30,157	5,467	25,042	386,330
Depreciation	-	68,041	24,858	9,476	2,732	6,396	111,503
End of year balance	-	320,065	98,498	39,633	8,199	31,438	497,833
Net	1,467,218	2,955,695	67,814	24,036	10,978	11,200	4,536,941

- The fair value of real estate investments, based on the evaluation of an independent real estate evaluator on June 30, 2022, amounted to 4,664,099 Jordanian dinars.

8. Legal situation

- There are Cases filed by parent and subsidiary companies against others amounted to 151,620 Jordanian dinars, and are still pending before the court, and one case has an undetermined value.
- There is one case filed by a third party against the company, worth 54,437 Jordanian dinars, which is still pending before the court as well.

9. The potential effects of economic fluctuations

As a result of the current global conflict, where the entity has taken into account any possible impact of current economic fluctuations in the inputs of future macroeconomic factors when determining the severity and probability of economic scenarios to determine expected credit losses.