

**AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**

**AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2025
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS

AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS

PUBLIC SHAREHOLDING COMPANY

AMMAN, JORDAN

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS - PUBLIC SHAREHOLDING COMPANY**, which comprise the statement of financial position as at 31 December 2025, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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, 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

The total Operating revenue is JD 146,940 for the year ended 31 December 2025, Operating revenue is an important determinant of the company's profitability in addition, there is a risk of improper rental property recognition, particularly with regard to revenue recognition at the cut-off date.

Scope of Audit to Address Risks

Our audit procedures included evaluating the company's revenue recognition accounting policies and assessing compliance with the policies in terms of international financial reporting standards (IFRSs). We tested the company's controls over rental property revenue recognition and key controls in the revenue cycle. We also selected a representative sample and tested premiums written at either side of the rental property revenue cutoff date.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)**TO THE SHAREHOLDERS****AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS****PUBLIC SHAREHOLDING COMPANY****31 DECEMBER 2025****AMMAN, JORDAN****Investment Properties and projects under construction**

Investment properties and projects under construction represent 73% of the Company's' assets. Moreover, the Company should re-evaluate its properties and projects when preparing the financial statements to determine their fair value, in line with the requirements of the International Financial Reporting Standards. Accordingly, the company relies on three independent real estate experts to determine the fair value of those investments and projects .The estimations did not result in any justification for recognizing an impairment in value. Therefore, investments and projects are considered important for our audit.

Scope of Audit to Address Risks

The audit procedures followed included an understanding of the company's procedures for evaluating Investment Properties and projects under construction, reviewing these evaluations, relying on assessments from three independent real estate experts, calculating the fair value of these investments and projects, and recording any impairments in their value (if applicable). Additionally, we reviewed the adequacy of disclosures related to the fair value of Investment Properties and projects.

Other Information

Management is responsible for the other information. The other information comprises of the information stated in the Annual Report and does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the financial statements. If based on our work, we conclude that there are material errors in this other information, we are required to report that fact. In this context, there are no matters that require reporting.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)**TO THE SHAREHOLDERS****AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS****PUBLIC SHAREHOLDING COMPANY****31 DECEMBER 2025****AMMAN, JORDAN****Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit and we remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS
AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
31 DECEMBER 2025
AMMAN, JORDAN

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any material deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The **AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS** company maintains proper accounting records, duly organized and in line with the accompanying financial statements, and we recommend that they be approved by the General Assembly shareholders.

Methaq consulting & auditing

Ali Atieh

License 895



Amman – Jordan

21 January 2026

AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN

Statement of financial position
as at 31 December 2025

	<u>Note</u>	<u>31 December 2025 JD</u>	<u>31 December 2024 JD</u>
<u>Assets</u>			
<u>Non-current assets</u>			
Property, plant and equipment	6	88,260	92,751
Investments properties	7	315,978	524,967
Projects under construction	8	1,257,864	1,239,435
Financial assets at fair value through other comprehensive Income	9	482,350	161,671
Total Non-current assets		<u>2,144,452</u>	<u>2,018,824</u>
<u>Current assets</u>			
Other debit balances	10	8,682	8,895
Accounts receivable	11	6,456	95,879
Short-term checks under collection		-	5,258
Cash and cash equivalents	12	8,043	14,092
Total current assets		<u>23,181</u>	<u>124,124</u>
Total Assets		<u>2,167,633</u>	<u>2,142,948</u>
<u>Shareholders' equity and Liabilities</u>			
<u>Shareholders' equity</u>			
	13		
Authorized and paid-up capital		1,200,000	1,200,000
Statutory reserve		933,314	933,314
Voluntary reserve		80,057	80,057
Cumulative change in the fair value of financial assets		30,827	(176,825)
Accumulated losses / Retained earnings		(130,496)	4,896
Total Shareholders' equity		<u>2,113,702</u>	<u>2,041,442</u>
<u>Liabilities</u>			
<u>Current liabilities</u>			
Accounts payable		13,206	19,061
Other credit balances	14	40,725	76,138
Income tax and national contribution	15	-	6,307
Total Current liabilities		<u>53,931</u>	<u>101,506</u>
Total Shareholders' equity and Liabilities		<u>2,167,633</u>	<u>2,142,948</u>

The Accompanying Notes from 1 to 20 are an Integral Part of This Statement

AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
(PUBLIC LIMITED SHAREHOLDING COMPANY)
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Statement of comprehensive income
for the year ended 31 December 2025

	<u>Note</u>	<u>31 December 2025</u> JD	<u>31 December 2024</u> JD
Operating revenue		146,940	123,195
Operating expenses	16	(21,861)	(20,857)
Gross profit		125,079	102,338
Other Revenues		6,045	-
Dividends		4,079	-
Administrative Expenses	17	(79,966)	(107,297)
Administrative depreciation		(5,910)	(5,886)
Expected credit losses provision		-	(40,000)
Provisions no longer required		-	8,417
Losses on sale of investment properties		(30,240)	-
Gains on disposal of investment properties		-	82,909
Net profit before tax for the year		19,087	40,481
Income tax and national contribution for the year	15	-	(6,307)
Total comprehensive income for the year		19,087	34,174
<u>Other comprehensive income items:</u>			
Change in fair value for financial assets		207,652	8,925
Realised losses on sale of financial assets		(154,479)	-
Total other comprehensive income for the year		72,260	43,099
Basic and diluted income per share for the year	18	0.016	0.028

The Accompanying Notes from 1 to 20 are an Integral Part of This Statement

AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
(PUBLIC LIMITED SHAREHOLDING COMPANY)
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Statement of changes in equity
for the year ended 31 December 2025

	Paid -Up capital	Statutory reserve	Voluntary reserve	Cumulative change in fair value	Accumulated losses / Retained earnings	Total
	JD	JD	JD	JD	JD	JD
<u>At 31 December 2025</u>						
Balance at 1 January 2025	1,200,000	933,314	80,057	(176,825)	4,896	2,041,442
Comprehensive income for the year	-	-	-	-	19,087	19,087
Change in fair value for financial assets	-	-	-	207,652	-	207,652
Realised losses on sale of financial assets	-	-	-	-	(154,479)	(154,479)
Balance as at 31 December 2025	1,200,000	933,314	80,057	30,827	(130,496)	2,113,702
<u>At 31 December 2024</u>						
Balance at 1 January 2024	1,200,000	933,314	71,961	(185,750)	(21,182)	1,998,343
Comprehensive income for the year	-	-	-	-	34,174	34,174
Change in fair value for financial assets	-	-	-	8,925	-	8,925
Transferred to reserves	-	-	8,096	-	(8,096)	-
Balance as at 31 December 2024	1,200,000	933,314	80,057	(176,825)	4,896	2,041,442

According to the instructions of the regulatory authorities, it is prohibited to dispose of the accumulated change in fair value for financial assets, including capitalization, distribution, amortization of losses, or any other aspect of disposal, except to the extent that it is actually achieved through sales operations, and the debit balance is also excluded from the distributable profits based on the instructions of the Jordan Securities Commission.

The Accompanying Notes from 1 to 20 are an Integral Part of This Statement

AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
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Statement of cash flows
for the year ended 31 December 2025

	31 December 2025	31 December 2024
	JD	JD
<u>Operating activities</u>		
Net profit before tax	19,087	40,481
<u>Adjustments:</u>		
Depreciation	24,660	24,636
Financing expenses	118	112
Losses on sale of investment properties	30,240	-
Expected credit losses provision	-	40,000
Cash Flows from Operations before Changes in Working Capital	74,105	105,229
Other debit balances	213	31,560
Accounts receivable	89,423	(119,261)
Checks under collection	5,258	(5,258)
Accounts payable	(5,855)	17,776
Unearned revenue	-	(2,632)
Other credit balances	(35,413)	11,209
Net cash flows from operating activities before tax	127,731	38,623
Income tax paid	(6,307)	(210)
Net cash flows from operating activities	121,424	38,413
<u>Investing activities</u>		
Projects under construction	(18,429)	(17,570)
Financial assets at fair value through other comprehensive Income	(267,506)	(12,342)
Proceeds from sale of investment properties	160,000	-
Purchase of Property, plant and equipment	(1,420)	(438)
Net cash flows from investing activities	(127,355)	(30,350)
<u>Financing activities</u>		
Paid financing expenses	(118)	(112)
Net cash flows from financing activities	(118)	(112)
Net (Decrease) Increase in Cash	(6,049)	7,951
Cash and Cash Equivalents at beginning of the year	14,092	6,141
Cash and Cash Equivalents at the end of the year	8,043	14,092

The Accompanying Notes from 1 to 20 are an Integral Part of This Statement

**AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN**

**Notes forming part of the financial statements
for the year ended 31 December 2025**

1) General

The company was established as a public shareholding company and registered with the Ministry of Industry and Trade under No. (87) On 16 June 1974 with an authorized and paid-up capital of 1,200,000 JD.

Objectives of the company:

- Investment in real estate and lands through purchase, sell, invest, develop, maintain, renovate and modernize real estate and lands.
- Construction of housing projects and reconstruction of all types and purposes thereof either residential, commercial, industrial and investment.
- Investment in all economic fields, whether financial, industrial, real estate, tourism, commercial, agricultural or service industries, through the establishment of investment projects

The company's shares are listed on the Amman Stock Exchange.

The financial statements were approved by the Board of Directors of the company at its meeting on 13 January 2026 and are subject to the approval of the General Assembly of Shareholders.

2) Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statement are presented in JD, which is also the company's' functional currency. Amounts are rounded to the nearest JD, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) as adopted by the Jordanian laws.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company's accounting policies.

Basis of measurement:

The financial statements have been prepared according to the historical cost principle.

**AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
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AMMAN – JORDAN**

**Notes forming part of the financial statements
for the year ended 31 December 2025**

Significant accounting policies

The accounting policies adopted in preparing the interim condensed financial statements are consistent with those applied in the year ended 31 December 2024 except for the effect of the adoption of the new and revised standards which are applied on or after 1 January of 2025 as follow:

New Amendments to Standards

The following amended standards have been applied by the Company in the preparation of these financial statements. The application of the amendments below did not result in any changes to the Company's previously reported profit or shareholders' equity; however, they may result in additional disclosures at year-end.

Standard	Effective from
Lack of Exchangeability (Amendments to IAS 21)	January 2025

The application of the above standard did not have any material impact on the Company's financial statements.

Standards and Amendments Issued but Not Yet Effective

Standards	Effective from
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 2026
Annual Improvements to IFRS Standards – Volume 11	January 2026
Nature-dependent Electricity Contracts (Amendments to IFRS 9 and IFRS 7)	January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 2027
IFRS 19 – Subsidiaries without Public Accountability – Disclosures	January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Not yet determined

The Company is currently assessing the impact of these standards and amendments and will apply them when they become effective.

AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
(PUBLIC LIMITED SHAREHOLDING COMPANY)
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Notes forming part of the financial statements
for the year ended 31 December 2025

3) Significant accounting policies

Property, plant and equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in its value, moreover Property and Equipment (except for land) are depreciated according to the straight-line method over the estimated useful life when ready for use of these assets using the rates:

Furniture and decorations	9%
Devices and electrical equipment	10 - 50%
vehicles	10%
Air conditions	10%

When the carrying amount of property and equipment exceeds their recoverable value, assets are written down and impairment loss is recorded in the income statement.

The useful life of property and equipment are reviewed at the end of each year, in case the expected useful life is different from what was determined before the change in estimate is recorded in the following years being a change in estimates.

Property and equipment are derecognized when disposed or when there is no expected future benefit from their use

Projects under construction

Projects under construction are represented at cost and include the development cost and direct expenses. Projects are not depreciated unless the related assets are ready for use.

Investment Properties

Investment properties are stated at cost net of accumulated depreciation and any impairment in their value and are disclosed their fair value. Furthermore, these Investments are depreciated (except for land) based on their useful life at an annual rate using the rates:

Buildings	2%
Elevator	10%

The exclusion of Investment Properties occurs when they are disposed of or no longer in use, with no expected future benefits. Profits or losses resulting from the exclusion are recorded in the comprehensive income statement during the period of exclusion.

Investment Properties are only reclassified when their use changes, either by the owner vacating them, leasing to another party, or completing construction or renovation. Reclassification from Investment Properties occurs exclusively when there is a change in use, such as occupation by the owner or initiation of renovations as a prelude to selling.

Financial Assets at Fair Value through Comprehensive Income

These financial assets represent the investments in equity instruments held for the long term.

These financial assets are recognized at fair value plus transaction costs at purchase date and are subsequently measured at fair value in the statement of comprehensive income and within owner's equity including the changes in fair value resulting from translation of non-monetary assets stated in foreign currency. Gain or loss from the sale of these investments or part of them should be recognized in the statement of comprehensive income and within owner's equity and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings not to the statement of comprehensive income.

Dividends are recorded in the statement of comprehensive income as a separate item.

**AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
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AMMAN – JORDAN**

**Notes forming part of the financial statements
for the year ended 31 December 2025**

Recognition of Financial Assets Date

Purchases and sales of financial assets are recognized on the trading date (which is the date on which the Company commits itself to purchase or sell the asset).

Assets held for sale

Assets held for sale are measured at the lower of cost and net realizable value.

Assets held for sale costs comprise all costs of conversion and Other costs incurred for land holding and construction by the company.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Accounts Receivable

Accounts receivable are stated at cost after deducting a provision for expected credit loss.

Uncollectible receivables are written off when they cannot be recovered, deducting them from the allocated provision. The amount collected from the written-off receivables is then added to revenues.

Cash and cash equivalents

Cash and its equivalents represent cash on hand, at banks, and deposits at banks with specific maturities not exceeding three months, devoid of value change risks.

Loans

Loans are initially recognized at fair value, and direct costs related to the loans are subsequently deducted. They are then recorded at amortized cost using the effective interest method.

Trade payables and Accruals

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Provisions

Provisions are recognized when the company has an obligation as of the date of the financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.

For example under an insurance contract the reimbursement is recognized as a separate asset only when the reimbursement is certain and the expense associated with this provision is shown in the income statement net of reimbursement.

Provisions are reviewed on the date of the financial statements and their value is adjusted based on the latest information available to the company.

Offsetting

Financial assets and financial liabilities are offset, the net amount is presented in the statement of financial position only when there is a legal right to offset the recognized amounts, and the company intends to either settle them on a net basis or to realize the assets and settle the liabilities simultaneously

AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
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Notes forming part of the financial statements
for the year ended 31 December 2025

Revenue recognition and Expense realization

Revenue is recognized when it becomes probable that economic benefits will flow to the company as a result of a reliable measurable exchange transaction and when the revenue can be measured reliably. Revenue is recorded at the fair value of amounts received, excluding discounts and sales returns.

Sales revenue is recognized when the ownership risks of the goods substantially transfer to the buyer. Interest revenue is recognized when it is due, using the effective interest method.

Other revenues are recognized based on the accrual basis. Expenses are recognized on an accrual basis

Impairment of non-financial assets

The non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the impairment is recorded in the statement of profit or loss and statement of other comprehensive income.

Foreign currency

The company records transactions conducted in currencies other than its functional currency (Jordanian Dinar), which is the primary economic environment in which the company operates, using the prevailing exchange rates at the date of those transactions. Cash and receivables are translated using the exchange rates prevailing at the date of the financial statements' preparation, and gains and losses from currency differences are directly recognized in the income statement.

Non-cash assets fixed at historical cost are translated using the prevailing rates at the date of those transactions. However, non-cash items fixed at fair value are translated using the prevailing rates at the valuation date, and gains and losses from the revaluation are recognized as part of that fair value.

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity.

The Company accounting policy for each category is as follows:

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognized within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

**AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
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**Notes forming part of the financial statements
for the year ended 31 December 2025**

Financial liabilities

The Company classifies its financial liabilities depending on the purpose for which the liability was acquired.

The Company accounting policy for each category is as follows:

Other financial liabilities :

Trade and other credit balances

Trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The company classifies its common stocks as equity instruments.

Employee benefits

The Company's contribution to a defined employee benefit plan is recognized in the statement of profit or loss and other comprehensive income in the year to which it relates.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the company (an "operating lease"), the total rental payable under the lease are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Inventory

Inventory are shown at cost according to the weighted average method

4) Financial instruments - risk management

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

(i) Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalent
- Trade and other receivables
- Trade and other payables

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Notes forming part of the financial statements
for the year ended 31 December 2025

(ii) Financial instruments not measured at fair value

A financial instrument not measured at fair value includes cash and cash equivalents, trade and other receivables and trade and other payables and loan.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

The company's management bears the responsibility for defining and implementing risk management objectives and policies. The overall goal is to establish policies that lead to minimizing risks to the greatest extent possible without impacting the company's flexibility and competitive capability. Here are more details about these policies:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales, the company sell the customers with creditworthiness history on the other hand new customers are analyzed for creditworthiness before the company's standard payment and delivery terms and conditions are offered.

Creditworthiness and delivery terms are giving through authorized matrix started from the General Manager and the Group's management.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, The Company deals with banks with an acceptable credit rating.

Market risk

Market risk arises from the Company use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

The Company is not exposed to any of the market risks in the previous paragraph due to not holding any instrument with variable interest rate, no amounts are expected to be settled in foreign currencies and the Company does not hold any equity investments in other companies.

Liquidity risk

Liquidity risk arises from the Company management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The table below summarizes the distribution of liabilities (undiscounted) based on the remaining contractual maturity period as at the date of the financial statements:

	2025		2024	
	Short-term	Long-term	Short-term	Long-term
	JD	JD	JD	JD
Shareholders deposits	33,629	-	33,959	-
Other credit balances	7,096	-	42,179	-
Accounts payable	13,206	-	19,061	-
Income tax and national contribution provision	-	-	6,307	-
Total	53,931	-	101,506	-

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Capital Disclosures

The Company monitors "adjusted capital" which comprises all components of equity (capital and Accumulated losses).

The Company's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of return capital to shareholders, issue new shares, or sell assets to reduce debt.

Income Taxes and national contribution

Income tax expenses represent current and deferred taxes for the year.

Income tax expense is measured based on taxable income. Taxable income differs from income reported in the financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by tax authorities and items not accepted for tax purposes or subject to tax.

Taxes are calculated based on the enacted tax rates according to the prevailing laws, regulations and instructions of The Hashemite Kingdom of Jordan.

Deferred taxes are Taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and their respective tax basis. Deferred taxes are calculated based on the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognize.

During the year ending December 31, 2018, the amended Income Tax Law No. (38) of 2018 was issued (date of implementation January 1, 2019). The amended law changed the corporate income tax rate in addition to calculating the national contribution for the purpose of repaying the national debt, as the national contribution rates in the amended law were determined on a sector basis.

5) Critical accounting estimates and judgments

The Company makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property and equipment

The Company reviewed the estimated useful life of property and equipment and depreciation method to verify that it's reflects the used economic benefits and in case there is a difference it will be treated as changes in estimates (in the year of change and subsequent years).

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Legal proceedings

The Company reviews outstanding legal cases through following the developments of the legal procedures at each reporting date, in order to assess the need of provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Company management as to how it will respond.

Income tax

The Company is subject to income tax and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due.

6) Property, plant and equipment

	Land	Furniture	Vehicles	Office equipment	Air conditions	Decoration	Total
	JD	JD	JD	JD	JD	JD	JD
<u>Cost</u>							
Balance at 1 January 2025	65,415	5,521	30,700	16,300	4,940	41,609	164,485
Additions	-	-	-	580	840	-	1,420
Balance at 31 December 2025	65,415	5,521	30,700	16,880	5,780	41,609	165,905
<u>Accumulated Depreciation</u>							
Balance at 1 January 2025	-	5,256	10,745	12,234	4,491	39,008	71,734
Depreciations	-	28	3,070	658	74	2,081	5,911
Balance at 31 December 2025	-	5,284	13,815	12,892	4,565	41,089	77,645
<u>Net Book Value</u>							
As at 31 December 2025	65,415	237	16,885	3,988	1,215	520	88,260
As at 31 December 2024	65,415	265	19,955	4,066	449	2,601	92,751

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7) Investments properties

	Land	Building	Residential Building*	Electrical Work	Elevator	Warehouses **	Total
	JD	JD	JD	JD	JD	JD	JD
<u>Cost</u>							
Balance at 1 January 2025	96,039	534,511	315,030	4,859	14,973	78,172	1,043,584
Disposals	-	-	(216,182)	-	-	-	(216,182)
Balance at 31 December 2025	96,039	534,511	98,848	4,859	14,973	78,172	827,402
<u>Accumulated Depreciation</u>							
Balance at 1 January 2025	-	460,740	31,503	4,859	14,047	7,468	518,617
Depreciations	-	10,690	6,301	-	195	1,563	18,749
Disposals	-	-	(25,942)	-	-	-	(25,942)
Balance at 31 December 2025	-	471,430	11,862	4,859	14,242	9,031	511,424
<u>Net Book Value</u>							
AS at 31 December 2025	96,039	63,081	86,986	-	731	69,141	315,978
As at 31 December 2024	96,039	73,771	283,527	-	926	70,704	524,967

Investment properties represent the cost of the commercial complex located on plot no. (1456), with a total building area of 3,720 m². The Board of Directors had previously issued Resolution No. 43 in its Session No. 105, and the General Assembly, in its annual meeting held on 15 March 2009, approved the sale of the warehouses and offices of the company's building located in Jabal Al-Hussein, with a total area sold to date of 711 m².

* This item represents six ready-to-sell apartments that have been converted into investment properties for leasing purposes. The Board of Directors, in its Session No. 9/2025 dated 30 November 2025, and the Extraordinary General Assembly, in its meeting dated 27 July 2025, approved the sale of four residential apartments: three on the third floor with areas of 121, 125, and 146 m², and one on the second floor with an area of 146 m². These apartments were sold for a total minimum amount of JD 160,000.

** This item represents two ready-to-lease showrooms that have been converted into investment properties for leasing purposes.

✚ The fair value of the investment properties amounted to JD 2,096,830, based on the average valuation of two independent real estate experts.

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8) Projects under construction

	Plot of land No. (1168) *	Construction works	Works and expenses	Capitalized financing expenses	Total
	JD	JD	JD	JD	JD
Balance at 1 January 2025	444,257	630,595	115,340	49,243	1,239,435
Additions	-	-	18,429	-	18,429
Balance at 31 December 2025	444,257	630,595	133,769	49,243	1,257,864

*Land plot number (1168) with an area of (1854) square meters has been selected. The Board of Directors has made a decision to initiate a project on this plot, where most of the construction works for a commercial project have been completed during this year, along with the signing of some leasing contracts.

✚ The fair value of projects under construction amounted to JD 1,742,890 based on the average assessment of two independent real estate experts.

9) Financial assets at fair value through other comprehensive Income

	31 December 2025 JD	31 December 2024 JD
Quoted financial assets	482,350	161,671
Total	482,350	161,671

10) Other debit balances

	31 December 2025 JD	31 December 2024 JD
Refundable deposit	6,075	6,075
Prepaid expenses	2,607	637
Income tax	-	2,183
Total	8,682	8,895

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11) Accounts receivable

	31 December 2025	31 December 2024
	JD	JD
Accounts receivable	195,609	285,032
Total	195,609	285,032
Expected credit loss	(189,153)	(189,153)
Net	6,456	95,879

The movement on the provision for expected credit losses is as follows:

	31 December 2025	31 December 2024
	JD	JD
Balance at the beginning of the year	(189,153)	(149,153)
Expected credit losses provision	-	(40,000)
Balance at the end of the year	(189,153)	(189,153)

12) Cash and cash equivalents

	31 December 2025	31 December 2024
	JD	JD
Cash at banks	7,956	13,893
Cash on hand	87	199
Total	8,043	14,092

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13) Shareholders' Equity

Capital

The authorized capital and paid-in capital of the company is JD 1 200 000 divided into 1 200 000 shares at JD 1 per share.

Statutory reserve

Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals 25% of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution.

The General Authority may, after depletion the other reserves, decide at an extraordinary meeting to resolve the accumulated losses from the amounts collected in the Statutory reserve account, provided that they are rebuilt in accordance with the provisions of the Law.

The company's Board of Directors has decided to cease the mandatory reserve deduction as it has reached a quarter of the capital.

Voluntary reserve

This account represents cumulative appropriations not exceeding %20 of the annual profit before taxation per year. This reserve is available for distribution to shareholders. Voluntary reserve is utilized for purposes determined by the Board of Directors, and the General Assembly has the right to distribute it in full or in part as dividends to the shareholders.

14) Other credit balances

	31 December 2025	31 December 2024
	JD	JD
Shareholders deposits	33,629	33,959
Other	6,161	26,735
Accrued expenses	439	14,862
Social Security	358	414
Income tax	138	168
Total	40,725	76,138

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15) Income Tax and national contribution

	31 December 2025	31 December 2024
	JD	JD
Balance at beginning of the year	6,307	210
Income tax paid	(6,307)	(210)
Income tax and national contribution expense for the year	-	6,307
Balance at ending of the year	-	6,307

A summary of the reconciliation between the financial statement's income and the taxable income and the calculation of the income tax and national contribution expense for the year:

	31 December 2025	31 December 2024
	JD	JD
Net profit	19,087	40,481
Non-deductible expenses	11,239	11,172
Realised losses on sale of financial assets	(154,479)	-
Expected credit losses provision	-	40,000
Taxable income	-	91,653
Income tax rate	20%	20%
Income tax expense for the year	-	16,647
Property tax paid	(11,239)	(11,172)
Income tax for the year	-	5,475
National contribution rate	1%	1%
Income tax for the year	-	832

16) Operating expenses

	31 December 2025	31 December 2024
	JD	JD
Depreciation of investment properties	18,749	18,750
Maintenance	3,112	2,107
Total	21,861	20,857

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17) Administrative Expenses

	31 December 2025 JD	31 December 2024 JD
Salaries, wages and other benefits	46,373	50,071
Subscriptions and fees	18,364	19,461
professional fees	3,550	14,213
Vehicle gas and maintenance	2,671	2,721
Electricity and water	2,231	2,201
Legal expenses	1,451	2,914
Hospitality	1,397	1,437
Board of Director's transportation allowances	1,250	880
Board of Directors' remuneration	900	-
Postage, telecommunication, and internet	798	812
Advertising	357	1,962
Expenses of completed projects	299	10,095
Stationery and printing	135	196
Bank commissions	118	112
Transportation	72	222
Total	79,966	107,297
<u>Executive administration benefits</u>		
Salaries and other benefits	16,320	33,197

18) Basic and diluted income per share for the year

	31 December 2025 JD	31 December 2024 JD
Profit for the year	19,087	34,174
Weighted average number of outstanding shares	1,200,000	1,200,000
Earnings per Share for the Period (Basic & Diluted)	0.016	0.028

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19) Legal status

The company has claims against third parties in other cases that are still pending before the Jordanian courts, amounting to JOD 61,850.

20) Income tax

The prevailing corporate income tax rate for the company's operations in Jordan is 20%, plus a 1% national contribution.

A final settlement has been reached with the Income and Sales Tax Department up to the end of 2024, and the tax return has been accepted. Except for the year 2023, all tax returns have been filed within the statutory deadlines. The Income and Sales Tax Department has not completed the assessment procedures for 2023, and no liabilities have arisen as of the date of the latest tax return for that year. There is no impact on the application of International Accounting Standard (IAS) 12. Furthermore, the company's revenues are not subject to the provisions of the General Sales Tax Law.