Aqariya Trading Investment Company
Public Shareholding Company
Ramallah - Palestine

Independent auditor's report
And financial statements
For the financial year ended December 31, 2022

Talal Abu-Ghazaleh & Co. International
Certified Public Accountants

Al-Aqariya Trading Investment Company
Public Shareholding Company
Ramallah - Palestine

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Independent Auditors' Report

To M/s the Shareholders
Al-Aqariya Trading Investment
Public Shareholding Co.
Ramallah – Palestine

Opinion

We have audited the accompanying financial statements of Al-Aqariya Trading Investment Public Shareholding Co., Ramallah – Palestine, set out on pages (4) to (34), which comprise of the statement of financial position as of December 31, 2022, the statement of income and comprehensive income, statement of change in shareholder's equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Al-Aqariya Trading Investment Public Shareholding Co. as of December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in accordance with applicable corporate law in Palestine.

Basis for the Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report .

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Palestine, and we have fulfilled our other ethical responsibilities in accordance with these requirements .

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion.

Other Matters

The financial statements as of December 31, 2021 were audited by another auditor who issued an unqualified opinion in his report issued on March 24, 2022.

Management's responsibilities for the Financial Statements

Management is responsible for the fair preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of corporate law. This responsibility includes maintaining such internal control as management deems necessary to enable it to prepare the financial statements in a fair manner free from material misstatements whether arising from fraud or error.

In preparing the financial statements, management is responsible for assessing the company's viability as a going concern and, where appropriate, disclosing issues related to the company's viability and using the continuity principal basis of accounting unless management intends to liquidate the company or cease operations or has no real alternatives other than to do so.
The management is responsible for overseeing the way the company's financial reports are prepared.

<u>Auditor's responsibilities for the audit of Financial Statements</u>
Our objectives are to obtain reasonable assurance as to whether the financial statements taken as a whole are free from material errors, whether arising from fraud or error, and to issue our report on them that includes our technical opinion.

A reasonable assurance is to give a high degree of confidence, but it is not a guarantee that an audit in accordance with international standards of auditing will always lead to the detection of material error when it occurs. Errors can arise due to fraud or due to an error committed and are considered material if they individually or in aggregate can be expected to affect the economic decisions of users of these financial statements.

As part of the audit process in accordance with international standards on auditing, we practice professional judgment and use professional doubt through the audit, in addition, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error design and perform audit procedures to respond to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our opinion. The risk of failure to disclose material errors arising from fraud is greater than the risk of failure to disclose the error committed, as fraud may involve collusion, forgery, intentional deletion of information, cases of fraud or misrepresentation, or violations of the provisions and rules of internal control.
- To obtain an understanding of the internal control work in relation to the audit work in order to design appropriate audit procedures according to the circumstances, not for the purpose of expressing an opinion on the effectiveness of the company's internal control .
- Evaluate the appropriateness of the accounting policies followed and the reasonableness of the accounting estimates prepared by management and related clarifications.
- Determine the appropriateness of management's use of the continuity principle based on the audit evidence obtained, whether there are uncertainties about the existence of events or circumstances that could raise significant doubts about the company's ability to continue as a going concern. If it is concluded that such cases exist, we are required to draw the attention of management within our report as auditors to the relevant disclosures contained in the financial statements, or if such disclosures are insufficient, we are required to amend our opinion. Our conclusion is based on audit evidence obtained up to the date of our report as auditors, however, future events or circumstances may cause the company to cease to continue as a going concern.

- Assess the overall presentation, the structure and content of the financial statements, including disclosures, and whether the financial statements represent related transactions and events in a manner that achieves a fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the activities of affiliated entities within the group to express an opinion on the financial statements. We are responsible for the management, supervision and performance of the group audit. We are the only ones responsible for our opinion on the audit.

We have communicated with management about the scope and timing of the planned audit and important audit observations, including any weaknesses in internal control identified during our audit.

The audit manager responsible for the audit of this process and who signed the independent auditor's report is the Audit Manager Rami Zaghal.

Talal Abu-Ghazaleh & Co. International
License No. 201/2022

طلال أبوغزاله وشركاه الدولية
Talal Abu-Ghazaleh & Co. International

Rami Zaghal
Certified Public Accountant No. (108/2019)
Ramallah - Palestine
9 February 2023

Al-Aqariya Trading Investment Company
Public Shareholding Company
Ramallah - Palestine
Statement of Financial Position as of December 31, 2022 – Exhibit (A)

Assets	**Notes**	**31 December 2022 USD**	**31 December 2021 USD**
current assets			
Cash and cash Equivalents	3	416,169	351,444
Accounts Receivable, Net	4	1,878,695	2,030,882
Checks under collection due within a year		2,859,324	1,773,210
Financial Investments at fair value through the Income Statement	5	81,742	82,993
Property Inventory	6	2,663,715	2,595,601
Other Current Assets		157,601	--
Total current assets		**8,057,246**	**6,834,130**
Checks under collection due more than one year		5,858,860	3,858,184
Financial Investment through Other Comprehensive Income	7	191,919	131,153
Property investment	8	3,597,551	5,050,662
Property and Equipment	9	202,317	82,429
Right of Use Assets		113,860	20,372
Total Non-Current Assets		**9,964,507**	**9,142,800**
Total Assets		**18,021,753**	**15,976,930**
Liabilities and Owners 'Equity			
Current Liabilities			
Postdated Checks Payable		732,722	196,809
Accounts Payable	10	341,932	416,526
Due to parent company		588,716	582,868
Other Current liabilities	11	2,359,900	1,528,845
Bank Loans- Short Term	1-12	712,449	405,464
Murabaha Financing -Short Term	2-12	590,535	652,571
Lease Liability- Short Term		25,500	11,881
Total Current Liabilities		**5,351,754**	**3,794,964**
Provision for Employees End of Service Indaminity	13	88,359	85,392
Bank loans-Long Term	1-12	1,063,987	994,536
Murabaha Financing -Long Term	2-12	700,783	1,229,283
Lease Liability-Long Term		88,360	8,491
Total Non Current Liabilities		**1,941,489**	**2,317,702**
Total Liabilities		**7,293,243**	**6,112,666**
Owners' Equity			
Paid-in share capital		7,757,405	7,757,405
Statutory Reserve		513,275	426,677
Change In Fair Value Reserve	7	(50,318)	(48,584)
Retained Earnings		2,508,148	1,728,766
Total Equity		**10,728,510**	**9,864,264**
Total Equity And Liability		**18,021,753**	**15,976,930**

"The accompanying notes constitute an integral part of these financial statements"

Al-Aqariya Trading Investment Company
Public Shareholding Company
Ramallah - Palestine
Statement of Comprehensive Income for the year Ended December 31, 2022 - Exhibit (B)

	Notes	31 December 2022 USD	31 December 2021 USD
Revenues			
Revenue from sale of real estate inventory	14	2,944,925	3,071,305
Revenues from Sale of Investments Properties	14	3,155,475	2,086,659
Less: Financial discount on sales	14	(105,332)	(213,393)
Total operating income	14	**5,995,068**	**4,944,571**
Apartment Rental Income	14	16,034	13,707
Total income from sales and rental		**6,011,102**	**4,958,278**
Less: Cost of sold Properties	14	(4,283,641)	(3,455,186)
Less: Cost of rented apartments	14	(7,911)	(6,284)
Gross operating profit	14	**1,719,550**	**1,496,808**
General and Administrative Expenses	15	(400,714)	(407,527)
Financing expenses		(121,119)	(32,511)
Right of Use Assets Amortization		(20,372)	(15,000)
Gross profit from operations		**1,177,345**	**1,041,770**
Provision for expected credit losses	4	(43,946)	(70,000)
Losses From Reevaluation Financial Investment Through the Income Statement	5	(1,251)	4,564
Currency Exchange Losses		(80,400)	30,979
Other Revenue		9,546	14,771
Net Profit before tax		**1,061,294**	**1,022,084**
Income Tax Expense	11	(195,314)	(170,557)
Net Profit for the year		**865,980**	**851,527**
Other comprehensive income items			
Net Profit for the year		865,980	851,527
Change in the fair value of financial investments through other comprehensive income	7	(1,734)	(16,710)
Total other comprehensive income items		**(1,734)**	**(16,710)**
Total other comprehensive income for the year		**864,246**	**834,817**
Earnings per share attributable to the company's shareholders		**%11.16**	**%10.97**

"The accompanying notes constitute an integral part of these financial statements"

Al-Aqariya Trading Investment Company
Public Shareholding Company
Ramallah - Palestine
Statement of changes in Equity for the year ended December 31, 2022- Exhibit (C)

	Paid-in Capital	Statutory reserve	Cumulative change in fair value	Retained earnings	Shareholders' Equity
December 31, 2022	**USD**	**USD**	**USD**	**USD**	**USD**
Balance as of January 1, 2022	**7,757,405**	**426,677**	**(48,584)**	**1,728,766**	**9,864,264**
Net Profit for the year	--	--	--	865,980	865,980
Other comprehensive income items	--	--	(1,734)	--	(1,734)
Total Comprehensive income for the year	--	--	**(1,734)**	**865,980**	**864,246**
Transferred to statutory reserve	--	86,598	--	(86,598)	--
Balance as of December 31, 2022	**7,757,405**	**513,275**	**(50,318)**	**2,508,148**	**10,728,510**
December 31, 2021					
Balance as of January 1, 2021	7,757,405	341,524	(31,874)	962,392	**9,029,447**
Net Profit for the year	--	--	--	851,527	851,527
Other comprehensive income items	--	--	(16,710)	--	(16,710)
Total Comprehensive income for the year	--	--	**(16,710)**	**851,527**	**834,817**
Transferred to statutory reserve	--	85,153	--	(85,153)	--
Balance as of December 31, 2021	**7,757,405**	**426,677**	**(48,584)**	**1,728,766**	**9,864,264**

"The accompanying notes constitute an integral part of these financial statements"

Al-Aqariya Trading Investment
Public Shareholding Company
Ramallah - Palestine

Statement of cash flows for the year ended December 31, 2022- Exhibit (D)

	Notes	December 31, 2022 USD	December 31, 2021 USD
Cash flows from Operating Activities			
Profit for the period before tax - Exhibit "b"		1,061,294	1,022,084
Adjustments			
Service Indemnity Provision for End of year	13	11,073	36,350
Provision for expected credit losses	4	43,946	70,000
Depreciation of Property and Equipment`	9	25,125	24,131
Depreciation of property investment	8	6,891	5,996
Cost of financing		121,119	32,511
Amortization of right of use assets		20,372	15,000
Financial investments at fair value Revaluation (Loss) of through the income statement	5	1,251	(4,564)
Profits from Sale of property and equipment		--	(576)
Cash Flow from Operating Activities before Chagnes in Operating liabilities		**1,291,071**	**1,200,932**
Decrease in Accounts receivable		108,241	558,941
(Increase) in Other Accounts receivable		(157,601)	--
Increase in Checks Under Collection due within a year		(1,086,114)	(782,380)
Increase in Checks under Collection due after One Year		(2,000,676)	(1,768,891)
Inventory Increase in Property		(68,114)	(1,227,621)
Decrease in Property Investments		1,446,220	1,071,168
Increase in Accounts Payable and Postdated Checks		467,167	167,860
Increase in Other Accounts Payable		635,741	24,149
Paid of End of Service Indmenity to employees		(8,106)	(6,821)
Taxes paid		--	(190,148)
Net cash flows provided from (used in) operating activities		**627,829**	**(952,811)**
Cash flows from Investing Activities			
Financial Assets Purchase		(62,500)	(24,832)
Gain from Sale of property and equipment		--	1,605
Property and Equipment Purchase	9	(145,013)	(3,036)
Net cash Flows (used in) investing activities		**(207,513)**	**(26,263)**
Cash flows from Financing Activities			
Islamic Bank loans		781,900	1,400,000
Payment of lease liabilities		(20,372)	(15,000)
Repayment of bank loans		(1,117,119)	(927,448)
Net cash (used in) provided from Financing activities		**(355,591)**	**457,552**
Net Increase (decrease) in Cash and Cash Equivalents		64,725	(521,522)
Cash and Cash Equivalents at the beginning of the year		351,444	872,966
Cash and Cash Equivalents at the end of the year		**416,169**	**351,444**

"The accompanying notes constitute an integral part of these financial statements"

Al-Aqariya Trading Investment
Public Shareholding Company
Ramallah – Palestine
Notes to the Financial Statements

1. General Information

a. Al-Aqariya Trading Investment Company, a Public Shareholding Company, was established in January 12, 2004 pursuant to the provisions of Corporation Law No. (12) of the year 1964, with registration number of (562600734). The Company's authorized paid capital is JOD 4,409,558 distributed over 4,409,558 shares at a rate of JOD 1 per share.

b. The Company Listed on the Palestinian Capital Market. In addition, it s a subsiduy under the Parent Company Al-Mashreq insurance, which is a Public Shareholding Company Listed on the Palestinian Capital Market.

c. On April 17, 2018, the company's extraordinary general assembly approved the board of directors' recommendation to change the company's capital currency from the Jordanian dinar to the US dollar. Thus, it was approved to amend Article No. (4) Clause No. (1) of the Memorandum of Association and Article No. (5) of the bylaws of the Al-Aqariya Trading Investment Company, so that the company's capital became USD 7,757,405, distributed over 7,757,405 at a rate of one dollar for each share. The company obtained the approval of the Palestinian Capital Market Authority in this regard.

d. The company is managed by a board of directors consisting of seven members elected by the general assembly for a period of four years, and the chairman of the board is the authorized signatory for the company and represents it to others and all official bodies. The chairman of the board of directors has the right to delegate all or some of his powers related to financial, administrative or any other matters to others according to the decision taken by the Board of Directors.

e. The company aims to carry out real estate activities in owned or leased properties and real estate activities on the basis of a contract or in exchange for a fee and the construction of complete facilities or parts thereof, civil engineering activities, installation of buildings and other activities as stated in the articles of association.

f. The number of the company's employees was (9) employees as of December 31, 2022 and (8) employees as of December 31,2021.

g. The attached condensed financial statements were approved by the company's Management on March 29, 2023.

2. Accounting policies

2.1. Basics of preparing financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

The financial statements have been prepared in accordance with the historical cost principle, except for the measurement of available-for-sale financial assets presented at the fair value.

The financial statements are presented in Us Dollar, which is the functional currency of the company.

2.2. Changes in accounting policies

The International Accounting Standards Board (IASB) issued some standards, amendments and interpretations effective:

The following new and amended International Financial Reporting Standards, which became effective for financial periods beginning on January 1, 2022 or after that date, were followed in the preparation of the company's financial statements and did not have a material impact on the amounts and disclosures contained in the financial statements in the current year as follows:

Standard or interpretation number	Discerption	Effective date
Amendments to Accounting Standard No. (16). Property and equipment	The amendment to prevent the company from reducing the cost of property, plant and equipment by the amounts received from the sale of the items produced while the company is preparing the asset for its intended use, and that the entity recognizes the proceeds from the sale of those items and the costs of producing such items in the income statement.	January 1, 2022
A reference to the conceptual framework Amendments to the International Financial Reporting Standard No. (3). Business combination	A minor amendment to IFRS No. (3) Related to updating references to the conceptual framework for financial reporting by adding an exception to recognizing liabilities and contingent liabilities within the scope of IAS No. (37) - Provisions, Contingent Liabilities and Contingent Assets. The amendment emphasized that potential assets should not be recognized on the acquisition date.	January 1, 2022
Burdened contracts-cost of contract execution amendments to international accounting standard no. (37) allocations, potential liabilities and potential assets	The amendments specify that the "cost of performing" a contract includes "costs directly related to the contract". Costs that are directly related to a contract can be either additional costs of fulfilling that contract (e.g., direct labor and materials) or allocating other costs that are directly related to the execution of contracts (e.g., allocating depreciation expense to an item of property, plant and equipment used in contract execution).	January 1, 2022
Annual improvements to the International Financial Reporting Standards for the years 2018 to 2020.	Annual improvements to the following IFRS (9), (16) and (1), and international accounting standard (41).	January 1, 2022

The International Accounting Standards Board (IASB) issued some standards, amendments and interpretations but are not yet effective:

The company did not adopt any of the new and revised International Financial Reporting Standards and Interpretations

Standard or interpretation number	Discerption	Effective date
International Financial Reporting Standard No. 17 Insurance contract	International Financial Reporting Standard No. (17) Was issued in May 2017 to replace International Financial Reporting Standard No. (4) Insurance Contracts. The current measurement model requires, when estimates exist, that they are re-measured in each reporting period. Contracts are measured using the following bases: • Discounted cash flows are probability-weighted, • Express modification of risk, and • Contractual service margin represents the unearned profit on a contract that is recognized as revenue over the period of coverage. IFRS 17 requires insurance liabilities to be measured at the present value of satisfaction and provides a standard measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts.	January 1, 2023 (postponed from January 2021)
Disclosure of accounting policies Amendments to International Accounting Standard No. (1) And Statement of Practice No. (2).	The amendments to IAS 1 require entities to disclose material accounting policies rather than their significant accounting policies. Further amendments explain how an entity can determine a material accounting policy. Examples are added when the accounting policy may be material. To support the amendment, the IASB has also developed guidance and examples to explain and demonstrate the application of the “four-step materiality process” described in IFRS Practice Statement 2. Once an entity applies the amendments to IAS 1, it is allowed to also apply the amendments to the Statement of Practices of International Financial Reporting Standards (2). Amendments will be applied prospectively.	January 1, 2023
Define accounting estimates Amendments to International Accounting Standard No. (8).	Amendment to International Accounting Standard No. (8) Accounting Policies, Changes in Accounting Estimates and Errors. The amendments replace the definition of change in accounting estimate with the definition of accounting estimate. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in the financial statements to be measured in a manner that involves measurement uncertainty. The amendments clarify that a change in an accounting estimate that results from new information or new developments is not a	January 1, 2023

	correction of an error.	
Amendments to International Accounting Standard No. (12) Income Taxes. Deferred tax relating to assets and liabilities arising from a single transaction	The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. It will normally apply to transactions such as tenant leases and termination obligations and affected businesses will require the recognition of additional deferred tax assets and liabilities. This means that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	January 1, 2023
Initial Application of IFRS 17 and IFRS 9 - Comparative Figures (Amendment to IFRS 17)	The amendment allows entities that apply for the first time both Standard 17 and Standard 9 at the same time to present comparative figures for financial assets as if the classification and measurement requirements in Standard 9 had been applied to those financial assets previously.	January 1, 2023
Classification of liabilities as current and non-current modifications to International Accounting Standard No. (1).	The amendments to the presentation of the financial statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. This classification is not affected by the entity's expectations or events subsequent to the date of the financial report. Amendments to the classification of liabilities as current or non-current (amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position - not the amount or timing of recognition of any asset, liability, income or expense, or information that entities disclose about those items.	January 1, 2024 (postponed from January 2022)
Amendment to International Financial Reporting Standard No(16) . Lease contracts. Rental obligations in the process of selling and renting back	Amendments clarifying how the seller-tenant measures post-sale and leaseback transactions.	January 1, 2024
Amendments to International Financial Reporting Standard No. (10) And International Accounting Standard No. (28) - Sale or Contribution of Assets between an Investor and His Associate or Joint Venture	The amendments address the inconsistency between IFRS (10) and IAS (28) in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.	Postponing the effective date indefinitely, with the possibility of early application

The company's management does not expect that these standards will have a material impact on the financial statements when applied in future periods.

2.3 Summary of significant accounting policies

Statement of commitment

The attached financial statements have been prepared in accordance with IFRS and the requirements of applicable local laws.

Basis for preparation of the Financial statements

The financial statements have been prepared in accordance with the historical cost principle, except for financial instruments measured at fair value as described in the accounting policies below. The historical cost generally represents the fair value of the specific price offered for the exchange of assets.

The fair value is the value that will be received for the sale of an asset or paid for the transfer of any of the liabilities in regular transactions between market participants on the measurement date, regardless of whether the price can be achieved directly or estimated by another valuation method. When estimating the fair value of any asset or liability, the company takes into account these factors when pricing assets or liabilities if market participants consider these factors when pricing assets or liabilities at the measurement date. Fair value has been determined for measurement and/or disclosure purposes in these financial statements on that basis, with the exception of equity-based payment transactions within the scope of IFRS 2, lease transactions within the scope of IAS 17 and measurements that are similar to fair value, such as the net verifiable value in IAS 2 or such resulting from the use of IAS 36.

In addition, for financial reporting purposes, fair value measurements are classified into Level 1, 2, or 3 based on the clarity of the inputs to the fair value measurements and the relevance of the inputs to the entire fair value measurements, and are defined as follows:

* Level I: fair value measurements derived from the listed (unadjusted) prices in active markets for identical assets and liabilities at the measurement date.
* The second level: measurements of the fair value derived from inputs other than the listed prices that are listed in the first level and that can be observed for assets and liabilities either directly or indirectly.
* Level III: fair value measurements derived from unobserved inputs of assets and liabilities.

The Company presents its statement of financial position in general according to liquidity, by differentiating between the current and non-current part depending on the expectations of collection or repayment within 12 months after the date of the statement of financial position (current) and more than 12 months after the date of the statement of financial position (non-current), as this was shown in the explanations.

The U.S. dollar is the presentation currency of the financial statements and is the main currency of the company.

Revenue recognition and expenses registration

Revenue from the sale of land and real estate

The company engages in real estate activities through the purchase and sale of land and real estate. Revenue from the sale of land and real estate is recognized at the moment control of the property is transferred to the buyer under a structured sale contract, and the related costs can be reliably estimated, and there is no ongoing participation in the management of the property or land sold and usually associated ownership or effective control of land and real estate that has been sold. In cases where the sale value is received over a long period, the discounted value of the sale consideration is taken into account when recognizing the revenue.

Rental revenues

Revenues generated from the rental of real estate under operating leases in which the risks and benefits of ownership are not transferred to the lessee based on the actual occupancy of the property and according to the accrual principle. The rents paid by lessee for the period following the date of the financial statements are recognized as income received in advance.

Dividends income

Dividends are recognized when the right of shareholders to receive payments for dividends arises upon approval by the general assembly of shareholders of the investee company.

Expenses registration

Expenses are recorded and recognized in the Income Statement and according to the accrual principle.

Provision for end of service Indemnity

Provision for end of service indemnity is conculated in accordance with Labor Law No. 7 of 2000 and on the basis of allocating at the rate of one month's salary for each year of service depending on the last salary received during the year. The amounts to be deducted annually are recorded in the Income Statement, and the amount of the allowance is reduced by the amounts paid to employees at the end of their services or leaving work.

Statutory reserve

The compulsory reserve is formed by deducting 10% of the profit for the year until the balance of this reserve reaches a quarter of the paid-up capital and may be increased to reach 100% of the paid-up capital, in accordance with the requirements of the Companies Law No. 12 of 1964 and its amendments. This reserve is not distributable to shareholders.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in book value, if any. The property and equipment are depreciated (except land) based on a straight-line method over the estimated useful lives of the assets as follows:

Furniture and Fixtures	%10
Computers Equipment	%15
Motor Vehicles	%20
Decorations and Improvements	%20

When the recoverable amount of any of these assets is less than their net book value, their value is reduced to the recoverable value and the impairment value is recorded in the statement of income.

The life expectancy of property and equipment is reviewed at the end of each year, if the life expectancy estimates differ from the previously prepared estimates, then the change in estimates for subsequent years is recorded as a change in estimates.

Gains and/or losses resulting from the sale or wrting off property and equipment, representing the difference between the proceeds from the sale and the carrying amount of the asset, are credited to the calculation of gains (losses) on the sale of property and equipment in the statement of income.

Real estate Inverntory

Lands and property that the company has purchased or established with the purpose of selling them through the company's regular activities and not for the purpose of leasing or retaining them for the purpose of benefiting from their future, where it appears at cost of recovery value, whichever is lower. The cost includes the amounts paid for the rights to own real estate, the amounts paid to contractors and engineers for the construction and the amounts paid for the processing of these properties from legal fees, property taxes and other indirect expenses.

The value of the real estate inventory recognized in the income statement upon exclusion is recognized as the cost of excluding real estate inventory by determining the value of the actual costs recorded on the sold real estate plus any other relatively specific costs based on the level of completion and using engineering reports.

Upon completion of projects under implementation so that they become ready for sale only, they are transferred to the real estate inventory, where they are proved as real estate inventory at the actual cost recorded in the records.

Real estate investments

They are investments held with the aim of benefiting from the increase in their market value over time or obtaining rental income from them, where they are shown at cost as at the date of the financial statements.

Real estate investments are initially measured at cost, including transaction costs. The cost includes the cost of replacing an existing part of the investment when that cost occurs, if the conditions required to prove it are met, and it does not include the daily costs of maintaining those investments.

Real estate investments are stated at cost after deducting the accumulated depreciation (excluding land), and these investments are depreciated over their productive life by 2%. Any decrease in their value is recorded in the Income Statement, and the income and expenses or operating expenses of these investments are recorded in the income statement.

Real estate investments are written off when they are excluded or when their no longer used and not expected to have any economic benefits in the future. Any losses or gains resulting from the withdrawal or exclusion of real estate investments are recognized as profit or loss for the year during which the withdrawal or exclusion was made.

Impairment of non-financial assets

The company evaluates whether there is an indicator that an asset has been depreciated. In case of any, or when there is a need to test the annual depreciation of the asset, the company estimates the recoverable amount of the asset, which is the fair value of an asset minus the selling expenses or the “value in use”, whichever is higher. and is determined for the individual asset, unless the asset does not generate cash inflows that are largely independent of those of other assets or groups of assets.

When the carrying value of an asset exceeds its recoverable value, the asset is considered undervalued and is reduced to its recoverable value. When estimating the value in use, the estimated future cash flows are discounted to their current value using a discount rate that reflects current market assessments of the time value of money and the risks of the asset. To determine the fair value minus the costs of sale, an appropriate valuation form is used. These calculations are supported by valuation multiples or other available fair value indicators.

Financial assets

Financial assets and financial liabilities are recognized when the company becomes a party to contractual provisions specific to the instrument.

Financial assets and financial liabilities are initially measured at fair value, and transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of financial assets or financial liabilities, as appropriate, upon initial recognition. Transaction costs directly related to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized directly in the income statement.

Classification of financial assets

The company's financial assets include cash, bank balances, receivables, checks under collection and other receivable balances, as well as financial investments through the Income Statement and other comprehensive income statement. The classification of financial assets in the form mentioned is based on the nature and purpose of the acquisition of such financial assets and is measured at the time of recognition.

Financial investments through the income statement (FVTPL)
Financial assets at fair value through the income statement represent investments in shares of companies for trading purposes, and the purpose of holding them is to make profits from short-term market price fluctuations or trading profit margin.

Financial assets are recognized through the income statement at fair value upon purchase (acquisition expenses are charged to the income statement upon purchase) and subsequently revalued at fair value. The change in fair value is reflected in the income statement, including the change in fair value resulting from the differences in the conversion of items of non-monetary assets in foreign currencies. in case of the sale of these assets or part of them, the resulting profit or loss is taken to the income statement.

Financial investments through other comprehensive income (FVTOCI)
Financial assets at fair value through the statement of other comprehensive income represent investments in shares of companies, including those that are traded in financial markets and therefore have market prices that represent their fair value, including those that are not traded in financial markets and are shown at the estimated fair value.

Financial assets are recognized through the statement of other comprehensive income at fair value upon purchase and are subsequently revalued at fair value. The change in fair value is reflected in the statement of other comprehensive income, including the change in fair value resulting from the differences in the conversion of items of non-monetary assets in foreign currencies. In the case of the sale of these assets or part of them, the realized profit or loss is transferred to the accumulated profit under equity.
Dividends or accrued interests are taken into the income statement.

Impairment in the value of financial assets
The company recognizes provisions of provision for expected credit loss on financial instruments measured by amortized cost, trade receivables, rent receivables and contract assets. The provisions of doubtfull accounts are reviewed periodically in subsequent periods to reflect the change in credit risk since the initial recognition of the financial asset.

The company always calculates the provision for expected credit loss over the life of receivable trade receivables, contract assets and receivable leases. The provision for expected credit loss of these financial assets is also estimated based on the historical information of credit losses according to the company's records and is adjusted after taking into account several factors related to the debtor parties. The current economic situation and the assessment of the current economic situation and the expected economic situation as at the date of preparation of the financial statements taking into account the current value of cash at that time, wherever necessary.

For all other financial instruments, the company recognizes provision for expected credit loss over a lifetime when there has been a significant increase in credit risk since initial verification. However, in the event that the credit risk on the financial instrument has not increased significantly since the initial recognition, the company measures the loss provision for that financial instrument in an amount equal to the expected credit losses for 12 months. The assessment of whether expected credit losses should be recognized over a lifetime is based on significant increases in the likelihood or risk of a default occurring since the initial recognition rather than proving that the financial asset has a credit impairment at the reporting date.

Expected credit losses over the life span represent the expected credit losses that will result from all possible default events over the expected life of the financial instrument. In turn, the expected credit losses for 12 months represent a part of the expected credit losses over the life that is expected to result from default events on financial instruments that can occur within 12 months after the reporting date.

Significant increase in credit risk

When assessing whether the credit risk on a financial instrument has increased significantly since the initial recognition, the company compares the risk of default of the financial instrument at the reporting date with the risk of default occurring on the financial instrument at the initial issue date. In making this assessment, the company takes into account both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information available without undue cost or effort.

The company regularly monitors the effectiveness of the criteria used to determine whether there is a significant increase in credit risk and reviews them as appropriate to ensure that the criteria are able to identify a significant increase in credit risk before the amount becomes overdue.

The Company assumes that the credit risk of a financial instrument has not increased significantly since the initial recognition if it is determined that the financial instrument has a low credit risk at the reporting date. It is determined that a financial instrument has a low credit risk if:

1. The financial instrument has a low risk of default.
2. The debtor has a strong ability to fulfill his obligations related to contractual cash flows in the near term.
3. Adverse changes in economic and business conditions in the long-term may, but not necessarily, reduce the borrower's ability to fulfill his obligations related to contractual cash flows.

Definition of default

The company uses statistical models to analyze the collected data and create estimates of the Probability of Default ("PD") of exposures over time. This analysis involves identifying any changes in default rates and changes in key macroeconomic factors across various geographical areas of the company.

Financial assets with low credit value

A financial asset is considered to have a low credit value when one or more events occur that have a detrimental effect on the estimated future cash flows of that financial asset. Evidence that a financial asset has a low credit value includes observable data on the following events:

A. Significant financial difficulty of the Issuer or borrower;

B. Breach of contract, such as default or a late event;

C. The borrower's lender (s), for economic or contractual reasons related to the borrower's financial difficulty, having granted the borrower a privilege (s) that the lender (s) would not otherwise consider;
D. The borrower has become likely to enter bankruptcy or other financial restructuring; and
E. The disappearance of an active market for that financial asset due to financial difficulties.

Write-off policy

The company writes off a financial asset when there is information indicating that the debtor is experiencing severe financial difficulties and there is no realistic prospect of its recovery.

The measurement of expected credit losses is a function of the probability of default, the given loss (that is, the size of the loss in the event of a default) and the exposure when defaulting. The assessment of the probability of default and loss in the event of default is based on historical data adjusted by forward-looking information as described above. As for the exposure when defaulting, for financial assets, this is represented by the total book value of the asset at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows due to the company according to the contract and all cash flows that the company expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The company derecognizes financial assets only when the contractual rights to the cash flow from those financial assets expires, or when the financial assets including all gains and risks related to the ownership of the financial assets, are transferred to another entity. If the company has not fully transferred the financial assets or has not transferred all the gains and risks related to the ownership of the financial assets and continues to control those financial assets that have been transferred to another party, the company recognizes its residual interest in the financial assets and any obligations that it must repay. If the company does not transfer all the gains and risks related to the ownership of financial assets, the company continues to recognize financial assets plus a secured loan against the proceeds received.

In the event that financial assets measured at amortized cost or measured at fair value through profit or loss are excluded, the difference between the carrying amount of the asset and the sum of the amounts received and not received against it is recognized in the income statement.

If financial assets classified at fair value through other comprehensive income items are excluded, the profit or loss that was previously recognized in the calculation of accumulated changes in the fair value of securities, is not reclassified to the statement of income, but is reclassified to accumulated profit (losses) directly.

The company writes off the financial asset when there is confirmed information about the existence of significant financial difficulties faced by the debtor party and the certainty that there is no realistic prospect of collecting the outstanding value.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and short-term depostits with an original maturity of three months or less.

Accounts Receivables

Receivables consist of accounts receivable from customers and tenants. Receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market, and in the event that collection of such receivables is expected in a period of one year or less, they are classified as current assets, otherwise, they are presented as non-current assets. Commercial receivables generally mature within 30 days and are therefore classified as current assets. The expected credit losses appears in the statement of income when there is evidence that these receivables may not clarified are collected.

Financial Liabilities and equity instruments

Financial and equity instruments are calssified as liabilities or as property instruments according to the basis and essence of the contractual arrangements and the definition of the financial requirement and any equity instrument.

Equity instruments

An equity instrument is any contract that establishes the right of its owner to the remaining assets of the company after subtracting all its obligations. Equity instruments issued by the company are recorded in the amounts received after subtracting the direct issue expenses.

Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method, which is a method of calculating the amortized cost of a financial obligation and allocating interest expenses for the relevant period. The effective interest rate is the rate that deducts exactly the estimated future cash payments (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs, installments or other deductions) by the expected life of the financial obligation, or (where applicable) a shorter period for the amortized cost of a financial obligation.

Derecognition of financial liabilities:

The company derecognition financial liabilities only when the company's obligations are, canceled or expired. The difference between the carrying amount of an unrecognized financial liability and the consideration paid and payable is recognized as profit or loss.

Accounts Payable

Future payables related to the services performed are recorded regardless of receipt or non-receipt of invoices from suppliers. Payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate.

Murabaha financing

Murabaha financing from banks is recorded in the registers with the total amount of financing and Murabaha accrued in accordance with the accrual principle.

Provisions

Provisions are taken when there are current obligations against past events, which may result in a cash flow to pay for economic benefits that can be reasonably estimated.

The provision is calculated according to the best estimates of future expenses for the payment of obligations as at the date of the financial statements, taking into account any unforeseen risks and events related to the obligation. When determining the provision using the expected cash flows to pay the current obligation, the carrying amount of the obligation represents the present value of these cash flows (where the effect of the time value of money is material).

When it is expected that some or all of the economic benefits required to repay the obligation will be recovered from a third party, the amounts owed will be recorded as an asset if it is actually confirmed that the payments will be collected, and the amounts owed are reliably measurable.

Contingent liabilities

The company holds guarantees issued by the bank, which is a written pledge issued by the bank (the guarantor) to pay a certain amount to the beneficiary at the request of the guarantor (the company), and within a specified period in case the applicant does not fulfill the purpose for which the guarantee was issued, and the value of these pledges amounted to USD 10,000 as dated on December 31, 2022.

Operating leases

The company as a leesse:

The lease is adjusted, and the lease adjustment is not accounted for as a separate lease, in which case the lease requirement is remeasured based on the terms of the adjusted lease by deducting the adjusted lease payments using the adjusted discount rate at the actual price on the date of the adjustment.

The company has not made any of these adjustments during the periods presented.

The right-of-use assets include the initial measurement of the liabilities of the corresponding leases, lease payments made on or before the start day, minus any rent incentives received and any initial direct costs. It is subsequently measured at cost minus accumulated depreciation and depreciation losses.

When the company incurs an obligation for the costs of dismantling and removing a leased asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms of the lease agreement, an allowance is recognized and measured in accordance with IAS 37 to the extent that it relates to the costs of the right-of-use assets; the costs are included in the assets of the relevant right-of-use, unless such costs are incurred for the production of goods.

The assets of the right of use are depreciated over the term of the lease or the useful life of the asset (whichever is shorter). If the lease transfers ownership of the underlying asset or the cost of the right of use, reflecting that the company expects to exercise the purchase option, the value of the relevant right of use is depreciated over the useful life of the asset. Depreciation begins on the start date of the lease.

The assets of the right of use are presented as a separate item in the statement of financial position.

The company applies IAS 36 to determine whether the value of the right of use has depreciated and calculates any depreciation losses.

Variable rents that do not depend on an index or rate are not included in the measurement of rental liabilities and right-of-use assets. The relevant payments are included as an expense in the period when the event or condition that gives rise to these payments occurs and are included in a separate item in the income statement.

The company as a lessor:

The company does not have long-term leases or are considered finance leases; operating lease income is recognized in the statement of income when due.

Taxation

The current tax is calculated based on the taxable profit of the year. Taxable profit differs from the profit shown in the income statement in that it does not include items of income and expenses that are taxable or deductible in other years, and it does not include items that have never been taxed or deductible.

The estimation of income tax on profits is carried out annually based on the Income Tax Law No. 8 of 2011.

Foreign currency

The company mainly deals in US dollars, when preparing the financial statements, transactions made in foreign currencies other than the currency used by the company are recorded on the basis of the exchange rates prevailing at the date of those transactions.

At the date of the financial statements, the balances of financial assets and financial liabilities are converted at the prevailing average foreign currency rates at that date into US dollars.

Non-financial assets and liabilities in foreign currencies that appear at their fair value are converted to US dollars based on the prevailing exchange rates at the date of determining their fair value.

Exchange differences resulting from the conversion of foreign currencies into US dollars are included in the statement of income, except for :

-Currency differences related to assets under construction for future use benefits, which are included in the cost of these assets as adjustments to interest rate differences as a result of borrowing in foreign currencies.

-Currency differences resulting from entering into transactions with the aim of hedging certain risks of certain foreign currencies.

For the purposes of preparing the financial statements, the company's assets and liabilities are presented in US dollars, the currency used by the company, based on the prevailing exchange rates as at the date of the financial statements. Income and expenses are retranslated based on the average exchange rates prevailing during the year, and the exchange differences resulting from the conversion of these items into US dollars are included in the income statement.

The exchange rates against the US dollar, as at the date of the financial statements, were as follows:

	31 December	
	2022	2021
	USD	USD
NIS	0.2824	0.312
JOD	1.410	1.410

2.4 Significant accounting assumptions and uncertain estimates

The preparation of financial statements and the application of accounting policies require the company's management to make assumptions and estimates that affect the amounts of certain assets and liabilities and disclosure of potential liabilities. These assumptions and estimates affect income, expenses and provisions as well as changes in fair value, and in particular requires the company's management to make important judgments and jurisprudence to estimate the amounts and timing of future cash flows. These estimates are necessarily based on various assumptions and factors that have varying degrees of estimation and uncertainty and that actual result may differ from the estimates due to changes caused by the conditions and circumstances of those estimates in the future.

Provisions in determining the timing of fulfillment of performance obligations

For performance obligations that are fulfilled at a certain time, the company takes into account the general requirements for control (i.e., direct use of assets and substantially obtaining all benefits) and the following non-exhaustive list of indicators for the transfer of control:

*The entity has the current right to payment.
*The client has a legal right.
*Transfer of the establishment and legal possession.
*The client has significant risks and advantages.
*The customer has approved the origin.

Significant increase in credit risk

The expected credit losses are measured as an allowance equal to the expected credit losses for 12 months for the assets of the first stage, or the assets of the expected credit losses over the life of the assets of the second or third stage. The asset moves to the second stage when its credit risk has increased significantly since the initial recognition. IFRS 9 does not specify what constitutes a significant increase in credit risk. When assessing whether the credit risk of an asset has increased significantly, the company takes into account reasonable and supporting qualitative and quantitative forward-looking information. Historical loss rates are adjusted to reflect current and future information about macroeconomic factors affecting the ability of customers to settle receivables.

Classification of financial investments

The company's management classifies investments as investments at fair value through the income statement or as investments at fair value through other comprehensive income items when purchasing such investments and makes its judgments as to whether such investments are investments at fair value through profit and loss or at fair value through other comprehensive income items. Management has taken into account the detailed conditions for determining this classification as set out in IFRS No. (9) Financial Instruments. In the opinion of management, the investments have been properly classified.

Property classification

The Company's management in its classification of the property made a number of assumptions. These assumptions are required in determining the eligibility of property to be classified as an investment in real estate or as property and equipment, as projects under construction, or as property held for sale. The department develops criteria that enables it to consistently apply these assumptions in accordance with the definition of investing in real estate, property and equipment, projects under construction, and real estate held for sale. In making these assumptions, management has taken into account the detailed standards and guidelines contained in IAS No. 2 inventory, IAS No. 16 property, machinery and equipment, and IAS No. 40 investments in real estate, with respect to the purpose of using the property.

Management believes that its use of estimates in the financial statements is reasonable and detailed as follows:

Financial instruments subject to expected credit loss assessments: the company recognizes provisions for expected credit losses on trade receivables. The provisions for expected credit losses are reviewed periodically in subsequent periods to reflect the change in credit risk since the initial recognition of the financial asset.

The company estimates the life of the expected credit loss for each of the trade receivables. The expected credit loss is also estimated based on credit losses based on historical information under the company's records, and is adjusted after taking into account several factors related to the debtor parties, the current economic situation and the assessment of the current economic situation and the expected economic situation as at the date of preparation of the financial statements, taking into account the current value of cash at that time, where necessary. The company recognized a loss provision of 11% as of December 31 2022, (2021: 11%) against all receivables.

Taxes: Tax is estimated for the year and charged with its own tax in accordance with the applicable regulations and laws, accounting standards, record deferred tax assets and liabilities and the necessary provision for tax.

The productive ages of tangible assets: the management periodically re-estimates the productive ages of tangible assets for the purposes of calculating annual depreciation depending on the general condition of those assets and estimates of the expected productive ages in the future. The impairment loss is recorded in the Income Statement for the year.

Real estate inventory: real estate is recorded at cost or at net realizable value, whichever is lower. The net realizable value is assessed by reference to market conditions and prices available on the reporting date and is determined by the company after seeking appropriate external advice and in the light of recent market transactions.

Impairment of tangible assets: the company's management annually tests whether the tangible assets have been subject to impairment in accordance with the accounting policies set out in Note No. 3. The recoverable amount of an asset is determined based on the market approach and the method of value in use (applicable).

Deduction of payments for long-term real estate sales: deduction of payments received for long-term land and real estate sales under collection fee checks was done using the appropriate discount rate.

Estimating the fair value of unlisted financial investments: management evaluates investments in unlisted companies based on the latest financial statements of the invested companies and in accordance with the requirements of international standard No. 9.

Potential liabilities: a provision for cases brought against the company (if any) is formed based on a legal study prepared by the company's lawyer and legal adviser, according to which the possible risks in the future are identified, and these studies are reviewed periodically.

3. Cash and Cash Equivalents

This item consists of:

	December 31 2022	December 31 2021
	USD	USD
Cash in hand	--	10,619
Cash at banks - New Israeli Shekel (NIS)	257,335	150,583
Cash at banks - Jordanian Dinars (JOD)	75,785	129,005
Cash at banks - US Dollars (USD)	83,049	61,237
Total	**416,169**	**351,444**

4. Accounts Receivable, Net

a. This item consists of:

	December 31 2022	December 31 2021
	USD	USD
Clients receivables	2,104,888	2,212,767
Other receivables	354,217	311,940
	2,459,105	**2,524,707**
Less: provision for expected credit losses - B	(580,410)	(493,825)
Total	**1,878,695**	**2,030,882**

b. The movement on the provision for expected credit losses during 2022 was as follows:

	December 31 2022	December 31 2021
	USD	USD
Balance at the beginning of the year	493,825	423,825
Additions during the year	43,946	70,000
Converted from the provision for expected credit losses on checks	42,639	--
Total	**580,410**	**493,825**

5. **Financial investments at fair value through the income statment**

This item consists of:

	December 31 2022	December 31 2022	December 31 2021
	shares No.	USD	USD
Investments in shares of listed companies			
Palestine real estate investment co.	100,000	53,597	82,993
Tamkeen insurance co.	12,509	28,145	--
Total		**81,742**	**82,993**

6. **Property Inventory**

A. This item consists of:

	December 31 2022	December 31 2021
	USD	USD
Land	2,423,076	2,354,962
Real Estate	240,639	240,639
Total	**2,663,715**	**2,595,601**

B. The movement on the provision for expected credit losses during 2022 was as follows:

	December 31 2022	December 31 2021
	USD	USD
Balance at the beginning of the year	2,595,601	1,367,980
Additions during the year	2,866,887	3,075,459
Diposal during the year	(2,132,207)	(2,110,069)
(Trasferred to) from property inventory	(666,566)	262,231
Balance at the end of the year	**2,663,715**	**2,595,601**

7. Financial investments at fair value through other comprehensive income

This item consists of:

	December 31 2022	December 31 2021
	USD	USD
Investments in shares of quoted companies	39,026	40,760
Investments in shares of unquoted companies*	152,893	90,393
Total	**191,919**	**131,153**

* Investments in shares of unlisted companies were evaluated based on the latest financial statements of the investee companies.

The movement in the fair value reserve as of December 31 2022 and December 31 2021 is as follows:

	December 31 2022	December 31 2021
	USD	USD
Balance at the beginning of the year	(48,584)	(31,874)
Change during the year	(1,734)	(16,710)
Balance at the end of the year	**(50,318)**	**(48,584)**

8. Property Investment

This item consists of:

	December 31 2022	December 31 2021
	USD	USD
Land	3,028,447	4,529,819
Buildings and Real Estate	1,364,430	1,309,278
	4,392,877	**5,839,097**
Allowance for investment property impairment	(742,234)	(742,234)
Accumulated depreciation for building	(53,092)	(46,201)
Net	**3,597,551**	**5,050,662**

- The above real estate investments are shown at cost, as the fair value of these investments according to the market price based on the average price reports of appraisers accredited by the Palestinian Capital Market Authority and independent of the company amounted to USD 7,045,263 as on December 31, 2021. The fair value as on December 31, 2022 amounted to USD 5,732,365.
- Real estate investments include land and real estate in Gaza worth USD 742,234 as of December 31, 2022 and December 31, 2021 still registered in the name of third parties, and the management has reported that its ownership is being transferred to become in the name of the company, noting that a full allocation has been taken to face any future losses that may result from the inability to prove ownership in the name of the company.
- Real estate investments include mortgaged land in favor of a local bank in exchange for Murabaha financing worth USD 1,500,000 in exchange for obtaining credit facilities.

The movement in real property investment is as follows:

	December 31 2022	December 31 2021
	USD	USD
Balance at the beginning of the year	5,839,097	6,920,317
Additions during the year- lands	11,110	526,128
Disposals during the year	(2,123,896)	(1,345,117)
Transferred from (to) Property inventory	666,566	(262,231)
	4,392,877	**5,839,097**
Provision for impairment of property investments	(742,234)	(742,234)
Accumulated depreciation for building	(53,092)	(46,201)
Balance at the end of the year	**3,597,551**	**5,050,662**

9. Property and equipment, Net

This item consists of:

December 31 2022	Furniture & fixtures	Equipment & Computers	Vehicles	Decorations & improvements	Total
Cost	**USD**	**USD**	**USD**	**USD**	**USD**
Balance as of January 1, 2022	14,562	21,242	74,162	58,092	168,058
Additions during the year	14,289	5,077	-	125,647	145,013
Balance is as of December 31, 2022	**28,851**	**26,319**	**74,162**	**183,739**	**313,071**
Accumulated depreciation					
Balance as of January 1, 2022	**6,790**	**15,865**	**15,808**	**47,166**	**85,629**
Depreciation during the year	1,364	1,410	14,833	7,518	25,125
Balance is as of December 31, 2022	**8,154**	**17,275**	**30,641**	**54,684**	**110,754**
Net book value December 31 2022	**20,697**	**9,044**	**43,521**	**129,055**	**202,317**

December 31 2021	Furniture & fixtures	Equipment & Computers	Vehicles	Decorations & improvements	Total
Cost	**USD**	**USD**	**USD**	**USD**	**USD**
Balance is as of January 1, 2021	14,362	20,147	74,162	58,092	166,763
Additions during the year	1,941	1,095	-	-	3,036
Disposals during the year	(1,741)	-	-	-	(1,741)
Balance is as of December 31, 2021	**14,562**	**21,242**	**74,162**	**58,092**	**168,058**
Accumulated depreciation					
Balance is as of January 1, 2021	6,273	13,828	976	41,133	62,210
Additions during the year	1,229	2,037	14,832	6,033	24,131
Disposals during the year	(712)	-	-	-	(712)
Balance as of December 31, 2021	**6,790**	**15,865**	**15,808**	**47,166**	**85,629**
Net book value as of December 31 2021	**7,772**	**5,377**	**58,354**	**10,926**	**82,429**

10. Accounts payable

This item consists of:

	December 31 2022 USD	December 31 2021 USD
Payable to suppliers/contractors and other	341,932	416,526
Total	**341,932**	**416,526**

11. Other current liabilities

This item consists of:

	December 31 2022 USD	December 31 2021 USD
Accrued expenses	4,332	13,732
Due to shareholders from decrease of capital	167,133	167,133
Dividend payable	77,850	77,850
Provision for income tax (*)	40,528	171,960
Provision for project completion - Land	231,778	114,809
Accrued for vacations	18,589	13,989
Rent received in advance	3,382	3,382
Securities and other current liabilities	1,816,308	965,990
Total	**2,359,900**	**1,528,845**

*The company has obtained a final clearance with the Income Tax department until the fiscal year ending December 31, 2015, and for the years ending December 31, 2016 until December 31, 2021, it is under settlement with the tax departments through the tax adviser appointed by the company. The company has also estimate and record a provision for possible taxes for the year 2022 at an amount of USD 195,314 (the amount of USD 170,557 as on December 31, 2021).

12. Bank Loans:

12-1 Bank Loans:

a. This item consists of:

	December 31 2022 USD	December 31 2021 USD
Short-term loans	712,449	405,464
Long-term loans	1,063,987	994,536
Total	**1,776,436**	**1,400,000**

b. During 2021, the company obtained a bank loan from a Palestinian bank with a ceiling of USD 2,000,000, with an interest rate of 5.5% per annum for the purchase of land, the loan is repaid in 36 equal monthly installments.

The used balance of loans as of December 31, 2022 amounted to USD 1,776,436 compared to USD 1,400,000 as of December 31, 2021.

12-2 Murabaha Financing

a. This item consists of:

	December 31 2022 USD	December 31 2021 USD
Short-term Murabaha financing	590,535	652,571
Long-term Murabaha financing	700,783	1,229,283
Total	**1,291,318**	**1,881,854**

b. On September 10, 2019 , the company obtained financing from a local bank with a financial ceiling of JOD 2,127,354 which equals to USD 2,999,570, and at a murabaha rate of 4% for the purchase of real estate, the financing is repaid in monthly installments of 60 installments, and the value of the installment is JOD 35,456 which equals to USD 49,993 with the guarantee of obtaining 10 security checks and depositing checks under collection equal to USD 900,000 and obtaining a first-class mortgage for the bank on a plot of land No. 19 of Ramallah and mortgaging it for the bank in the amount of USD 1,500,000.

c. The exploited and outstanding balance of non-profit financing as of December 31, 2022 amounted to USD 1,291,318 compared to USD 1,881,854 as of December 31, 2021.

13. Provision for employees' end of service indemnity

This item consists of:

	December 31 2022 USD	December 31 2021 USD
Balance at the beginning of the year	85,392	55,863
Addition for the year	11,073	36,350
Paid during the year	(8,106)	(6,821)
Balance at the end of the year	**88,359**	**85,392**

14. Operating profit

This item consists of:

	December 31 2022	December 31 2021
	USD	USD
Revenues from the sale of real estate inventory	2,944,925	3,071,305
Revenues from the sale of real estate investments	3,155,475	2,086,649
Descending: financing discount on sales	(105,332)	(213,393)
Total sales revenue	**5,995,068**	**4,944,561**
Apartment rental income	16,034	13,707
Total sales and rental income	**6,011,102**	**4,958,278**
Deduct: cost of real estate inventory sold – Note (6)	(2,132,207)	(2,110,069)
Deduct: cost of real estate investments sold and other expenses – Note (8)	(2,123,896)	(1,345,117)
Less: other real estate expenses	(27,538)	--
Total cost of inventory and real estate investments sold	**(4,283,641)**	**3,455,186**
Deduct: the cost of rented apartments	(7,911)	(6,284)
Total costs	**(4,291,552)**	**(3,461,470)**
Gross operating profit	**1,719,550**	**1,496,808**

15. Administrative and general expenses

This item consists of:

	December 31 2022	December 31 2021
	USD	USD
Salaries, wages and accessories	297,486	279,395
Provision fo employees'indemnity	11,073	36,350
Stationery and prints	4,870	4,844
Travel and transfers	6,645	7,351
Rentals	3,295	2,579
Mail, Telegram, telephone	5,419	5,157
Car expenses	2,115	1,800
Hospitality	3,847	3,581
Depreciation	25,125	24,131
Professional and consulting fees	7,473	14,825
Board of directors and general body fees	9,570	645
Advertising and advertising	3,505	7,608
Expenses and donations	233	223
Fees and subscriptions	11,497	8,780
Other	8,561	10,258
Balance at the end of the year	**400,714**	**407,527**

16. Related Party Transactions

This item represents transactions with related parties that include the main shareholders, members of the board of directors and senior management of the company. Pricing policies and conditions regarding transactions with related parties are approved by the company's Board of Directors.

As at the end of the period, the amounts requested from / to the related parties were included in the following accounts as follows:

	December 31 2022	December 31 2021
	USD	USD
Receivables	--	12,304
Payables – for the parent company	(588,716)	(582,868)

17. Earning per share attributable to company's shareholders

Earning per share has been calculated on the basis of dividing the profit for the year by the weighted average number of Common-traded shares during the year as follows:

	December 31 2022	December 31 2021
	USD	USD
Profit for the year attributable to the shareholders (USD)	865,980	851,527
Weightd average number of shares (shares)	7,757,405	7,757,405
Earning per share attributable to te company's shareholders (USD)	**%11.16**	**%10.97**

18. Financial instruments

Fair value measurement

The fair value of financial assets and liabilities is determined as follows:

- The fair value of financial assets and liabilities linked to certain conditions is determined and traded in active financial markets based on the market trading prices at the close of business on the date of the statement of financial position.

- The fair value of other financial assets and liabilities is determined according to the generally accepted pricing models based on cash flow analysis using the current prices applied in the movements of financial markets for similar financial instruments.

The fair value of the company's financial assets, which are measured at fair value repeatedly:
The following table shows the analysis of financial instruments that are subsequently measured on the initial measurement at fair value, divided into three levels from 1 to 3 based on the possibility of measuring fair value:

- Level I: fair value measurements derived from the listed (unadjusted) prices in active markets for identical assets and liabilities.

- Level II: fair value measurements derived from inputs other than the listed prices that are included in the first level, which can be observed for assets and liabilities either directly (for example, prices) or indirectly (derived from prices).

Level III: fair value measurements derived from" valuation methods " that include inputs to assets or liabilities that are not based on observable market data (unobserved inputs).

	December 31 2022 USD	December 31 2021 USD	Fair value Level	Valuation method and Inputs	Intangible Inputs	Relationship between Intangible Inputs and Fair value
Financial Investments through OCI:						
Investments in quoted companies	39,026	40,760	Level 1	Quoted market prices In an active	Not applicable	Not applicable
Investments in unquoted companies	152,893	90,393	Level 3	Net assets	Net assets amount	The higher the asset value of the investee company the higher the fair value
Total	**191,919**	**131,153**				
Financial Investments through P&L:						
Investments in quoted companies	81,742	82,993	Level 1	Quoted market prices in an active market	Not applicable	Not applicable
Total	**273,661**	**214,146**				

There were no transfers between levels during the period. There are no financial liabilities that need to be measured at fair value and therefore no explanations have been included in the table above. There have been no changes to the fair value listed under Level 3.

Liquidity risks

The ultimate responsibility with regard to liquidity risk management rests with the board of Directors of the company, which has established an appropriate framework for liquidity risk management, in order to manage operations related to short -, medium-and long-term financing and liquidity management requirements of the company. The company's Management manages liquidity risk by maintaining appropriate reserves and through continuously monitoring of expected and actual cash flows and comparing the maturity of financial assets and liabilities. The contractual maturity of financial instruments is determined based on the remaining maturity period of the financial instrument from the date of the financial statements. The company's management monitors the maturity of financial instruments in order to ensure the availability of the necessary liquidity in the company.

Credit risk

Financial instruments that can expose the company to a concentration of credit risks consist mainly of accounts receivable from customers of the company and are caused by the default or inability of the other party to fulfill its obligations to the company, which leads to losses. The company works on credit risk management by setting financial ceilings for the amounts of indebtedness of customers (individuals or companies) and monitors credit risk by assessing the financial situation of customers.

Foreign exchange rate risks

There is no significant risk for the company related to changing foreign currency rates as the majority of financial assets and liabilities are registered in Jordanian Dinar or US Dollar, as the exchange rate of Jordanian Dinar is fixed against that currency.

Market price risks

The company is exposed to market price risks related to trading financial assets and financial assets available for sale. The company evaluates the market value and other factors, including the natural change in the listed share price of the traded shares in order to manage market risks.

19. Legal Cases against the Company

There is one issue filed against the company by third parties at an amount of USD 13,422 as of December 31 2022 and December 31 2021. In the opinion of the company's legal adviser, the company will not incur any amounts for this case, and therefore no provision has been made in these financial statements, as the company's management does not consider that there is any potential loss, in addition to the value of legal cases by the company against third parties at an amount of USD 453,253 as of December 31, 2022.

20. Going concern

The company has conducted an assessment of its ability to continue as a going concern in the current economic conditions using all available information about future risks and uncertainties. Forecasts have been prepared that address the future performance of the company, Capital and liquidity. The information indicates that the company has sufficient resources, as well as that its position regarding continuity has not been significantly affected and has not changed materially to continue operating its business since the beginning of the fiscal year. As a result, these financial statements have been prepared in accordance with the principle of continuity. The company's management also concluded that there is no need to make material adjustments to liabilities, assets or business results within these financial statements for the year ended December 31, 2022. The company's management also studied the exceptional circumstances that could have a material impact on the company's business and the company's exposure risks and concluded that the main effects on the company's profitability and liquidity are as follows:

* Possibility of recovering account receivable and balances.
* Unavailability of employees and interruption of the company's operational activities.
* Decrease in total sales.

Management has concluded that there is no significant impact on the profitability of the company as at the date of the attached financial statements.

21. Comparative figures

Some comparative figures have been reclassified to match the classification adopted for the current period.