

**ENTKAEYA FOR INVESTMENT AND REAL  
ESTATE DEVELOPMENT COMPANY  
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS AND REVIEW REPORT  
FOR THE PERIOD ENDED SEPTEMBER 30,  
2023**

**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

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**REPORT ON REVIEWING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

To the president and members of the board of directors  
Entkaeya for Investment and Real Estate Development Company.  
(Public Shareholding Company)

**Introduction**

We have reviewed the accompanying Interim Consolidated Statement of Financial Position for Entkaeya for Investment and Real Estate Development Company. (P.L.C) as of September 30, 2023, and the related statements of Interim Consolidated Comprehensive income, Owners' equity and cash flows for the period then ended, the management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial department's personnel as well as applying analytical procedures to financial data. The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, hence, we don't express an opinion regarding in this regard.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to be believed that the accompanying interim consolidated financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

Modern Accountants

Walid m. Taha  
License No.(703)

Amman- Jordan  
October 18, 2023

**Modern Accountants**



**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023 AND DECEMBER 31, 2022**  
**(EXPRESSED IN JORDANIAN DINAR)**

	Note	2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in lands		1,129,522	1,458,000
Property and equipment		1	1
Financial assets designated at fair value through statement of other comprehensive income		2,138	1,886
<b>Total non-current assets</b>		<b>1,131,661</b>	<b>1,459,887</b>
<b>Current assets</b>			
Cash and cash equivalents		226,760	-
<b>Total current assets</b>		<b>226,760</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>1,358,421</b>	<b>1,459,887</b>
<b>LIABILITIES AND owners' EQUITY</b>			
<b>owners' equity</b>			
Share capital	1	2,345,171	2,345,171
Statutory reserve		336	336
Fair value reserve		(1,108)	(1,360)
Accumulated losses		(1,155,480)	(1,301,674)
<b>Total owners' equity</b>		<b>1,188,919</b>	<b>1,042,473</b>
<b>Current liabilities</b>			
Accrued expenses and other payables		55,093	201,801
Accounts payable		-	69,402
Due to related parties		114,409	146,211
<b>Total current liabilities</b>		<b>169,502</b>	<b>417,414</b>
<b>TOTAL LIABILITIES AND owners' EQUITY</b>		<b>1,358,421</b>	<b>1,459,887</b>

The accompanying notes are an integral part of these interim consolidated financial statements

**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**  
**(EXPRESSED IN JORDANIAN DINAR)**

	For the period		From the beginning of the year to	
	July 1, 2023 till September 30, 2023	July 1, 2022 till September 30, 2022	September 30, 2023	September 30, 2022
Lands sales	-	-	288,000	-
Cost of lands sales	-	-	(328,478)	-
<b>Gross operation loss</b>	-	-	<b>(40,478)</b>	-
General and administrative expenses	(472)	(2,372)	(11,783)	(17,382)
Other revenues	-	-	198,455	-
<b>Profit / (loss) for the period</b>	<b>(472)</b>	<b>(2,372)</b>	<b>146,194</b>	<b>(17,382)</b>
Other comprehensive items:				
<b>Total other comprehensive income transferred to</b>				
<b>Accumulated losses</b>	<b>(472)</b>	<b>(2,372)</b>	<b>146,194</b>	<b>(17,382)</b>
Change in fair value reserve	189	-	252	-
<b>Total comprehensive losses for the period</b>	<b>(283)</b>	<b>(2,372)</b>	<b>146,446</b>	<b>(17,382)</b>
<b>Profit / (loss) per share:</b>				
<b>Profit / (loss) per share- JD/ per share</b>	<b>(0,0002)</b>	<b>(0,001)</b>	<b>0,062</b>	<b>(0,007)</b>
<b>Weighted average of outstanding shares-share</b>	<b>2,345,171</b>	<b>2,345,171</b>	<b>2,345,171</b>	<b>2,345,171</b>

The accompanying notes are an integral part of these interim consolidated financial statements

**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF owners' EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**  
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Fair value reserve	Accumulated losses	Total
Balance at January 1, 2023	2,345,171	336	(1,360)	(1,301,674)	1,042,473
Comprehensive income for period	-	-	252	146,194	146,446
Balance at September 30, 2023	2,345,171	336	(1,108)	(1,155,480)	1,188,919
Balance at January 1, 2022	2,345,171	336	(1,360)	(1,058,776)	1,285,371
Comprehensive income for period	-	-	-	(17,382)	(17,382)
Balance at September 30, 2022	2,345,171	336	(1,360)	(1,076,158)	1,267,989

The accompanying notes are an integral part of these interim consolidated financial statements

**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY**  
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**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**  
**(EXPRESSED IN JORDANIAN DINAR)**

	<b>For the Nine months ended September 30, 2023</b>	<b>For the Nine months ended September 30, 2022</b>
<b>OPERATING ACTIVITIES</b>		
Profit / (loss) for the period	146,194	(17,382)
Adjustments for profit / (loss) for the period:		
Depreciation	-	1,019
losses sale of land	40,478	-
Changes in operating assets and liabilities:		
Due to related parties	(31,802)	6,738
Account payables	(69,402)	9,625
Accrued expenses and other payables	(146,708)	-
<b>Net Cash used in operating activities</b>	<b>(61,240)</b>	<b>-</b>
<b>Investing Activities</b>		
Proceeds from the sale of lands	288,000	-
<b>Net Cash available from Investing Activities</b>	<b>288,000</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>226,760</b>	<b>-</b>
Cash and cash equivalents, January 1	-	-
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30</b>	<b>226,760</b>	<b>-</b>

The accompanying notes are an integral part of these interim consolidated financial statements

**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**1. ORGANIZATION AND ACTIVITIES**

Entkaeya for Investment and Real Estate Development Company ("the Company") is a Jordanian Public Shareholding Company registered on August 9, 2007 under commercial registration number (443). The Company's authorized, declared and paid-up capital is JD 2,345,171 divided into 2,345,171 shares with par value of JD 1 per share.

The main activity of the Company is buying and selling and investing in real estate and land inside the organization or outside them in at different kinds of used by the legal and rules.

The Company's Headquarter is in Amman.

**2. NEW AND AMENDED IFRS STANDARDS**

<b>The following new and revised Standards and Interpretations are not yet effective</b>	<b>It is valid for annual periods beginning on or after</b>
Classification of liabilities as current or not- current (Amendments to IAS 1)	January 1, 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	January 1, 2023
Definition of Accounting Estimate (Amendments to IAS 8)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2)	January 1, 2023
Deferred Tax related to Assets and liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred Indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpolations and amendments, may have no material impact on the financial statement of the Company in the period of initial application.



**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY  
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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023  
(EXPRESSED IN JORDANIAN DINAR)**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim consolidated financial statement is presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim consolidated financial statements have been prepared on historical cost basis.

The interim consolidated statements do not include all the information and notes needed in the annual financial statement and must be reviewed with the ended financial statement at December 31, 2022, in addition to that the result for the nine months ended in September 30, 2023 is not necessarily to be the expected results for the financial year ended December 31, 2023.

**Significant accounting policies**

The accounting policies used in the preparation of the interim consolidated financial information are consistent with those used in the audited financial statements for the period ended 31 December 2022.

**Basis of consolidating interim financial statements**

The interim consolidated financial statements incorporate the financial statements of Entkaeya for Investment and Real Estate Development Company (Public Shareholding Company) and the subsidiaries controlled by the Company.

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

When The Company reassesses whether or not it controls an investee, it considers all the relevant facts and circumstances which includes:

- Size of the holding relative to the ~~size~~ and dispersion of other vote holders
- Potential voting rights, others vote-holders, and other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholder's meetings.

**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY**  
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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary). In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary Company.

The profit or loss and each component of other comprehensive income elements distributed on the company's owners and owners of non-controlling interests, total comprehensive income for the subsidiary distributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balances.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent Company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The interim consolidated financial statements as at September 30, 2023 comprise the financial statements of the following subsidiaries:

<u>Subsidiary</u>	<u>Place of registration</u>	<u>Year of registration</u>	<u>Percentage of ownership and voting</u>	<u>The main activity</u>
Kalat Al-Aman wal khair for Commercial Investment (Ltd)	Jordan	2010	100%	ownership of trademarks, conversion and assignment, ownership of land and real estate and sale except real estate office, development and improvement of real estate and commercial consultations

**Equity instruments at FVTOCI**

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the cumulative changes in fair value of securities reserve: The cumulative changes or loss will not be reclassified investments. But reclassified to retained earnings. The Company has designated all instruments that are not held for trading as at FVTOCI.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company right to receive the dividends is established, unless the dividends clearly represent a recovery of a part of the cost of the investments. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The Company assesses the classification and measurement of the cash flow characteristics of the contractual asset and the Company's business model for managing the asset.

For an asset to classified and measured at amortized cost or at FVTOCI, is contractual terms should give rise to cash flows that are solely represent payments of principal and interest on the principal outstanding (SPPI).

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured a FVTOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured FVTOCI, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortized cost or FVTOCI are subject to impairment.

**Financial assets at FVTPL**

Financial assets at FVTPL are:

- (i) Assets with contractual cash flows that are not SPPI ; or and
- (ii) Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- (iii) Assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains / losses arising on re-measurement recognized in profit or loss.

Fair value option: A financial instrument with a reliably measureable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing .The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing related gains and losses on a different basis (an “accounting mismatch”).

**Reclassifications**

If the business model under which the Company holds financial assets changes. The financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying he Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made

**Impairment**

IFRS 9 replaces the “incurred loss” model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL

- Cash and bank balances;
- Trade and other receivables;
- Due from related party.

With the exception of purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS(continued)**  
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- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date(referred to as stage1); or
- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company has elected to measure loss allowances of cash and bank balances. Trade and other receivables, and due from a related party at an amount equal to life time ECLs.

ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from weighting of multiple future economic scenarios. Discounted at the asset's EIR.

Loss allowance for financial investments measured at amortized costs are deducted from gross carrying amount of assets. For debt securities a FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative information and analysis based on the previous company experience and on the available credit score including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are. In addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the interim consolidated statement of income and other comprehensive income.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment.

**Measurement of ECL**

The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward – looking information.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**(EXPRESSED IN JORDANIAN DINAR)**

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**Credit-impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to stage 3 assets. At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt securities at FVTOCI at credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact in the estimated future cash flows of the financial asset have occurred.

**DE-recognition of financial assets**

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On DE recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On DE recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

**Presentation of allowance for ECL are presented in the interim financial information**

**Loss allowances for ECL are presented in the interim financial information as follows:**

For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets.

For debt instruments measured at FVTOCI no loss allowance is recognized in the interim consolidated statement of financial position as the carrying amount is at fair value. However, the less allowance is included as part of the revaluation amount in re-evaluation reserve and recognized in other comprehensive income.

**Expenses and revenue recognition**

The Revenue is recognized when there is a probability of economic benefits for the company in result of interchangeable process that's its measurable in a reliable way.

The expenses are recognized in accrual basis.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**Critical accounting judgments and key sources of estimation uncertainty**

The preparation of interim consolidated financial statements requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, the significant Judgments made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial interim consolidated statements.

**Critical judgments in applying the Company's accounting policies in respect of IFRS 9**

**Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Company s of financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of f he assets are compensated. Monitoring is part of the Company s continues assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**Significant increase of credit risk**

ECLs are measured as an allowance equal to 12-month ECL for stage1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

**Establishing Company s of assets with similar credit risk characteristics**

When ECLs are measured on a collective basis, the financial instruments are Company collected on the basis of shared risk characteristics (e g, instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant Increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**(EXPRESSED IN JORDANIAN DINAR)**

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**Models and assumptions used**

The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

**Key sources of estimation uncertainty in respect of IFRS 9**

The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in interim consolidated financial statements.

Establishing the number and relative weightings of forward-looking scenarios for each type of product /market determining the forward looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

**Probability of Default**

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of Default likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

**Loss Given to Default**

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

**Expenses**

General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under Generally Accepted Accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

**Investments in lands**

Investments in land are stated at cost (in accordance with IAS 40) where the standard make the company to choose to record its real estate investments either at cost or at fair value as long as There is no impediment to the ability to reliably determine the value of real estate investments, the management of the Company has chosen the cost to record its investments in the land.

**Accounts payable and accruals**

Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**Related parties**

Transactions with related parties represent the transfer of resources, services or obligations between related parties. The principles and terms of transactions between related parties are approved by the management.

**Provisions**

The provision had been formed, when the Company has a present obligation (legal or expected) from past events which its cost of repayment considers accepted and it has ability to estimate it reliably.

The provision had been measured according to the best expectations of the required alternative to meet the obligation as of the consolidated statement of financial position date after considering the risks and not assured matters about the obligation. When the provision is measured with the estimated cash flows to pay the present obligation, then the accounts receivable is recognized as asset in case of receipt and replacement of the amount is certain and it able to measure the amount reliably.

Provisions are reviewed and adjusted at each period for consolidated statement of financial position , if there is not possibility of cash inflows to settle the provision , the provisions are reversed and recorded as income.

**Sectorial information**

The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision – makers in the Company.

Geographical segment is engaged in providing products subject to the risks and rewards of a particular economic environment different from those of segments operating in other economic environments.

The company current activity consists of two economic sectors represented in real estate investments and investments in land and investment and investment in financial assets.

**Offsetting**

Financial assets and consolidated financial liabilities are offset, and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.



**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS(continued)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	<u>Annual depreciation rate</u>
Furniture	9%
Decoration	12%
Computers and software	25%
Office and electric devices	15%
Mobile	30%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

Impairment test is performed to the value of the property and equipment that appears in the consolidated Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, impairment losses are calculated according to the policy of the low value of the assets

At the exclusion of any subsequent property and equipment recognize the value of gains or losses resulting. Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the consolidated Statement of Financial Position. Gross Profit and loss.

**Income Tax**

The Company is subject to Income Tax Law, its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income, According to International Accounting Standard No. (12), the Company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the periodic consolidated financial statements since it's immaterial.

**4. FINANCIAL INSTRUMENTS**

**Capital Management Risks**

The Company manages its capital to make sure that the Company will continue when it is take the highest return by the best limit for debts and shareholders' equity balances. The Company's strategy has not change from year 2022

Structuring of Company's capital includes debts, which share capital and reserves and fair value reserve and accumulated losses.

earnings as it listed in the changes in interim consolidated owner's equity statement.

**ENTKAEYA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY**  
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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS(continued)**  
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**Financial Risks Management**

The Company's activities might be exposing mainly to the followed financial risks:

**Foreign currencies Risks Management**

The Company doesn't expose to significant risks related with the foreign currencies changing, so there is no need to effective management for this exposed.

**Interest Price Risks Management**

The financial instruments in the consolidated interim statement of financial position are not subject to risks and interest rates, with the exception of creditor banks, whose interest rates change according to the prevailing market prices.

**Other prices risks**

The Company exposes to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other company's owner's equity for strategic purposes and not for trading purposes.

The Company has no trading activity in those investments.

**Credit risk management**

The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses, However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks.

**5. APPROVAL OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The Interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on October 18, 2023.