

AL – IHDATHIAT REAL ESTATE COMPANY
PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)

30 SEPTEMBER 2024



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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF AL-IHDATHIAT REAL ESTATE COMPANY
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al-Ihdathiat Real Estate Company - Public Shareholding Company (the “Company”) and its subsidiaries (the “Group”) as at 30 September 2024, comprising of the interim condensed consolidated statement of financial position as at 30 September 2024 and the related interim condensed consolidated statements of income, interim condensed consolidated statements of comprehensive income, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for the nine months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Amman – Jordan
27 October 2024

ERNST & YOUNG
Amman - Jordan

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

	<u>Notes</u>	30 September 2024	31 December 2023
		JD (Unaudited)	JD (Audited)
<u>ASSETS</u>			
Non-current assets -			
Financial assets at fair value through other comprehensive income		2,962	3,201
Properties under development	3	3,224,717	3,227,199
		<u>3,227,679</u>	<u>3,230,400</u>
Current assets -			
Other current assets	4	8,203	6,373
Cash on hand and bank balances		812	1,326
		<u>9,015</u>	<u>7,699</u>
Total Assets		<u>3,236,694</u>	<u>3,238,099</u>
<u>EQUITY AND LIABILITIES</u>			
Equity -			
Shareholders' equity			
Paid-in capital	1	4,486,627	4,486,627
Share capital discount		(589,659)	(589,659)
Statutory reserve		65,940	65,940
Voluntary reserve		68,946	68,946
Fair value reserve		(3,374)	(3,135)
Accumulated losses		(972,191)	(957,450)
Total Equity		<u>3,056,289</u>	<u>3,071,269</u>
Liabilities -			
Current liabilities			
Due to related parties	5	109,144	101,223
Other current liabilities		71,261	65,607
Total liabilities		<u>180,405</u>	<u>166,830</u>
Total Equity and Liabilities		<u>3,236,694</u>	<u>3,238,099</u>

The attached notes from 1 to 7 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

	<u>Note</u>	For the Three Months ended 30 September		For the Nine Months ended 30 September	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		JD	JD	JD	JD
Other revenues		1,021	1,004	3,034	2,330
Dividends distribution		-	2	214	178
Administrative expenses		(5,360)	(5,349)	(17,670)	(19,960)
Marketing expenses		-	-	(275)	(195)
Bank charges		-	(10)	(44)	(41)
Loss for the period		<u>(4,339)</u>	<u>(4,353)</u>	<u>(14,741)</u>	<u>(17,688)</u>
		<u>JD/ Fils</u>	<u>JD/ Fils</u>	<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic and diluted loss per share from the loss for the period	6	<u>(0/001)</u>	<u>(0/001)</u>	<u>(0/003)</u>	<u>(0/004)</u>

The attached notes from 1 to 7 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

	For the Three Months ended 30 September		For the Nine Months ended 30 September	
	2024	2023	2024	2023
	JD	JD	JD	JD
Loss for the period	(4,339)	(4,353)	(14,741)	(17,688)
Add: other comprehensive income items that will not be transferred to profit or loss in subsequent periods, after tax:				
Change in fair value of financial assets at fair value through other comprehensive income	(35)	49	(239)	(401)
Total other comprehensive income for the period after tax	(35)	49	(239)	(401)
Total comprehensive income for the period	(4,374)	(4,304)	(14,980)	(18,089)

The attached notes from 1 to 7 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

	Paid-in capital	Share capital discount	Statutory reserve	Voluntary reserve	Fair value reserve	Accumulated losses	Total
	JD	JD	JD	JD	JD	JD	JD
For the nine months ended 30 September 2024 -							
As at 1 January 2024	4,486,627	(589,659)	65,940	68,946	(3,135)	(957,450)	3,071,269
Total comprehensive income for the period	-	-	-	-	(239)	(14,741)	(14,980)
Balance as at 30 September 2024	<u>4,486,627</u>	<u>(589,659)</u>	<u>65,940</u>	<u>68,946</u>	<u>(3,374)</u>	<u>(972,191)</u>	<u>3,056,289</u>
For the nine months ended 30 September 2023 -							
As at 1 January 2023	4,486,627	(589,659)	65,940	68,946	(2,910)	(935,142)	3,093,802
Total comprehensive income for the period	-	-	-	-	(401)	(17,688)	(18,089)
Balance as at 30 September 2023	<u>4,486,627</u>	<u>(589,659)</u>	<u>65,940</u>	<u>68,946</u>	<u>(3,311)</u>	<u>(952,830)</u>	<u>3,075,713</u>

The attached notes from 1 to 7 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

	For the nine Months ended 30	
	September	
	2024	2023
	JD	JD
<u>OPERATING ACTIVITIES</u>		
Loss for the period	(14,741)	(17,688)
Adjustments		
Depreciation	2,482	2,482
Working capital changes -		
Due to related parties	7,921	11,401
Other current assets	(1,830)	(1,692)
Other current liabilities	5,654	5,668
Net cash flows (used in) from operating activities	(514)	171
Investing Activities -		
Properties under development	-	(491)
Net cash flow used in investing activities	-	(491)
Net decrease in cash and cash equivalents	(514)	(320)
Cash and cash equivalents at 1 January	1,326	2,236
Cash and cash equivalents at the period end	812	1,916

The attached notes from 1 to 7 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2024 (UNAUDITED)

(1) GENERAL

Al-Ihdathiat Real Estate Company - Public Shareholding Company incorporated on 18 September 2005 with an authorized capital of JD 5,000,000 and a subscribed capital of JD 3,000,000, divided into 3,000,000 shares at a par value of JD 1 each. The general assembly decided in its unordinary meeting held on 20 April 2015 to increase the capital from JD 3,000,000 to JD 4,070,627 through the issuance of 1,070,627 shares at par value of JD 1 and with an issuance discount of 400 Fils. The process of increase capital was completed on 20 August 2015. On 12 April 2016, the Securities Commission has approved on the allocation of 416,000 shares from the groups unquoted shares amounted to 929,373 shares for Jordan Investment Trust Company, where Jordan Investment Trust Company paid an amount of JD 254,592 (0.612 JD per share) in cash so that the quoted and paid in capital becomes JD 4,486,627.

The company is 56.4% owned by Jordan Trust Investment Company (The Parent Company), and the financial statements are consolidated with Jordan Trust Investment Company (The Parent Company).

The principal activities of the Company are to do property management and development, provide all associated services, the establishment of residential apartments, the purchase of lands and real estates, import and exports, and what it takes to achieve the company's objectives as well as investment in securities for its own accounts.

The Group's interim condensed consolidated financial statements are consolidated with the financial statements of Jordan Investment Trust Company (The Parent Company).

The consolidated financial statements were approved by the Group's Board of Directors in their meeting held on 27 October 2024.

The Company's offices are located in Jabal Amman, Amman - The Hashemite Kingdom of Jordan.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The interim condensed consolidated financial statements as of 30 September 2024 are prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).

The interim condensed consolidated financial statements have been presented in Jordanian Dinar which is the functional currency of the Group.

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income which have been measured of fair value of the date of the interim condensed consolidated financial statement.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2024 (UNAUDITED)

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual report of the Group as at 31 December 2023. In addition, results of the nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated 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:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to 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.

The Group is not required to disclose these amendments at any interim periods during the year, and these amendments are not expected to have a material impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to 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 recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the interim condensed consolidated financial statements of the Group.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to 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, a requirement has been introduced whereby an entity must 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 impact on the interim condensed consolidated financial statements of the Group.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2024 (UNAUDITED)

(2-3) BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the “Group”) as at 30 September 2024. The subsidiaries that are included in the interim condensed consolidated financial statements are as follows:

Company's Name	Paid-in	Nature of activity	Percentage of Ownership		Company's type
	capital		30 September	31 December	
	JD		2024	2023	
Sail Hosban Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Hojrat Alshamaly Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Khorbat Saka Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability

Control is achieved when the Group is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the ability to direct the relevant activities of the investee).
- Exposure or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect returns.

When the Group owns less than the majority of the voting rights or similar in the investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential rights.

The Group re-assesses whether or not it controls an investee and if facts or circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of subsidiaries are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2024 (UNAUDITED)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and profits and losses relating to transactions between members of the Groups are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income items to profit or loss.

(3) PROPERTIES UNDER DEVELOPMENT

The details of this item are as follows:

	30 September 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Lands (lower of cost or net realizable value)	1,230,176	1,230,176
Residential units* (at cost)	52,110	54,592
Projects under construction (at cost)	1,942,431	1,942,431
	<u>3,224,717</u>	<u>3,227,199</u>

- * This project represents a building under construction in Jabal Amman. Operations on this project have been halted since the beginning of the COVID-19 pandemic which has led to a delay in the completion date. Management has not yet decided on the completion date of the project until the date of these interim condensed consolidated financial statements.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2024 (UNAUDITED)

(4) OTHER CURRENT ASSETS

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Financial Claims	161,932	161,932
Prepaid expenses	3,495	1,668
Refundable deposits	750	750
Others	3,958	3,955
Provision for expected credit losses	(161,932)	(161,932)
	<u>8,203</u>	<u>6,373</u>

(5) RELATED PARTIES TRANSACTIONS

Related parties represent shareholders, companies of which they are principal owners, directors and key management personnel of the Group. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties presented in the interim condensed consolidated statement of financial position are as follows:

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Due to related parties:		
Al-Ta'awon Company for Properties Management (Controlled by a major shareholder) *	28,297	25,738
Jordan Investment Trust Company (The Parent Company)	80,847	75,485
	<u>109,144</u>	<u>101,223</u>

* The Group rents its offices from Al-Ta'awon Company for Property Management.

Details of transactions with related parties appearing in the interim condensed consolidated statement of comprehensive income are as follows:

	For the Nine Months ended 30 September	
	2024	2023
	JD	JD
	(Unaudited)	(Unaudited)
Rent expense - Al-Ta'awon Company for Properties Management (Controlled by a major shareholder)	<u>1,496</u>	<u>1,496</u>

The Group has not paid salaries and bonuses to senior executives for the periods ended 30 September 2024 and 2023.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2024 (UNAUDITED)

(6) BASIC AND DILUTED LOSS PER SHARE FROM THE LOSS FOR THE PERIOD

	For the Three Months ended 30 September		For the Nine Months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Weighted average number of shares (Share)	4,486,627	4,486,627	4,486,627	4,486,627
Loss for the period (JD)	(4,339)	(4,353)	(14,741)	(17,688)
	<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted loss per share (JD) from the loss for the period	<u>(0/001)</u>	<u>(0/001)</u>	<u>(0/003)</u>	<u>(0/004)</u>

(7) INCOME TAX

Al-Ihdathiat Real Estate Company

The income tax provision was not calculated for the period ended 30 September 2024 and 2023 due to the excess of deductible expenses over the taxable income. The Group is subject to a statutory income tax rate of 20% in addition to a 1% National Contribution Tax in accordance with the new Income Tax Law No. (34) of 2014 and its amendments.

The Company reached a final settlement with the income tax department until the end of 2018, as well as for the years 2023 and 2022.

The Group filed its tax returns for the years 2019, 2020, and 2021. However, the Income and Sales Tax Department has not yet reviewed the accounting records until the date of these interim condensed consolidated financial statements.

Sail Husban Real Estate Company

The income tax provision was not calculated for the periods ended 30 September 2024 and 2023 due to the excess of deductible expenses over taxable income.

Hujrat Al-Shamali Real Estate Company

The income tax provision was not calculated for the periods ended 30 September 2024 and 2023 due to the excess of deductible expenses over taxable income.

Kherbat Sakka Real Estate Company

The income tax provision was not calculated for the periods ended 30 September 2024 and 2023 due to the excess of deductible expenses over taxable income.

The Subsidiaries have obtained a final clearance from the Income and Sales Tax Department up to year 2023.