

DARAT JORDAN HOLDINGS COMPANY

PUBLIC SHAREHOLDING COMPANY

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2024

**REPORT ON REVIEW OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF DARAT JORDAN HOLDINGS COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Darat Jordan Holdings Company (Public Shareholding Company) ("the Company") and its subsidiaries ("the Group") as at 31 March 2024, comprising of the interim consolidated statement of financial position as at 31 March 2024 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the three 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.

ERNST & YOUNG
Amman - Jordan

30 April 2024

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHARE HOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2024

	Notes	31 March 2024 JD (unaudited)	31 December 2023 JD (audited)
<u>ASSETS -</u>			
Non-Current Assets			
Properties and equipment		1,460	1,827
Investments in land		2,598,749	2,598,749
Investment properties		1,164,368	1,172,210
Properties under development		812,261	881,555
Investments in associates		2,496,049	2,838,323
Financial assets at amortized cost		1,110,250	1,254,127
Financial assets at fair value through other comprehensive income		663,431	667,770
Cheques under collection – long term		35,250	47,000
		<u>8,881,818</u>	<u>9,461,561</u>
Current Assets			
Financial assets at amortized cost		140,089	-
Properties inventory		185,990	185,990
Financial assets at fair value through profit or loss		751,893	788,379
Trade receivables		82,263	82,526
Other current assets		207,097	147,866
Cheques under collection		23,500	47,000
Due from a related party	6	17,268	10,370
Cash and banks balances	5	1,359,910	979,922
		<u>2,768,010</u>	<u>2,242,053</u>
Total Assets		<u>11,649,828</u>	<u>11,703,614</u>
<u>EQUITY AND LIABILITIES</u>			
Equity -			
Paid in capital	1	10,250,000	10,250,000
Statutory reserve		292,146	292,146
Retained earnings		901,242	940,303
Net Equity		<u>11,443,388</u>	<u>11,482,449</u>
Liabilities -			
Current Liabilities			
Trade and other current liabilities		92,466	106,991
Dividends payable		113,974	114,174
Total Liabilities		<u>206,440</u>	<u>221,165</u>
Total Equity and Liabilities		<u>11,649,828</u>	<u>11,703,614</u>

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements

PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (UNAUDITED)

	Notes	31 March 2024 JD	31 March 2023 JD
Residential apartments' sales		-	40,000
Reef Amman Project sales revenue		94,714	-
Residential apartments' cost of sales	8	-	(44,781)
Reef Amman cost of sales	8	(135,896)	-
Operating loss		(41,182)	(4,781)
Depreciation of property, equipment and investment property	8	(8,209)	(8,698)
(Loss) Gains on financial assets at fair value through profit or loss		(36,486)	17,146
Gains on sale of financial assets at fair value through profit or loss		-	8,685
Dividends income		13,823	13,858
Administrative expenses	8	(73,104)	(62,470)
Reef Amman's project expenses		(7,282)	(7,071)
Other income		1,673	3,487
Hanger rental income		18,221	18,221
Interest income		38,342	28,988
Foreign currency exchange (loss) gains		(8,595)	9,732
Impairment loss on properties inventory		-	(5,000)
Group's share of profit of associates	8	63,738	76,880
(Loss) profit for the period before income tax		(39,061)	88,977
Income tax expense	4	-	(8,273)
(Loss) profit for the period after tax		(39,061)	80,704
Add: Other comprehensive income		-	-
Total comprehensive income for the period		(39,061)	80,704
		<u>JD / Fils</u>	<u>JD / Fils</u>
Basic and diluted earnings per share			
Of profit for the period	9	<u>(0/004)</u>	<u>0/008</u>

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (UNAUDITED)

	Paid-in capital	Statutory reserve	Retained Earnings		Total	Total
			Realized gains	Unrealized gain (losses)		
	JD	JD	JD	JD	JD	JD
For three months ended 31 March 2024 -						
Balance at 1 January	10,250,000	292,146	928,139	12,164	940,303	11,482,449
Total comprehensive income for the period	-	-	(2,575)	(36,486)	(39,061)	(39,061)
Balance at 31 March 2024	<u>10,250,000</u>	<u>292,146</u>	<u>925,564</u>	<u>(24,322)</u>	<u>901,242</u>	<u>11,443,388</u>
For three months ended 31 March 2023 -						
Balance at 1 January	10,250,000	241,273	931,838	(7,722)	924,116	11,415,389
Total comprehensive income for the period	-	-	63,558	17,146	80,704	80,704
Dividends distributed (Note 11)	-	-	(410,000)	-	(410,000)	(410,000)
Balance at 31 March 2023	<u>10,250,000</u>	<u>241,273</u>	<u>585,396</u>	<u>9,424</u>	<u>594,820</u>	<u>11,086,093</u>

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (UNAUDITED)

	Notes	31 March 2024 JD	31 March 2023 JD
<u>OPERATING ACTIVITIES</u>			
(Loss) profit for the period before tax		(39,061)	88,977
Adjustments for:			
Depreciation	8	8,209	8,698
Interest revenue		(38,342)	(28,988)
Loss (gain) in fair value of financial assets at fair value through profit or loss		36,486	(17,146)
Group share of profit of associates		(63,738)	(76,880)
Dividends income		(13,823)	(13,858)
Gains on sale of financial assets at fair value through profit and loss		-	(8,685)
Impairment loss of properties inventory		-	5,000
Working capital changes:			
Cheques under collection		35,250	14,000
Accounts receivable		263	9,003
Other current assets		(59,231)	20,099
Inventory properties		-	44,437
Accounts payable and other current liabilities		(14,725)	382,931
Net cash flows (used in) from operating activities		(148,712)	427,588
<u>INVESTING ACTIVITIES</u>			
Financial assets at fair value through other comprehensive income		4,339	2,507
Proceeds from sale of financial assets at fair value through profit or loss		-	46,517
Proceeds from sale of financial assets at fair value through other comprehensive income		-	25,279
Financial assets at amortized cost		3,788	(514,454)
Related parties' balances		(6,898)	(11,193)
Bank deposits		(414,792)	(500,002)
Financial assets at fair value through profit or loss		-	(69,532)
Purchase of properties and equipment		-	(7,844)
Interest received		38,342	13,858
Properties under development and inventory properties		69,294	2,842
Dividends income received		13,823	-
Dividends from associates	11	406,012	546,556
Net cash flows from (used in) investing activities		113,908	(465,466)
<u>FINANCE ACTIVATES</u>			
Dividends paid		-	(410,000)
Net cash flows used in financing activities		-	(410,000)
Net decrease in cash and cash equivalents		(34,804)	(447,878)
Cash and cash equivalents at 1 January		227,209	563,140
Cash and cash equivalents at 31 March	5	192,405	115,262

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT 31 MARCH 2024 (UNAUDITED)

(1) General

Darat Jordan Holdings Company was established as a public shareholding Company on 6 December 2007 with an authorized and paid-in capital of JD 15,000,000 divided into 15,000,000 shares at a par value of JD 1 per share. The Group was granted the right to commence its operations on 10 April 2008. The Company's share capital was decreased during the previous years to become JD 10,250,000 divided into 10,250,000 shares at a par value of JD 1 per share.

The Group's objectives are to invest its funds and sources of financing in all types of available investments in different economic, financial, industrial, commercial, agriculture, real estate, tourism, and services sectors through subsidiaries and fully or partially owned companies.

The Company's headquarter is located in Khalda, King Abdullah the Second Street, Building 167, Amman-Jordan.

The interim condensed consolidated financial statements were issued by the Group Board of Directors on 30 April 2024.

(2-1) Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other profit or loss and financial assets at fair value through other comprehensive income that have been measured at fair value as at the date of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements are presented in Jordanian Dinars which is the functional currency of the Group.

The interim condensed consolidated financial statements do not contain all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual report as of 31 December 2023. In addition, the results for the three months period ended 31 March 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 standards and amendments 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 transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no 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 Group's interim condensed consolidated financial statements.

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 Group's interim condensed consolidated financial statements.

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
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AT 31 MARCH 2024 (UNAUDITED)

(3) Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of Darat Jordan Holdings Company and the following subsidiaries:

Group name	Paid-in capital	Principle activities	Ownership percentage %		Group Nature
	JD		2024	2023	
Darat Al Reef Jordan Real estate Company	50,000	Real Estate Development	100	100	Private shareholding Company
Jordanian European Real Estate Management Company	5,000	Real Estate Management	100	100	Limited Liability Company
Altanfezeyoun for Real Estate Development	10,000	Real Estate Services Management	100	100	Limited Liability Company
Al Mashkah for Education Company	10,000	Financial and educational consultations	100	100	Limited Liability Company
Al Marsa Alamen for Real Estate Development	1,000	Real Estate Services Management	100	100	Limited Liability Company
Al Hadas for development and Investments Company	19,000	Real Estate Services Management	100	100	Limited Liability Company

The control exists when the Group controls the subsidiaries' significant and relevant activities, and is exposed, or has the rights, to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

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

(4) Income tax

Darat Jordan Holdings Company:

No income tax provision was calculated on the results of the operations of the subsidiaries for the years ended 31 December 2024 and 2023 in accordance with Income Tax Law No. (34) of 2014 and its amendments, as the presence of accepted expenses exceeded the taxable income. The Company's income tax rate according to the tax law No. (34) for the year 2014 is 20% in addition to 1% for the national contribution.

The Company submitted its annual income tax returns for the years 2021 and 2022 and the Income and Sale Tax Department has not reviewed these tax returns up to the date of these interim condensed consolidated financial statements. The Company reached a final settlement with the Income and Sales Tax Department up to the year 2020.

Subsidiaries:

Jordan European Real Estate Management Company:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2021. The Company submitted its annual income tax returns for the years 2023 and 2022 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these interim condensed consolidated financial statements.

Altanfezeyoun for Real Estate Development:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. The Company submitted its annual income tax returns for the year 2023 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these interim condensed consolidated financial statements.

Al Marsa Alamen for Real Estate Development:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. The Company submitted its annual income tax returns for the year 2023 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these interim condensed consolidated financial statements.

Al Mashkah for Education Company:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. The Company submitted its annual income tax returns for the year 2023 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these interim condensed consolidated financial statements.

Al Hadas for Development and Investments Company:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. The Company submitted its annual income tax returns for the year 2023 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these interim condensed consolidated statements.

Darat Al Reef Jordan Real Estate Company:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2018. The Company submitted its annual income tax returns for the years 2019 up to 2023 and the Income and Sale Tax Department has not reviewed these tax returns up to the date of these interim condensed consolidated financial statements.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT 31 MARCH 2024 (UNAUDITED)

(5) Cash and banks balances

	31 March 2024 JD (unaudited)	31 December 2023 JD (audited)
Cash on hand	5,995	6,391
Current accounts	186,410	220,818
Deposits*	1,167,505	752,713
	<u>1,359,910</u>	<u>979,922</u>

* This item represents short-term deposits in Jordanian Dinars with maturities of one year and bearing an annual interest rate between 6% to 7% (2023: 6% to 7%).

Cash and cash equivalent shown in the interim consolidated statement of cash flow represents amounts in the interim consolidated statement of financial positions as follows:

	31 March 2024 JD (unaudited)	31 March 2023 JD (unaudited)
Cash on hand and balances at banks	1,359,910	1,635,331
Less: deposits at banks due within a year	<u>(1,167,505)</u>	<u>(1,520,069)</u>
Cash and cash equivalents	<u>192,405</u>	<u>115,262</u>

(6) Related party transactions

Related parties represent associated Companies, major shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group management.

Related party balances included in the interim condensed statement of financial position are as follows:

	31 March 2024 JD (unaudited)	31 December 2023 JD (audited)
Due from related parties		
Jordan Cyprus for Logistic Services Company (Associate)	11,107	6,385
Ajiad Investment Company (Associate)	6,161	3,985
	<u>17,268</u>	<u>10,370</u>

Interim consolidated statement of comprehensive income:

	For the three months ended 31 March	
	2024 JD (unaudited)	2023 JD (unaudited)
Key management and Board of Directors benefits:		
Salaries and other benefits	<u>23,265</u>	<u>83,985</u>

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AT 31 MARCH 2024 (UNAUDITED)

(7) Contingent liabilities

	31 March 2024	31 December 2023
	JD	JD
	(unaudited)	(audited)
Letters of guarantees*	2,552	2,552

* The cash margin against the letters of guarantee amounted to JD 255 as of 31 March 2024 (31 December 2023: JD 255).

(8) Segment information

Business segments information

For management purposes the Group's activities are distributed into two main sectors:

Land development – represented with the purchase of lands for the purpose of its development and sale.

Financial investments - represented with the investments in stocks and investments in associates.

Those sectors are the basis upon which the Group builds its main segment information reports.

	Land development	Financial investments	Other	Total
	JD	JD	JD	JD
For the three months period ended 31 March 2024 (unaudited)				
Segment revenues	112,935	13,823	31,420	158,178
Change of in fair value of financial assets at fair value through profit or loss	-	(36,486)	-	(36,486)
Cost of sales	(135,896)	-	-	(135,896)
Group's share of profit of associates	-	63,738	-	63,738
Depreciation of properties and equipment and investment properties	-	-	(8,209)	(8,209)
Administrative expenses	-	-	(73,104)	(73,104)
Other expenses	-	-	(7,282)	(7,282)
(Loss) profit for the period	(22,961)	41,075	(57,175)	(39,061)
As at 31 March 2024 -				
Assets and liabilities (unaudited)				
Segment assets	4,761,368	2,665,663	1,733,326	9,160,357
Investments in associates	-	2,496,049	-	2,496,049
Segment liabilities	-	-	(213,018)	(213,018)
Net assets	4,761,368	5,161,712	1,520,308	11,443,388

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT 31 MARCH 2024 (UNAUDITED)

	Land development	Financial investments	Other	Total
	JD	JD	JD	JD
For the three months period ended 31 March 2023 (unaudited)				
Segment revenues	58,221	13,858	42,211	114,290
Change of in fair value of financial assets at fair value through profit or loss	-	25,831	-	25,831
Cost of sales	(44,781)	-	-	(44,781)
Group's share of profit of associates	-	76,880	-	76,880
Depreciation of properties and equipment	-	-	(8,698)	(8,698)
Administrative expenses	-	-	(62,470)	(62,470)
Other expenses	-	-	(12,075)	(12,075)
Profit (loss) for the period Before tax	13,440	116,569	(41,032)	88,977
As at 31 December 2023				
Assets and liabilities (unaudited)				
Segment assets	5,165,436	2,146,874	1,907,428	9,219,738
Investments in associates	-	2,433,832	-	2,433,832
Segment liabilities	(10,166)	-	(557,311)	(567,477)
Net assets	5,155,270	4,580,706	1,350,117	11,086,093

(9) Earnings per share for the period

	31 March 2024	31 March 2023
	JD	JD
	(unaudited)	(unaudited)
(Loss) profit for the period (JD)	(39,061)	80,704
Weighted average number of Shares during the period (Share)	10,250,000	10,250,000
	JD / FILS	JD / FILS
Basic and diluted earnings per share attributable to equity holders	(0/004)	0/008

(10) Statutory reserves

The Company did not transfer to the statutory reserve and record other fees as required by the Jordanian Companies Law since these financial statements are interim financial statements.

(11) Dividends distributed

In its ordinary meeting held on 26 March 2023, the General Assembly approved the recommendation of the Board of Directors to distribute dividends to shareholders in the amount of JD 410,000 at 4% of the paid-up capital of JOD 10,250,000.