

**AL SALHIA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

**30 SEPTEMBER 2023**

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF AL SALHIA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

## **Introduction**

We have reviewed the accompanying interim condensed financial statements of Al Salhia for Investment and Real Estate Development (Public Shareholding Company) (the "Company"), comprising of the interim condensed statement of financial position as at 30 September 2023 and the related interim condensed statements of comprehensive income, interim condensed statement of changes in equity and interim condensed statement 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 financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed 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.

## **Basis for qualified conclusion**

As disclosed in note (3) to the Company's interim condensed financial statements, included in other current assets an amount of JD 195,377 which represents income and sales tax advances as of 30 September 2023. The balance due is expected to be collected during the years 2024 to 2028. Management did not book the discounting effect of JD 47,333.

## **Qualified conclusion**

Based on our review, except for what is mentioned in the basis for qualified opinion above, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.



### **Emphasis of a matter**

We draw attention to Note (1) in the interim condensed financial statements, the Company had changed its name and objectives during the year 2017 in an effort to acquire operations and start generating revenues. However, the Company still did not initiate any new business activities up to the date of these interim condensed financial statements. Moreover, the Company's accumulated losses amounted to JD 389,686 as of 30 September 2023, which represents 68% of its capital. These events indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as going concern is dependent on starting its new activities. Our conclusion on the interim condensed financial statements is not modified in respect of this matter.

Amman – Jordan  
30 October 2023

**ERNST & YOUNG**  
Amman - Jordan

**AL SALHIA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 SEPTEMBER 2023**

	<u>Notes</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
		<u>JD</u>	<u>JD</u>
		<u>(Unaudited)</u>	<u>(Audited)</u>
<b><u>ASSETS</u></b>			
<b>Current Assets -</b>			
Other debit balances	3	197,248	202,800
Cash on hand and at banks	4	21,232	168,080
<b>Total Assets</b>		<u>218,480</u>	<u>370,880</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders Equity -</b>			
Paid-in capital		572,509	572,509
Statutory reserve		16,915	16,915
Accumulated losses		(389,686)	(234,172)
<b>Total Equity</b>		<u>199,738</u>	<u>355,252</u>
<b>Current liabilities -</b>			
Accounts payable and other credit balances		18,742	15,628
<b>Total liabilities</b>		<u>18,742</u>	<u>15,628</u>
<b>Total equity and liabilities</b>		<u>218,480</u>	<u>370,880</u>

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

**AL SALHIA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)**

	Note	For the three months ended in 30 September		For the nine months ended in 30 September	
		2023	2022	2023	2022
		JD	JD	JD	JD
Murabaha income		232	1,662	1,692	4,465
Administrative expenses		(10,383)	(16,254)	(157,206)	(62,800)
<b>Loss for the period</b>		<b>(10,151)</b>	<b>(14,592)</b>	<b>(155,514)</b>	<b>(58,335)</b>
Add: Other comprehensive income items		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>(10,151)</b>	<b>(14,592)</b>	<b>(155,514)</b>	<b>(58,335)</b>
		Fils/JD	Fils/JD	Fils/JD	Fils/JD
Basic and diluted earnings per share from loss for the period	6	(0/018)	(0/025)	(0/272)	(0/102)

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

**AL SALHIA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)**

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	Paid-in capital	Statutory reserve	Accumulated losses	Total
	JD	JD	JD	JD
<b>For the nine months ended in 30 September 2023-</b>				
Balance as of 1 January	572,509	16,915	(234,172)	355,252
Total comprehensive income for the period	-	-	(155,514)	(155,514)
<b>Balance as of 30 September 2023</b>	<u>572,509</u>	<u>16,915</u>	<u>(389,686)</u>	<u>199,738</u>
<b>For the nine months ended in 30 September 2022-</b>				
Balance as of 1 January	572,509	16,915	(166,522)	422,902
Total comprehensive income for the period	-	-	(58,335)	(58,335)
<b>Balance as of 30 September 2022</b>	<u>572,509</u>	<u>16,915</u>	<u>(224,857)</u>	<u>364,567</u>

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

**AL SALHIA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONDENSED STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)**

	Note	For the nine months ended 30	
		September	
		2023	2022
		JD	JD
<b><u>OPERATING ACTIVITIES</u></b>			
Loss for the period		(155,514)	(58,335)
<b>Adjustments:</b>			
Murabaha income		(1,692)	(4,465)
<b>Working capital changes:</b>			
Other debit balances		5,552	(912)
Accounts payable and other credit balances		3,114	4,935
<b>Net cash flows used in operating activities</b>		<b>(148,540)</b>	<b>(58,777)</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Murabaha income received		1,692	4,465
<b>Net cash flows from investing activities</b>		<b>1,692</b>	<b>4,465</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(146,848)</b>	<b>(54,312)</b>
Cash and cash equivalent at beginning of the period		168,080	237,006
<b>Cash and cash equivalent at ending of the period</b>	4	<b>21,232</b>	<b>182,694</b>

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

**AL SALHIA FOR INVESTMENT AND REAL ESTATE DEVELOPMENT  
PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
30 SEPTEMBER 2023 (UNAUDITED)**

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**(1) GENERAL**

Al Kindi for Pharmaceutical Industries was established as a public shareholding company during 1997, The Company's main objectives are producing medical, chemical, pharmaceutical products and cultivation of medicinal plants.

The General Assembly decided in its extraordinary meeting held on 4 June 2017 to change the Company's name to become Al Barsha'a for Investment and Real Estate Development limited Public Shareholding Company, and to change the Company's objectives to become investing in real estate and development activities and projects, including, leasing, operating and developing the real estate. The name of the Company was changed to become Al Salhia for Investment and Real Estate Development Public Shareholding Company since there is a similar name, the procedures with the Ministry of Trade and Industry were completed on 14 August 2017.

In its extraordinary meeting held on 29 December 2016, the General Assembly decided to approve the write off of the Company's accumulated losses as of 31 December 2015 amounting to JD 13,809,525 through the Company's capital. The Company's paid-in capital became JD 572,509.

The General Assembly decided in its extraordinary meeting held on 28 April 2020 to change the legal status of the company from a public shareholding company to a private shareholding company. The General Assembly decided in its extraordinary meeting held on 26 May 2020 to cease its decisions in its meeting held on 28 April 2020 and decided to change the legal status of the Company from public shareholding company to limited liability company. The legal procedures to fulfill this decision were not completed up to the date of these interim condensed financial statements.

The Company in the process to start owning and developing land plots in accordance with studies and collaborations which are under progress. The Company still did not initiate any new business activities up to the date of these interim condensed financial statements.

The Board of Directors approved these interim condensed financial statements on 29 October 2023.

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

The accompanying interim condensed financial statements as of 30 September 2023 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

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

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

The interim condensed 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 financial statements as of 31 December 2022. In addition, the results for the nine months ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.



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

### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Company.

### **Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

These amendments had no material impact on the interim condensed financial statements of the Company.

### **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

**AL SALHIAH INVESTMENT AND REAL ESTATE DEVELOPMENT  
PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
30 SEPTEMBER 2023 (UNAUDITED)**

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The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

These amendments had no material impact on the interim condensed financial statements of the Company.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

These amendments had no material impact on the interim condensed financial statements of the Company.

**(3) OTHER DEBIT BALANCES**

	30 September 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Income and sales tax receivables	195,377	198,474
Others	1,871	4,326
	<u>197,248</u>	<u>202,800</u>

**AL SALHIAH INVESTMENT AND REAL ESTATE DEVELOPMENT  
PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
30 SEPTEMBER 2023 (UNAUDITED)**

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**(4) CASH ON HAND AND AT BANK**

	30 September 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Current accounts	21,232	48,080
Deposits	-	120,000
	<u>21,232</u>	<u>168,080</u>

Cash and cash equivalents for the purpose of preparing the interim condensed cash flow statement shall represent the following:

	30 September 2023	30 September 2022
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand and at banks	<u>21,232</u>	<u>182,694</u>

**(5) INCOME TAX**

No provision for income tax was calculated for the periods ended 30 September 2023 and 30 September 2022 due to excess of taxable expenses over taxable income in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The legal tax percentage for the Company in accordance with the new income tax law No. (34) of 2014 and its amendments is 20% in addition to 1% for the national contribution.

Tax Department has accepted the records until the year 2020, and they had submitted the income tax declaration for sales for the year ended of 2021 and 2022. it has not been reviewed by the Income and Sales Tax Department up to the date of these interim condensed financial statements.

There are no lawsuits between the Company and the tax department and there no due amount for the income tax department.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
30 SEPTEMBER 2023 (UNAUDITED)**

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**(6) BASIC AND DILUTED LOSS PER SHARE**

	30 September 2023 <u>(Unaudited)</u>	30 September 2022 <u>(Unaudited)</u>
<b>Earnings per share from loss for the period</b>		
Loss for the period (JD)	(155,514)	(58,335)
Weighted average number for shares (share)	<u>572,509</u>	<u>572,509</u>
Earnings per share from loss for the period	<u>(0/272)</u>	<u>(0/102)</u>

The diluted earning per share is equal to the basic earning per share from the loss for the period.

**(7) CONTINGENT LIABILITIES**

**Lawsuits**

There are no lawsuits raised against the company